



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2019 RM'000	CURRENT PERIOD TO-DATE 30.06.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2019 RM'000
CONTINUING OPERATIONS				
Revenue	7,160	8,672	7,160	8,672
Amortisation of research and development expenses	(868)	(799)	(868)	(799)
Other cost of sales	(3,240)	(4,239)	(3,240)	(4,239)
Gross profit	3,052	3,634	3,052	3,634
Interest income	27	29	27	29
Other income	199	15	199	15
Administration expenses	(1,272)	(1,289)	(1,272)	(1,289)
Depreciation	(235)	(251)	(235)	(251)
Impairment of goodwill	(319)	(319)	(319)	(319)
Selling and distribution expenses	(367)	(414)	(367)	(414)
Provision for doubtful debts	(96)	(25)	(96)	(25)
Gain/(Loss) on foreign exchange	5	2	5	2
Gain/(Loss) on disposal property, plant and equipment	-	-	-	-
Other operating expenses	(288)	(399)	(288)	(399)
Profit from operations	706	983	706	983
Finance cost	(66)	(79)	(66)	(79)
Profit before tax from continuing operations	640	904	640	904
Income tax expenses	(3)	(163)	(3)	(163)
Profit after tax from continuing operations	637	741	637	741
Discontinued operation :				
Loss from discontinued operation, net of tax	-	(3)	-	(3)
Profit after tax	637	738	637	738
Other comprehensive income	251	173	251	173
Total comprehensive income for the period	888	911	888	911
Profit after tax attributable to:-				
- Owners of the parent	83	295	83	295
- Non-controlling Interest	554	443	554	443
	637	738	637	738
Total comprehensive income for the period attributable to:-				
- Owners of the parent	320	442	320	442
- Non-controlling Interest	568	469	568	469
	888	911	888	911
Earnings per share attributable to owners of the parent (sen per share)				
Basic				
- continuing operations	0.02	0.08	0.02	0.08
- discontinued operation	-	-	-	-
	0.02	0.08	0.02	0.08

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2020. 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 30 JUNE 2020

(the figures have not been audited)

	UNAUDITED AS AT 30.06.2020 RM'000	AUDITED AS AT 31.03.2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,011	5,168
Goodwill on consolidation	30,658	30,750
Investment properties	3,396	3,415
Right-of-use assets	209	265
Development expenditure	9,390	9,530
Other investment	261	261
Deferred tax assets	67	67
TOTAL NON-CURRENT ASSETS	48,992	49,456
CURRENT ASSETS		
Inventory	12	12
Trade receivables	4,398	4,627
Other receivables, deposits and prepayments	214	266
Current tax assets	719	646
Fixed deposits with licensed financial institution	262	260
Short term deposits with licensed financial institutions	3,017	3,004
Cash and bank balances	4,318	3,047
TOTAL CURRENT ASSETS	12,940	11,862
TOTAL ASSETS	61,932	61,318
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	43,882	43,882
Retained earnings	7,189	7,106
Exchange translation reserves	(337)	(574)
Treasury Shares	(376)	(376)
	<u>50,358</u>	<u>50,038</u>
Non-controlling interest	2,531	1,963
TOTAL EQUITY	52,889	52,001
NON-CURRENT LIABILITIES		
Borrowings	5,592	5,550
Lease liabilities	53	63
Deferred tax liabilities	424	424
TOTAL NON-CURRENT LIABILITIES	6,069	6,037
CURRENT LIABILITIES		
Trade payables	607	666
Other payables and accruals	1,144	1,344
Amount owing to directors	349	334
Provision for taxation	222	218
Borrowings	490	507
Lease liabilities	162	211
TOTAL CURRENT LIABILITIES	2,974	3,280
TOTAL LIABILITIES	9,043	9,317
TOTAL EQUITY AND LIABILITIES	61,932	61,318
NET ASSETS PER SHARE (SEN)	15.21	14.96

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2020. 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 30 JUNE 2020**

(the figures have not been audited)

Three (3) months ended 30 June 2020	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->						
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TREASURY SHARES RM'000	EXCHANGE TRANSLATIO N RESERVES RM'000	TOTAL RM'000	NON- CONTROLLIN G INTEREST RM'000	TOTAL EQUITY RM'000
Balance as at 1 April 2020	43,882	7,106	(376)	(574)	50,038	1,963	52,001
Total comprehensive income for the financial period	-	83	-	237	320	568	888
Balance as at 30 June 2020	<u>43,882</u>	<u>7,189</u>	<u>(376)</u>	<u>(337)</u>	<u>50,358</u>	<u>2,531</u>	<u>52,889</u>
Three (3) months ended 30 June 2019	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->						
	ORDINARY SHARES RM'000	RETAINED EARNINGS RM'000	TREASURY SHARES RM'000	EXCHANGE TRANSLATIO N RESERVES RM'000	TOTAL RM'000	NON- CONTROLLIN G INTEREST RM'000	TOTAL EQUITY 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	-	295	-	147	442	469	911
Balance as at 30 June 2019	<u>43,882</u>	<u>8,684</u>	<u>(376)</u>	<u>(484)</u>	<u>51,706</u>	<u>2,302</u>	<u>54,008</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 2020. The accompany notes are an integral part of this statement.



SYSTECH BHD 201001012883(897114-T)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

(the figures have not been audited)

	CUMULATIVE QUARTERS CURRENT PERIOD TO- DATE 30.06.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	640	904
- discontinued operation	-	(3)
Adjustment for non-cash items	1,599	1,483
Operating profit before changes in working capital	2,239	2,384
Decrease in trade receivables	133	1,793
Other net changes in assets	50	18
Decrease in trade payables	(59)	(271)
Other net changes in liabilities	(185)	(441)
Cash flow from operations	2,178	3,483
Tax (paid)/refunded	(71)	19
Net cash flow from operating activities	2,107	3,502
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1)	(125)
Payment for development expenditure	(766)	(922)
Interest received	27	29
Non-current assets held for sale	-	(15)
Net cash flow used in investing activities	(740)	(1,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(7)	(79)
Net changes in hire purchase payables	(34)	(55)
Net changes in term loan	-	(116)
Net changes in lease liabilities	(59)	-
Net cash flow used in financing activities	(100)	(250)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,267	2,219
<i>Effect of changes in exchange rate</i>	19	59
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	6,311	5,699
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7,597	7,977
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	262	263
Short term deposits with licensed financial institutions	3,017	3,710
Cash and bank balances	4,318	4,004
	7,597	7,977

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2020. The accompany notes are an integral part of this statement.



SYSTECH BHD 201001012883(897114-T)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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 2020.

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 2020.

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 2020 except for those standards, amendments and IC Interpretation, which are effective for financial period beginning on or after 1 April 2020 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 2020.

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 2020 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

In order to curb the spread of COVID-19 within the country, the Government of Malaysia had taken several measures, including the measure taken to control the movement of people by implementing the following various movement control under the 2020 Movement Control Order:-

- Movement control for the period from 18 March 2020 to 3 May 2020 (“MCO”);
- Conditional movement control for the period from 4 May 2020 to 9 June 2020 (“CMCO”); and
- Recovery movement control since 10 June 2020 (“RMCO”).

During the implementation period of MCO and CMCO, both the operation of CyberSecurity segment (*as hereinafter defined*) and e-Business solutions segment (*as hereinafter defined*) were in fact in operation under the following leave from the Order, and under the following different operational conditions and mode:-

- the CyberSecurity segment was categorised as essential service and was allowed to operate within its Security Operation Centres (“SOC”) throughout the implementation period of MCO, CMCO and RMCO; whereas
- for the e-Business solutions segment, business continuity process and procedures of “working from home” were activated, which enable the business to be continued during the implementation period of MCO and CMCO.

The operations for both segments were resumed to offices of the Group in stages during the implementation period of RMCO, with those resuming work in office adhering to the Standard Operating Procedures (“SOP”) announced by the Government of Malaysia from time to time.

The e-Logistic segment (*as hereinafter defined*), which has its business operation operated in the Republic of Singapore, was similarly subject to the measures taken by the Government of the Republic under the Order of “Circuit Breaker” to curb the spread of COVID-19 virus.

The Order, which took effect firstly from 7 April 2020 to 1 June 2020, was however not affecting the continuation of the e-Logistic business operation as the business of e-Logistic was categorised by the Government of the Republic as essential service and therefore, was allowed to continue to operate its business during the implementation period of the Order, including during the implementation period staged by the Order under phased reopening which commences subsequently from 2 June 2020 for Phase 1 and from 19 June 2020 for Phase 2.

Continuous and effective communication was continued by the Group amongst management and employees, customers, suppliers and business partners during the entire episode of MCOs, with the priority of health and safety of employees being continued by the Group.

With the swift adaptation to changes and the unrelinquishable effort of the Group since the implementation of the MCO, the Group has managed to stabilise and even its operations by not only maintaining continuous engagement with its customers but also the continuous implementation of projects with collection of project fees thereof during the entire episode of MCOs which to certain extent, driven the Group from having severe financial impact from the implementation of MCO.

Other than the above, there were no other 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

There were 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 30.06.2020 RM'000	As at 31.03.2020 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>5,804</u>	<u>5,780</u>

15. Significant Related Party Transactions

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

16. Review of Performance

The Group recorded RM7.160 million of revenue and a profit after taxation of RM0.637 million in the current quarter under review and the recorded revenue was contributed by the following seven (7) 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 implementation 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 subsidiaries, PT SysArmy Indocyber Security and Secure IoT 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, training 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.

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.

Other than that set out in Note 6 of this Interim Financial Report, 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 YEAR	PRECEDING YEAR	CHANGES		CURRENT PERIOD TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES	
	30.06.2020	30.06.2019	RM'000	%	30.06.2020	30.06.2019	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Revenue	7,160	8,672	(1,512)	(17.44)	7,160	8,672	(1,512)	(17.44)
Gross profit	3,052	3,634	(582)	(16.02)	3,052	3,634	(582)	(16.02)
Profit before interest and tax	706	983	(277)	(28.18)	706	983	(277)	(28.18)
Profit before tax	640	904	(264)	(29.20)	640	904	(264)	(29.20)
Profit after tax	637	738	(101)	(13.69)	637	738	(101)	(13.69)
Attributable to owners of the parent	83	295	(212)	(71.86)	83	295	(212)	(71.86)

The decrease in revenue for the current quarter under review was mainly attributed to the lower demand from e-Business solutions and e-Logistic segments, with the decrease partly mitigated by the increase in revenue from CyberSecurity segment. Despite the decrease in revenue, gross margin remained at approximately the same level.

The lower profit after taxation in the current quarter under review, which is in contrast to the lower expenses and higher other income recognised during the current quarter under review, was mainly attributed to the lower revenue recorded for the said quarter if compared to the corresponding quarter of the previous financial year.

During the current quarter under review, the following subsidies were received by the Group from the respective Government in which the Group operates:-

- An amount of SGD56,534, which is equivalent to approximately RM172,972, was received by Postlink from the Government of the Republic of Singapore under the "Jobs Support Scheme" introduced by the Republic, where the amount is recorded by Postlink under its account of "Other income"; and
- An amount of RM252,000 was received from the Government of Malaysia under the wage subsidy program, where the wage subsidy has been recorded as a deduction against salaries of those entitled to the subsidy.

Other than the foregoing-mentioned, there were no material other income received or expenses incurred by the Group during the period under review.

Other than Postlink and PT SysArmy Indocyber Security ("PT SsyArmy"), of which the latter was a subsidiary incorporated by SysArmy Sdn Bhd in the Republic of Indonesia as an indirect subsidiary of the Group; the other overseas venture i.e. Sycatech, Inc., a direct subsidiary incorporated in the United States of America by Systech; 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 ("USD") is therefore not significant.

The Group is exposed to currency exposure arising from its investment in Postlink and PT SysArmy as the functional currency of both the investment are denominated in Singapore Dollar ("SGD") and Indonesian Rupiah ("IDR") respectively. However, in view of the intra-group transactions between the Group and Postlink together with PT SysArmy were insignificant during the period, the currency exposures hence have no material impact on the financial results of the Group for the current financial period under review. Despite the transactions were insignificant, the exposures were managed and monitored closely by the Group from time to time.

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 with parties not within the Group; that are denominated in currencies other than the functional currency of the Group, which is Ringgit Malaysia. The currencies giving rise to this risk are primarily USD, 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 93% (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 RM96,120.

17. Variation of Results against Preceding Quarter

	INDIVIDUAL QUARTER		Changes	
	CURRENT YEAR QUARTER 30.06.2020 RM'000	IMMEDIATE PRECEDING QUARTER 31.03.2020 RM'000	RM'000	%
Revenue	7,160	5,876	1,284	21.85
Gross profit	3,052	2,791	261	9.35
Profit/(Loss) before interest and tax	706	(921)	1,627	176.66
Profit/(Loss) before tax	640	(996)	1,636	164.26
Profit/(Loss) after tax	637	(1,148)	1,785	155.49
Attributable to owners of the parent	83	(1,247)	1,330	106.66

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-Logistics segment. The profit after tax recorded as compared to a loss after tax in the immediate preceding quarter was mainly due to higher revenue recorded, lower expenses incurred and lower 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:

Three (3) Months Financial Period Ended 30 June 2020

	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	1,668	2,101	3,391	-	7,160
Segment results	(333)	516	815	(319)	679
Interest income					27
Financing cost					(66)
Profit before taxation					640
Tax Expenses					(3)
Profit after taxation					637
Segment assets	16,749	7,097	3,052	35,034	61,932
Segment liabilities	6,481	1,382	756	424	9,043
Capital and development expenditure	410	357	-	-	767
Depreciation	84	89	62	-	235

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:

Three (3) Months Financial Period Ended 30 June 2020

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	1,674	939	4,547	7,160
Segment assets	57,394	1,119	3,419	61,932
Capital and development expenditure	767	-	-	767

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 Syscotech, Inc.

19. Current Year Prospects

The impact from the COVID-19 pandemic for the remaining period of FYE 31 March 2021 remains uncertain. Hence, the Group will continue to take measures to ensure its long-term sustainability by pursuing innovative products and exploring new business models which will pave way for greater improvement towards operational and financial efficiency whilst placing the employees' health and safety in parallel to the priorities of the Group.

In light of the current business environment, the Group is of the opinion that the prospect of the Group for the remaining period until the end of FYE 31 March 2021 will remain challenging and will depend on the extent in which the COVID-19 pandemic will be controlled and/or confined and/or eradicated domestically and globally by measures taken by the respective Government, in particular the measures taken by the Governments in which the Group operates.

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 2021.

21. Tax Expense

	CURRENT QUARTER ENDED 30.06.2020 RM'000	CURRENT PERIOD TO- DATE 30.06.2020 RM'000
Income Tax		
- Malaysian Tax	█ -	-
- Foreign Tax	█ 3	3
- Deferred Tax	-	-
	<u>3</u>	<u>3</u>

The foreign income tax relates to withholding tax paid for services provided to overseas customers.

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 30 JUNE 2020

	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<i>Secured</i>						
- Term loan	-	5,419	-	364	-	5,783
- Hire purchase	27	173	7	126	34	299
						6,082
					Gearing ratio (times)	0.11

As at 30 JUNE 2019

	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<i>Secured</i>						
- Term loan	-	5,658	-	312	-	5,970
- Hire purchase	-	197	-	129	-	326
						6,296
					Gearing ratio (times)	0.12

Other than Postlink's hire purchase of SGD34,000 and monthly repayments of the said borrowings, there are no other 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, the effective rate implicit in the hire purchase is at 4.50% to 5.39% per annum, whilst the SGD hire purchase effective rate is at 5.10%.

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Basic (loss)/earnings per share (Loss)/Profit after tax attributable to owners of the parent (RM'000)	83	295	83	295
Weighted average number of ordinary shares in issue ('000)	347,708	347,708	347,708	347,708
Basic (loss)/earnings per share (sen)	0.02	0.08	0.02	0.08

By the Order of the Board

Company Secretary

Dated this 28th of August 2020.