



(Registration No. 200201024235 (591898-H))

## QUARTERLY REPORT

### Condensed Consolidated Statement of Comprehensive Income For the third quarter ended 31 December 2021

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Dec 2021 RM'000	Unaudited 31 Dec 2020 RM'000	Unaudited 31 Dec 2021 RM'000	Unaudited 31 Dec 2020 RM'000
<b>Revenue</b>	<b>2,894</b>	<b>5,751</b>	<b>19,454</b>	<b>24,001</b>
Material cost	(1,264)	(455)	(2,516)	(3,584)
Depreciation and amortization	(1,902)	(1,870)	(5,843)	(5,561)
Employee benefits expenses	(7,322)	(6,643)	(21,778)	(17,650)
Other operating expenses	(3,039)	(5,329)	(4,977)	(7,064)
Interest expenses	(164)	(151)	(360)	(490)
Interest income	35	59	129	128
Other income	8	642	188	2,750
Share of results of associates	13	54	199	141
Loss before taxation	(10,741)	(7,942)	(15,504)	(7,335)
Tax expense	-	-	-	-
<b>Net Loss for the period</b>	<b>(10,741)</b>	<b>(7,942)</b>	<b>(15,504)</b>	<b>(7,335)</b>
Other comprehensive income:				
Exchange differences on translating foreign operations	206	139	473	103
<b>Total Comprehensive Income</b>	<b>(10,535)</b>	<b>(7,803)</b>	<b>(15,031)</b>	<b>(7,233)</b>
Net Loss attributable to:				
Equity Holders of Company	(10,315)	(7,621)	(14,642)	(6,841)
Non-controlling interest	(426)	(321)	(862)	(494)
	(10,741)	(7,942)	(15,504)	(7,335)
Total comprehensive income attributable to:				
Equity Holders of Company	(10,102)	(7,481)	(14,166)	(6,740)
Non-controlling interest	(433)	(322)	(865)	(493)
	(10,535)	(7,803)	(15,031)	(7,233)
Loss per ordinary share (sen):				
- Basic	(0.89)	(0.72)	(1.27)	(0.74)
- Diluted	-	-	-	-

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.



(Registration No. 200201024235 (591898-H))

**Condensed Consolidated Statement of Financial Position**

<b>Group</b>	<b>Unaudited 31 Dec 2021 RM'000</b>	<b>Audited 31 Mar 2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	831	1,062
Right-of-Use assets	3,193	1,021
Intangible assets	31,863	30,194
Goodwill on consolidation	257	256
Investment in associates	605	405
	36,749	32,938
<b>Current assets</b>		
Contract assets	16,662	24,640
Trade and other receivables	6,326	8,359
Tax recoverable	3	3
Cash and cash equivalents	12,872	20,096
	35,863	53,097
<b>TOTAL ASSETS</b>	72,612	86,035
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Shares Capital	114,218	113,062
Reserves	(59,744)	(45,413)
	54,474	67,649
Non-Controlling Interest	(1,260)	(395)
<b>Total Equity</b>	53,214	67,254
<b>Non-current liabilities</b>		
Lease liabilities	1,996	33
	1,996	33
<b>Current liabilities</b>		
Contract liabilities	772	3,836
Trade and other payables	8,073	6,778
Borrowings	7,109	7,082
Lease liabilities	1,448	1,052
	17,402	18,748
<b>Total liabilities</b>	19,398	18,781
<b>TOTAL EQUITY AND LIABILITIES</b>	72,612	86,035
Net assets per share (RM)	0.0468	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.



(Registration No. 200201024235 (591898-H))

### Condensed Consolidated Statement of Changes in Equity

For the period ended 31 December 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	-	-	-	-	(14,642)	(14,642)	(862)	(15,504)
Foreign Currency Translation	-	-	-	475	-	475	(2)	473
Issuance of ordinary shares								
- Exercise of ICPS conversion	265	(265)	-	-	-	-	-	-
- Additional price paid for ICPS conversion	797	-	-	-	-	797	-	797
- Exercise of ESOS	359	-	(165)	-	-	194	-	194
<b>At 30 Dec 2021</b>	<b>104,334</b>	<b>9,884</b>	<b>1,932</b>	<b>10,743</b>	<b>(72,419)</b>	<b>54,474</b>	<b>(1,260)</b>	<b>53,214</b>
At 1 Apr 2020	87,619	13,976	2,235	9,887	(48,146)	65,571	458	66,029
Profit for the period	-	-	-	-	(6,841)	(6,841)	(494)	(7,335)
Foreign Currency Translation	-	-	-	101	-	101	2	103
ESOS lapsed	-	-	(138)	-	138	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	121	121
Issuance of ordinary shares								
- Exercise of ICPS conversion	3,423	(3,423)	-	-	-	-	-	-
- Additional price paid for ICPS conversion	10,255	-	-	-	-	10,255	-	10,255
<b>At 30 Dec 2020</b>	<b>101,297</b>	<b>10,553</b>	<b>2,097</b>	<b>9,988</b>	<b>(54,849)</b>	<b>69,086</b>	<b>87</b>	<b>69,173</b>

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.



(Registration No. 200201024235 (591898-H))

### Condensed Consolidated Cash Flow Statements

For the period ended 31 December 2021

(Unaudited)

Group	Year To Date ended	Year To Date Ended
	31 Dec 2021 RM'000	31 Dec 2020 RM'000
(Loss)/Profit for the period	(15,504)	(7,335)
Adjustments for :-		
Non-cash items	8,160	9,297
Non-operating items	411	(155)
Operating loss before working capital changes	(6,933)	1,807
Net change in current assets	4,627	13,264
Net change in current liabilities	1,296	(9,371)
Interest paid	(284)	(410)
Tax paid	-	-
Net cash (used)/generated in operating activities	(1,294)	5,290
Investing activities		
Purchase of property, plant and equipment	(185)	(183)
Interest received	129	128
Capital contributed by non-controlling interests	-	121
Dividend received from associate	-	452
Addition of software development expenditure, net of grant	(5,684)	(6,480)
Net cash used in investing activities	(5,740)	(5,962)
Financing activities		
Proceeds from conversion of ICPS	797	10,255
Proceeds from exercise of ESOS	194	-
Payment of lease liabilities	(1,199)	(1,455)
Proceeds/(Repayment) of short term borrowing, net	-	(5,167)
Net cash generated/(use) in financing activities	(208)	3,633
Net changes in cash and cash equivalents	(7,242)	2,961
Cash and cash equivalents at beginning of financial year	20,096	14,758
Effect of exchange rate changes on opening balance	18	(5)
Cash and cash equivalents at end of the financial period	12,872	17,714
Cash and cash equivalents at end of financial period comprise of:		
Cash and bank balance	12,872	17,714

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.



(Registration No. 200201024235 (591898-H))

## 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:

<i>MFRSs and/ or IC Interpretations (Including the Consequential Amendments)</i>	<i>Effective for financial periods beginning on or after</i>
Amendments to MFRS 3 Business Combinations	1 January 2023
Amendments to MFRS 9 Financial Instruments: Recognition and Measurement	1 January 2023
Amendments to MFRS 7 Financial Instruments: Disclosures	1 January 2023
Amendments to MFRS 4 Insurance Contract	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112 Income Taxes	1 January 2023
Amendments to MFRS 116 Property, Plant and Equipment	1 January 2023
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023

The adoption of the above accounting standards and/ or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

### 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.



(Registration No. 200201024235 (591898-H))

**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.

**A9. Capital Commitments**

No material capital commitments were approved and contracted for as at 31<sup>st</sup> December 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 1<sup>st</sup> January 2022 and 24<sup>th</sup> February 2022 that would be required to be reflected in the financial statement for the quarter ended 31<sup>st</sup> December 2021.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter under review except the incorporation of a wholly owned subsidiary called Fornax Pte Ltd (“Fornax”) in Singapore on 1 November 2021 with a paid up capital of S\$1,000 to focus on the development and marketing of its automated plan checking system.

**A13. Changes in Contingent Liabilities**

31 Dec 2021  
RM'000

Guarantees given by the Company for credit facilities granted to subsidiaries

7,109

=====

**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.



(Registration No. 200201024235 (591898-H))

**A15. Segmental Information**

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2021</i>				
Revenue				
- External	3,418	16,036	-	19,454
- Internal	1,396	-	(1,396)	-
<b>Total Revenue</b>	<b>4,814</b>	<b>16,036</b>	<b>(1,396)</b>	<b>19,454</b>
Result				
- Segment Result	1,860	(17,332)	-	(15,472)
- Share of associate result				199
- Interest income				129
- Interest expense				(360)
Loss before tax				(15,504)
Tax				-
Loss after tax				(15,504)
Segment assets	49,060	53,226	(29,674)	72,612
Segment liabilities	799	18,599	-	19,398
Other information				
- Capital Expenditure	18	167	-	185
- Depreciation and amortization	196	5,647	-	5,843

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2020</i>				
Revenue				
- External	3,852	20,149	-	24,001
- Internal	-	6,035	(6,035)	-
<b>Total Revenue</b>	<b>3,852</b>	<b>26,184</b>	<b>(6,035)</b>	<b>24,001</b>
Result				
- Segment Result	523	(7,631)	-	(7,108)
- Share of associate result				141
- Interest income				128
- Interest expense				(496)
Loss before tax				(7,335)
Tax				-
Loss after tax				(7,335)
Segment assets	46,057	71,134	(29,173)	88,018
Segment liabilities	1,390	17,455	-	18,845
Other information				
- Capital Expenditure	6	177	-	183
- Depreciation and amortization	196	5,365	-	5,561



(Registration No. 200201024235 (591898-H))

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

### B1. Performance Review

#### Current Quarter vs Previous Year Corresponding Quarter

The Group recorded revenue of RM2.9 million and loss before taxation of RM10.1 million for the current quarter under review compared to revenue of RM5.8 million and loss before taxation of RM7.9 million for the preceding year’s corresponding quarter period ended 31 December 2020. The lower revenue and higher loss was mainly due to lower revenue recognition arising from cost overrun from certain existing projects, lower new orders received, higher staff cost incurred, occurrence of an impairment loss from contract assets of RM2.3 million though partly offset by absence of an impairment loss from receivable of RM3.7 million.

#### Current Year-to-date vs Previous Year-to-date

For the 9 months ended 31 December 2021, the Group recorded revenue of RM19.5 million, representing an approximately 19% decrease over the revenue for the 9 months period ended 31 December 2020 of RM24.0 million. The decrease was mainly due to delay in acceptance and cost overruns of certain project deliverables and lower sales orders received given the weak business environment arising from the Covid-19 situation. The Group recorded a loss before taxation of approximately RM15.5 million for the current period as compared to the preceding year’s loss before taxation of approximately RM7.2 million due to the decrease in revenue, higher staff cost incurred, occurrence of an impairment loss from contract assets of RM2.3 million though partly offset by absence of an impairment loss from receivable of RM3.7 million.

### B2. Variation of Results against the Preceding Quarter

	<b>Current Quarter 31 Dec 2021 RM’000</b>	<b>Preceding Quarter 30 Sep 2021 RM’000</b>	<b>Difference (%)</b>
Revenue	2,894	9,242	69%
Loss before taxation	(10,140)	(1,736)	484%

The Group recorded revenue and loss before taxation of approximately RM2.9 million and RM10.1 million respectively in the current quarter as compared to revenue and loss before taxation of approximately RM9.2 million and RM1.7 million respectively in the preceding quarter ended 30 September 2021. The lower revenue and higher loss was mainly due to lower percentage of completion of revenue recognition arising from cost overrun from certain existing projects, lower new orders received, higher staff cost incurred and occurrence of an impairment loss from contract assets of RM2.3 million.

The Group’s order book amounted to approximately RM70 million as at 31 December 2021 as compared to approximately RM72 million as at the end of immediate preceding quarter.

### B3. Prospect

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.





(Registration No. 200201024235 (591898-H))

**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.

**B7. Notes to Condensed Consolidated Statement of Comprehensive Income**

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

	<b>Individual Quarter ended 31 Dec 2021 RM'000</b>	<b>Cumulative Quarter ended 31 Dec 2021 RM'000</b>
i) Depreciation and amortization	1,902	5,843
ii) Foreign exchange (gain)/loss	178	573
iii) Provision for and write off of receivables	-	-
iv) Provision for and write off of contract assets	2,317	2,317
v) Goodwill impairment	-	-
vi) Impairment of intangible asset	-	-
vii) Exceptional items	-	-

**B8. Taxation from continuing operation**

	<b>Individual quarter ended</b>		<b>Cumulative quarter ended</b>	
	<b>31 Dec 2021 RM'000</b>	<b>31 Dec 2020 RM'000</b>	<b>31 Dec 2021 RM'000</b>	<b>31 Dec 2020 RM'000</b>
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 31 December 2021 are as follows:

	<b>RM'000</b>
Payable within 12 months	
<i>Term Loans</i>	7,109
	=====

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.



(Registration No. 200201024235 (591898-H))

**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	<b>As at 31.12.21</b>
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	(2,950,021)	(49,979)	20,000,000
30.8.2018	17.11.2025	RM 0.1238	25,300,000	-	(20,300,000)	5,000,000

Number of options exercisable as at 31 December 2021 is 29,500,000.

(b) Irredeemable convertible preference shares

On 25<sup>th</sup> 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 31 December 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
<b>Total</b>	<b>13,976</b>	<b>10,976</b>



(Registration No. 200201024235 (591898-H))

**B11. Earning Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Dec 2021	Preceding year corresponding quarter 31 Dec 2020	Current year to date 31 Dec 2021	Preceding year corresponding period 31 Dec 2020
<b>(a) Basic earnings/(loss) per share</b>				
Net loss attributable to shareholders (RM'000)	(10,315)	(7,621)	(14,642)	(6,841)
Weighted average number of ordinary shares ('000)	1,164,455	1,058,166	1,156,710	925,385
Basic earnings per share (sen)	(0.89)	(0.72)	(1.27)	(0.74)

**(b) Diluted earnings per share**

The impact from share options and ICPS on the loss per share 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

24<sup>th</sup> Feb 2022