



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2022 RM'000 RESTATED	CURRENT PERIOD TO-DATE 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2022 RM'000 RESTATED
Continuing Operations				
Revenue	5,596	4,635	17,449	16,381
Amortisation of research and development expenses	(324)	(332)	(1,369)	(1,278)
Other cost of sales	(2,461)	(2,123)	(9,399)	(8,671)
Gross profit	2,811	2,180	6,681	6,432
Interest income	1	1	4	24
Other income	19	69	108	99
Administration expenses	(960)	(806)	(3,519)	(3,201)
Depreciation	(133)	(108)	(541)	(433)
Impairment of goodwill	-	(5,513)	-	(6,000)
Selling and distribution expenses	(250)	(324)	(1,112)	(1,306)
Allowance for impairment losses on trade and other receivables	-	(93)	-	(93)
Gain/(Loss) on foreign exchange	17	(2)	(17)	(11)
Gain on disposal property, plant and equipment	-	-	-	-
Other operating expenses	(199)	(373)	(867)	(1,004)
Profit/(Loss) from operations	1,306	(4,969)	737	(5,493)
Finance cost	(4)	(7)	(19)	(31)
Profit/(Loss) before tax	1,302	(4,976)	718	(5,524)
Income tax expenses	(320)	(217)	(425)	(404)
Profit/(Loss) after tax from continuing operations	982	(5,193)	293	(5,928)
Discontinued Operations				
Loss after tax from discontinued operations	(5,282)	(14,694)	(6,054)	(15,758)
Loss for the financial year	(4,300)	(19,887)	(5,761)	(21,686)
Other Comprehensive Income:				
- Continuing operations	(378)	88	422	-
- Discontinued operations	10	4	18	-
	(368)	92	440	-
Total comprehensive expenses for the period	(4,668)	(19,795)	(5,321)	(21,686)



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2022 RM'000 RESTATED	CURRENT PERIOD TO-DATE 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2022 RM'000 RESTATED
Profit/(Loss) after tax attributable to:				
Owners of the parent from:				
- Continuing operations	496	(5,398)	72	(6,094)
- Discontinued operations	(5,282)	(14,555)	(6,050)	(15,561)
	<u>(4,786)</u>	<u>(19,953)</u>	<u>(5,978)</u>	<u>(21,655)</u>
Non-controlling Interest from:				
- Continuing operations	486	205	221	166
- Discontinued operations	-	(139)	(4)	(197)
	<u>486</u>	<u>66</u>	<u>217</u>	<u>(31)</u>
	<u>(4,300)</u>	<u>(19,887)</u>	<u>(5,761)</u>	<u>(21,686)</u>
Total comprehensive income/(expense) for the period attributable to:				
Owners of the parent from:				
- Continuing operations	115	(5,313)	462	(5,999)
- Discontinued operations	(5,272)	(14,551)	(6,032)	(15,659)
	<u>(5,157)</u>	<u>(19,864)</u>	<u>(5,570)</u>	<u>(21,658)</u>
Non-controlling Interest from:				
- Continuing operations	489	208	253	166
- Discontinued operations	-	(139)	(4)	(194)
	<u>489</u>	<u>69</u>	<u>249</u>	<u>(28)</u>
	<u>(4,668)</u>	<u>(19,795)</u>	<u>(5,321)</u>	<u>(21,686)</u>
Earning/(Loss) per share attributable to owners of the parent (sen per share)				
Basic:				
- Continuing operations	0.14	(1.55)	0.02	(1.75)
- Discontinued operations	(1.52)	(4.19)	(1.74)	(4.48)
	<u>(1.38)</u>	<u>(5.74)</u>	<u>(1.72)</u>	<u>(6.23)</u>
Diluted:				
- Continuing operations	N/A	N/A	N/A	N/A
- Discontinued operations	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)
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

(the figures have not been audited)

	UNAUDITED AS AT 31.03.2023 RM'000	AUDITED AS AT 31.03.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	498	4,671
Goodwill on consolidation	5,306	9,723
Investment properties	-	3,263
Right-of-use assets	301	486
Development expenditure	2,858	8,644
Other investment	-	196
TOTAL NON-CURRENT ASSETS	<u>8,963</u>	<u>26,983</u>
CURRENT ASSETS		
Inventory	8	12
Trade receivables	5,157	3,833
Other receivables, deposits and prepayments	953	960
Current tax assets	29	734
Fixed deposits with licensed financial institution	9	269
Short term deposits with licensed financial institutions	1,086	2,372
Cash and bank balances	2,397	2,560
	<u>9,639</u>	<u>10,740</u>
Assets of disposal group classified as held for sale	14,633	-
TOTAL CURRENT ASSETS	<u>24,272</u>	<u>10,740</u>
TOTAL ASSETS	<u>33,235</u>	<u>37,723</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	43,882	43,882
Accumulated losses	(23,320)	(17,339)
Exchange translation reserves	209	(202)
Treasury Shares	(376)	(376)
	<u>20,395</u>	<u>25,965</u>
Non-controlling interest	2,824	2,575
TOTAL EQUITY	<u>23,219</u>	<u>28,540</u>
NON-CURRENT LIABILITIES		
Borrowings	24	4,944
Lease liabilities	62	234
Deferred tax liabilities	90	1,064
TOTAL NON-CURRENT LIABILITIES	<u>176</u>	<u>6,242</u>
CURRENT LIABILITIES		
Trade payables	903	751
Other payables and accruals	2,181	1,507
Current tax liabilities	305	-
Borrowings	25	412
Lease liabilities	253	271
	<u>3,667</u>	<u>2,941</u>
Liabilities of disposal group classified as held for sale	6,173	-
TOTAL CURRENT LIABILITIES	<u>9,840</u>	<u>2,941</u>
TOTAL LIABILITIES	<u>10,016</u>	<u>9,183</u>
TOTAL EQUITY AND LIABILITIES	<u>33,235</u>	<u>37,723</u>
NET ASSETS PER SHARE (SEN)	<u>6.68</u>	<u>8.21</u>

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 31 MARCH 2023**

(the figures have not been audited)

Twelve (12) months ended 31 March 2023	-----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	-	(5,981)	-	411	(5,570)	249	(5,321)
Balance as at 31 March 2023	43,882	(23,320)	(376)	209	20,395	2,824	23,219

Twelve (12) months ended 31 March 2022	-----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)/income for the financial period	-	(21,757)	-	99	(21,658)	(28)	(21,686)
Dividends - equity holder	-	(692)	-	-	(692)	-	(692)
Balance as at 31 March 2022	43,882	(17,339)	(376)	(202)	25,965	2,575	28,540

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)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

(the figures have not been audited)

	CUMULATIVE QUARTERS	
	CURRENT PERIOD TO-DATE 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax from:		
- Continuing operations	718	(5,524)
- Discontinued operations	(6,166)	(15,288)
	<u>(5,448)</u>	<u>(20,812)</u>
Adjustment for non-cash items	9,010	25,150
Operating profit before changes in working capital	<u>3,562</u>	<u>4,338</u>
Increase in trade receivables	(1,990)	(378)
Other net changes in assets	(23)	(436)
Increase in trade payables	152	42
Other net changes in liabilities	996	(126)
	<u>2,697</u>	<u>3,440</u>
Cash flow from operations		
Tax paid	(345)	(390)
Net cash flow from operating activities	<u>2,352</u>	<u>3,050</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(416)	(463)
Payment for development expenditure	(1,266)	(3,511)
Interest received	15	61
	<u>(1,667)</u>	<u>(3,913)</u>
Net cash flow used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders of the Company	-	(692)
Interest paid	(229)	(222)
Net changes in hire purchase payables	(106)	(87)
Net changes in term loan	(337)	(390)
Net changes in lease liabilities	(267)	(256)
	<u>(939)</u>	<u>(1,647)</u>
Net cash flow used in financing activities		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(254)	(2,510)
<i>Effect of changes in exchange rate</i>	65	7
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	5,201	7,704
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	5,012	5,201
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	9	269
Short term deposits with licensed financial institutions	1,086	2,372
Cash and bank balances	2,397	2,560
Fixed deposits, short term deposits and cash and bank balances attributable to assets of disposal group classified as held for sale	1,520	-
	<u>5,012</u>	<u>5,201</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 2022. 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 2023

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

The following were the material events subsequent to the financial period ended 31 March 2023:-

- (i) On 13 February 2023, the Company had entered into a conditional share sale agreement (“**TCAI SSA**”) with Sea Capital Holdings Sdn Bhd for the proposed acquisition of 240,000 ordinary shares, representing 80% equity interest in TalentCloud AI Sdn Bhd (“**TCAI**”) for a total cash consideration of RM14,400,000 (“**Proposed Acquisition**”). The Proposed Acquisition had been approved by the shareholders at the Extraordinary General Meeting (“**EGM**”) on 10 April 2023; and
- (ii) On 13 February 2023, the Company had also entered into a conditional share sale agreement (“**Disposal SSA**”) with Bill Tham Kok Weng (“**Bill Tham**”) for the disposals of the Company’s entire equity interests in Syscotech Sdn Bhd (“**Syscotech**”), Mobysys Sdn Bhd (“**Mobysys**”), Techcasys Sdn Bhd, Syscotech Inc. and SysCode Sdn Bhd (collectively referred to as “**e-Business Subsidiaries**”) for a total cash disposal price of RM6,604,605 and the proposed repayment by Bill Tham of the net balances owing by the e-Business Subsidiaries to the Company to be determined as at the completion date of the Disposal SSA (“**Proposed Disposal**”). The Proposed Disposal had been approved by the shareholders at the EGM on 10 April 2023.

The Proposed Acquisition and Proposed Disposal (collectively referred to as the “**Proposals**”) has yet to be completed as at the date of this Report.

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 31.03.2023 RM'000	As at 31.03.2022 RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>4,159</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 31 MARCH 2023

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

16. Review of Performance

In line with the intention of the Group to dispose of its e-Business Subsidiaries which have been loss-making over the past 3 consecutive financial years, corresponding assets and liabilities of the e-Business Subsidiaries had been classified under Held for Sale, in compliance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Accordingly, these assets had been measured at the lower of carrying amount and fair value less cost to sell.

Following the reclassification of the assets and liabilities to Held for Sale, results of the e-Business Subsidiaries had been represented as Discontinued Operations since it is one of the major business operations within the Group.

The comparative condensed consolidated statement of comprehensive income for e-Business Subsidiaries are represented as if the operations have been discontinued from the start of the comparative period.

The Group recorded RM5.596 million of revenue from Continuing Operations with a profit after taxation of RM0.982 million within the current quarter under review, with the recorded revenue of the quarter contributed by the continuing business operation of the following three (3) direct subsidiaries:

- (i) 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
- (ii) 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**”).

Meanwhile, the Group generated RM1.211 million revenue from Discontinued Operations with a loss after taxation of RM5.282 million during the current quarter under review, contributed by the following e-Business Subsidiaries with active business operation:

- (i) 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; and
- (ii) 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**”);

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

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 YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes		CURRENT PERIOD TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes	
	31.03.2023 RM'000	31.03.2022 RM'000	RM'000	%	31.03.2023 RM'000	31.03.2022 RM'000	RM'000	%
Continuing Operations								
Revenue	5,596	4,635	961	20.73	17,449	16,381	1,068	6.52
Gross profit	2,811	2,180	631	28.94	6,681	6,432	249	3.87
Profit/(Loss) before interest and tax	1,306	(4,969)	6,275	N/A	737	(5,493)	6,230	N/A
Profit/(Loss) before tax	1,302	(4,976)	6,278	N/A	718	(5,524)	6,242	N/A
Profit/(Loss) after tax	982	(5,193)	6,175	N/A	293	(5,928)	6,221	N/A
Attributable to owners of the parent	496	(5,398)	5,894	N/A	72	(6,094)	6,166	N/A
Discontinued Operations								
Revenue	1,211	1,342	(131)	(9.76)	5,769	6,004	(235)	(3.91)
Gross profit	323	639	(316)	(49.45)	2,187	2,924	(737)	(25.21)
Loss before interest and tax	(5,292)	(14,184)	8,892	62.69	(5,956)	(15,096)	9,140	60.55
Loss before tax	(5,346)	(14,230)	8,884	62.43	(6,166)	(15,288)	9,122	59.67
Loss after tax	(5,282)	(14,694)	9,412	64.05	(6,054)	(15,758)	9,704	61.58
Attributable to owners of the parent	(5,282)	(14,555)	9,273	63.71	(6,050)	(15,561)	9,511	61.12

The Group posted a revenue from Continuing Operations for the current quarter under review of RM5.596 million. This was 20.7% or RM0.961 million higher than the corresponding quarter of the previous financial year, mainly due to the increase in contribution from both the e-Logistics and CyberSecurity segments.

The Group recorded a profit after tax of RM0.982 million from Continuing Operations, out of which RM0.496 million is attributable to owners of the parent. The financial performance of Continuing Operations has improved as compared with a loss after tax of RM5.193 million registered in corresponding quarter of previous financial year mainly due to higher revenue generated in current quarter and there was an impairment of goodwill made amounting to RM5.513 million on a subsidiary from e-Logistics segment in the previous corresponding quarter.

The Group posted a loss after tax from Discontinued Operations of RM5.282 million for the current quarter ended 31 March 2023, reduced by RM9.412 million or 64.1% as compared to the loss of RM14.694 million in corresponding quarter of the previous financial year. The loss in the previous corresponding quarter was mainly contributed by the impairment of goodwill made of RM13.356 million on two of the subsidiaries from e-Business solutions segment. Subsequently in the current quarter under review, an additional impairment of RM4.600 million is provided for a subsidiary from e-Business solutions segment for write-down of the disposal group to the lower of its carrying amount and fair value less costs to sell.

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 Sycatech Inc. under Discontinued Operations, 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 Sycsatech 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 52% (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	%
	31.03.2023	31.12.2022		
	RM'000	RM'000	RM'000	%
<u>Continuing Operations</u>				
Revenue	5,596	4,576	1,020	22.29
Gross profit	2,811	1,885	926	49.12
Profit before interest and tax	1,306	243	1,063	N/A
Profit before tax	1,302	239	1,063	N/A
Profit after tax	982	134	848	N/A
Attributable to owners of the parent	496	1	495	N/A
<u>Discontinued Operations</u>				
Revenue	1,211	1,776	(565)	(31.81)
Gross profit	323	887	(564)	(63.59)
Loss before interest and tax	(5,292)	(104)	(5,188)	N/A
Loss before tax	(5,346)	(161)	(5,185)	N/A
Loss after tax	(5,282)	(111)	(5,171)	N/A
Attributable to owners of the parent	(5,282)	(108)	(5,174)	N/A

Revenue from Continuing Operations for the quarter under review had increased by RM1.020 million or 22.3% to RM5.596 million as compared to RM4.576 million in the immediate preceding quarter due to higher contribution from the e-Logistics segment, with the increase partially offset by decrease in revenue from the CyberSecurity segment.

The Group recorded an improved profit after tax of RM0.982 million from Continuing Operations in current quarter under review as compared to the immediate preceding quarter with profit after tax of RM0.134 million mainly due to higher revenue generated and improved gross profit margin from 41% to 50% as a result of economies of scale achieved.

Revenue from Discontinued Operations had decreased from RM1.776 million in the immediate preceding quarter to RM1.211 million in the current quarter under review mainly due to lower contribution from maintenance services rendered to customers from direct selling industry.

The higher loss after tax of RM5.282 million from Discontinued Operations as compared to immediate preceding quarter was mainly due to lower revenue generated and the impairment of goodwill made of RM4.600 million on a subsidiary from the e-Business solutions segment as set out in Note 16 of this report.

18. Segmental Reporting

The principal business of the Group is categorised into Continuing Operations which comprised of three (3) main reportable operating segments namely CyberSecurity, e-Logistics and investment holding whereas Discontinued Operations is represented by e-Business solutions segment. The segmental results are as follows:

Twelve (12) Months Financial Period Ended 31 March 2023

	Continuing			Discontinued	Adjustment and Eliminations RM'000	Consolidated RM'000
	CyberSecurity solutions RM'000	e-Logistics RM'000	Investment holding RM'000	e-Business Solutions RM'000		
Revenue from external customers	12,979	4,470	-	5,769	-	23,218
Segment results	883	34	(184)	(1,368)	(4,600)	(5,235)
Interest income						16
Financing cost						(229)
Loss before taxation						(5,448)
Tax Expenses						(313)
Loss after taxation						(5,761)
Segment assets	10,302	2,092	872	14,634	5,335	33,235
Segment liabilities	1,984	1,025	439	6,173	395	10,016
Capital and development expenditure	745	-	-	937	-	1,682
Depreciation	304	237	-	334	-	875

Adjustments for segment assets and liabilities relates to goodwill, current tax assets, current tax liabilities 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 2023

	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers:				
- Continuing operations	10,949	1,684	4,816	17,449
- Discontinued operations	2,294	140	3,335	5,769
	13,243	1,824	8,151	23,218
Segment assets	30,328	602	2,305	33,235
Capital and development expenditure	1,682	-	-	1,682

The segmental results of South East Asia include Continuing Operations' 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

Although Malaysia's economy is gradually recovering since the reopening of Malaysia's borders, other internal and external risks such as rising inflationary pressure and unresolved geopolitical tension are likely to affect the overall market sentiment.

Upon completion of the Proposals, with the disposal of its loss-making e-Business solutions segment, the Group will focus on the growth of its new information technology business segment carried out under TCAI with the implementation of integration process and expanding its human capital management solutions offering, implementing newly secured projects and further expanding its marketing efforts.

As TCAI's customers comprises large enterprises, the Group will also start to explore synergistic opportunities between TCAI and SysArmy by cross-selling products and services between existing and new customers of TCAI and SysArmy in order to grow the revenue stream of the Group.

Barring any unforeseen circumstances, as efforts are continuously made to improve the Group's business operations and performance, the Group is cautiously optimistic over the future business outlook and financial performance of the Group for the next 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 2023.

21. Tax Expense

	CURRENT QUARTER ENDED 31.03.2023 RM'000	CURRENT PERIOD TO- DATE 31.03.2023 RM'000
<u>Continuing Operations</u>		
Income Tax		
- Malaysian Tax	480	582
- Foreign Tax	-	3
- Deferred Tax	(160)	(160)
	320	425
<u>Discontinued Operations</u>		
Income Tax		
- Malaysian Tax	90	38
- Foreign Tax	6	10
- Deferred Tax	(160)	(160)
	(64)	(112)
Total income tax expense	256	313

The income tax expense from Continuing Operations for the current quarter under review is related to the Malaysian income tax provision of the CyberSecurity segment, offset by the reversal of deferred tax liabilities due to reversal of temporary differences.

For Discontinued Operations, income tax expense for the current quarter mainly consists of a Malaysian income tax provision of RM90,000 from one of the subsidiaries of the e-Business solutions segment, offset by the reversal of deferred tax liabilities of another subsidiary of the e-Business solutions segment due to reversal of temporary differences.

22. Status of Corporate Proposals

Other than the Proposals as set out in Section A11 of this announcement, there are no corporate proposals announced or outstanding as at the date of this Report.

23. Borrowings and Debts Securities

As at 31 March 2023

	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<i>Secured</i>						
- Term loan	-	4,623	-	289	-	4,912
- Hire purchase	7	227	7	84	14	311
						5,223
					Gearing ratio (times)	0.22

As at 31 March 2022

	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<i>Secured</i>						
- Term loan	-	4,899	-	350	-	5,249
- Hire purchase	15	45	7	62	22	107
						5,356
					Gearing ratio (times)	0.19

Other than Postlink's hire purchase of SGD14,000 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 4.20% to 4.57% 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 Earning/(Loss) per Share

	CURRENT QUARTER ENDED		CURRENT PERIOD TO-DATE	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Basic earning/(loss) per share				
Profit/(Loss) after tax attributable to owners of the parent (RM'000)				
- Continuing operations	496	(5,398)	72	(6,094)
- Discontinued operations	(5,282)	(14,555)	(6,050)	(15,561)
	(4,786)	(19,953)	(5,978)	(21,655)
Weighted average number of ordinary shares in issue ('000)	347,708	347,708	347,708	347,708
Basic earning/loss per share (sen)				
- Continuing operations	0.14	(1.55)	0.02	(1.75)
- Discontinued operations	(1.52)	(4.19)	(1.74)	(4.48)
	(1.38)	(5.74)	(1.72)	(6.23)

By the Order of the Board

Company Secretary

Dated this 22nd of May 2023.