



**SYSTECH BHD 201001012883(897114-T)**

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2019 RM'000	CURRENT PERIOD TO-DATE 31.12.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2019 RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	5,306	6,871	17,263	22,275
Amortisation of research and development expenses	(840)	(823)	(2,609)	(2,458)
Other cost of sales	(2,078)	(2,566)	(7,253)	(9,489)
<b>Gross profit</b>	<b>2,388</b>	<b>3,482</b>	<b>7,401</b>	<b>10,328</b>
Interest income	55	22	94	81
Other income	94	-	378	78
Administration expenses	(1,320)	(1,563)	(3,835)	(4,169)
Depreciation	(162)	(410)	(627)	(892)
Impairment of goodwill	(319)	(319)	(956)	(956)
Selling and distribution expenses	(414)	(428)	(1,136)	(1,231)
Provision for doubtful debts	-	(307)	(96)	(332)
Gain/(Loss) on foreign exchange	(6)	(1)	28	(6)
Gain/(Loss) on disposal property, plant and equipment	-	-	(1)	-
Other operating expenses	(571)	(118)	(1,197)	(1,082)
<b>(Loss)/Profit from operations</b>	<b>(255)</b>	<b>358</b>	<b>53</b>	<b>1,819</b>
Finance cost	(61)	(86)	(197)	(240)
<b>(Loss)/Profit before tax</b>	<b>(316)</b>	<b>272</b>	<b>(144)</b>	<b>1,579</b>
Income tax expenses	31	(54)	(17)	(241)
<b>(Loss)/Profit after tax</b>	<b>(285)</b>	<b>218</b>	<b>(161)</b>	<b>1,338</b>
Other comprehensive (expense)/income	(4)	4	68	119
<b>Total comprehensive (expense)/income for the period</b>	<b>(289)</b>	<b>222</b>	<b>(93)</b>	<b>1,457</b>
<b>(Loss)/Profit after tax attributable to:-</b>				
- Owners of the parent	(341)	23	(865)	637
- Non-controlling Interest	56	195	704	701
	<b>(285)</b>	<b>218</b>	<b>(161)</b>	<b>1,338</b>
<b>Total comprehensive (expense)/income for the period attributable to:-</b>				
- Owners of the parent	(346)	25	(799)	756
- Non-controlling Interest	57	197	706	701
	<b>(289)</b>	<b>222</b>	<b>(93)</b>	<b>1,457</b>
<b>(Loss)/Earnings per share attributable to owners of the parent (sen per share)</b>				
Basic	(0.10)	0.01	(0.25)	0.18
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 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 31 DECEMBER 2020**

(the figures have not been audited)

	UNAUDITED AS AT 31.12.2020 RM'000	AUDITED AS AT 31.03.2020 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	4,766	5,168
Goodwill on consolidation	29,863	30,750
Investment properties	3,358	3,415
Right-of-use assets	88	265
Development expenditure	9,216	9,530
Other investment	294	261
Deferred tax assets	67	67
<b>TOTAL NON-CURRENT ASSETS</b>	<b>47,652</b>	<b>49,456</b>
<b>CURRENT ASSETS</b>		
Inventory	6	12
Trade receivables	4,317	4,627
Other receivables, deposits and prepayments	550	266
Current tax assets	736	646
Fixed deposits with licensed financial institution	261	260
Short term deposits with licensed financial institutions	3,438	2,994
Cash and bank balances	3,102	3,057
<b>TOTAL CURRENT ASSETS</b>	<b>12,410</b>	<b>11,862</b>
<b>TOTAL ASSETS</b>	<b>60,062</b>	<b>61,318</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	43,882	43,882
Retained earnings	5,582	7,106
Exchange translation reserves	(541)	(574)
Treasury Shares	(376)	(376)
	48,547	50,038
Non-controlling interest	2,369	1,963
<b>TOTAL EQUITY</b>	<b>50,916</b>	<b>52,001</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	5,476	5,550
Lease liabilities	32	63
Deferred tax liabilities	424	424
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,932</b>	<b>6,037</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	617	666
Other payables and accruals	1,914	1,678
Provision for taxation	118	218
Borrowings	506	507
Lease liabilities	59	211
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,214</b>	<b>3,280</b>
<b>TOTAL LIABILITIES</b>	<b>9,146</b>	<b>9,317</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>60,062</b>	<b>61,318</b>
<b>NET ASSETS PER SHARE (SEN)</b>	<b>14.64</b>	<b>14.96</b>

*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 31 DECEMBER 2020**

(the figures have not been audited)

Nine (9) months ended 31 December 2020	-----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 2020	43,882	7,106	(376)	(574)	50,038	1,963	52,001	
Total comprehensive (expense)/income for the financial period	-	(832)	-	33	(799)	706	(93)	
Dividends - equity holder	-	(692)	-	-	(692)	(300)	(992)	
Balance as at 31 December 2020	43,882	5,582	(376)	(541)	48,547	2,369	50,916	

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	

*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)**  
Incorporated in Malaysia

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

(the figures have not been audited)

	CUMULATIVE QUARTERS	
	CURRENT PERIOD TO-DATE 31.12.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(144)	1,579
Adjustment for non-cash items	4,592	4,896
Operating profit before changes in working capital	<u>4,448</u>	<u>6,475</u>
Decrease in trade receivables	214	852
Other net changes in assets	(279)	12
Decrease in trade payables	(49)	(496)
Other net changes in liabilities	237	(402)
Cash flow from operations	<u>4,571</u>	<u>6,441</u>
Tax paid	(207)	(526)
Net cash flow from operating activities	<u>4,364</u>	<u>5,915</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(68)	(219)
Payment for development expenditure	(2,416)	(2,566)
Interest received	94	81
Net cash flow used in investing activities	<u>(2,390)</u>	<u>(2,704)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to minority shareholders of subsidiary	(300)	(585)
Dividend paid to shareholders of the Company	(692)	(692)
Interest paid	(197)	(240)
Net changes in hire purchase payables	(108)	(122)
Net changes in term loan	32	(277)
Net changes in lease liabilities	(183)	(163)
Purchase of shares from non-controlling interest	-	(63)
Net cash flow used in financing activities	<u>(1,448)</u>	<u>(2,142)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	526	1,069
<i>Effect of changes in exchange rate</i>	(36)	(7)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	6,311	5,699
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u>6,801</u>	<u>6,761</u>
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	261	261
Short term deposits with licensed financial institutions	3,438	3,818
Cash and bank balances	3,102	2,682
	<u>6,801</u>	<u>6,761</u>

*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 31 DECEMBER 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

Other than the Recovery Movement Control and Conditional Movement Control implemented by the Government of Malaysia to curb the spread of COVID-19, 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 was 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 no 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 31.12.2020 RM'000	As at 31.03.2020 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>5,733</u>	<u>5,780</u>

## 15. Significant Related Party Transactions

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



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## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020**

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

#### **16. Review of Performance**

The Group recorded RM5.306 million of revenue and a loss after taxation of RM0.285 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 QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes		CURRENT PERIOD TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes	
	31.12.2020	31.12.2019	RM'000	%	31.12.2020	31.12.2019	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	5,306	6,871	(1,565)	(22.78)	17,263	22,275	(5,012)	(22.50)
Gross profit	2,388	3,482	(1,094)	(31.42)	7,401	10,328	(2,927)	(28.34)
(Loss)/Profit before interest and tax	(255)	358	(613)	(171.23)	53	1,819	(1,766)	(97.09)
(Loss)/Profit before tax	(316)	272	(588)	(216.18)	(144)	1,579	(1,723)	(109.12)
(Loss)/Profit after tax	(285)	218	(503)	(230.73)	(161)	1,338	(1,499)	(112.03)
Attributable to owners of the parent	(341)	23	(364)	N/A	(865)	637	(1,502)	(235.79)

The lower revenue for the current quarter under review was mainly due to the decrease in demand from e-Business solutions and e-Logistic segments, with the decrease partly mitigated by the increase in revenue from CyberSecurity segment.

The loss after taxation in the current quarter under review was mainly attributed to the lower revenue recorded for the said quarter as well as lower gross margins if compared to the corresponding quarter of the previous financial year.

Included in other income in the current quarter under review are Government subsidies received as set out below.

During the current quarter under review, Postlink has received from the Government of the Republic of Singapore the following subsidies and incentive:-

- An amount of SGD20,115, which is equivalent to approximately RM61,447 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 SGD3,800, which is equivalent to approximately RM11,568 under the "Rental Relief for Tenants in Government and Private Non-Residential Properties" introduced by the Republic, where the amount is recorded by Postlink under its account of "Other income"; and
- A tax rebate of SGD15,000, which is equivalent to approximately RM45,822, where the tax rebate is recorded as a deduction against income tax expense as per Note 21.

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 SysArmy"), 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 88% (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.

## 17. Variation of Results against Preceding Quarter

	INDIVIDUAL QUARTER		Changes	
	CURRENT YEAR QUARTER	IMMEDIATE PRECEDING QUARTER	RM'000	%
	31.12.2020	30.09.2020		
Revenue	5,306	4,797	509	10.61
Gross profit	2,388	1,961	427	21.77
Loss before interest and tax	(255)	(398)	143	35.93
Loss before tax	(316)	(469)	153	32.62
Loss after tax	(285)	(514)	229	44.55
Attributable to owners of the parent	(341)	(607)	266	43.82

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 segment. The loss after tax recorded was lower as compared to the immediate preceding quarter mainly due to higher revenue and higher gross margins recorded during the current 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:

Nine (9) Months Financial Period Ended 31 December 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	4,934	6,715	5,614	-	17,263
Segment results	(864)	1,057	722	(956)	(41)
Interest income					94
Financing cost					(197)
Profit before taxation					(144)
Tax Expenses					(17)
Profit after taxation					(161)
Segment assets	15,778	8,001	2,032	34,251	60,062
Segment liabilities	6,467	1,827	428	424	9,146
Capital and development expenditure	1,306	1,178	-	-	2,484
Depreciation	237	209	181	-	627

*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 2020**

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	6,781	1,971	8,511	17,263
Segment assets	56,171	1,158	2,733	60,062
Capital and development expenditure	2,484	-	-	2,484

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 unprecedented outbreak of COVID-19 pandemic and movement restrictions undertaken by the Government has significantly affected the business sentiments and operation. Taking into consideration the aforesaid, the Group foresees the financial performance for the remaining quarter for FYE 31 March 2021 to remain challenging.

The Group will continue to undertake cautious measures and focus on cash flow management to ensure the Group stay resilient in these challenging times whilst placing the employees' health and safety in parallel to the priorities of the Group.

**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 31.12.2020 RM'000	CURRENT PERIOD TO- DATE 31.12.2020 RM'000
Income Tax		
- Malaysian Tax	-	43
- Foreign Tax	(31)	(26)
- Deferred Tax	-	-
	<u>(31)</u>	<u>17</u>

The foreign income tax for the current quarter under review relates to tax rebate of SGD15,000, which is equivalent to approximately RM45,822 received by Postlink from the Government of the Republic of Singapore under the "Corporate Income Tax Rebate" introduced to ease company's cash flow.

## 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 2020

	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<i>Secured</i>						
- Term loan	-	5,348	-	409	-	5,757
- Hire purchase	23	128	7	97	30	225
						5,982
						Gearing ratio (times) 0.12

As at 31 December 2019

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

Other than Postlink's hire purchase of SGD30,000 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Basic (loss)/earnings per share				
(Loss)/Profit after tax attributable to owners of the parent (RM'000)	(341)	23	(865)	637
Weighted average number of ordinary shares in issue ('000)	347,708	347,708	347,708	347,708
Basic (loss)/earnings per share (sen)	(0.10)	0.01	(0.25)	0.18

By the Order of the Board

Company Secretary

Dated this 5th of February 2021.