



(Registration No. 200201024235 (591898-H))

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income

For the fourth quarter ended 31 March 2022

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Mar 2022 RM'000	Unaudited 31 Mar 2021 RM'000	Unaudited 31 Mar 2022 RM'000	Unaudited 31 Mar 2021 RM'000
Revenue	3,368	7,695	22,822	31,696
Material cost	(879)	(713)	(3,395)	(4,297)
Depreciation and amortization	(1,901)	(1,368)	(7,744)	(6,929)
Employee benefits expenses	(7,479)	(6,896)	(29,257)	(24,546)
Other operating expenses	1,393	(3,478)	(3,584)	(10,548)
Interest expenses	(157)	(40)	(517)	(530)
Interest income	30	58	159	186
Other income	833	1,348	1,021	4,098
Share of results of associates	5	15	204	156
Loss before taxation	(4,787)	(3,379)	(20,291)	(10,714)
Tax expense	(45)	(29)	(45)	(29)
Net Loss for the period	(4,832)	(3,408)	(20,336)	(10,743)
Other comprehensive income:				
Exchange differences on translating foreign operations	(91)	276	382	378
Total Comprehensive Income	(4,923)	(3,132)	(19,954)	(10,365)
Net Loss attributable to:				
Equity Holders of Company	(4,965)	(2,928)	(19,607)	(9,769)
Non-controlling interest	133	(480)	(729)	(974)
	(4,832)	(3,408)	(20,336)	(10,743)
Total comprehensive income attributable to:				
Equity Holders of Company	(5,053)	(2,648)	(19,219)	(9,388)
Non-controlling interest	130	(484)	(735)	(976)
	(4,923)	(3,132)	(19,954)	(10,365)
Loss per ordinary share (sen):				
- Basic	(0.89)	(0.26)	(1.69)	(1.01)
- 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

Group	Unaudited 31 Mar 2022 RM'000	Audited 31 Mar 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	799	1,062
Right-of-Use assets	3,073	1,021
Intangible assets	32,311	30,194
Goodwill on consolidation	258	256
Investment in associates	613	405
	<u>37,054</u>	<u>32,938</u>
Current assets		
Contract assets	10,988	24,640
Trade and other receivables	10,762	8,359
Tax recoverable	3	3
Cash and cash equivalents	14,469	20,096
	<u>36,222</u>	<u>53,097</u>
TOTAL ASSETS	<u>73,276</u>	<u>86,035</u>
EQUITY & LIABILITIES		
Equity and reserves		
Shares Capital	114,840	113,062
Reserves	(65,083)	(45,413)
	<u>49,757</u>	<u>67,649</u>
Non-Controlling Interest	(1,130)	(395)
Total Equity	<u>48,627</u>	<u>67,254</u>
Non-current liabilities		
Lease liabilities	1,767	33
	<u>1,767</u>	<u>33</u>
Current liabilities		
Contract liabilities	5,391	3,836
Trade and other payables	8,810	6,778
Borrowings	7,139	7,082
Lease liabilities	1,542	1,052
	<u>22,882</u>	<u>18,748</u>
Total liabilities	<u>24,649</u>	<u>18,781</u>
TOTAL EQUITY AND LIABILITIES	<u>73,276</u>	<u>86,035</u>
Net assets per share (RM)	0.0426	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 March 2022

(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	-	-	-	-	(19,607)	(19,607)	(729)	(20,336)
Foreign Currency Translation	-	-	-	388	-	388	(6)	382
Issuance of ordinary shares pursuant to conversion of ICPS	1,063	-	-	-	-	1,063	-	1,063
Conversion of ICPS to ordinary shares	-	(266)	-	-	-	(266)	-	(266)
ESOS lapsed	-	-	(32)	-	32	-	-	-
Issuance of ordinary shares pursuant to exercise of ESOS	981	-	(452)	-	-	529	-	529
At 31 Mar 2022	104,957	9,883	1,613	10,656	(77,352)	49,757	(1,130)	48,627
At 1 Apr 2020	87,619	13,976	2,235	9,887	(48,146)	65,571	458	66,029
Profit for the period	-	-	-	-	(9,769)	(9,769)	(974)	(10,743)
Foreign Currency Translation	-	-	-	381	-	381	(2)	378
Issuance of ordinary shares pursuant to conversion of ICPS	15,294	-	-	-	-	-	-	-
Conversion of ICPS to ordinary shares	-	(3,826)	-	-	-	10,255	-	10,255
ESOS lapsed	-	-	(138)	-	138	-	-	-
Subscription of new shares in a new subsidiary	-	-	-	-	-	-	122	122
At 31 Mar 2021	102,913	10,149	2,097	10,268	(57,777)	67,650	(395)	67,254

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 March 2022
(Unaudited)

Group	Year To Date ended	Year To Date Ended
	31 Mar 2022 RM'000	31 Mar 2021 RM'000
(Loss)/Profit for the period	(20,336)	(10,714)
Adjustments for :-		
Non-cash items	7,536	12,574
Non-operating items	107	307
Operating loss before working capital changes	(12,693)	2,167
Net change in current assets	13,011	15,898
Net change in current liabilities	2,033	(8,228)
Interest paid	(396)	(530)
Tax paid	(45)	(29)
Net cash (used)/generated in operating activities	1,910	9,278
Investing activities		
Purchase of property, plant and equipment	(290)	(296)
Interest received	159	186
Capital contributed by non-controlling interests	-	122
Dividend received from associate	-	458
Addition of software development expenditure, net of grant	(7,382)	(8,180)
Net cash used in investing activities	(7,513)	(7,710)
Financing activities		
Proceeds from conversion of ICPS	797	11,467
Proceeds from exercise of ESOS	529	-
Payment of lease liabilities	(1,392)	(1,848)
Proceeds/(Repayment) of short term borrowing, net	-	(5,234)
Net cash generated/(use) in financing activities	(66)	4,385
Net changes in cash and cash equivalents	(5,669)	5,953
Cash and cash equivalents at beginning of financial year	20,096	14,758
Effect of exchange rate changes on opening balance	41	(615)
Cash and cash equivalents at end of the financial period	14,468	20,096
Cash and cash equivalents at end of financial period comprise of:		
Cash and bank balance	14,468	20,096

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 31st March 2022.

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 April 2022 and 26th May 2022 that would be required to be reflected in the financial statement for the quarter ended 31st March 2022.

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

31 Mar 2022
RM'000

Guarantees given by the Company for credit facilities granted to subsidiaries

7,139

=====

A14. Significant Related Party Transaction

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Provision of consulting services by Dex-lab Pte Ltd to novaCITYNETS Pte Ltd	927	-	927	-
	=====	=====	=====	=====



(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>2022</i>				
Revenue				
- External	3,445	19,377	-	22,822
- Internal	1,555	8,598	(10,153)	-
Total Revenue	5,000	27,975	(10,153)	22,822
Result				
- Segment Result	(114)	(20,024)	-	(20,138)
- Share of associate result				204
- Interest income				159
- Interest expense				(517)
Loss before tax				(20,291)
Tax				(45)
Loss after tax				(20,336)
Segment assets	48,547	54,404	(29,674)	73,276
Segment liabilities	1,892	22,758	-	24,649
Other information				
- Capital Expenditure	34	7,639	-	7,673
- Depreciation and amortization	262	7,483	-	7,744

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2021</i>				
Revenue				
- External	4,256	27,440	-	31,696
- Internal	967	7,761	(8,728)	-
Total Revenue	5,223	35,201	(8,728)	31,696
Result				
- Segment Result	189	(10,729)	15	(10,525)
- Share of associate result				156
- Interest income				186
- Interest expense				(530)
Loss before tax				(10,714)
Tax				(29)
Loss after tax				(10,743)
Segment assets	80,173	36,930	(31,068)	86,034
Segment liabilities	5,093	14,166	(479)	18,781
Other information				
- Capital Expenditure	17	8,806	-	8,823
- Depreciation and amortization	260	7,015	-	7,275



(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 RM3.4 million and loss before taxation of RM4.8 million for the current quarter under review compared to revenue of RM7.7 million and loss before taxation of RM3.4 million for the preceding year’s corresponding quarter period ended 31 March 2021. 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, though partly offset by write back of an impairment loss from contract assets of RM2.3 million.

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

For the 12 months ended 31 March 2022, the Group recorded revenue of RM22.8 million, representing an approximately 28% decrease over the revenue for the 12 months period ended 31 March 2021 of RM31.7 million. The decrease was mainly due to delay in acceptance and lower revenue recognition arising from cost overruns of certain project deliverables as well as lower sales orders received given the weak business environment arising from the Covid-19 situation. In line with the lower revenue, the Group recorded a loss before taxation of approximately RM20.3 million for the current financial year as compared to the preceding year’s loss before taxation of approximately RM10.7 million, though partly offset by absence of the impairment on trade receivables in the current year under review.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Mar 2022 RM’000	Preceding Quarter 31 Dec 2021 RM’000	Difference (%)
Revenue	3,368	2,894	16%
Loss before taxation	(4,787)	(10,140)	53%

The Group recorded revenue and loss before taxation of approximately RM3.4 million and RM4.8 million respectively in the current quarter as compared to revenue and loss before taxation of approximately RM2.9 million and RM10.1 million respectively in the preceding quarter ended 31 December 2021. The higher revenue and lower loss was mainly due to higher percentage of completion of revenue recognition from certain existing projects, lower occurrence of third party material cost and write back of an impairment loss from contract assets.

The Group’s order book amounted to approximately RM70 million as at 31 March 2022 as compared to approximately RM70 million as at the end of immediate preceding quarter.

B3. Prospect

The easing of Covid-19 restriction around the region will be a much needed boost for operation and business activities. 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:

	Individual Quarter ended 31 Mar 2022 RM'000	Cumulative Quarter ended 31 Mar 2022 RM'000
i) Depreciation and amortization	1,901	7,744
ii) Foreign exchange (gain)/loss	(19)	554
iii) Provision for and write off / (write back) of receivables	(125)	(125)
iv) Provision for and write off / (write back) of contract assets	(2,317)	-
v) Goodwill impairment	-	-
vi) Impairment of intangible asset	-	-
vii) Exceptional items	-	-

B8. Taxation from continuing operation

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Current taxation charge	45	-	45	-
Under provision in prior year tax	-	29	-	29
	-----	-----	-----	-----
Tax expenses (charge)/write back	45	29	45	29
	=====	=====	=====	=====

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 March 2022 are as follows:

	RM'000
Payable within 12 months	
<i>Term Loans</i>	7,139
	=====

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:-

<u>Option Grant date</u>	<u>Option Expiry date</u>	<u>Exercise price</u>	<u>Number of options over ordinary shares of RM0.10</u>			<u>As at 31.03.22</u>
			Granted	Exercised	Forfeited	
02.6.2016	17.11.2025	RM 0.0728	15,000,000	(1,000,000)	(10,500,000)	3,500,000
02.5.2018	17.11.2025	RM 0.0656	23,000,000	(6,950,021)	(49,979)	16,000,000
30.8.2018	17.11.2025	RM 0.1238	25,300,000	-	(20,600,000)	4,700,000

Number of options exercisable as at 31 March 2022 is 24,200,000.

(b) Irredeemable convertible preference shares

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

- 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"),
- 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
- 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 March 2022 are as follows:-

<u>Purpose</u>	<u>Amount raised (RM'000)</u>	<u>Amount utilized (RM'000)</u>
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



(Registration No. 200201024235 (591898-H))

B11. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
(a) Basic earnings/(loss) per share				
Net loss attributable to shareholders (RM'000)	(4,965)	(2,928)	(19,607)	(9,769)
Weighted average number of ordinary shares ('000)	1,169,559	1,127,891	1,159,428	970,216
Basic earnings per share (sen)	(0.89)	(0.26)	(1.69)	(1.01)

(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

26th May 2022