



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

(the figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|---|--|---|---|
| | CURRENT YEAR QUARTER 30.09.2022 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30.09.2021 RM'000 | CURRENT PERIOD TO-DATE 30.09.2022 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30.09.2021 RM'000 |
| Revenue | 5,310 | 4,499 | 10,059 | 10,332 |
| Amortisation of research and development expenses | (883) | (922) | (1,748) | (1,813) |
| Other cost of sales | (2,426) | (1,856) | (5,348) | (4,970) |
| Gross profit | 2,001 | 1,721 | 2,963 | 3,549 |
| Interest income | 4 | 20 | 6 | 43 |
| Other income | 108 | 25 | 138 | 73 |
| Administration expenses | (1,380) | (1,262) | (2,661) | (2,548) |
| Depreciation | (255) | (193) | (447) | (367) |
| Impairment of goodwill | - | (319) | - | (638) |
| Selling and distribution expenses | (447) | (423) | (917) | (954) |
| (Loss)/Gain on foreign exchange | (21) | 15 | (37) | (6) |
| Gain on disposal property, plant and equipment | - | - | 95 | - |
| Other operating expenses | (311) | (349) | (511) | (642) |
| Loss from operations | (301) | (765) | (1,371) | (1,490) |
| Finance cost | (56) | (54) | (110) | (113) |
| Loss before tax | (357) | (819) | (1,481) | (1,603) |
| Income tax expenses | (1) | (48) | (3) | (106) |
| Loss after tax | (358) | (867) | (1,484) | (1,709) |
| Other comprehensive income/(expense) | 323 | (119) | 626 | (102) |
| Total comprehensive expenses for the period | (35) | (986) | (858) | (1,811) |
| Loss after tax attributable to:- | | | | |
| - Owners of the parent | (269) | (755) | (1,085) | (1,509) |
| - Non-controlling Interest | (89) | (112) | (399) | (200) |
| | (358) | (867) | (1,484) | (1,709) |
| Total comprehensive income/(expense) for the period attributable to:- | | | | |
| - Owners of the parent | 42 | (873) | (481) | (1,610) |
| - Non-controlling Interest | (77) | (113) | (377) | (201) |
| | (35) | (986) | (858) | (1,811) |
| Loss per share attributable to owners of the parent (sen per share) | | | | |
| Basic | (0.08) | (0.22) | (0.31) | (0.43) |
| 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 2022. 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 SEPTEMBER 2022**

(the figures have not been audited)

| | UNAUDITED AS AT 30.09.2022 RM'000 | AUDITED AS AT 31.03.2022 RM'000 |
|--|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 4,980 | 4,671 |
| Goodwill on consolidation | 10,281 | 9,723 |
| Investment properties | 3,225 | 3,263 |
| Right-of-use assets | 362 | 486 |
| Development expenditure | 7,772 | 8,644 |
| Other investment | 171 | 196 |
| TOTAL NON-CURRENT ASSETS | 26,791 | 26,983 |
| CURRENT ASSETS | | |
| Inventory | 2 | 12 |
| Trade receivables | 2,904 | 3,833 |
| Other receivables, deposits and prepayments | 947 | 960 |
| Current tax assets | 977 | 734 |
| Fixed deposits with licensed financial institution | 270 | 269 |
| Short term deposits with licensed financial institutions | 1,492 | 2,372 |
| Cash and bank balances | 2,698 | 2,560 |
| TOTAL CURRENT ASSETS | 9,290 | 10,740 |
| TOTAL ASSETS | 36,081 | 37,723 |
| EQUITY AND LIABILITIES | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | |
| Share capital | 43,882 | 43,882 |
| Accumulated losses | (18,448) | (17,339) |
| Exchange translation reserves | 426 | (202) |
| Treasury Shares | (376) | (376) |
| | 25,484 | 25,965 |
| Non-controlling interest | 2,198 | 2,575 |
| TOTAL EQUITY | 27,682 | 28,540 |
| NON-CURRENT LIABILITIES | | |
| Borrowings | 5,040 | 4,944 |
| Lease liabilities | 115 | 234 |
| Deferred tax liabilities | 1,064 | 1,064 |
| TOTAL NON-CURRENT LIABILITIES | 6,219 | 6,242 |
| CURRENT LIABILITIES | | |
| Trade payables | 284 | 751 |
| Other payables and accruals | 1,247 | 1,507 |
| Borrowings | 385 | 412 |
| Lease liabilities | 264 | 271 |
| TOTAL CURRENT LIABILITIES | 2,180 | 2,941 |
| TOTAL LIABILITIES | 8,399 | 9,183 |
| TOTAL EQUITY AND LIABILITIES | 36,081 | 37,723 |
| NET ASSETS PER SHARE (SEN) | 7.96 | 8.21 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2022. 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 SEPTEMBER 2022**

(the figures have not been audited)

| Six (6) months ended 30 September 2022 | <-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY-----> | | | | | NON- CONTROLLING INTEREST RM'000 | TOTAL EQUITY RM'000 |
|---|---|---------------------------------|------------------------------|---|-----------------|---|---------------------------|
| | ORDINARY SHARES RM'000 | ACCUMULATED LOSSES RM'000 | TREASURY SHARES RM'000 | EXCHANGE TRANSLATION RESERVES RM'000 | TOTAL RM'000 | | |
| Balance as at 1 April 2022 | 43,882 | (17,339) | (376) | (202) | 25,965 | 2,575 | 28,540 |
| Total comprehensive (expense)/income for the financial period | - | (1,109) | - | 628 | (481) | (377) | (858) |
| Balance as at 30 September 2022 | 43,882 | (18,448) | (376) | 426 | 25,484 | 2,198 | 27,682 |
| Six (6) months ended 30 September 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 2021 | 43,882 | 5,110 | (376) | (301) | 48,315 | 2,603 | 50,918 |
| Total comprehensive expense for the financial period | - | (1,581) | - | (29) | (1,610) | (201) | (1,811) |
| Dividends - equity holder | - | (692) | - | - | (692) | - | (692) |
| Balance as at 30 September 2021 | 43,882 | 2,837 | (376) | (330) | 46,013 | 2,402 | 48,415 |

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 2022. 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 30 SEPTEMBER 2022**

(the figures have not been audited)

| | CUMULATIVE QUARTERS | |
|---|---|---|
| | CURRENT PERIOD TO-DATE 30.09.2022 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30.09.2021 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (1,481) | (1,603) |
| Adjustment for non-cash items | 2,241 | 3,018 |
| Operating profit before changes in working capital | 760 | 1,415 |
| Decrease in trade receivables | 989 | 1,558 |
| Other net changes in assets | 24 | (511) |
| (Decrease)/Increase in trade payables | (468) | 17 |
| Other net changes in liabilities | (259) | (459) |
| Cash flow from operations | 1,046 | 2,020 |
| Tax paid | (245) | (138) |
| Net cash flow from operating activities | 801 | 1,882 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (269) | (211) |
| Payment for development expenditure | (876) | (1,684) |
| Interest received | 6 | 43 |
| Net cash flow used in investing activities | (1,139) | (1,852) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid to shareholders of the Company | - | (692) |
| Interest paid | (110) | (113) |
| Net changes in hire purchase payables | (62) | (44) |
| Net changes in term loan | (179) | (194) |
| Net changes in lease liabilities | (126) | (128) |
| Net cash flow used in financing activities | (477) | (1,171) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (815) | (1,141) |
| <i>Effect of changes in exchange rate</i> | 74 | (3) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 5,201 | 7,704 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 4,460 | 6,560 |

The cash and cash equivalents at the end of the reporting period comprised of the following:-

| | | |
|--|-------|-------|
| Fixed deposits with licensed financial institution | 270 | 269 |
| Short term deposits with licensed financial institutions | 1,492 | 3,149 |
| Cash and bank balances | 2,698 | 3,142 |
| | 4,460 | 6,560 |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2022. The accompany notes are an integral part of this statement.



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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 2022.

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 2022.

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 2022 except for those standards, amendments and IC Interpretation, which are effective for financial period beginning on or after 1 April 2022 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 2022.

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 2022 was not subject to any audit qualification.

5. Seasonal and Cyclical Factors

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

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

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

7. Material Changes in Estimates

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

8. Debt and Equity Securities

There 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 30.09.2022 RM'000 | As at 31.03.2022 RM'000 |
|---|-------------------------------|-------------------------------|
| Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary | <u>4,288</u> | <u>4,448</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 30 SEPTEMBER 2022

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

16. Review of Performance

The Group recorded RM5.310 million of revenue and a loss after taxation of RM0.358 million within the current quarter under review, with the recorded revenue of the quarter continuously contributed by the business operation of the following five (5) 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; (The software solutions provided by Syscotech and Mobysys are referred herein and hereafter as “**e-Business solutions**”);
- (iii) SysArmy Sdn Bhd, and its active subsidiary, Secure IoT Sdn Bhd (“**SysArmy**”), are both 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
- (iv) 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 customisation 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.

There were no 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 | PRECEDING YEAR | | | CURRENT | PRECEDING YEAR | | |
| | YEAR | CORRESPONDING | | | PERIOD TO- | CORRESPONDING | | |
| | QUARTER | QUARTER | Changes | | DATE | PERIOD | Changes | |
| | 30.09.2022 | 30.09.2021 | RM'000 | % | 30.09.2022 | 30.09.2021 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 5,310 | 4,499 | 811 | 18.03 | 10,059 | 10,332 | (273) | (2.64) |
| Gross profit | 2,001 | 1,721 | 280 | 16.27 | 2,963 | 3,549 | (586) | (16.51) |
| Loss before interest and tax | (301) | (765) | 464 | 60.65 | (1,371) | (1,490) | 119 | 7.99 |
| Loss before tax | (357) | (819) | 462 | 56.41 | (1,481) | (1,603) | 122 | 7.61 |
| Loss after tax | (358) | (867) | 509 | 58.71 | (1,484) | (1,709) | 225 | 13.17 |
| Attributable to owners of the parent | (269) | (755) | 486 | 64.37 | (1,085) | (1,509) | 424 | 28.10 |

The higher revenue for the current quarter under review was mainly due to the increase in contribution from all the three operating segments of the Group as a result of re-opening of borders and gradual recovery in the regional economies following the implementation of various recovery plans since the beginning of the year. The Group recorded a lower loss after taxation of RM0.358 million as a result of the higher revenue generated, out of which RM0.269 million is attributable to owners of the parent.

Moreover, there was no impairment loss of goodwill and higher other income was recorded during the current quarter under review. The higher other income was mainly due to the reversal of allowance for impairment loss on trade receivables amounted to RM60,608 for impaired debts recovered from one of the trade receivables of the CyberSecurity solutions subsidiary.

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; the remaining overseas direct subsidiary of Systech, which is Syscatech, Inc., incorporated in the United States of America by Systech; and the overseas indirect subsidiary of Systech, 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 had remained dormant. In view of the dormant position of Syscatech Inc and PT SysArmy, the exposure of foreign currency translation risk of United States Dollar ("USD") and Indonesian Rupiah ("IDR") are therefore not significant.

The Group is exposed to currency exposure arising from its investment in Postlink as the functional currency of the investment is denominated in Singapore Dollar ("SGD"). However, in view of the intra-group transactions transacted between the Group and Postlink 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, EURO, 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 85% (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 | | | |
|--------------------------------------|--------------------|------------|---------|--------|
| | CURRENT | IMMEDIATE | Changes | |
| | YEAR | PRECEDING | | |
| | QUARTER | QUARTER | RM'000 | % |
| | 30.09.2022 | 30.06.2022 | | |
| | RM'000 | RM'000 | | |
| Revenue | 5,310 | 4,749 | 561 | 11.81 |
| Gross profit | 2,001 | 962 | 1,039 | 108.00 |
| Loss before interest and tax | (301) | (1,070) | 769 | 71.87 |
| Loss before tax | (357) | (1,124) | 767 | 68.24 |
| Loss after tax | (358) | (1,126) | 768 | 68.21 |
| Attributable to owners of the parent | (269) | (816) | 547 | 67.03 |

Revenue for the quarter under review had increased as compared to the immediate preceding quarter due to higher contribution from the e-Business Solutions and CyberSecurity segments, with the increase partially offset by decrease in revenue from the e-Logistics segment. The loss after tax recorded in current quarter had reduced from RM1.126 million to RM0.358 million as compared to the immediate preceding quarter mainly due to higher revenue and improved gross profit margin.

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:

Six (6) Months Financial Period Ended 30 September 2022

| | 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 | 2,781 | 5,058 | 2,220 | - | 10,059 |
| Segment results | (588) | (786) | (3) | - | (1,377) |
| Interest income | | | | | 6 |
| Financing cost | | | | | (110) |
| Loss before taxation | | | | | (1,481) |
| Tax Expenses | | | | | (3) |
| Loss after taxation | | | | | (1,484) |
| Segment assets | 11,803 | 8,092 | 1,532 | 14,654 | 36,081 |
| Segment liabilities | 5,503 | 1,320 | 512 | 1,064 | 8,399 |
| Capital and development expenditure | 641 | 504 | - | - | 1,145 |
| Depreciation | 177 | 154 | 116 | - | 447 |

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:

Six (6) Months Financial Period Ended 30 September 2022

| | Malaysia RM'000 | North Asia and Other Areas RM'000 | South East Asia RM'000 | Total RM'000 |
|-------------------------------------|--------------------|---|------------------------------|-----------------|
| Revenue from external customers | 5,296 | 828 | 3,935 | 10,059 |
| Segment assets | 33,939 | 511 | 1,631 | 36,081 |
| Capital and development expenditure | 1,145 | - | - | 1,145 |

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 Sycatech, Inc.

19. Current Year Prospects

Despite the recovery of the Malaysian economy from Covid-19, the pace of economic recovery is also dependent on other factors, including successful containment of the Covid-19 and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

As the CyberSecurity solutions segment continues to be the main revenue contributor to the Group, the Board intends to capitalise on its growth prospect by expanding its existing solutions and services rendered for a more extensive coverage to be in line with its holistic managed cybersecurity strategy which will provide the Group with an opportunity to expand its income stream.

The Board has also implemented its cost rationalisation exercise to reduce its operating costs by maintaining a leaner organisation structure. It is presently the Group's strategy to maximise the efficiency of its information technology professionals specialising in software development and cyber security and to manage the total costs of its operations.

While efforts are continuously made to improve the Group's business operations and performance, the Group remains cautious over the business outlook and financial performance of the Group for the remaining quarters for FYE 31 March 2023. Nevertheless, the Group is committed to enhance its operational efficiency and will continue to implement its business strategies vigilantly to improve its financial performance while ensuring long-term sustainability.

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 2023.

21. Tax Expense

| | CURRENT QUARTER ENDED 30.09.2022 RM'000 | CURRENT PERIOD TO- DATE 30.09.2022 RM'000 |
|---------------|---|---|
| Income Tax | | |
| - Foreign Tax | 1 | 3 |
| | <u>1</u> | <u>3</u> |

The income tax expense for the current quarter under review is related to the foreign income tax incurred by the e-Business solutions 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 30 September 2022

| | Long Term | | Short term | | Total | |
|-----------------|-----------|--------|------------|--------|-----------------------|--------|
| | SGD'000 | RM'000 | SGD'000 | RM'000 | SGD'000 | RM'000 |
| <i>Secured</i> | | | | | | |
| - Term loan | - | 4,771 | - | 298 | - | 5,069 |
| - Hire purchase | 11 | 269 | 7 | 87 | 18 | 356 |
| | | | | | | 5,425 |
| | | | | | Gearing ratio (times) | 0.20 |

As at 30 September 2021

| | Long Term | | Short term | | Total | |
|-----------------|-----------|--------|------------|--------|-----------------------|--------|
| | SGD'000 | RM'000 | SGD'000 | RM'000 | SGD'000 | RM'000 |
| <i>Secured</i> | | | | | | |
| - Term loan | - | 5,069 | - | 375 | - | 5,444 |
| - Hire purchase | 18 | 62 | 7 | 89 | 25 | 151 |
| | | | | | | 5,595 |
| | | | | | Gearing ratio (times) | 0.12 |

Other than Postlink's hire purchase of SGD18,000 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 3.80% to 4.50% 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 loss per Share

| | CURRENT QUARTER ENDED | | CURRENT PERIOD TO-DATE | |
|--|-----------------------|------------|------------------------|------------|
| | 30.09.2022 | 30.09.2021 | 30.09.2022 | 30.09.2021 |
| Basic loss per share | | | | |
| Loss after tax attributable to owners of the parent (RM'000) | (269) | (755) | (1,085) | (1,509) |
| Weighted average number of ordinary shares in issue ('000) | 347,708 | 347,708 | 347,708 | 347,708 |
| Basic loss per share (sen) | (0.08) | (0.22) | (0.31) | (0.43) |

By the Order of the Board

Company Secretary

Dated this 24th of November 2022.