



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

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

(the figures have not been audited)

|  | INDIVIDUAL QUARTER                              |  | CUMULATIVE PERIOD                                 |   |
|--|---|--|---|---|
|  | CURRENT YEAR<br>QUARTER<br>31.03.2021<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>31.03.2020<br>RM'000 | CURRENT PERIOD<br>TO-DATE<br>31.03.2021<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>31.03.2020<br>RM'000 |
| Revenue  | 5,555   | 5,876  | 22,818  | 28,151  |
| Amortisation of research and development expenses                            | (846)   | (830)  | (3,454)   | (3,288)   |
| Other cost of sales  | (2,129)   | (2,255)  | (9,382)   | (11,744)  |
| <b>Gross profit</b>  | <b>2,580</b>                                    | <b>2,791</b>   | <b>9,982</b>                                      | <b>13,119</b>   |
| Interest income  | 32  | 34   | 125   | 115   |
| Other income   | 455   | 30   | 833   | 108   |
| Administration expenses  | (1,428)   | (1,711)  | (5,262)   | (5,880)   |
| Depreciation   | (195)   | (236)  | (822)   | (1,128)   |
| Impairment of goodwill   | (619)   | (319)  | (1,575)   | (1,275)   |
| Selling and distribution expenses  | (439)   | (453)  | (1,575)   | (1,683)   |
| Provision for doubtful debts   | (28)  | (590)  | (125)   | (922)   |
| Gain/(Loss) on foreign exchange  | (28)  | 1  | -   | (5)   |
| Loss on disposal property, plant and equipment                               | -   | -  | (1)   | -   |
| Other operating expenses   | (394)   | (468)  | (1,592)   | (1,550)   |
| <b>(Loss)/Profit from operations</b>   | <b>(64)</b>                                     | <b>(921)</b>   | <b>(12)</b>                                       | <b>899</b>  |
| Finance cost   | (37)  | (75)   | (234)   | (315)   |
| <b>(Loss)/Profit before tax</b>  | <b>(101)</b>                                    | <b>(996)</b>   | <b>(246)</b>                                      | <b>584</b>  |
| Income tax expenses  | (152)   | (152)  | (169)   | (393)   |
| <b>(Loss)/Profit after tax</b>   | <b>(253)</b>                                    | <b>(1,148)</b>   | <b>(415)</b>                                      | <b>191</b>  |
| Other comprehensive income/(expense)   | 256   | (64)   | 324   | 52  |
| <b>Total comprehensive income/(expense) for the period</b>                   | <b>3</b>  | <b>(1,212)</b>   | <b>(91)</b>                                       | <b>243</b>  |
| <b>(Loss)/Profit after tax attributable to:-</b>                             |   |  |   |   |
| - Owners of the parent   | (477)   | (1,247)  | (1,342)   | (610)   |
| - Non-controlling Interest   | 224   | 99   | 927   | 801   |
|  | <b>(253)</b>                                    | <b>(1,148)</b>   | <b>(415)</b>                                      | <b>191</b>  |
| <b>Total comprehensive (expense)/income for the period attributable to:-</b> |   |  |   |   |
| - Owners of the parent   | (232)   | (1,307)  | (1,031)   | (553)   |
| - Non-controlling Interest   | 235   | 95   | 940   | 796   |
|  | <b>3</b>  | <b>(1,212)</b>   | <b>(91)</b>                                       | <b>243</b>  |
| <b>Loss per share attributable to owners of the parent (sen per share)</b>   |   |  |   |   |
| Basic  | (0.14)  | (0.36)   | (0.39)  | (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 MARCH 2021**

(the figures have not been audited)

|  | UNAUDITED<br>AS AT<br>31.03.2021<br>RM'000 | AUDITED<br>AS AT<br>31.03.2020<br>RM'000 |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>NON-CURRENT ASSETS</b>                                |  |  |
| Property, plant and equipment                            | 4,703                                      | 5,168                                    |
| Goodwill on consolidation                                | 29,456                                     | 30,750                                   |
| Investment properties                                    | 3,339                                      | 3,415                                    |
| Right-of-use assets                                      | 741  | 265                                      |
| Development expenditure                                  | 9,185                                      | 9,530                                    |
| Other investment   | 299  | 261                                      |
| Deferred tax assets                                      | 67   | 67                                       |
| <b>TOTAL NON-CURRENT ASSETS</b>                          | <b>47,790</b>                              | <b>49,456</b>                            |
| <b>CURRENT ASSETS</b>                                    |  |  |
| Inventory  | 16   | 12                                       |
| Trade receivables  | 3,724                                      | 4,627                                    |
| Other receivables, deposits and prepayments              | 520  | 266                                      |
| Current tax assets                                       | 636  | 646                                      |
| Fixed deposits with licensed financial institution       | 269  | 260                                      |
| Short term deposits with licensed financial institutions | 4,392                                      | 2,994                                    |
| Cash and bank balances                                   | 3,043                                      | 3,057                                    |
| <b>TOTAL CURRENT ASSETS</b>                              | <b>12,600</b>                              | <b>11,862</b>                            |
| <b>TOTAL ASSETS</b>                                      | <b>60,390</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  | 5,110                                      | 7,106                                    |
| Exchange translation reserves                            | (301)                                      | (574)                                    |
| Treasury Shares  | (376)                                      | (376)                                    |
|  | 48,315                                     | 50,038                                   |
| Non-controlling interest                                 | 2,603                                      | 1,963                                    |
| <b>TOTAL EQUITY</b>                                      | <b>50,918</b>                              | <b>52,001</b>                            |
| <b>NON-CURRENT LIABILITIES</b>                           |  |  |
| Borrowings   | 5,327                                      | 5,550                                    |
| Lease liabilities  | 492  | 63                                       |
| Deferred tax liabilities                                 | 474  | 424                                      |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                     | <b>6,293</b>                               | <b>6,037</b>                             |
| <b>CURRENT LIABILITIES</b>                               |  |  |
| Trade payables   | 709  | 666                                      |
| Other payables and accruals                              | 1,632                                      | 1,678                                    |
| Provision for taxation                                   | 75   | 218                                      |
| Borrowings   | 506  | 507                                      |
| Lease liabilities  | 257  | 211                                      |
| <b>TOTAL CURRENT LIABILITIES</b>                         | <b>3,179</b>                               | <b>3,280</b>                             |
| <b>TOTAL LIABILITIES</b>                                 | <b>9,472</b>                               | <b>9,317</b>                             |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>60,390</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 MARCH 2021**

(the figures have not been audited)

| Twelve (12) months ended 31 March 2021                        | -----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 | -  | (1,304)                  | -                      | 273                                  | (1,031)      | 940                             | (91)                |
| Dividends - equity holder                                     | -  | (692)                    | -                      | -                                    | (692)        | (300)                           | (992)               |
| Balance as at 31 March 2021                                   | 43,882   | 5,110                    | (376)                  | (301)                                | 48,315       | 2,603                           | 50,918              |

| Twelve (12) months ended 31 March 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 2019 (Restated)                         | 43,882   | 8,440                    | (376)                  | (631)                                | 51,315       | 1,782                           | 53,097              |
| Total comprehensive (expense)/income for the financial period | -  | (610)                    | -                      | 57                                   | (553)        | 796                             | 243                 |
| Dividends - equity holder                                     | -  | (692)                    | -                      | -                                    | (692)        | (585)                           | (1,277)             |
| Effect of increase in stake in a subsidiary                   | -  | (32)                     | -                      | -                                    | (32)         | (30)                            | (62)                |
| Balance as at 31 March 2020                                   | 43,882   | 7,106                    | (376)                  | (574)                                | 50,038       | 1,963                           | 52,001              |

*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 MARCH 2021**

(the figures have not been audited)

|   | CUMULATIVE QUARTERS                               |   |
|---|---|---|
|   | CURRENT<br>PERIOD TO-DATE<br>31.03.2021<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>31.03.2020<br>RM'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |   |
| (Loss)/Profit before tax  | (246)   | 584   |
| Adjustment for non-cash items   | 6,396   | 6,932   |
| Operating profit before changes in working capital  | 6,150   | 7,516   |
| Decrease in trade receivables   | 737   | 945   |
| Other net changes in assets   | (260)   | 82  |
| Increase/(Decrease) in trade payables   | 43  | (703)   |
| Other net changes in liabilities  | (45)  | (290)   |
| Cash flow from operations   | 6,625   | 7,550   |
| Tax paid  | (251)   | (787)   |
| Net cash flow from operating activities   | 6,374   | 6,763   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |   |
| Purchase of property, plant and equipment   | (142)   | (284)   |
| Net cash consideration in acquisition of subsidiary   | -   | (62)  |
| Payment for development expenditure   | (3,269)   | (3,610)   |
| Interest received   | 125   | 115   |
| Net cash flow used in investing activities  | (3,286)   | (3,841)   |
| <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   | (234)   | (315)   |
| Net changes in hire purchase payables   | (138)   | (154)   |
| Net changes in term loan  | (86)  | (362)   |
| Net changes in lease liabilities  | (246)   | (219)   |
| Net cash flow used in financing activities  | (1,696)   | (2,327)   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>  | 1,392   | 595   |
| <i>Effect of changes in exchange rate</i>   | 1   | 10  |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>                                   | 6,311   | 5,706   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>   | 7,704   | 6,311   |
| The cash and cash equivalents at the end of the reporting period comprised of the following:- |   |   |
| Fixed deposits with licensed financial institution  | 269   | 260   |
| Short term deposits with licensed financial institutions                                      | 4,392   | 2,994   |
| Cash and bank balances  | 3,043   | 3,057   |
|   | 7,704   | 6,311   |

*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.*



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## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021**

### **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 re-imposition of 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<br>31.03.2021<br>RM'000 | As at<br>31.03.2020<br>RM'000 |
|---|-------------------------------|-------------------------------|
| Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary | <u>5,610</u>                  | <u>5,780</u>                  |

## 15. Significant Related Party Transactions

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



**SYSTECH BHD** 201001012883(897114-T)  
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## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021**

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

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

The Group recorded RM5.555 million of revenue and a loss after taxation of RM0.253 million within the current quarter under review, with the recorded revenue of the quarter continuously contributed by the business operation of the following same seven (7) direct subsidiaries with business operation:

- (i) Syscotech Sdn Bhd (“**Syscotech**”), which is involved principally in designing, researching and developing, customising and implementing its proprietary software solutions for the members’ centric industry such as the direct selling industry and retail industry;
- (ii) Mobysys Sdn Bhd (“**Mobysys**”), which is otherwise involved principally in developing franchise software system catering for the needs of franchise business operator in operating and managing their franchise business;
- (iii) SysCode Sdn Bhd (“**SysCode**”), which is principally involved in research and development and implementation of cloud-based software solutions and blockchain solutions. (The software solutions provided by Syscotech, Mobysys and SysCode are referred herein and hereafter as “**e-Business solutions**”);
- (iv) SysArmy Sdn Bhd, and both its subsidiaries, PT SysArmy Indocyber Security and Secure IoT Sdn Bhd (“**SysArmy**”), are all 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 referred herein and hereafter 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 referred herein and hereafter as “**e-Logistics**”).

In general, demand for the Group’s solutions are driven by the general economic conditions.

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

- (a) Develop an enhance solutions, manage customization and to maintain solutions provided under the Group’s e-business solutions segment;
- (b) undertake the provision of monitoring and professional services as well as to provide the necessary advice and training to its CyberSecurity customers; and
- (c) undertake the provision of e-logistic services for Postlink’s customers.

Except as disclosed in Note 6 of this Interim Financial Report, there were no other factors or circumstances that significantly affected the Group’s revenue, costs or profit margins during the period under review.

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 |          |
|                                       | 31.03.2021           | 31.03.2020                           | RM'000  | %      | 31.03.2021             | 31.03.2020                          | RM'000  | %        |
|                                       | RM'000               | RM'000                               | RM'000  | %      | RM'000                 | RM'000                              | RM'000  | %        |
| Revenue                               | 5,555                | 5,876                                | (321)   | (5.46) | 22,818                 | 28,151                              | (5,333) | (18.94)  |
| Gross profit                          | 2,580                | 2,791                                | (211)   | (7.56) | 9,982                  | 13,119                              | (3,137) | (23.91)  |
| (Loss)/Profit before interest and tax | (64)                 | (921)                                | 857     | 93.05  | (12)                   | 899                                 | (911)   | (101.33) |
| (Loss)/Profit before tax              | (101)                | (996)                                | 895     | 89.86  | (246)                  | 584                                 | (830)   | (142.12) |
| (Loss)/Profit after tax               | (253)                | (1,148)                              | 895     | 77.96  | (415)                  | 191                                 | (606)   | (317.28) |
| Attributable to owners of the parent  | (477)                | (1,247)                              | 770     | 61.75  | (1,342)                | (610)                               | (732)   | (120.00) |

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

The reduced loss after taxation in the current quarter under review was mainly due to the lower expenses incurred and lower provision for doubtful debts which had resulted and improved net margins if compared to the corresponding quarter of the previous financial year.

Other income of the current quarter under review includes the following:

- A total amount of SGD17,959, which is equivalent to approximately RM54,985 was received by Postlink under the "Jobs Support Scheme", "Senior Employment Credit Scheme" and "Enterprise Development Grant" introduced by the Government of the Republic of Singapore for supporting the continuous engagement of employees as well as encouraging business transformation for growth while the pandemic is still ongoing; and
- A Waiver of RM334,000 by a director of a subsidiary for amount due to the director.

Except for the foregoing-mentioned, there was no other income of a material amount being received by the Group or other expenses of a material amount being incurred by the Group during the period under review.

Other than Postlink, which was incorporated in the Republic of Singapore and PT SysArmy Indocyber Security ("PT SysArmy"), which was incorporated by SysArmy Sdn Bhd in the Republic of Indonesia as direct subsidiary of SysArmy Sdn Bhd; the remaining overseas direct subsidiary of Systech, which is Syscotech, Inc., was incorporated in the United States of America by Systech and continue to remained dormant. In view of the dormant position of Syscotech Inc, the exposure of foreign currency translation risk 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 transacted 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.

## 17. Variation of Results against Preceding Quarter

|                                      | INDIVIDUAL QUARTER   |                             | Changes |         |
|--------------------------------------|----------------------|-----------------------------|---------|---------|
|                                      | CURRENT YEAR QUARTER | IMMEDIATE PRECEDING QUARTER | RM'000  | %       |
|                                      | 31.03.2021           | 31.12.2020                  | RM'000  |         |
| Revenue                              | 5,555                | 5,306                       | 249     | 4.69    |
| Gross profit                         | 2,580                | 2,388                       | 192     | 8.04    |
| Loss before interest and tax         | (64)                 | (255)                       | 191     | 74.90   |
| Loss before tax                      | (101)                | (316)                       | 215     | 68.04   |
| Loss after tax                       | (253)                | (285)                       | 32      | 11.23   |
| Attributable to owners of the parent | (477)                | (341)                       | (136)   | (39.88) |

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:

Twelve (12) Months Financial Period Ended 31 March 2021

|                                     | e-Business Solutions<br>RM'000 | CyberSecurity solutions<br>RM'000 | e-Logistics<br>RM'000 | Adjustment and<br>Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------------|--------------------------------|-----------------------------------|-----------------------|--|------------------------|
| Revenue from external customers     | 6,769                          | 9,601                             | 6,448                 | -  | 22,818                 |
| Segment results                     | (583)                          | 1,629                             | 392                   | (1,575)                                  | (137)                  |
| Interest income                     |                                |                                   |                       |  | 125                    |
| Financing cost                      |                                |                                   |                       |  | (234)                  |
| Loss before taxation                |                                |                                   |                       |  | (246)                  |
| Tax Expenses                        |                                |                                   |                       |  | (169)                  |
| Loss after taxation                 |                                |                                   |                       |  | (415)                  |
| Segment assets                      | 15,559                         | 8,851                             | 2,250                 | 33,730                                   | 60,390                 |
| Segment liabilities                 | 5,896                          | 2,140                             | 962                   | 474                                      | 9,472                  |
| Capital and development expenditure | 1,821                          | 1,564                             | 26                    | -  | 3,411                  |
| Depreciation                        | 366                            | 212                               | 244                   | -  | 822                    |

*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:

Twelve (12) Months Financial Period Ended 31 March 2021

|                                     | Malaysia<br>RM'000 | North Asia and<br>Other Areas<br>RM'000 | South East<br>Asia<br>RM'000 | Total<br>RM'000 |
|-------------------------------------|--------------------|---|------------------------------|-----------------|
| Revenue from external customers     | 9,690              | 2,620                                   | 10,508                       | 22,818          |
| Segment assets                      | 56,625             | 1,089                                   | 2,676                        | 60,390          |
| Capital and development expenditure | 3,385              | -                                       | 26                           | 3,411           |

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

With the COVID-19 pandemic going on unabated and movement restrictions continued to be undertaken by the Government, business sentiments and operation are expected to continue to be affected. Taking into consideration the aforesaid, the Group foresees the financial performance for the next FYE 31 March 2022 to remain challenging. Nonetheless, the Group will continue to remain steadfast in its sustainability strategies for the coming financial year.

## 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<br>QUARTER<br>ENDED<br>31.03.2021<br>RM'000 | CURRENT<br>PERIOD TO-<br>DATE<br>31.03.2021<br>RM'000 |
|-----------------|---|---|
| Income Tax      |   |   |
| - Malaysian Tax | 100   | 143   |
| - Foreign Tax   | 2   | (24)  |
| - Deferred Tax  | 50  | 50  |
|                 | <u>152</u>  | <u>169</u>  |

The Malaysian income tax for the current quarter under review relates to tax provision of the e-Business Solutions segment whereas the deferred tax relates to deferred tax provision of the CyberSecurity 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 March 2021

|                 | Long Term |        | Short term |        | Total                 |        |
|-----------------|-----------|--------|------------|--------|-----------------------|--------|
|                 | SGD'000   | RM'000 | SGD'000    | RM'000 | SGD'000               | RM'000 |
| <b>Secured</b>  |           |        |            |        |                       |        |
| - Term loan     | -         | 5,220  | -          | 419    | -                     | 5,639  |
| - Hire purchase | 22        | 107    | 7          | 87     | 29                    | 194    |
|                 |           |        |            |        |                       | 5,833  |
|                 |           |        |            |        | Gearing ratio (times) | 0.11   |

As at 31 March 2020

|                 | Long Term |        | Short term |        | Total                 |        |
|-----------------|-----------|--------|------------|--------|-----------------------|--------|
|                 | SGD'000   | RM'000 | SGD'000    | RM'000 | SGD'000               | RM'000 |
| <b>Secured</b>  |           |        |            |        |                       |        |
| - Term loan     | -         | 5,357  | -          | 367    | -                     | 5,724  |
| - Hire purchase | -         | 193    | -          | 140    | -                     | 333    |
|                 |           |        |            |        |                       | 6,057  |
|                 |           |        |            |        | Gearing ratio (times) | 0.12   |

Other than Postlink's hire purchase of SGD29,000 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

At the forthcoming Annual General Meeting, a single tier final dividend of 2.0% amounting to RM695,416 in respect of the FYE 31 March 2021 on 347,707,820 Systech Shares (0.2 sen per share) will be proposed for shareholders' approval. The number of Systech Shares entitled to the said dividend shall exclude treasury shares held on the entitlement date. The financial statements for the current financial year do not reflect the proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the FYE 31 March 2022.

## 26. Basic earnings per Share

|  | CURRENT QUARTER ENDED |            | CURRENT PERIOD TO-DATE |            |
|--|-----------------------|------------|------------------------|------------|
|  | 31.03.2021            | 31.03.2020 | 31.03.2021             | 31.03.2020 |
| <b>Basic loss per share</b>                                  |                       |            |                        |            |
| Loss after tax attributable to owners of the parent (RM'000) | (477)                 | (1,247)    | (1,342)                | (610)      |
| Weighted average number of ordinary shares in issue ('000)   | 347,708               | 347,708    | 347,708                | 347,708    |
| Basic loss per share (sen)                                   | (0.14)                | (0.36)     | (0.39)                 | (0.18)     |

By the Order of the Board

**Company Secretary**

**Dated this 25th of May 2021.**