



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2014 RM'000	CURRENT PERIOD TO- DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
Revenue	2,625	2,614	5,121	4,782
Amortisation of research and development expenses	(406)	(356)	(787)	(694)
Other cost of sales	(697)	(323)	(1,200)	(607)
<b>Gross profit</b>	<b>1,522</b>	<b>1,935</b>	<b>3,134</b>	<b>3,481</b>
Interest income	65	26	133	37
Other income	-	180	-	317
Administration expenses	(650)	(545)	(1,368)	(986)
Depreciation	(149)	(74)	(297)	(108)
Amortisation of goodwill	(156)	(156)	(312)	(313)
Selling and distribution expenses	(164)	(99)	(237)	(132)
Provision for doubtful debts	-	-	-	-
Gain/(Loss) on disposal of investment	-	-	-	-
Impairment of assets	-	-	-	-
Gain/(Loss) on foreign exchange	8	(4)	13	(8)
Gain/(Loss) on derivatives	-	-	-	-
Other operating expenses	(186)	(116)	(319)	(220)
<b>Profit from operations</b>	<b>290</b>	<b>1,147</b>	<b>747</b>	<b>2,068</b>
Finance cost	(61)	(30)	(119)	(46)
<b>Profit before tax</b>	<b>229</b>	<b>1,117</b>	<b>628</b>	<b>2,022</b>
Income tax expenses	(24)	(77)	(53)	(178)
<b>Profit after tax</b>	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Other comprehensive income	-	-	-	-
	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Attributable to:-				
- Owners of the parent	354	1,040	750	1,844
- Non-controlling Interest	(149)	-	(175)	-
	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share)				
Basic	0.11	0.33	0.24	0.58
Diluted	N/A	N/A	N/A	N/A

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015**

(the figures have not been audited)

	UNAUDITED AS AT 30.09.2015 RM'000	AUDITED AS AT 31.03.2015 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8,646	8,748
Goodwill on consolidation	21,208	21,521
Investment properties	1,178	1,190
Development expenditure	5,076	4,648
Other investment	163	163
<b>TOTAL NON-CURRENT ASSETS</b>	<b>36,271</b>	<b>36,270</b>
<b>CURRENT ASSETS</b>		
Trade receivables	1,393	1,383
Other receivables, deposits and prepayments	265	109
Current tax assets	246	159
Fixed deposits with licensed financial institution	500	-
Short term deposits with licensed financial institutions	4,797	6,782
Cash and bank balances	1,144	1,008
<b>TOTAL CURRENT ASSETS</b>	<b>8,345</b>	<b>9,441</b>
<b>TOTAL ASSETS</b>	<b>44,616</b>	<b>45,711</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	31,734	31,734
Retained earnings	5,021	6,175
	36,755	37,909
Minority Interest	118	293
<b>TOTAL EQUITY</b>	<b>36,873</b>	<b>38,202</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	6,492	6,155
Deferred tax liabilities	103	103
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,595</b>	<b>6,258</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	274	155
Other payables and accruals	603	856
Borrowings	271	240
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,148</b>	<b>1,251</b>
<b>TOTAL LIABILITIES</b>	<b>7,743</b>	<b>7,509</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,616</b>	<b>45,711</b>
<b>NET ASSETS PER SHARE (SEN)</b>	<b>11.62</b>	<b>12.04</b>

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**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

Six (6) months ended 30 September 2015	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Balance as at 1 April 2015	31,734	6,175	37,909	293	38,202
Total comprehensive income/(expense) for the financial period	-	750	750	(175)	575
Dividends - equity holder	-	(1,904)	(1,904)	-	(1,904)
Balance as at 30 September 2015	<u>31,734</u>	<u>5,021</u>	<u>36,755</u>	<u>118</u>	<u>36,873</u>
Six (6) months ended 30 September 2014	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Balance as at 1 April 2014	31,734	4,032	35,766	-	35,766
Total comprehensive income for the financial period	-	1,844	1,844	-	1,844
Dividends - equity holder	-	(952)	(952)	-	(952)
Balance as at 30 September 2014	<u>31,734</u>	<u>4,924</u>	<u>36,658</u>	<u>-</u>	<u>36,658</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

	CUMULATIVE QUARTERS	
	CURRENT PERIOD TO-DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total comprehensive income	575	1,844
Adjustment for non-cash items	1,382	776
Operating profit before changes in working capital	1,957	2,620
(Increase)/Decrease in trade receivables	(11)	647
Other net changes in assets	(157)	466
Decrease in trade payables	120	11
Other net changes in liabilities	(253)	(122)
Cash flow from operations	1,656	3,622
Tax (paid)/refund	(88)	4
Net cash flow from operating activities	1,568	3,626
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(179)	(5,979)
Payment for development expenditure	(1,215)	(856)
Proceeds from disposal of fixed assets	-	239
Interest received	133	115
Net cash flow used in investing activities	(1,261)	(6,481)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend to shareholders	(1,904)	(952)
(Repayment)/drawdown of hire purchase payables	(63)	356
Interest paid	(119)	(15)
Net changes in term loan	430	3,872
Net cash flow (used in)/from financing activities	(1,656)	3,261
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,349)	406
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	7,790	7,378
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6,441	7,784
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	500	-
Short term deposits with licensed financial institutions	4,797	6,854
Cash and bank balances	1,144	930
	6,441	7,784

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART A: REQUIREMENT OF MFRS 134 – INTERIM FINANCIAL REPORTING**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Systech Bhd (“Systech” or “the Company”) and its subsidiaries (“the Group”) since the previous financial year ended (“FYE”) 31 March 2015.

They do not include all of the information required for full annual financial statements, and as such should be read in conjunction with the consolidated financial statements of the Group as at and for the FYE 31 March 2015.

**2. Significant Accounting Policies**

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2015.

**3. Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2015.

**4. Auditor’s Report on Preceding Annual Financial Statements**

The independent auditors’ report on Systech’s annual audited financial statements for the preceding FYE 31 March 2015 was not subject to any audit qualification.

**5. Seasonal and Cyclical Factors**

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

**6. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size or incidence during the current financial period under review.

## 7. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

## 8. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company during the financial quarter under review.

## 9. Dividends paid

A single tier final dividend of 6% amounting to RM1,904,027 in respect of the FYE 31 March 2015 on 317,337,820 ordinary shares of RM0.10 each was paid on 18 September 2015.

## 10. Segmental Reporting

As the Group is principally engaged in providing services of e-business solutions, segment reporting by business segment is not prepared. The segmental results based on geographical segments are as follows:-

### Six (6) Months Financial Period Ended 30 September 2015

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	2,619	1,085	1,417	5,121
Segment assets	43,873	499	244	44,616
Capital expenditure	179	-	-	179

### Six (6) Months Financial Period Ended 30 September 2014

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	1,467	2,056	1,259	4,782
Segment assets	42,770	64	379	43,213
Capital expenditure	5,979	-	-	5,979

## 11. Carrying Amount of Revalued Assets

There were no revaluation of property, plant and equipment by the Group.

## 12. Significant Material and Subsequent Events

There were no significant material and subsequent events subsequent to the end of the current financial period under review that have not been reflected in the interim financial statements.

### 13. Changes in the Composition of the Group

There are no changes in the composition of the Group during the current financial period under review.

### 14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of the Group during the current financial period under review.

### 15. Capital Commitments and corporate guarantees

The capital commitments of the Group for the quarter under review are as follows:-

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Office suites under construction contracted but not provided in the financial statements	<u>236</u>	<u>353</u>

The capital commitment is in relation to the balance purchase price for the office suites under construction which have been authorised and contracted but not provided for in the financial statements. Progress payments in respect of the said on-going construction of office suites have been included as carrying cost in property, plant and equipment of the Group.

The corporate guarantees of the Company are as follows:-

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>6,763</u>	<u>6,395</u>

### 16. Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.



**SYSTECH BERHAD ("SYSTECH") 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

**17. Review of Performance**

The Group recorded RM2.625 million of revenue and a profit after taxation of RM0.205 million in the current quarter under review.

Systech's currently has three (3) operating subsidiaries, Sycatech Sdn Bhd ("Sycatech"), which is principally involved in the design, research and development, customisation and implementation of its proprietary software solutions to the members' centric industry such as the direct selling industry and retail industry; Mobysys Sdn Bhd ("Mobysys"), which is principally involved in the development of franchise software system, which is designed for the operational and management needs for organisations operating with franchise business models; and Sysarmy Sdn Bhd ("Sysarmy"), which is principally involved in Big Data Analytics and related applications focusing on cyber security services, managed security network monitoring system and other cyber security related products and advisory work.

Demand for the Group's solutions are driven by the general economic conditions as well as the growth in both the direct selling industry as well as the franchise industry in the various countries that its solutions are being implemented and demand for cyber security related applications in Malaysia. Its level of operating activities is determined by its number of employees as well as the complexity of customisation and monitoring that its customers required. During the period under review, there were no factors or circumstances that significantly affected its revenue, costs or profit margins.

The Group's performance for the quarter under review against the corresponding quarter of the previous financial year is as follows:-

	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30.09.2015	30.09.2014	RM'000	%
	RM'000	RM'000		
Revenue	2,625	2,614	11	0.42
Profit after tax	205	1,040	(835)	(80.29)

Revenue for the current quarter under review is comparable to the corresponding quarter of the previous financial year. However, the Group's profit after taxation decreased following lower profit margins recorded, the increase in administration cost and depreciation as well as higher finance, operating and staff related expenses following the increase in the number of employees of the Group.



## 18. Variation of Results against Preceding Quarter

	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30.09.2015	30.06.2015	RM'000	%
	RM'000	RM'000		
Revenue	2,625	2,496	129	5.17
Profit after tax	205	370	(165)	(44.59)

Revenue for the quarter under review is marginally higher as compared to the preceding quarter. The Group's profit after taxation has decreased mainly due to lower profit margin and higher selling and distribution expenses incurred during the current quarter under review.

## 19. Current Year Prospects

With the current economic conditions in Malaysia and the South East Asian region, the Group will continue to increase its sales and marketing activities across the region to grow its revenue and improve its financial results in the coming financial quarters. Emphasis will also be placed in undertaking further research and development into its existing as well as new solutions and services offering and the Board of Directors remains optimistic that the Group will be able to achieve satisfactory performance in the FYE 31 March 2016.

## 20. Variance of Actual Profit from Profit Forecast

The Group did not announce or provide any profit estimate, forecast, projection, internal targets for the FYE 31 March 2016.

## 21. Tax Expense

	CURRENT QUARTER	CURRENT PERIOD
	ENDED	TO-DATE
	30.09.2015	30.09.2015
	RM'000	RM'000
Income Tax		
- Malaysian Tax	14	33
- Foreign Tax	10	20
- Deferred Tax	-	-
	<u>24</u>	<u>53</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate as a subsidiary of the Group, Mobsys, was granted Pioneer Status with effect from 17 June 2008, which exempts 100% of its statutory business income from taxation for a period of five (5) years until 16 June 2013 and of which has been extended for another five (5) years until 15 June 2018.

## 22. Status of Corporate Proposals

There are no corporate proposals announced or outstanding as at the date of this Report.

## 23. Borrowings and Debts Securities

	30.09.2015 RM'000
<b>NON-CURRENT</b>	
<b>SECURED</b>	
Long term loan	6,083
Hire purchase	409
	<hr/> 6,492
<b>CURRENT</b>	
<b>SECURED</b>	
Term loan	140
Hire purchase	131
	<hr/> 271
	<hr/> <b>6,763</b>
<b>Gearing ratio (times)</b>	0.18

All the above borrowings are denominated in Ringgit Malaysia.

## 24. Realised and Unrealised Profits/Losses Disclosure

The retained profits as at 30 September 2015 are analysed as follows:-

	30.06.2015 RM'000	31.03.2015 RM'000
Total retained profits of the Company and Subsidiaries		
- Realised	5,124	6,278
- Unrealised	<u>(103)</u>	<u>(103)</u>
	5,021	6,175
Less: Consolidated adjustments	<u>-</u>	<u>-</u>
Total Group retained profits	<u>5,021</u>	<u>6,175</u>

## 25. Changes in Material Litigation

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group as at the date of this Report.

## 26. Dividends

No dividends have been recommended during the financial period under review.

## 27. Basic earnings per Share

	CURRENT QUARTER ENDED		CURRENT PERIOD TO-DATE	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
<b>Basic earnings per share</b>				
Profit after tax attributable to owners of the parent (RM'000)	354	1,040	750	1,844
Weighted average number of ordinary shares in issue ('000)	317,338	317,338	317,338	317,338
Basic earnings per share (sen)	0.11	0.33	0.24	0.58

## 28. Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 Fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group does not have any financial instruments carried at fair value or any instruments classified as Level 1, Level 2 and Level 3 as at the end of the reporting period.

**By the Order of the Board**

**Company Secretary**

**Dated this 19<sup>th</sup> Day of November 2015.**



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(the figures have not been audited)

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	CURRENT YEAR QUARTER 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2014 RM'000	CURRENT PERIOD TO- DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
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Gain/(Loss) on foreign exchange	8	(4)	13	(8)
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Diluted	N/A	N/A	N/A	N/A

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AS AT 30 SEPTEMBER 2015**

(the figures have not been audited)

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<b>NON-CURRENT ASSETS</b>		
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<b>TOTAL ASSETS</b>	<u>44,616</u>	<u>45,711</u>
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<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
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	36,755	37,909
Minority Interest	118	293
<b>TOTAL EQUITY</b>	<u>36,873</u>	<u>38,202</u>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	6,492	6,155
Deferred tax liabilities	103	103
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>6,595</u>	<u>6,258</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	274	155
Other payables and accruals	603	856
Borrowings	271	240
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,148</u>	<u>1,251</u>
<b>TOTAL LIABILITIES</b>	<u>7,743</u>	<u>7,509</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>44,616</u>	<u>45,711</u>
<b>NET ASSETS PER SHARE (SEN)</b>	<u>11.62</u>	<u>12.04</u>

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**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

Six (6) months ended 30 September 2015	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Balance as at 1 April 2015	31,734	6,175	37,909	293	38,202
Total comprehensive income/(expense) for the financial period	-	750	750	(175)	575
Dividends - equity holder	-	(1,904)	(1,904)	-	(1,904)
Balance as at 30 September 2015	<u>31,734</u>	<u>5,021</u>	<u>36,755</u>	<u>118</u>	<u>36,873</u>
Six (6) months ended 30 September 2014	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Balance as at 1 April 2014	31,734	4,032	35,766	-	35,766
Total comprehensive income for the financial period	-	1,844	1,844	-	1,844
Dividends - equity holder	-	(952)	(952)	-	(952)
Balance as at 30 September 2014	<u>31,734</u>	<u>4,924</u>	<u>36,658</u>	<u>-</u>	<u>36,658</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

	CUMULATIVE QUARTERS	
	CURRENT PERIOD TO-DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total comprehensive income	575	1,844
Adjustment for non-cash items	1,382	776
Operating profit before changes in working capital	1,957	2,620
(Increase)/Decrease in trade receivables	(11)	647
Other net changes in assets	(157)	466
Decrease in trade payables	120	11
Other net changes in liabilities	(253)	(122)
Cash flow from operations	1,656	3,622
Tax (paid)/refund	(88)	4
Net cash flow from operating activities	1,568	3,626
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(179)	(5,979)
Payment for development expenditure	(1,215)	(856)
Proceeds from disposal of fixed assets	-	239
Interest received	133	115
Net cash flow used in investing activities	(1,261)	(6,481)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend to shareholders	(1,904)	(952)
(Repayment)/drawdown of hire purchase payables	(63)	356
Interest paid	(119)	(15)
Net changes in term loan	430	3,872
Net cash flow (used in)/from financing activities	(1,656)	3,261
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,349)	406
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	7,790	7,378
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6,441	7,784
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	500	-
Short term deposits with licensed financial institutions	4,797	6,854
Cash and bank balances	1,144	930
	6,441	7,784

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART A: REQUIREMENT OF MFRS 134 – INTERIM FINANCIAL REPORTING**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Systech Bhd (“Systech” or “the Company”) and its subsidiaries (“the Group”) since the previous financial year ended (“FYE”) 31 March 2015.

They do not include all of the information required for full annual financial statements, and as such should be read in conjunction with the consolidated financial statements of the Group as at and for the FYE 31 March 2015.

**2. Significant Accounting Policies**

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2015.

**3. Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2015.

**4. Auditor’s Report on Preceding Annual Financial Statements**

The independent auditors’ report on Systech’s annual audited financial statements for the preceding FYE 31 March 2015 was not subject to any audit qualification.

**5. Seasonal and Cyclical Factors**

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

**6. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size or incidence during the current financial period under review.



## 7. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

## 8. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company during the financial quarter under review.

## 9. Dividends paid

A single tier final dividend of 6% amounting to RM1,904,027 in respect of the FYE 31 March 2015 on 317,337,820 ordinary shares of RM0.10 each was paid on 18 September 2015.

## 10. Segmental Reporting

As the Group is principally engaged in providing services of e-business solutions, segment reporting by business segment is not prepared. The segmental results based on geographical segments are as follows:-

### Six (6) Months Financial Period Ended 30 September 2015

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	2,619	1,085	1,417	5,121
Segment assets	43,873	499	244	44,616
Capital expenditure	179	-	-	179

### Six (6) Months Financial Period Ended 30 September 2014

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	1,467	2,056	1,259	4,782
Segment assets	42,770	64	379	43,213
Capital expenditure	5,979	-	-	5,979

## 11. Carrying Amount of Revalued Assets

There were no revaluation of property, plant and equipment by the Group.

## 12. Significant Material and Subsequent Events

There were no significant material and subsequent events subsequent to the end of the current financial period under review that have not been reflected in the interim financial statements.

### 13. Changes in the Composition of the Group

There are no changes in the composition of the Group during the current financial period under review.

### 14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of the Group during the current financial period under review.

### 15. Capital Commitments and corporate guarantees

The capital commitments of the Group for the quarter under review are as follows:-

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Office suites under construction contracted but not provided in the financial statements	<u>236</u>	<u>353</u>

The capital commitment is in relation to the balance purchase price for the office suites under construction which have been authorised and contracted but not provided for in the financial statements. Progress payments in respect of the said on-going construction of office suites have been included as carrying cost in property, plant and equipment of the Group.

The corporate guarantees of the Company are as follows:-

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>6,763</u>	<u>6,395</u>

### 16. Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.



**SYSTECH BERHAD ("SYSTECH") 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

**17. Review of Performance**

The Group recorded RM2.625 million of revenue and a profit after taxation of RM0.205 million in the current quarter under review.

Systech's currently has three (3) operating subsidiaries, Sycatech Sdn Bhd ("Sycatech"), which is principally involved in the design, research and development, customisation and implementation of its proprietary software solutions to the members' centric industry such as the direct selling industry and retail industry; Mobysys Sdn Bhd ("Mobysys"), which is principally involved in the development of franchise software system, which is designed for the operational and management needs for organisations operating with franchise business models; and Sysarmy Sdn Bhd ("Sysarmy"), which is principally involved in Big Data Analytics and related applications focusing on cyber security services, managed security network monitoring system and other cyber security related products and advisory work.

Demand for the Group's solutions are driven by the general economic conditions as well as the growth in both the direct selling industry as well as the franchise industry in the various countries that its solutions are being implemented and demand for cyber security related applications in Malaysia. Its level of operating activities is determined by its number of employees as well as the complexity of customisation and monitoring that its customers required. During the period under review, there were no factors or circumstances that significantly affected its revenue, costs or profit margins.

The Group's performance for the quarter under review against the corresponding quarter of the previous financial year is as follows:-

	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30.09.2015	30.09.2014	RM'000	%
	RM'000	RM'000		
Revenue	2,625	2,614	11	0.42
Profit after tax	205	1,040	(835)	(80.29)

Revenue for the current quarter under review is comparable to the corresponding quarter of the previous financial year. However, the Group's profit after taxation decreased following lower profit margins recorded, the increase in administration cost and depreciation as well as higher finance, operating and staff related expenses following the increase in the number of employees of the Group.

## 18. Variation of Results against Preceding Quarter

	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30.09.2015	30.06.2015	RM'000	%
	RM'000	RM'000		
Revenue	2,625	2,496	129	5.17
Profit after tax	205	370	(165)	(44.59)

Revenue for the quarter under review is marginally higher as compared to the preceding quarter. The Group's profit after taxation has decreased mainly due to lower profit margin and higher selling and distribution expenses incurred during the current quarter under review.

## 19. Current Year Prospects

With the current economic conditions in Malaysia and the South East Asian region, the Group will continue to increase its sales and marketing activities across the region to grow its revenue and improve its financial results in the coming financial quarters. Emphasis will also be placed in undertaking further research and development into its existing as well as new solutions and services offering and the Board of Directors remains optimistic that the Group will be able to achieve satisfactory performance in the FYE 31 March 2016.

## 20. Variance of Actual Profit from Profit Forecast

The Group did not announce or provide any profit estimate, forecast, projection, internal targets for the FYE 31 March 2016.

## 21. Tax Expense

	CURRENT QUARTER	CURRENT PERIOD
	ENDED	TO-DATE
	30.09.2015	30.09.2015
	RM'000	RM'000
Income Tax		
- Malaysian Tax	14	33
- Foreign Tax	10	20
- Deferred Tax	-	-
	<u>24</u>	<u>53</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate as a subsidiary of the Group, Mobsysys, was granted Pioneer Status with effect from 17 June 2008, which exempts 100% of its statutory business income from taxation for a period of five (5) years until 16 June 2013 and of which has been extended for another five (5) years until 15 June 2018.

## 22. Status of Corporate Proposals

There are no corporate proposals announced or outstanding as at the date of this Report.

### 23. Borrowings and Debts Securities

	30.09.2015 RM'000
<b>NON-CURRENT</b>	
<b>SECURED</b>	
Long term loan	6,083
Hire purchase	409
	<hr/> 6,492
<b>CURRENT</b>	
<b>SECURED</b>	
Term loan	140
Hire purchase	131
	<hr/> 271
	<hr/> <hr/> 6,763
<b>Gearing ratio (times)</b>	0.18

All the above borrowings are denominated in Ringgit Malaysia.

### 24. Realised and Unrealised Profits/Losses Disclosure

The retained profits as at 30 September 2015 are analysed as follows:-

	30.06.2015 RM'000	31.03.2015 RM'000
Total retained profits of the Company and Subsidiaries		
- Realised	5,124	6,278
- Unrealised	<u>(103)</u>	<u>(103)</u>
	5,021	6,175
Less: Consolidated adjustments	<u>-</u>	<u>-</u>
Total Group retained profits	<u>5,021</u>	<u>6,175</u>

### 25. Changes in Material Litigation

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group as at the date of this Report.

### 26. Dividends

No dividends have been recommended during the financial period under review.

## 27. Basic earnings per Share

	CURRENT QUARTER ENDED		CURRENT PERIOD TO-DATE	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
<b>Basic earnings per share</b>				
Profit after tax attributable to owners of the parent (RM'000)	354	1,040	750	1,844
Weighted average number of ordinary shares in issue ('000)	317,338	317,338	317,338	317,338
Basic earnings per share (sen)	0.11	0.33	0.24	0.58

## 28. Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 Fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group does not have any financial instruments carried at fair value or any instruments classified as Level 1, Level 2 and Level 3 as at the end of the reporting period.

**By the Order of the Board**

**Company Secretary**

**Dated this 19<sup>th</sup> Day of November 2015.**



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2014 RM'000	CURRENT PERIOD TO- DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
Revenue	2,625	2,614	5,121	4,782
Amortisation of research and development expenses	(406)	(356)	(787)	(694)
Other cost of sales	(697)	(323)	(1,200)	(607)
<b>Gross profit</b>	<b>1,522</b>	<b>1,935</b>	<b>3,134</b>	<b>3,481</b>
Interest income	65	26	133	37
Other income	-	180	-	317
Administration expenses	(650)	(545)	(1,368)	(986)
Depreciation	(149)	(74)	(297)	(108)
Amortisation of goodwill	(156)	(156)	(312)	(313)
Selling and distribution expenses	(164)	(99)	(237)	(132)
Provision for doubtful debts	-	-	-	-
Gain/(Loss) on disposal of investment	-	-	-	-
Impairment of assets	-	-	-	-
Gain/(Loss) on foreign exchange	8	(4)	13	(8)
Gain/(Loss) on derivatives	-	-	-	-
Other operating expenses	(186)	(116)	(319)	(220)
<b>Profit from operations</b>	<b>290</b>	<b>1,147</b>	<b>747</b>	<b>2,068</b>
Finance cost	(61)	(30)	(119)	(46)
<b>Profit before tax</b>	<b>229</b>	<b>1,117</b>	<b>628</b>	<b>2,022</b>
Income tax expenses	(24)	(77)	(53)	(178)
<b>Profit after tax</b>	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Other comprehensive income	-	-	-	-
	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Attributable to:-				
- Owners of the parent	354	1,040	750	1,844
- Non-controlling Interest	(149)	-	(175)	-
	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share)				
Basic	0.11	0.33	0.24	0.58
Diluted	N/A	N/A	N/A	N/A

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2015**

(the figures have not been audited)

	UNAUDITED AS AT 30.09.2015 RM'000	AUDITED AS AT 31.03.2015 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8,646	8,748
Goodwill on consolidation	21,208	21,521
Investment properties	1,178	1,190
Development expenditure	5,076	4,648
Other investment	163	163
<b>TOTAL NON-CURRENT ASSETS</b>	<u>36,271</u>	<u>36,270</u>
<b>CURRENT ASSETS</b>		
Trade receivables	1,393	1,383
Other receivables, deposits and prepayments	265	109
Current tax assets	246	159
Fixed deposits with licensed financial institution	500	-
Short term deposits with licensed financial institutions	4,797	6,782
Cash and bank balances	1,144	1,008
<b>TOTAL CURRENT ASSETS</b>	<u>8,345</u>	<u>9,441</u>
<b>TOTAL ASSETS</b>	<u>44,616</u>	<u>45,711</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	31,734	31,734
Retained earnings	<u>5,021</u>	<u>6,175</u>
	36,755	37,909
Minority Interest	118	293
<b>TOTAL EQUITY</b>	<u>36,873</u>	<u>38,202</u>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	6,492	6,155
Deferred tax liabilities	103	103
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>6,595</u>	<u>6,258</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	274	155
Other payables and accruals	603	856
Borrowings	271	240
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,148</u>	<u>1,251</u>
<b>TOTAL LIABILITIES</b>	<u>7,743</u>	<u>7,509</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>44,616</u>	<u>45,711</u>
<b>NET ASSETS PER SHARE (SEN)</b>	<u>11.62</u>	<u>12.04</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*





**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

Six (6) months ended 30 September 2015	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Balance as at 1 April 2015	31,734	6,175	37,909	293	38,202
Total comprehensive income/(expense) for the financial period	-	750	750	(175)	575
Dividends - equity holder	-	(1,904)	(1,904)	-	(1,904)
Balance as at 30 September 2015	<u>31,734</u>	<u>5,021</u>	<u>36,755</u>	<u>118</u>	<u>36,873</u>
Six (6) months ended 30 September 2014	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->				
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
Balance as at 1 April 2014	31,734	4,032	35,766	-	35,766
Total comprehensive income for the financial period	-	1,844	1,844	-	1,844
Dividends - equity holder	-	(952)	(952)	-	(952)
Balance as at 30 September 2014	<u>31,734</u>	<u>4,924</u>	<u>36,658</u>	<u>-</u>	<u>36,658</u>

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**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

	CUMULATIVE QUARTERS	
	CURRENT PERIOD TO-DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total comprehensive income	575	1,844
Adjustment for non-cash items	1,382	776
Operating profit before changes in working capital	1,957	2,620
(Increase)/Decrease in trade receivables	(11)	647
Other net changes in assets	(157)	466
Decrease in trade payables	120	11
Other net changes in liabilities	(253)	(122)
Cash flow from operations	1,656	3,622
Tax (paid)/refund	(88)	4
Net cash flow from operating activities	1,568	3,626
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Interest received	133	115
Net cash flow used in investing activities	(1,261)	(6,481)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend to shareholders	(1,904)	(952)
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Interest paid	(119)	(15)
Net changes in term loan	430	3,872
Net cash flow (used in)/from financing activities	(1,656)	3,261
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,349)	406
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	7,790	7,378
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6,441	7,784
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	500	-
Short term deposits with licensed financial institutions	4,797	6,854
Cash and bank balances	1,144	930
	6,441	7,784

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**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART A: REQUIREMENT OF MFRS 134 – INTERIM FINANCIAL REPORTING**

**1. Basis of preparation**

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**2. Significant Accounting Policies**

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## 9. Dividends paid

A single tier final dividend of 6% amounting to RM1,904,027 in respect of the FYE 31 March 2015 on 317,337,820 ordinary shares of RM0.10 each was paid on 18 September 2015.

## 10. Segmental Reporting

As the Group is principally engaged in providing services of e-business solutions, segment reporting by business segment is not prepared. The segmental results based on geographical segments are as follows:-

### Six (6) Months Financial Period Ended 30 September 2015

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	2,619	1,085	1,417	5,121
Segment assets	43,873	499	244	44,616
Capital expenditure	179	-	-	179

### Six (6) Months Financial Period Ended 30 September 2014

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	1,467	2,056	1,259	4,782
Segment assets	42,770	64	379	43,213
Capital expenditure	5,979	-	-	5,979

## 11. Carrying Amount of Revalued Assets

There were no revaluation of property, plant and equipment by the Group.

## 12. Significant Material and Subsequent Events

There were no significant material and subsequent events subsequent to the end of the current financial period under review that have not been reflected in the interim financial statements.

### 13. Changes in the Composition of the Group

There are no changes in the composition of the Group during the current financial period under review.

### 14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of the Group during the current financial period under review.

### 15. Capital Commitments and corporate guarantees

The capital commitments of the Group for the quarter under review are as follows:-

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Office suites under construction contracted but not provided in the financial statements	<u>236</u>	<u>353</u>

The capital commitment is in relation to the balance purchase price for the office suites under construction which have been authorised and contracted but not provided for in the financial statements. Progress payments in respect of the said on-going construction of office suites have been included as carrying cost in property, plant and equipment of the Group.

The corporate guarantees of the Company are as follows:-

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>6,763</u>	<u>6,395</u>

### 16. Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.



**SYSTECH BERHAD ("SYSTECH") 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

**17. Review of Performance**

The Group recorded RM2.625 million of revenue and a profit after taxation of RM0.205 million in the current quarter under review.

Systech's currently has three (3) operating subsidiaries, Sycatech Sdn Bhd ("Sycatech"), which is principally involved in the design, research and development, customisation and implementation of its proprietary software solutions to the members' centric industry such as the direct selling industry and retail industry; Mobysys Sdn Bhd ("Mobysys"), which is principally involved in the development of franchise software system, which is designed for the operational and management needs for organisations operating with franchise business models; and Sysarmy Sdn Bhd ("Sysarmy"), which is principally involved in Big Data Analytics and related applications focusing on cyber security services, managed security network monitoring system and other cyber security related products and advisory work.

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The Group's performance for the quarter under review against the corresponding quarter of the previous financial year is as follows:-

	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30.09.2015	30.09.2014	RM'000	%
	RM'000	RM'000		
Revenue	2,625	2,614	11	0.42
Profit after tax	205	1,040	(835)	(80.29)

Revenue for the current quarter under review is comparable to the corresponding quarter of the previous financial year. However, the Group's profit after taxation decreased following lower profit margins recorded, the increase in administration cost and depreciation as well as higher finance, operating and staff related expenses following the increase in the number of employees of the Group.

## 18. Variation of Results against Preceding Quarter

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	RM'000	RM'000		
Revenue	2,625	2,496	129	5.17
Profit after tax	205	370	(165)	(44.59)

Revenue for the quarter under review is marginally higher as compared to the preceding quarter. The Group's profit after taxation has decreased mainly due to lower profit margin and higher selling and distribution expenses incurred during the current quarter under review.

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With the current economic conditions in Malaysia and the South East Asian region, the Group will continue to increase its sales and marketing activities across the region to grow its revenue and improve its financial results in the coming financial quarters. Emphasis will also be placed in undertaking further research and development into its existing as well as new solutions and services offering and the Board of Directors remains optimistic that the Group will be able to achieve satisfactory performance in the FYE 31 March 2016.

## 20. Variance of Actual Profit from Profit Forecast

The Group did not announce or provide any profit estimate, forecast, projection, internal targets for the FYE 31 March 2016.

## 21. Tax Expense

	CURRENT QUARTER	CURRENT PERIOD
	ENDED	TO-DATE
	30.09.2015	30.09.2015
	RM'000	RM'000
Income Tax		
- Malaysian Tax	14	33
- Foreign Tax	10	20
- Deferred Tax	-	-
	<u>24</u>	<u>53</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate as a subsidiary of the Group, Mobsysys, was granted Pioneer Status with effect from 17 June 2008, which exempts 100% of its statutory business income from taxation for a period of five (5) years until 16 June 2013 and of which has been extended for another five (5) years until 15 June 2018.

## 22. Status of Corporate Proposals

There are no corporate proposals announced or outstanding as at the date of this Report.

## 23. Borrowings and Debts Securities

	30.09.2015 RM'000
<b>NON-CURRENT</b>	
<b>SECURED</b>	
Long term loan	6,083
Hire purchase	409
	<hr/> 6,492
<b>CURRENT</b>	
<b>SECURED</b>	
Term loan	140
Hire purchase	131
	<hr/> 271
	<hr/> <b>6,763</b>
<b>Gearing ratio (times)</b>	0.18

All the above borrowings are denominated in Ringgit Malaysia.

## 24. Realised and Unrealised Profits/Losses Disclosure

The retained profits as at 30 September 2015 are analysed as follows:-

	30.06.2015 RM'000	31.03.2015 RM'000
Total retained profits of the Company and Subsidiaries		
- Realised	5,124	6,278
- Unrealised	<u>(103)</u>	<u>(103)</u>
	5,021	6,175
Less: Consolidated adjustments	<u>-</u>	<u>-</u>
Total Group retained profits	<u>5,021</u>	<u>6,175</u>

## 25. Changes in Material Litigation

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group as at the date of this Report.

## 26. Dividends

No dividends have been recommended during the financial period under review.



## 27. Basic earnings per Share

	CURRENT QUARTER ENDED		CURRENT PERIOD TO-DATE	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
<b>Basic earnings per share</b>				
Profit after tax attributable to owners of the parent (RM'000)	354	1,040	750	1,844
Weighted average number of ordinary shares in issue ('000)	317,338	317,338	317,338	317,338
Basic earnings per share (sen)	0.11	0.33	0.24	0.58

## 28. Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 Fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group does not have any financial instruments carried at fair value or any instruments classified as Level 1, Level 2 and Level 3 as at the end of the reporting period.

**By the Order of the Board**

**Company Secretary**

**Dated this 19<sup>th</sup> Day of November 2015.**



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2014 RM'000	CURRENT PERIOD TO- DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
Revenue	2,625	2,614	5,121	4,782
Amortisation of research and development expenses	(406)	(356)	(787)	(694)
Other cost of sales	(697)	(323)	(1,200)	(607)
<b>Gross profit</b>	<b>1,522</b>	<b>1,935</b>	<b>3,134</b>	<b>3,481</b>
Interest income	65	26	133	37
Other income	-	180	-	317
Administration expenses	(650)	(545)	(1,368)	(986)
Depreciation	(149)	(74)	(297)	(108)
Amortisation of goodwill	(156)	(156)	(312)	(313)
Selling and distribution expenses	(164)	(99)	(237)	(132)
Provision for doubtful debts	-	-	-	-
Gain/(Loss) on disposal of investment	-	-	-	-
Impairment of assets	-	-	-	-
Gain/(Loss) on foreign exchange	8	(4)	13	(8)
Gain/(Loss) on derivatives	-	-	-	-
Other operating expenses	(186)	(116)	(319)	(220)
<b>Profit from operations</b>	<b>290</b>	<b>1,147</b>	<b>747</b>	<b>2,068</b>
Finance cost	(61)	(30)	(119)	(46)
<b>Profit before tax</b>	<b>229</b>	<b>1,117</b>	<b>628</b>	<b>2,022</b>
Income tax expenses	(24)	(77)	(53)	(178)
<b>Profit after tax</b>	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Other comprehensive income	-	-	-	-
	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Attributable to:-				
- Owners of the parent	354	1,040	750	1,844
- Non-controlling Interest	(149)	-	(175)	-
	<b>205</b>	<b>1,040</b>	<b>575</b>	<b>1,844</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share)				
Basic	0.11	0.33	0.24	0.58
Diluted	N/A	N/A	N/A	N/A

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2015**

(the figures have not been audited)

	UNAUDITED AS AT 30.09.2015 RM'000	AUDITED AS AT 31.03.2015 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8,646	8,748
Goodwill on consolidation	21,208	21,521
Investment properties	1,178	1,190
Development expenditure	5,076	4,648
Other investment	163	163
<b>TOTAL NON-CURRENT ASSETS</b>	<u>36,271</u>	<u>36,270</u>
<b>CURRENT ASSETS</b>		
Trade receivables	1,393	1,383
Other receivables, deposits and prepayments	265	109
Current tax assets	246	159
Fixed deposits with licensed financial institution	500	-
Short term deposits with licensed financial institutions	4,797	6,782
Cash and bank balances	1,144	1,008
<b>TOTAL CURRENT ASSETS</b>	<u>8,345</u>	<u>9,441</u>
<b>TOTAL ASSETS</b>	<u>44,616</u>	<u>45,711</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	31,734	31,734
Retained earnings	<u>5,021</u>	<u>6,175</u>
	36,755	37,909
Minority Interest	118	293
<b>TOTAL EQUITY</b>	<u>36,873</u>	<u>38,202</u>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	6,492	6,155
Deferred tax liabilities	103	103
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>6,595</u>	<u>6,258</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	274	155
Other payables and accruals	603	856
Borrowings	271	240
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,148</u>	<u>1,251</u>
<b>TOTAL LIABILITIES</b>	<u>7,743</u>	<u>7,509</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>44,616</u>	<u>45,711</u>
<b>NET ASSETS PER SHARE (SEN)</b>	<u>11.62</u>	<u>12.04</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

Six (6) months ended 30 September 2015	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Balance as at 1 April 2015	31,734	6,175	37,909	293	38,202
Total comprehensive income/(expense) for the financial period	-	750	750	(175)	575
Dividends - equity holder	-	(1,904)	(1,904)	-	(1,904)
Balance as at 30 September 2015	<u>31,734</u>	<u>5,021</u>	<u>36,755</u>	<u>118</u>	<u>36,873</u>
Six (6) months ended 30 September 2014	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Balance as at 1 April 2014	31,734	4,032	35,766	-	35,766
Total comprehensive income for the financial period	-	1,844	1,844	-	1,844
Dividends - equity holder	-	(952)	(952)	-	(952)
Balance as at 30 September 2014	<u>31,734</u>	<u>4,924</u>	<u>36,658</u>	<u>-</u>	<u>36,658</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

(the figures have not been audited)

	CUMULATIVE QUARTERS	
	CURRENT PERIOD TO-DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total comprehensive income	575	1,844
Adjustment for non-cash items	1,382	776
Operating profit before changes in working capital	1,957	2,620
(Increase)/Decrease in trade receivables	(11)	647
Other net changes in assets	(157)	466
Decrease in trade payables	120	11
Other net changes in liabilities	(253)	(122)
Cash flow from operations	1,656	3,622
Tax (paid)/refund	(88)	4
Net cash flow from operating activities	1,568	3,626
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(179)	(5,979)
Payment for development expenditure	(1,215)	(856)
Proceeds from disposal of fixed assets	-	239
Interest received	133	115
Net cash flow used in investing activities	(1,261)	(6,481)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend to shareholders	(1,904)	(952)
(Repayment)/drawdown of hire purchase payables	(63)	356
Interest paid	(119)	(15)
Net changes in term loan	430	3,872
Net cash flow (used in)/from financing activities	(1,656)	3,261
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,349)	406
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	7,790	7,378
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6,441	7,784
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	500	-
Short term deposits with licensed financial institutions	4,797	6,854
Cash and bank balances	1,144	930
	6,441	7,784

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015. The accompany notes are an integral part of this statement.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART A: REQUIREMENT OF MFRS 134 – INTERIM FINANCIAL REPORTING**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Systech Bhd (“Systech” or “the Company”) and its subsidiaries (“the Group”) since the previous financial year ended (“FYE”) 31 March 2015.

They do not include all of the information required for full annual financial statements, and as such should be read in conjunction with the consolidated financial statements of the Group as at and for the FYE 31 March 2015.

**2. Significant Accounting Policies**

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2015.

**3. Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2015.

**4. Auditor’s Report on Preceding Annual Financial Statements**

The independent auditors’ report on Systech’s annual audited financial statements for the preceding FYE 31 March 2015 was not subject to any audit qualification.

**5. Seasonal and Cyclical Factors**

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

**6. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size or incidence during the current financial period under review.

## 7. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

## 8. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company during the financial quarter under review.

## 9. Dividends paid

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**SYSTECH BERHAD ("SYSTECH") 897114-T**  
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The Group's performance for the quarter under review against the corresponding quarter of the previous financial year is as follows:-

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## 18. Variation of Results against Preceding Quarter

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## 20. Variance of Actual Profit from Profit Forecast

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## 21. Tax Expense

	CURRENT QUARTER	CURRENT PERIOD
	ENDED	TO-DATE
	30.09.2015	30.09.2015
	RM'000	RM'000
Income Tax		
- Malaysian Tax	14	33
- Foreign Tax	10	20
- Deferred Tax	-	-
	<u>24</u>	<u>53</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate as a subsidiary of the Group, Mobsysys, was granted Pioneer Status with effect from 17 June 2008, which exempts 100% of its statutory business income from taxation for a period of five (5) years until 16 June 2013 and of which has been extended for another five (5) years until 15 June 2018.

## 22. Status of Corporate Proposals

There are no corporate proposals announced or outstanding as at the date of this Report.

## 23. Borrowings and Debts Securities

	30.09.2015 RM'000
<b>NON-CURRENT</b>	
<b>SECURED</b>	
Long term loan	6,083
Hire purchase	409
	<hr/> 6,492
<b>CURRENT</b>	
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Term loan	140
Hire purchase	131
	<hr/> 271
	<hr/> <hr/> 6,763
<b>Gearing ratio (times)</b>	0.18

All the above borrowings are denominated in Ringgit Malaysia.

## 24. Realised and Unrealised Profits/Losses Disclosure

The retained profits as at 30 September 2015 are analysed as follows:-

	30.06.2015 RM'000	31.03.2015 RM'000
Total retained profits of the Company and Subsidiaries		
- Realised	5,124	6,278
- Unrealised	<u>(103)</u>	<u>(103)</u>
	5,021	6,175
Less: Consolidated adjustments	<u>-</u>	<u>-</u>
Total Group retained profits	<u>5,021</u>	<u>6,175</u>

## 25. Changes in Material Litigation

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group as at the date of this Report.

## 26. Dividends

No dividends have been recommended during the financial period under review.

## 27. Basic earnings per Share

	CURRENT QUARTER ENDED		CURRENT PERIOD TO-DATE	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
<b>Basic earnings per share</b>				
Profit after tax attributable to owners of the parent (RM'000)	354	1,040	750	1,844
Weighted average number of ordinary shares in issue ('000)	317,338	317,338	317,338	317,338
Basic earnings per share (sen)	0.11	0.33	0.24	0.58

## 28. Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 Fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group does not have any financial instruments carried at fair value or any instruments classified as Level 1, Level 2 and Level 3 as at the end of the reporting period.

**By the Order of the Board**

**Company Secretary**

**Dated this 19<sup>th</sup> Day of November 2015.**