



(Registration No. 200201024235 (591898-H))

## QUARTERLY REPORT

### Condensed Consolidated Statement of Comprehensive Income

For the second quarter ended 30 September 2022

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Sep 2022 RM'000	Unaudited 30 Sep 2021 RM'000	Unaudited 30 Sep 2022 RM'000	Unaudited 30 Sep 2021 RM'000
<b>Revenue</b>	<b>5,684</b>	<b>9,242</b>	<b>14,046</b>	<b>16,560</b>
Material cost	(901)	(491)	(1,702)	(1,252)
Depreciation and amortization	(1,968)	(1,961)	(3,922)	(3,941)
Employee benefits expenses	(7,087)	(7,227)	(14,555)	(14,456)
Other operating expenses	(772)	(1,365)	(1,236)	(1,938)
Interest expenses	(213)	(109)	(333)	(196)
Interest income	41	43	72	94
Other income	329	107	743	180
Share of results of associates	3	25	17	186
Loss before taxation	(4,884)	(1,736)	(6,870)	(4,763)
Tax expense	(10)	-	(17)	-
<b>Net Loss for the period</b>	<b>(4,894)</b>	<b>(1,736)</b>	<b>(6,887)</b>	<b>(4,763)</b>
Other comprehensive income:				
Exchange differences on translating foreign operations	184	110	409	267
<b>Total Comprehensive Income</b>	<b>(4,710)</b>	<b>(1,626)</b>	<b>(6,478)</b>	<b>(4,496)</b>
Net Loss attributable to:				
Equity Holders of Company	(4,408)	(1,374)	(5,962)	(4,327)
Non-controlling interest	(486)	(362)	(925)	(436)
	(4,894)	(1,736)	(6,887)	(4,763)
Total comprehensive income attributable to:				
Equity Holders of Company	(4,171)	(1,270)	(5,477)	(4,064)
Non-controlling interest	(539)	(356)	(1,001)	(432)
	(4,710)	(1,626)	(6,478)	(4,496)
Loss per ordinary share (sen):				
- Basic	(0.38)	(0.12)	(0.51)	(0.38)
- Diluted	-	-	-	-

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



(Registration No. 200201024235 (591898-H))

### Condensed Consolidated Statement of Financial Position

Group	Unaudited 30 Sep 2022 RM'000	Audited 31 Mar 2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	623	798
Right-of-Use assets	2,970	3,075
Intangible assets	34,570	32,311
Goodwill on consolidation	270	258
Investment in associates	660	613
	39,093	37,055
<b>Current assets</b>		
Contract assets	10,499	10,715
Trade and other receivables	6,397	10,527
Tax recoverable	3	3
Cash and cash equivalents	10,874	14,069
	27,773	35,314
<b>TOTAL ASSETS</b>	66,866	72,369
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Shares Capital	115,076	114,840
Reserves	(71,155)	(65,677)
	43,921	49,163
Non-Controlling Interest	(2,128)	(1,127)
<b>Total Equity</b>	41,793	48,036
<b>Non-current liabilities</b>		
Lease liabilities	1,663	1,935
	1,663	1,935
<b>Current liabilities</b>		
Contract liabilities	4,194	5,146
Trade and other payables	10,207	8,744
Borrowings	7,475	7,139
Lease liabilities	1,534	1,370
	23,410	22,398
<b>Total liabilities</b>	25,073	24,333
<b>TOTAL EQUITY AND LIABILITIES</b>	66,866	72,369
Net assets per share (RM)	0.0373	0.0421

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022 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 30 September 2022  
(Unaudited)

<b>Group</b>	<b>Share Capital</b>	<b>Preference Share</b>	<b>Equity Compensation Reserves</b>	<b>Translation Reserves</b>	<b>Accumulated Loss</b>	<b>Total</b>	<b>Non-Controlling Interest</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 Apr 2022	104,957	9,883	1,613	10,672	(77,962)	49,163	(1,127)	48,036
Loss for the period	-	-	-	-	(5,962)	(5,962)	(925)	(6,887)
Foreign Currency Translation	-	-	-	484	-	484	(75)	409
Issuance of ordinary shares pursuant to conversion of ICPS	314	-	-	-	-	314	-	314
Conversion of ICPS to ordinary shares	-	(78)	-	-	-	(78)	-	(78)
ESOS forfeited	-	-	(42)	-	42	-	-	-
<b>At 30 Sep 2022</b>	<b>105,271</b>	<b>9,805</b>	<b>1,571</b>	<b>11,156</b>	<b>(83,882)</b>	<b>43,921</b>	<b>(2,127)</b>	<b>41,793</b>
<b>At 1 Apr 2021</b>	<b>102,913</b>	<b>10,149</b>	<b>2,097</b>	<b>10,268</b>	<b>(57,777)</b>	<b>67,650</b>	<b>(395)</b>	<b>67,254</b>
Loss for the period	-	-	-	-	(4,327)	(4,327)	(436)	(4,763)
Foreign Currency Translation	-	-	-	263	-	263	4	267
Issuance of ordinary shares								
Exercise of ICPS conversion	246	(246)	-	-	-	-	-	-
Additional price paid for ICPS conversion	740	-	-	-	-	740	-	740
Exercise of ESOS	359	-	(165)	-	-	194	-	194
<b>At 30 Sep 2021</b>	<b>104,258</b>	<b>9,903</b>	<b>1,932</b>	<b>10,531</b>	<b>(62,104)</b>	<b>64,520</b>	<b>(827)</b>	<b>63,693</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 2022 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 30 September 2022

(Unaudited)

<b>Group</b>	Year To Date ended	Year To Date Ended
	30 Sep 2022 RM'000	30 Sep 2021 RM'000
Loss for the period	(6,871)	(4,763)
Adjustments for :-		
Non-cash items	3,922	3,941
Non-operating items	(938)	266
Operating loss before working capital changes	(3,887)	(556)
Net change in current assets	3,392	(498)
Net change in current liabilities	1,463	(135)
Interest paid	(250)	(165)
Tax paid	(17)	-
Net cash (used)/generated in operating activities	701	(1,354)
Investing activities		
Purchase of property, plant and equipment	(67)	(156)
Interest received	72	94
Addition of software development expenditure, net of grant	(3,633)	(3,821)
Net cash used in investing activities	(3,628)	(3,883)
Financing activities		
Proceeds from conversion of ICPS	236	740
Proceeds from exercise of ESOS	-	194
Payment of lease liabilities	(719)	(857)
Proceeds/(Repayment) of short term borrowing, net	-	-
Net cash generated/(use) in financing activities	(483)	77
Net changes in cash and cash equivalents	(3,410)	(5,160)
Cash and cash equivalents at beginning of financial year	14,069	20,096
Effect of exchange rate changes on opening balance	215	(16)
Cash and cash equivalents at end of the financial period	10,874	14,920

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022 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 2022.

### **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 2022.

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>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFS 101 Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Income Taxes	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.

### **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.



(Registration No. 200201024235 (591898-H))

**A9. Capital Commitments**

No material capital commitments were approved and contracted for as at 30<sup>th</sup> September 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 1<sup>st</sup> October 2022 and 24<sup>th</sup> November 2022 that would be required to be reflected in the financial statement for the quarter ended 30<sup>th</sup> September 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**

Guarantees given by the Company for credit facilities granted to subsidiaries

30 Sep 2022  
RM'000

7,475

**A14. Significant Related Party Transaction**

There were no significant 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>2022</i>				
Revenue				
- External	1,660	12,386	-	14,046
- Internal	-	3,449	(3,449)	-
<b>Total Revenue</b>	<b>1,660</b>	<b>15,835</b>	<b>(3,449)</b>	<b>14,046</b>
Result				
- Segment Result	(508)	(6,118)	-	(6,626)
- Share of associate result				17
- Interest income				72
- Interest expense				(333)
Loss before tax				(6,870)
Tax				(17)
Loss after tax				(6,887)
Segment assets	29,090	65,247	(27,471)	66,866
Segment liabilities	1,231	23,842	-	25,073
Other information				
- Capital Expenditure	7	3,693	-	3,700
- Depreciation and amortization	124	3,798	-	3,922

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2021</i>				
Revenue				
- External	2,196	14,364	-	16,560
- Internal	-	-	-	-
<b>Total Revenue</b>	<b>2,196</b>	<b>14,364</b>	<b>-</b>	<b>16,560</b>
Result				
- Segment Result	252	(5,099)	-	(4,847)
- Share of associate result				186
- Interest income				94
- Interest expense				(196)
Loss before tax				(4,763)
Tax				-
Loss after tax				(4,763)
Segment assets	48,215	65,645	(29,674)	84,186
Segment liabilities	1,699	18,795	-	20,494
Other information				
- Capital Expenditure	18	3,959	-	3,977
- Depreciation and amortization	131	3,810	-	3,941



(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

For the current quarter under review, the Group recorded revenue of approximately RM5.7 million, which was approximately 38% lower than the revenue of approximately RM9.2 million for the preceding year’s corresponding quarter period ended 30 September 2021. The decrease was due to lower revenue recognition from the order book as a result of lower delivery milestone due to lower project milestones achieved. In line with the decrease in revenue, the Group recorded a higher loss before taxation of approximately RM4.7 million for the current quarter as compared to the preceding year’s loss before taxation of approximately RM1.7 million.

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

For the 6 months ended 30 September 2022, the Group recorded revenue of RM14.0 million, representing an approximately 15% decrease over the revenue for the 6 months period ended 30 September 2021 of RM16.6 million. The decrease was mainly due to lower project milestones achieved. The Group recorded a loss before taxation of approximately RM6.9 million for the current period as compared to the preceding year’s profit before taxation of approximately RM4.8 million in tandem with the decrease in revenue.

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

	Current Quarter 30 Sep 2022 RM’000	Preceding Quarter 30 Jun 2022 RM’000	Difference (%)
Revenue	5,684	8,362	- 32%
Loss before taxation	(4,650)	(1,986)	-134%

The Group recorded revenue of approximately RM5.7 million in the current quarter, which was about 32% lower than that recorded in the preceding quarter ended 30 Jun 2022 of RM 8.4 million due to due to lower revenue recognition from the order book as a result of lower delivery milestone due to lower project milestones achieved. In line with the lower revenue achieved, the Group ended the current quarter with a higher loss before tax of RM4.7 million as compared to a loss before taxation of RM2.0 million in the immediate preceding quarter.

The Group’s order book amounted to approximately RM59 million as at 30 September 2022 as compared to approximately RM64 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. However, with the global macroeconomic environment remaining uncertain, the Group expect the current financial year to remain challenging. The Group will continue to focus on our project delivery to meet our contractual obligation while undertaking a comprehensive review of our operation. We will continue to grow our revenue by intensifying our sales and marketing efforts to provide valed added services. Our investments in artificial intelligent and robotics has also reached developmental maturity and is expected to enable us to expand our product offerings.

### 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 30 Sep 2022 RM'000</b>	<b>Cumulative Quarter ended 30 Sep 2022 RM'000</b>
i) Depreciation and amortization	1,968	3,922
ii) Foreign exchange (gain)/loss	(599)	(1,006)
iii) Provision for and write off / (write back) of receivables	-	-
iv) Provision for and write off / (write back) of contract assets	-	-
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>30 Sep 2022 RM'000</b>	<b>30 Sep 2021 RM'000</b>	<b>30 Sep 2022 RM'000</b>	<b>30 Sep 2021 RM'000</b>
Current taxation charge	10	-	17	-
Under provision in prior year tax	-	-	-	-
	-----	-----	-----	-----
Tax expenses (charge)/write back	10	-	17	-
	=====	=====	=====	=====

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 September 2022 are as follows:

	<b>RM'000</b>
Payable within 12 months	
<i>Term Loans</i>	7,475
	=====

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 / Lapsed	<b>As at 30.09.22</b>
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	-	(21,000,000)	4,300,000

Number of options exercisable as at 30 September 2022 is 23,800,000.

(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 30 September 2022 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 30 Sep 2022	Preceding year corresponding quarter 30 Sep 2021	Current year to date 30 Sep 2022	Preceding year corresponding period 30 Sep 2021
<b>(a) Basic loss per share</b>				
Net loss attributable to shareholders (RM'000)	(4,408)	(1,375)	(5,962)	(4,327)
Weighted average number of ordinary shares ('000)	1,173,083	1,159,722	1,171,163	1,153,393
Basic earnings per share (sen)	(0.38)	(0.12)	(0.51)	(0.38)

**(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> November 2022