



SYSTECH BHD 201001012883(897114-T)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

(the figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|---|--|---|---|
| | CURRENT YEAR QUARTER 31.12.2019 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31.12.2018 RM'000 | CURRENT PERIOD TO-DATE 31.12.2019 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31.12.2018 RM'000 |
| Revenue | 6,871 | 6,467 | 22,275 | 22,201 |
| Amortisation of research and development expenses | (823) | (714) | (2,458) | (2,113) |
| Other cost of sales | (2,566) | (2,310) | (9,489) | (8,871) |
| Gross profit | 3,482 | 3,443 | 10,328 | 11,217 |
| Interest income | 22 | 60 | 81 | 114 |
| Other income | - | 20 | 78 | 70 |
| Administration expenses | (1,563) | (1,438) | (4,169) | (4,375) |
| Depreciation | (410) | (266) | (892) | (761) |
| Impairment of goodwill | (319) | (319) | (956) | (956) |
| Selling and distribution expenses | (428) | (375) | (1,231) | (1,142) |
| Provision for doubtful debts | (307) | - | (332) | (50) |
| Gain/(Loss) on foreign exchange | (1) | 2 | (6) | 6 |
| Gain/(Loss) on disposal property, plant and equipment | - | (1) | - | (1) |
| Other operating expenses | (118) | (327) | (1,082) | (904) |
| Profit from operations | 358 | 799 | 1,819 | 3,218 |
| Finance cost | (86) | (85) | (240) | (262) |
| Profit before tax | 272 | 714 | 1,579 | 2,956 |
| Income tax expenses | (54) | (209) | (241) | (761) |
| Profit after tax | 218 | 505 | 1,338 | 2,195 |
| Other comprehensive (expense)/income | 4 | 3 | 119 | 500 |
| Total comprehensive income for the period | 222 | 508 | 1,457 | 2,695 |
| Profit after tax attributable to:- | | | | |
| - Owners of the parent | 23 | 474 | 637 | 1,669 |
| - Non-controlling Interest | 195 | 31 | 701 | 526 |
| | 218 | 505 | 1,338 | 2,195 |
| Total comprehensive income for the period attributable to:- | | | | |
| - Owners of the parent | 25 | 477 | 756 | 2,123 |
| - Non-controlling Interest | 197 | 31 | 701 | 572 |
| | 222 | 508 | 1,457 | 2,695 |
| Earnings per share attributable to owners of the parent (sen per share) | | | | |
| Basic | 0.01 | 0.14 | 0.18 | 0.48 |
| 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 2019. The accompany notes are an integral part of this statement.



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

(the figures have not been audited)

| | UNAUDITED AS AT 31.12.2019 RM'000 | AUDITED AS AT 31.03.2019 RM'000 |
|---|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 5,415 | 5,597 |
| Goodwill on consolidation | 31,152 | 31,983 |
| Investment properties | 3,435 | 3,491 |
| Development expenditure | 9,333 | 9,330 |
| Other investment | 261 | 261 |
| Deferred tax assets | 67 | 67 |
| TOTAL NON-CURRENT ASSETS | 49,663 | 50,729 |
| CURRENT ASSETS | | |
| Inventory | 2 | 10 |
| Trade receivables | 5,310 | 6,494 |
| Other receivables, deposits and prepayments | 347 | 351 |
| Current tax assets | 1,054 | 241 |
| Fixed deposits with licensed financial institution | 261 | 260 |
| Short term deposits with licensed financial institutions | 3,818 | 3,210 |
| Cash and bank balances | 2,682 | 2,229 |
| Assets of non-current assets classified as held for sale | - | 49 |
| TOTAL CURRENT ASSETS | 13,474 | 12,844 |
| TOTAL ASSETS | 63,137 | 63,573 |
| EQUITY AND LIABILITIES | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | |
| Share capital | 43,882 | 43,882 |
| Retained earnings | 8,302 | 8,389 |
| Exchange translation reserves | (512) | (631) |
| Treasury Shares | (376) | (376) |
| | 51,296 | 51,264 |
| Non-controlling interest | 1,919 | 1,833 |
| TOTAL EQUITY | 53,215 | 53,097 |
| NON-CURRENT LIABILITIES | | |
| Borrowings | 5,622 | 5,972 |
| Lease liabilities | 45 | - |
| Deferred tax liabilities | 424 | 424 |
| TOTAL NON-CURRENT LIABILITIES | 6,091 | 6,396 |
| CURRENT LIABILITIES | | |
| Trade payables | 821 | 1,369 |
| Other payables and accruals | 1,278 | 1,482 |
| Amount owing to directors | 333 | 480 |
| Provision for taxation | 734 | 207 |
| Borrowings | 446 | 494 |
| Lease liabilities | 219 | - |
| Liabilities of non-current assets classified as held for sale | - | 48 |
| TOTAL CURRENT LIABILITIES | 3,831 | 4,080 |
| TOTAL LIABILITIES | 9,922 | 10,476 |
| TOTAL EQUITY AND LIABILITIES | 63,137 | 63,573 |
| NET ASSETS PER SHARE (SEN) | 15.30 | 15.27 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2019. The accompany notes are an integral part of this statement.



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

(the figures have not been audited)

| Nine (9) months ended 31 December 2019 | ←-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY-----> | | | | | NON- CONTROLLING INTEREST RM'000 | TOTAL EQUITY RM'000 |
|---|---|--------------------------------|------------------------------|---|-----------------|---|------------------------|
| | ORDINARY SHARES RM'000 | RETAINED EARNINGS RM'000 | TREASURY SHARES RM'000 | EXCHANGE TRANSLATION RESERVES RM'000 | TOTAL RM'000 | | |
| Balance as at 1 April 2019 | 43,882 | 8,389 | (376) | (631) | 51,264 | 1,833 | 53,097 |
| Total comprehensive income for the financial period | - | 637 | - | 119 | 756 | 701 | 1,457 |
| Dividends - equity holder | - | (692) | - | - | (692) | (585) | (1,277) |
| Effect of increase in stake in a subsidiary | - | (32) | - | - | (32) | (30) | (62) |
| Balance as at 31 December 2019 | 43,882 | 8,302 | (376) | (512) | 51,296 | 1,919 | 53,215 |
| Nine (9) months ended 31 December 2018 | ←-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY-----> | | | | | NON- CONTROLLING INTEREST RM'000 | TOTAL EQUITY RM'000 |
| | ORDINARY SHARES RM'000 | RETAINED EARNINGS RM'000 | TREASURY SHARES RM'000 | EXCHANGE TRANSLATION RESERVES RM'000 | TOTAL RM'000 | | |
| Balance as at 1 April 2018 | 43,882 | 7,989 | (362) | (960) | 50,549 | 1,669 | 52,218 |
| Total comprehensive income for the financial period | - | 1,669 | - | 454 | 2,123 | (240) | 1,883 |
| Balance as at 31 December 2018 | 43,882 | 9,658 | (362) | (506) | 52,672 | 1,429 | 54,101 |

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 2019. The accompany notes are an integral part of this statement.



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

(the figures have not been audited)

| | CUMULATIVE QUARTERS | |
|---|---|---|
| | CURRENT PERIOD TO-DATE 31.12.2019 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31.12.2018 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,579 | 2,956 |
| Adjustment for non-cash items | 4,896 | 4,198 |
| Operating profit before changes in working capital | 6,475 | 7,154 |
| Decrease in trade receivables | 852 | 936 |
| Other net changes in assets | 12 | 41 |
| Decrease in trade payables | (496) | (826) |
| Other net changes in liabilities | (402) | (650) |
| Cash flow from operations | 6,441 | 6,655 |
| Tax paid | (526) | (382) |
| Net cash flow from operating activities | 5,915 | 6,273 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (219) | (361) |
| Payment for development expenditure | (2,566) | (2,825) |
| Interest received | 81 | 114 |
| Net cash flow used in investing activities | (2,704) | (3,072) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid to minority shareholders of subsidiary | (585) | (815) |
| Dividend paid to shareholders of the Company | (692) | - |
| Net changes in hire purchase payables | (122) | (159) |
| Interest paid | (240) | (262) |
| Net changes in term loan | (277) | (551) |
| Repayment of lease liabilities | (163) | - |
| Purchase of shares from non-controlling interest | (63) | - |
| Net cash flow used in financing activities | (2,142) | (1,787) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,069 | 1,414 |
| <i>Effect of changes in exchange rate</i> | (7) | 120 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 5,699 | 5,801 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 6,761 | 7,335 |
| The cash and cash equivalents at the end of the reporting period comprised of the following:- | | |
| Fixed deposits with licensed financial institution | 261 | 265 |
| Short term deposits with licensed financial institutions | 3,818 | 874 |
| Cash and bank balances | 2,682 | 6,196 |
| | 6,761 | 7,335 |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2019. The accompany notes are an integral part of this statement.



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2019**

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 2019.

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 2019.

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 2019 except for those standards, amendments and IC Interpretation, which are effective for financial period beginning on or after 1 April 2019 and are applicable to the Group. The adoption of these new MFRSs do not have any significant effect on the financial statements of the Group.

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 2019.

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 2019 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

No dividend has been paid during the current financial quarter under review.

10. Carrying Amount of Revalued Assets

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

11. 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.

12. Changes in the Composition of the Group

SysArmy Sdn Bhd had on 9 December 2019 acquired the remaining 49% equity interest in PT SysArmy Indocyber Security (“PT SysArmy”) for a total cash consideration of USD15,000. There were no other changes in the composition of the Group during the current financial period under review.

13. 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.

14. Capital Commitments and corporate guarantees

The Group does not have any capital commitments as at the end of the current financial period under review.

The corporate guarantees of the Company are as follows:

| | As at 31.12.2019 RM'000 | As at 31.03.2019 RM'000 |
|---|-------------------------------|-------------------------------|
| Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary | <u>5,875</u> | <u>6,027</u> |

15. Significant Related Party Transactions

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



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2019**

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

16. Review of Performance

The Group recorded RM6.871 million of revenue and a profit after taxation of RM0.218 million in the current quarter under review and the recorded revenue was contributed by the following five (5) direct and indirect subsidiaries with business operation:

- (i) Syscotech Sdn Bhd (“**Syscotech**”), 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;
- (ii) 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;
- (iii) SysCode Sdn Bhd (“**SysCode**”), which is principally involved in the development and research and development of cloud-based software solutions and blockchain solutions. (The software solutions provided by Syscotech, Mobysys and SysCode are to be referred to as “**e-business solutions**”);
- (iv) SysArmy Sdn Bhd and its subsidiary, PT SysArmy (“**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 (the applications and services provided by SysArmy are to be referred to as “**CyberSecurity**”); and
- (v) Postlink Pte. Ltd. (“**Postlink**”), which is principally involved in the business of annual report and publication mailing in Singapore and the development of a new initiative in providing digitised annual report in a dynamic format (the services provided by Postlink are to be referred to as “**e-Logistics**”).

Demand for the Group’s solutions are driven by the general economic conditions in general. We expect revenue from e-business solutions and CyberSecurity to continue to grow.

The Group’s level of operating activities is determined by the number of employees engaged to:

- (a) manage customisation under its e-business solutions segment;
- (b) undertake the monitoring and professional services for its CyberSecurity customers; and
- (c) undertake the provision of e-logistic services for Postlink’s customers.

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 | | | | CUMULATIVE PERIOD | | | |
|--------------------------------------|--------------------|----------------|---------|---------|-------------------|----------------|---------|---------|
| | CURRENT | PRECEDING YEAR | Changes | | CURRENT | PRECEDING YEAR | Changes | |
| | YEAR | CORRESPONDING | | | PERIOD TO- | CORRESPONDING | | |
| | QUARTER | QUARTER | RM'000 | % | DATE | PERIOD | RM'000 | % |
| | 31.12.2019 | 31.12.2018 | | | 31.12.2019 | 31.12.2018 | | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 6,871 | 6,467 | 404 | 6.25 | 22,275 | 22,201 | 74 | 0.33 |
| Gross profit | 3,482 | 3,443 | 39 | 1.13 | 10,328 | 11,217 | (889) | (7.93) |
| Profit before interest and tax | 358 | 799 | (441) | (55.19) | 1,819 | 3,218 | (1,399) | (43.47) |
| Profit before tax | 272 | 714 | (442) | (61.90) | 1,579 | 2,956 | (1,377) | (46.58) |
| Profit after tax | 218 | 505 | (287) | (56.83) | 1,338 | 2,195 | (857) | (39.04) |
| Attributable to owners of the parent | 23 | 474 | (451) | (95.15) | 637 | 1,669 | (1,032) | (61.83) |

The increase in revenue for the current quarter under review was mainly attributed to the CyberSecurity and e-Logistic segments, whilst gross profit margins have largely maintained for all segments during the current quarter under review. The lower profit after taxation in the current quarter under review as compared to the corresponding quarter of the previous financial year was mainly attributed to higher provision for doubtful debts.

There were no material other income or expenses received and/or incurred by the Group during the period under review.

Other than Postlink and PT SysArmy, an indirect subsidiary incorporated in the Republic of Indonesia by SysArmy Sdn Bhd; the other overseas venture i.e. Sycatech, Inc., a direct subsidiary incorporated in the United States of America by Systech Bhd; remained dormant.

In view of the inactive position of the said subsidiary, the exposure of foreign currency translation risk in relation to thereto, which is in regard to the exposure of United States Dollar is therefore not significant.

The Group is exposed to currency exposure arising from its investment in Postlink and PT SysArmy which are denominated in Singapore Dollar ("SGD") and Indonesian Rupiah ("IDR") and the exposures are managed closely from time to time. In view of the insignificant transactions between the subsidiaries based in Malaysia with Postlink and PT SysArmy during the period, the exposures hence have no material impact on the financial results of the Group for the current financial period under review.

The Group is also exposed to transactional currency exposures arising from sales and the occasional insignificant purchases made by subsidiaries of the Group that are based in Malaysia; that are denominated in currencies other than the functional currency of the Group which is, Ringgit Malaysia. The currencies give rise to this risk are primarily United States Dollar, SGD and IDR. The exposures have been managed closely and with the insignificant fluctuation of exchange during the period, the exposure hence has no material impact on the financial results of the Group for the current financial period under review.

The normal credit terms granted by the Group to its customers range from 30 to 180 days. Other credit terms are assessed and approved on a case-by-case basis. Approximately 83% (net of provision for doubtful debts) of the Group's total receivables are neither past due nor impaired, with the remaining comprised of credible receivables with regular payments. During the period under review, the Group had assessed and made provision for doubtful debt totaling RM307,000.

17. Variation of Results against Preceding Quarter

| | INDIVIDUAL QUARTER | | | |
|---------------------------------------|--------------------|------------|---------|---------|
| | CURRENT | IMMEDIATE | Changes | |
| | YEAR | PRECEDING | | |
| | QUARTER | QUARTER | RM'000 | % |
| | 31.12.2019 | 30.09.2019 | | |
| | RM'000 | RM'000 | | |
| Revenue | 6,871 | 6,732 | 139 | 2.06 |
| Gross profit | 3,482 | 3,211 | 271 | 8.44 |
| Profit/(Loss) before interest and tax | 358 | 485 | (127) | (26.19) |
| Profit/(Loss) before tax | 272 | 409 | (137) | (33.50) |
| Profit/(Loss) after tax | 218 | 386 | (168) | (43.52) |
| Attributable to owners of the parent | 23 | 319 | (296) | (92.79) |

Revenue for the quarter under review had increased as compared to the immediate preceding quarter mainly due to the increase in contribution from the e-Business solutions and CyberSecurity segments. The lower profit after tax was mainly due to the provision for doubtful debts made during the said quarter.

18. Segmental Reporting

The principal business of the Group is categorised into three (3) main reportable operating segments which comprised of e-business solutions, CyberSecurity and e-Logistics. The segmental results are as follows:

| | e-Business Solutions RM'000 | CyberSecurity solutions RM'000 | e-Logistics RM'000 | Adjustment and Eliminations RM'000 | Consolidated RM'000 |
|-------------------------------------|-----------------------------------|--------------------------------------|-----------------------|---|------------------------|
| Revenue from external customers | 8,087 | 5,206 | 8,982 | - | 22,275 |
| Segment results | 878 | 476 | 1,340 | (956) | 1,738 |
| Interest income | | | | | 81 |
| Financing cost | | | | | (240) |
| Profit before taxation | | | | | 1,579 |
| Tax Expenses | | | | | (241) |
| Profit after taxation | | | | | 1,338 |
| Segment assets | 19,187 | 5,708 | 2,340 | 35,902 | 63,137 |
| Segment liabilities | 7,364 | 1,337 | 797 | 424 | 9,922 |
| Capital and development expenditure | 1,618 | 1,167 | - | - | 2,785 |
| Depreciation | 447 | 284 | 161 | - | 892 |

Adjustments for segment assets, liabilities and depreciation relates to investment properties, other investments, current tax assets and deferred tax liabilities.

The entire e-Logistics segment is attributed to the financial results and position attained by Postlink, which has a currency denomination in SGD whilst the CyberSecurity segment includes the financial results and position of PT SysArmy which has a currency denomination in IDR.

The segmental results based on geographical segments are as follows:

Nine (9) Months Financial Period Ended 31 December 2019

| | Malaysia RM'000 | North Asia and Other Areas RM'000 | South East Asia RM'000 | Total RM'000 |
|-------------------------------------|--------------------|---|---------------------------|-----------------|
| Revenue from external customers | 7,213 | 937 | 14,125 | 22,275 |
| Segment assets | 58,334 | 1,176 | 3,627 | 63,137 |
| Capital and development expenditure | 2,785 | - | - | 2,785 |

The segmental results of South East Asia include revenue and assets of Postlink and PT SysArmy, whilst the segment assets of North Asia and Other Areas includes assets of Syscatech, Inc.

19. Current Year Prospects

The last quarter of the FYE 31 March 2020 is expected to be challenging due to the downturn in the regional economic environment but the Group will nonetheless strive to maintain its level of activities, particularly in the e-Business solutions and CyberSecurity segments.

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 2020.

21. Tax Expense

| | CURRENT QUARTER ENDED 31.12.2019 RM'000 | CURRENT PERIOD TO- DATE 31.12.2019 RM'000 |
|-----------------|---|---|
| Income Tax | | |
| - Malaysian Tax | 46 | 66 |
| - Foreign Tax | 8 | 175 |
| - Deferred Tax | - | - |
| | 54 | 241 |

The provision for foreign income tax mainly relates to the tax provision of the e-Logistics segment.

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

As at 31 December 2019

| | Long Term | | Short term | | Total | |
|-----------------|-----------|--------|------------|--------|-----------------------|--------|
| | SGD'000 | RM'000 | SGD'000 | RM'000 | SGD'000 | RM'000 |
| Secured | | | | | | |
| - Term loan | - | 5,488 | - | 322 | - | 5,810 |
| - Hire purchase | - | 134 | - | 124 | - | 258 |
| | | | | | | 6,068 |
| | | | | | Gearing ratio (times) | 0.11 |

As at 31 December 2018

| | Long Term | | Short term | | Total | |
|-----------------|-----------|--------|------------|--------|-----------------------|--------|
| | SGD'000 | RM'000 | SGD'000 | RM'000 | SGD'000 | RM'000 |
| Secured | | | | | | |
| - Term loan | - | 5,815 | 38 | 417 | 38 | 6,232 |
| - Hire purchase | - | 258 | - | 177 | - | 435 |
| | | | | | | 6,667 |
| | | | | | Gearing ratio (times) | 0.12 |

There are no foreign denominated borrowings, unsecured borrowings or significant changes in the level of borrowings of the Group. The Ringgit Malaysia term loans bear interest at 4.70% to 5.10% per annum whilst the effective rate implicit in the hire purchase is at 4.50% to 5.39% per annum.

24. 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.

25. Dividends

No dividend has been recommended during the financial period under review.

26. Basic earnings per Share

| | CURRENT QUARTER ENDED | | CURRENT PERIOD TO-DATE | |
|--|-----------------------|------------|------------------------|------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Basic earnings per share | | | | |
| Profit after tax attributable to owners of the parent (RM'000) | 23 | 474 | 637 | 1,669 |
| Weighted average number of ordinary shares in issue ('000) | 347,708 | 347,708 | 347,708 | 347,708 |
| Basic earnings per share (sen) | 0.01 | 0.14 | 0.18 | 0.48 |

By the Order of the Board

Company Secretary

Dated this 20th Day of February 2020.