



(Registration No. 200201024235 (591898-H))

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income For the first quarter ended 30 June 2021

| Group | Individual Quarter ended | | Cumulative Quarter ended | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Unaudited 30 Jun 2021 RM'000 | Unaudited 30 Jun 2020 RM'000 | Unaudited 30 Jun 2021 RM'000 | Unaudited 30 Jun 2020 RM'000 |
| Revenue | 7,318 | 9,225 | 7,318 | 9,225 |
| Material cost | (761) | (2,245) | (761) | (2,245) |
| Depreciation and amortization | (1,980) | (1,808) | (1,980) | (1,808) |
| Employee benefits expenses | (7,229) | (5,583) | (7,229) | (5,583) |
| Other operating expenses | (573) | (448) | (573) | (448) |
| Interest expenses | (87) | (221) | (87) | (221) |
| Interest income | 51 | 24 | 51 | 24 |
| Other income | 73 | 1,516 | 73 | 1,516 |
| Share of results of associates | 161 | 76 | 161 | 76 |
| (Loss)/Profit before taxation | (3,027) | 536 | (3,027) | 536 |
| Tax expense | - | - | - | - |
| Net Loss for the period | (3,027) | 536 | (3,027) | 536 |
| Other comprehensive income: | | | | |
| Exchange differences on translating foreign operations | 157 | 353 | 157 | 353 |
| Total Comprehensive Income | (2,870) | 889 | (2,870) | 889 |
| Net Loss attributable to: | | | | |
| Equity Holders of Company | (2,952) | 650 | (2,952) | 650 |
| Non-controlling interest | (74) | (114) | (74) | (114) |
| | (3,026) | 536 | (3,026) | 536 |
| Total comprehensive income attributable to: | | | | |
| Equity Holders of Company | (2,794) | 1,007 | (2,794) | 1,007 |
| Non-controlling interest | (76) | (118) | (76) | (118) |
| | (2,870) | 889 | (2,870) | 889 |
| Loss per ordinary share (sen): | | | | |
| - Basic | (0.25) | 0.08 | (0.25) | 0.08 |
| - Diluted | - | 0.03 | - | 0.03 |

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Financial Position

| Group | Unaudited 30 Jun 2021 RM'000 | Audited 31 Mar 2021 RM'000 |
|-------------------------------------|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 969 | 1,062 |
| Right-of-Use assets | 559 | 1,021 |
| Intangible assets | 30,882 | 30,194 |
| Goodwill on consolidation | 256 | 256 |
| Investment in associates | 568 | 405 |
| | 33,234 | 32,938 |
| Current assets | | |
| Contract assets | 24,416 | 24,640 |
| Trade and other receivables | 8,856 | 8,359 |
| Tax recoverable | 3 | 3 |
| Cash and cash equivalents | 16,741 | 20,096 |
| | 50,016 | 53,097 |
| TOTAL ASSETS | 83,250 | 86,035 |
| EQUITY & LIABILITIES | | |
| Equity and reserves | | |
| Shares Capital | 113,905 | 113,062 |
| Reserves | (48,262) | (45,413) |
| | 65,643 | 67,649 |
| Non-Controlling Interest | (471) | (395) |
| Total Equity | 65,172 | 67,254 |
| Non-current liabilities | | |
| Lease liabilities | - | 33 |
| | - | 33 |
| Current liabilities | | |
| Contract liabilities | 4,090 | 3,836 |
| Trade and other payables | 6,282 | 6,778 |
| Borrowings | 7,105 | 7,082 |
| Lease liabilities | 601 | 1,052 |
| | 18,078 | 18,748 |
| Total liabilities | 18,078 | 18,781 |
| TOTAL EQUITY AND LIABILITIES | 83,250 | 86,035 |
| Net assets per share (RM) | 0.0530 | 0.0597 |

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2021
(Unaudited)

| Group | Share Capital | Preference Share | Equity Compensation Reserves | Translation Reserves | Accumulated Loss | Total | Non-Controlling Interest | Total |
|---|----------------------|-------------------------|-------------------------------------|-----------------------------|-------------------------|---------------|---------------------------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 Apr 2021 | 102,913 | 10,149 | 2,097 | 10,268 | (57,777) | 67,650 | (395) | 67,254 |
| Loss for the period | - | - | - | - | (2,952) | (2,952) | (74) | (3,026) |
| Foreign Currency Translation | - | - | - | 158 | - | 158 | (1) | 157 |
| Issuance of ordinary shares | | | | | | | | |
| - Exercise of ICPS conversion | 240 | (240) | - | - | - | - | - | - |
| - Additional price paid for ICPS conversion | 721 | - | - | - | - | 721 | - | 721 |
| - Exercise of ESOS | 122 | - | (56) | - | - | 66 | - | 66 |
| At 30 Jun 2021 | 103,996 | 9,909 | 2,041 | 10,426 | (60,729) | 65,643 | (471) | 65,172 |
| At 1 Apr 2020 | 87,619 | 13,976 | 2,235 | 9,887 | (48,146) | 65,571 | 458 | 66,029 |
| Profit for the period | - | - | - | - | 650 | 650 | (114) | 536 |
| Foreign Currency Translation | - | - | - | 348 | - | 348 | 5 | 353 |
| ESOS lapsed | - | - | (138) | - | 138 | - | - | - |
| Issuance of ordinary shares | | | | | | | | |
| - Exercise of ICPS conversion | 1,109 | (1,109) | - | - | - | - | - | - |
| - Additional price paid for ICPS conversion | 3,317 | - | - | - | - | 3,317 | - | 3,317 |
| At 30 Jun 2020 | 92,045 | 12,867 | 2,097 | 10,235 | (47,358) | 69,886 | 349 | 70,235 |

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Cash Flow Statements

For the period ended 30 June 2021

(Unaudited)

| Group | Year To Date ended | Year To Date Ended |
|---|-----------------------|-----------------------|
| | 30 Jun 2021 RM'000 | 30 Jun 2020 RM'000 |
| Profit for the period | (3,027) | 536 |
| Adjustments for :- | | |
| Non-cash items | 1,980 | 1,808 |
| Non-operating items | (55) | 212 |
| Operating loss before working capital changes | (1,102) | 2,556 |
| Net change in current assets | (19) | 2,978 |
| Net change in current liabilities | (495) | (3,751) |
| Interest paid | (76) | (189) |
| Tax paid | - | - |
| Net cash generated in operating activities | (1,692) | 1,594 |
| Investing activities | | |
| Purchase of property, plant and equipment | (48) | (106) |
| Interest received | 51 | 24 |
| Addition of software development expenditure, net of grant | (1,976) | (2,249) |
| Net cash generated in investing activities | (1,973) | (2,331) |
| Financing activities | | |
| Proceeds from conversion of ICPS | 721 | 3,317 |
| Proceeds from exercise of ESOS | 66 | - |
| Payment of lease liabilities | (495) | (455) |
| Proceeds/(Repayment) of short term borrowing, net | - | (5,221) |
| Net cash generated/(use) in financing activities | 292 | (2,359) |
| Net changes in cash and cash equivalents | (3,373) | (3,096) |
| Cash and cash equivalents at beginning of financial year | 20,096 | 14,758 |
| Effect of exchange rate changes on opening balance | 18 | 66 |
| Cash and cash equivalents at end of the financial period | 16,741 | 11,728 |
| Cash and cash equivalents at end of financial period comprise of: | | |
| Cash and bank balance | 16,741 | 11,758 |

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134

A1. Basis of Preparation.

The interim financial report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market. The interim financial report should also be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2021.

A2. Adoption of Revised Financial Reporting

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2021. The Group has adopted all the new and revised MFRS and IC interpretations that are relevant and effective for the accounting period beginning on or after 1 April 2019. The adoption of these new and revised MFRSs and IC interpretations have not resulted in any material impact on the financial statements of the Group.

The Group has not elected for early adoption of the relevant new and revised MFRSs, amendments to MFRSs and Interpretations which have been issued but not yet effective until future periods. The adoption of these Standards when they become effective is not expected to have a material impact on the financial statements of the Group.

The following Standards were issued but not yet effective and have not been adopted by the Group:

MFRSs and IC Interpretations (Including The Consequential Amendments Effective Date)

Amendments to MFRS 3: Definition of a Business (1 Jan 2020)
Amendments to MFRS 101 and MFRS 108: Definition of a Material (1 Jan 2020)
Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform (1 Jan 2020)
Amendment to MFRS 16 Leases - Covid-19 - Related Concessions (1 Jun 2021)
MFRS 17 Insurance Contracts (1 Jan 2021)

A3. Auditors’ Report on Preceding Annual Financial Statements

The audit report of the preceding annual financial statements was not subject to any qualification.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items during the quarter.

A6. Changes in Estimates

There are no changes in the estimates of amount reported that have material effect in the current quarter.

A7. Debt and Equity Securities

Other than as disclosed in note B10, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A8. Dividend Paid

No dividend was paid during the quarter under review.



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A9. Capital Commitments

No material capital commitments were approved and contracted for as at 30th June 2021.

A10. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment.

A11. Subsequent Events

There were no material events between 1st July 2021 and 30th September 2021 that would be required to be reflected in the financial statement for the quarter ended 30th June 2021.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A13. Changes in Contingent Liabilities

Guarantees given by the Company for credit facilities granted to subsidiaries

30 Jun 2021
RM'000

7,105

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A14. Significant Related Party Transaction

The Group has no related party transactions which would have material impact on the financial position and business of the Group during the current quarter under review.



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A15. Segmental Information

| <i>RM'000</i> | <i>Malaysia</i> | <i>Overseas</i> | <i>Elimination</i> | <i>Consolidated</i> |
|---------------------------------|-----------------|-----------------|--------------------|---------------------|
| <i>2021</i> | | | | |
| Revenue | | | | |
| - External | 1,365 | 5,953 | - | 7,318 |
| - Internal | - | - | - | - |
| Total Revenue | 1,365 | 5,953 | - | 7,318 |
| Result | | | | |
| - Segment Result | 429 | (3,581) | - | (3,153) |
| - Share of associate result | | | | 162 |
| - Interest income | | | | 51 |
| - Interest expense | | | | (87) |
| Profit/(loss) before tax | | | | (3,027) |
| Tax | | | | - |
| Profit/(loss) after tax | | | | (3,027) |
| Segment assets | 48,492 | 64,433 | (29,674) | 83,250 |
| Segment liabilities | 2,035 | 16,044 | - | 18,079 |
| Other information | | | | |
| - Capital Expenditure | 10 | 2,013 | - | 2,023 |
| - Depreciation and amortization | 65 | 1,915 | - | 1,980 |

| <i>RM'000</i> | <i>Malaysia</i> | <i>Overseas</i> | <i>Elimination</i> | <i>Consolidated</i> |
|---------------------------------|-----------------|-----------------|--------------------|---------------------|
| <i>2020</i> | | | | |
| Revenue | | | | |
| - External | 2,451 | 6,774 | - | 9,225 |
| - Internal | - | 1,832 | (1,832) | - |
| Total Revenue | 2,451 | 8,607 | (1,832) | 9,225 |
| Result | | | | |
| - Segment Result | 1,186 | (529) | - | 657 |
| - Share of associate result | | | | 76 |
| - Interest income | | | | 24 |
| - Interest expense | | | | (221) |
| Profit/(loss) before tax | | | | 536 |
| Tax | | | | - |
| Profit/(loss) after tax | | | | 536 |
| Segment assets | 40,678 | 83,390 | (28,990) | 95,078 |
| Segment liabilities | 2,311 | 22,532 | - | 24,843 |
| Other information | | | | |
| - Capital Expenditure | 4 | 102 | - | 106 |
| - Depreciation and amortization | 43 | 1,765 | - | 1,808 |



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Part B – Additional Information required by Bursa Malaysia Securities Berhad’s Listing Requirements

B1. Performance Review

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group recorded revenue of approximately RM7.3 million, which was approximately 21% lower than the revenue of approximately RM9.2 million for the preceding year’s corresponding quarter period ended 30 June 2020. The decrease was mainly due to delay in acceptance of certain project deliverables and lower sales orders received given the weak business environment arising from the Covid-19 situation. In line with the decrease in revenue and coupled with higher staff cost, the Group recorded a loss before taxation of approximately RM3.0 million for the current quarter as compared to the preceding year’s profit before taxation of approximately RM0.5 million.

B2. Variation of Results against the Preceding Quarter

| | Current Quarter 30 Jun 2021 RM’000 | Preceding Quarter 31 Mar 2021 RM’000 | Difference (%) |
|----------------------|--|--|-------------------|
| Revenue | 7,318 | 8,497 | -14% |
| Loss before taxation | (3,027) | (3,520) | 14% |

The Group recorded revenue of approximately R7.3 million in the current quarter, which was about 14% lower than that recorded in the preceding quarter ended 31 March 2021 of RM 8.5 million due to delay in acceptance of certain project deliverables and lower sales orders received. Despite the lower revenue recorded, the Group ended the current quarter with a lower loss before tax of RM3.0 million as compared to a loss before taxation of RM3.5 million in the immediate preceding quarter due to absence of expected credit loss allowance on the trade receivables and contract assets.

The Group’s order book amounted to approximately RM73 million as at 30 June 2021 as compared to approximately RM80 million as at the end of immediate preceding quarter.

B3. Prospect

The evolving COVID-19 outbreak and the measures undertaken by the various countries to restrict the movement of people will adversely affect business sentiments and operation. Amidst an unprecedented global pandemic and disruption to the economies, the Group expect the outlook for the next 12 months to be challenging. The Group will continue to undertake cautious measures, focus on cash flow management and our project delivery while embarking on efforts to diversify our product offerings to the changing markets.

B4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee.

B5. Dividend

No dividend has been recommended for the quarter under review.

B6. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group.



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B7. Notes to Condensed Consolidated Statement of Comprehensive Income

Operating profit is arrived at after charging/(crediting) the following items:

| | Individual Quarter ended 30 Jun 2021 RM'000 | Cumulative Quarter ended 30 Jun 2021 RM'000 |
|--|--|--|
| i) Depreciation and amortization | 1,980 | 1,980 |
| ii) Foreign exchange (gain)/loss | 185 | 185 |
| iii) Provision for and write off of receivables | - | - |
| iv) Provision for and write off of contract assets | - | - |
| v) Goodwill impairment | - | - |
| vi) Impairment of intangible asset | - | - |
| vii) Exceptional items | - | - |

B8. Taxation from continuing operation

| | Individual quarter ended | | Cumulative quarter ended | |
|-----------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | 30 Jun 2021 RM'000 | 30 Jun 2020 RM'000 | 30 Jun 2021 RM'000 | 30 Jun 2020 RM'000 |
| Current taxation charge | - | - | - | - |
| Under provision in prior year tax | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Tax expenses (charge)/write back | - | - | - | - |
| | ===== | ===== | ===== | ===== |

Net deferred tax assets in respect of unutilized tax losses and development expenditure capitalized have not been recognized because of uncertainty that future taxable profits will be available against which the Company and its subsidiaries can utilize the benefits.

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 June 2021 are as follows:

| | RM'000 |
|--------------------------|---------------|
| Payable within 12 months | |
| <i>Term Loans</i> | 7,105 |
| | ===== |

The term loan was secured by corporate guarantee by the Company, notified assignment of certain consultancy contracts and fixed and floating charge over the assets of a subsidiary.



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B10. Status of Corporate Proposals

(a) Employee Share Option Scheme ("ESOS")

At an extraordinary general meeting on 27 August 2015, the Company's shareholders approved the establishment of a ten (10) year ESOS of up to thirty percent (30%) of the issued and paid-up capital of the Company. Set out below are the details of options over the ordinary shares of the Company under the ESOS:-

| Number of options over ordinary shares of RM0.10 | | | | | | |
|--|---------------------------|-----------------------|------------|-------------|--------------|-----------------------|
| <u>Option Grant date</u> | <u>Option Expiry date</u> | <u>Exercise price</u> | Granted | Exercised | Forfeited | As at 30.06.21 |
| 02.6.2016 | 17.11.2025 | RM 0.0728 | 15,000,000 | - | (10,500,000) | 4,500,000 |
| 02.5.2018 | 17.11.2025 | RM 0.0656 | 23,000,000 | (1,000,000) | (49,979) | 21,950,021 |
| 30.8.2018 | 17.11.2025 | RM 0.1238 | 25,300,000 | - | (20,300,000) | 5,000,000 |

Number of options exercisable as at 30 June 2021 is 31,450,021.

(b) Irredeemable convertible preference shares

On 25th November 2019, the Company announced that it proposed to undertake the following:

- (i) proposed renounceable rights issue of up to 2,095,106,469 new irredeemable convertible preference shares in the Company ("ICPS") ("Rights ICPS") at the issue price of RM0.01 per Rights ICPS on the basis of 8 Rights ICPS for every 3 existing ordinary shares in the Company held on an entitlement date to be determined later ("Proposed Rights Issue"),
- (ii) proposed placement of 420,000,000 new ICPS ("Placement ICPS") to Stone Villa Limited at the issue price of RM0.01 per Placement ICPS ("Proposed Placement") and
- (iii) proposed amendments to Constitution of the Company to facilitate the issuance of the ICPS ("Proposed Amendments"). (Collectively known as "Proposals")

The shareholders of the Company had approved the Proposals at an extraordinary general meeting held on 17 Jan 2020. The above Proposals were completed on 26 March 2020 following the listing of and quotation for 1,397,552,400 ICPS on the ACE Market of Bursa Securities.

The status of utilization of proceeds raised from the above Proposals as at 30 June 2021 are as follows:-

| Purpose | Amount raised (RM'000) | Amount utilized (RM'000) |
|---|------------------------|--------------------------|
| Repayment of Borrowings | 7,500 | 7,500 |
| Operating and capital expenditures for secured IT Contracts | 2,776 | 2,821 |
| Overseas expansion of FORNAX Systems | 3,000 | - |
| Professional fee related to the above Proposals | 700 | 655 |
| Total | 13,976 | 10,976 |



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B11. Earning Per Share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------------------------------|---|-------------------------------------|--|
| | Current year quarter 30 Jun 2021 | Preceding year corresponding quarter 30 Jun 2020 | Current year to date 30 Jun 2021 | Preceding year corresponding period 30 Jun 2020 |
| (a) Basic earnings/(loss) per share | | | | |
| Net profit/(loss) attributable to shareholders (RM'000) | (3,078) | 650 | (2,952) | 650 |
| Weighted average number of ordinary shares ('000) | 1,184,817 | 790,377 | 1,184,817 | 790,377 |
| Basic earnings per share (sen) | (0.25) | 0.08 | (0.25) | 0.08 |
| (b) Diluted earnings per share | | | | |
| Net profit attributable to shareholders (RM'000) | | 650 | | 650 |
| Weighted average number of ordinary shares ('000) | | 790,377 | | 790,377 |
| Effect of dilution on stock options & ICPS ('000) | | 1,320,816 | | 1,320,816 |
| Adjusted weighted average number of ordinary shares in issues (diluted) ('000) | | 2,111,193 | | 2,111,193 |
| Diluted earnings per share (sen) | N.M. | 0.03 | N.M. | 0.03 |

N.M. - The impact from share options and ICPS on the loss per share for the period ended 30 June 2021 are anti-dilutive and therefore the diluted loss per shares are not presented.

By the Order of the Board

Tan Kean Wai (MAICSA 7056310)
Company Secretary
Kuala Lumpur

30th September 2021