



SYSTECH BHD 201001012883(897114-T)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

(the figures have not been audited)

	4th Quarter Ended		Financial Year Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	7,229	5,596	25,131	17,449
Amortisation of intangible assets	(563)	(324)	(1,536)	(1,369)
Cost of sales	(3,255)	(2,461)	(12,968)	(9,399)
Gross profit	3,411	2,811	10,627	6,681
Interest income	3	1	25	4
Other income	112	19	237	108
Administration expenses	(2,523)	(960)	(6,797)	(3,519)
Depreciation	(207)	(133)	(686)	(541)
Impairment loss on goodwill	(1,149)	-	(1,149)	-
Selling and distribution expenses	(807)	(250)	(1,938)	(1,112)
Allowance for expected credit loss on trade and other receivables	(252)	-	(252)	-
(Loss)/Gain on foreign exchange	(6)	17	8	(17)
Gain on disposal of property, plant and equipment	1	-	1	-
Other operating expenses	(2,438)	(199)	(4,934)	(867)
(Loss)/Profit from operations	(3,855)	1,306	(4,858)	737
Finance cost	(19)	(4)	(36)	(19)
(Loss)/Profit before tax	(3,874)	1,302	(4,894)	718
Income tax expenses	(415)	(320)	(726)	(425)
(Loss)/Profit after tax from continuing operations	(4,289)	982	(5,620)	293
Discontinued Operations				
(Loss)/Profit after tax from discontinued operations	-	(5,282)	44	(6,054)
Loss for the financial year	(4,289)	(4,300)	(5,576)	(5,761)
Other comprehensive income/(loss):				
- Continuing operations	22	(378)	350	422
- Discontinued operations	-	10	(31)	18
	22	(368)	319	440
Total comprehensive loss for the financial year	(4,267)	(4,668)	(5,257)	(5,321)

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023. The accompanying notes are an integral part of this statement.)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Continued)**
(the figures have not been audited)

	4th Quarter Ended		Financial Year Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit after tax attributable to:				
Owners of the parent from:				
- Continuing operations	(3,848)	496	(5,594)	72
- Discontinued operations	-	(5,282)	45	(6,050)
	<u>(3,848)</u>	<u>(4,786)</u>	<u>(5,549)</u>	<u>(5,978)</u>
Non-controlling interest from:				
- Continuing operations	(441)	486	(26)	221
- Discontinued operations	-	-	(1)	(4)
	<u>(441)</u>	<u>486</u>	<u>(27)</u>	<u>217</u>
	<u>(4,289)</u>	<u>(4,300)</u>	<u>(5,576)</u>	<u>(5,761)</u>
Total comprehensive (loss)/income for the period attributable to:				
Owners of the parent from:				
- Continuing operations	(3,832)	115	(5,282)	462
- Discontinued operations	-	(5,272)	14	(6,032)
	<u>(3,832)</u>	<u>(5,157)</u>	<u>(5,268)</u>	<u>(5,570)</u>
Non-controlling interest from:				
- Continuing operations	(435)	489	12	253
- Discontinued operations	-	-	(1)	(4)
	<u>(435)</u>	<u>489</u>	<u>11</u>	<u>249</u>
	<u>(4,267)</u>	<u>(4,668)</u>	<u>(5,257)</u>	<u>(5,321)</u>
(Loss)/Earning per share attributable to owners of the parent (sen per share)				
Basic:				
- Continuing operations	(1.11)	0.14	(1.61)	0.02
- Discontinued operations	-	(1.52)	-	(1.74)
	<u>(1.11)</u>	<u>(1.38)</u>	<u>(1.61)</u>	<u>(1.72)</u>
Diluted:				
- Continuing operations	N/A	N/A	N/A	N/A
- Discontinued operations	N/A	N/A	N/A	N/A

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023. The accompany notes are an integral part of this statement)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

(the figures have not been audited)

	31.03.2024	31.03.2023
	RM'000	RM'000
	Unaudited	Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,637	498
Goodwill	17,589	5,306
Right-of-use assets	1,346	301
Intangible assets	5,884	2,858
Deferred tax assets	359	-
Total Non-Current Assets	26,815	8,963
CURRENT ASSETS		
Inventory	8	8
Trade and other receivables	8,080	6,110
Current tax assets	17	29
Short term deposits with licensed financial institutions	2,389	1,086
Fixed deposits with licensed financial institution	9	9
Cash and bank balances	2,965	2,397
	13,468	9,639
Assets of disposal group classified as held for sale	-	14,633
Total Current Assets	13,468	24,272
Total Assets	40,283	33,235
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	43,882	43,882
Accumulated losses	(28,763)	(23,320)
Exchange translation reserves	517	209
Treasury Shares	(376)	(376)
	15,260	20,395
Non-controlling interest	3,248	2,824
Total Equity	18,508	23,219
NON-CURRENT LIABILITIES		
Borrowings	40	24
Lease liabilities	828	62
Deferred tax liabilities	1,166	90
Total Non-Current Liabilities	2,034	176
CURRENT LIABILITIES		
Trade and other payables	18,106	3,084
Current tax liabilities	1,064	305
Borrowings	20	25
Lease liabilities	551	253
	19,741	3,667
Liabilities of disposal group classified as held for sale	-	6,173
Total Current Liabilities	19,741	9,840
Total Liabilities	21,775	10,016
Total Equity And Liabilities	40,283	33,235
Net Assets Per Share (Sen)	4.39	5.87

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023. The accompanying notes are an integral part of this statement)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

(the figures have not been audited)

Twelve (12) months ended 31 March 2024	-----Attributable To Equity Holders of the Company----->						Non-Controlling Interest	Total
	Ordinary Shares	Accumulated Losses	Treasury Shares	Exchange Translation Reserves	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 April 2023	43,882	(23,320)	(376)	209	20,395	2,824	23,219	
Loss for the financial year	-	(5,549)	-	-	(5,549)	(27)	(5,576)	
Other comprehensive (loss)/income	-	(4)	-	285	281	38	319	
Total comprehensive (loss)/income for the financial year	-	(5,553)	-	285	(5,268)	11	(5,257)	
Acquisition of a new subsidiary	-	-	-	-	-	310	310	
Disposal of subsidiaries	-	110	-	23	133	103	236	
Total changes in ownership interests in subsidiaries	-	110	-	23	133	413	546	
Balance as at 31 March 2024	43,882	(28,763)	(376)	517	15,260	3,248	18,508	
Twelve (12) months ended 31 March 2023	-----Attributable To Equity Holders of the Company----->						Non-Controlling Interest	Total
	Ordinary Shares	Accumulated Losses	Treasury Shares	Exchange Translation Reserves	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 April 2022	43,882	(17,339)	(376)	(202)	25,965	2,575	28,540	
(Loss)/Profit for the financial year	-	(5,978)	-	-	(5,978)	217	(5,761)	
Other comprehensive (loss)/income	-	(3)	-	411	408	32	440	
Total comprehensive (loss)/income for the financial year	-	(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	

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023. The accompany notes are an integral part of this statement)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**
(the figures have not been audited)

	FOR THE FINANCIAL YEAR ENDED	
	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax from:		
- Continuing operations	(4,894)	718
- Discontinued operations	45	(6,166)
	(4,849)	(5,448)
Adjustment for non-cash items	4,186	8,915
Operating (loss)/profit before changes in working capital	(663)	3,467
Changes in working capital		
Inventories	-	2
Trade receivables	(568)	(1,878)
Other receivables	1,555	(137)
Trade payables	956	152
Other liabilities	2,234	996
Cash flow from operations	3,514	2,602
Tax paid	(555)	(345)
Net cash flow from operating activities	2,959	2,257
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,487)	(416)
Net cash inflow from the disposal of subsidiaries	5,096	95
Net cash outflow from the acquisition of a subsidiary	(8,090)	-
Payment for development expenditure	(224)	(1,266)
Interest received	27	15
Net cash used in investing activities	(4,678)	(1,572)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(92)	(229)
Net changes in hire purchase payables	(38)	(106)
Net changes in term loan	(87)	(337)
Net changes in lease liabilities	(404)	(267)
Advance from Directors	2,599	-
Net cash flow from/(used in) financing activities	1,978	(939)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	259	(254)
Effect of changes in exchange rate	92	65
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	5,012	5,201
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	5,363	5,012
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	9	9
Short term deposits with licensed financial institutions	2,389	1,086
Cash and bank balances	2,965	2,397
Fixed deposits, short term deposits and cash and bank balances attributable to assets of disposal group classified as held for sale	-	1,520
	5,363	5,012

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023. The accompanying notes are an integral part of this statement)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

PART A: REQUIREMENT OF MFRS 134 - INTERIM FINANCIAL REPORTING

1. Basis of preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 31 March 2024 and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) 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 2023.

They do not include all the information required for full annual financial statements, and as such should be read in conjunction with the audited financial statements of the Group as at and for the FYE 31 March 2023.

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 2023.

In the current financial year, the Group has applied a number of new standards and amendments that become effective mandatorily for the financial periods beginning on or after 1 April 2023. The adoption of the new standards and amendments does not have significant impact on the disclosures or on the amounts reported in the financial statements of the Group.

Amendments

MFRS 17, Insurance Contracts
MFRS 108 Definition of Accounting Estimates
MFRS 101 Disclosure of Accounting Policies
MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
MFRS 112 International Tax Reform - Pillar Two Model Rules

The Group has not applied in advance the following amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”):-

Amendments

		<i>Effective Date</i>
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The Group will adopt the above amendments when become effective in the respective financial periods. The above amendments are not expected to have any significant to the financial statements of the Group upon their initial application.

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 2023.

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 2023 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

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 event 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:

	31.03.2024	31.03.2023
	RM'000	RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a former subsidiary	-	4,159

On 13 February 2023, the Company 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, Mobysys Sdn Bhd, Techcasys Sdn Bhd, Syscotech Inc. and SysCode Sdn Bhd.



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Bill Tham shall within 12 months, or any extended period as may be agreed between the Company and Bill Tham, from 7 July 2023, the completion date of the conditional share sale agreement, terminate or withdraw the corporate guarantees extended by the Company for purposes of the Subsidiaries obtaining financing from the financial institutions.

While the borrowings have been fully settled by the former subsidiary during the financial period under review, the procedure of termination of corporate guarantees by the Company is still in progress as at the date of this Report.

15. Significant Related Party Transactions

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

In line with the intention of the Group to dispose five of its subsidiaries, namely Syscotech Sdn Bhd (“**Syscotech**”), Mobysys Sdn Bhd (“**Mobysys**”), Techcasys Sdn Bhd (“**Techcasys**”), Syscotech Inc. and Syscode Sdn Bhd (“**Syscode**”) which have been loss-making over the past 3 consecutive financial years, corresponding assets and liabilities of the 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 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 the Subsidiaries are represented as if the operations have been discontinued from the start of the comparative period. The disposal of the Subsidiaries has been completed on 7 July 2023.

The recorded revenue of the Continuing Operations is contributed by the following five (5) direct subsidiaries:

- (i) Talentcloud AI Sdn Bhd (“**TCAI**”), principally involved in the provision of self-developed Human Capital Management (“**HCM**”) software, human resource consultation, provision of training and technical support to customers;
- (ii) SysAIU Sdn Bhd (“**SysAIU**”), principally involved in the provision of software related services, information technology services and Artificial Intelligence (“**AI**”) technology related services.
- (iii) Systech IOT Solutions Sdn Bhd (“**Systech IOT**”), principally involved in providing Internet of Things (“**IOT**”) services to customer, including the design, build, installation of IoT related hardware and software.
- (iv) 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
- (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**”).

The Discontinued Operations' revenue was contributed by the following Subsidiaries with active business operation:

- (i) Sycatech 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;

Results for current quarter vs corresponding quarter of preceding financial year and current financial period-to-date vs corresponding period-to-date of preceding financial year.

	Individual				Cumulative			
	Current Year	Preceding Year			Current Year	Preceding		
	Quarter	Corresponding			Year	Year		
	31.03.2024	31.03.2023	Changes		31.03.2024	31.03.2023	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Continuing Operations								
Revenue	7,229	5,596	1,633	29	25,131	17,449	7,682	44
Gross profit	3,411	2,811	600	21	10,627	6,681	3,946	59
(Loss)/Profit before interest and tax	(3,858)	1,305	(5,163)	(396)	(4,883)	733	(5,616)	(766)
(Loss)/Profit before tax	(3,874)	1,302	(5,176)	(398)	(4,894)	718	(5,612)	(782)
(Loss)/Profit after tax	(4,289)	982	(5,271)	(537)	(5,620)	293	(5,913)	(2,018)
Attributable to owners of the parent	(3,848)	496	(4,344)	(876)	(5,594)	72	(5,666)	(7,869)
Discontinued Operations								
Revenue	-	1,211	(1,211)	(100)	1,627	5,769	(4,142)	(72)
Gross profit	-	323	(323)	(100)	1,128	2,187	(1,059)	(48)
(Loss)/Profit before interest and tax	-	(5,292)	5,292	(100)	99	(5,956)	6,055	(102)
(Loss)/Profit before tax	-	(5,346)	5,346	(100)	45	(6,166)	6,211	(101)
(Loss)/Profit after tax	-	(5,282)	5,282	(100)	44	(6,054)	6,098	(101)
Attributable to owners of the parent	-	(5,282)	5,282	(100)	45	(6,050)	6,095	(101)

For the current financial quarter ended 31 March 2024, the Group recorded a revenue of RM7.229 million from Continuing Operations, an increase of RM1.633 million, 29% from RM5.596 million as recorded in the preceding year corresponding quarter mainly contributed by corporate solution services.

The Group recorded a loss before taxation of RM3.874 million from Continuing Operations in this financial quarter as compared to a profit before taxation of RM1.302 million recorded in the preceding year corresponding quarter, mainly due to professional fee incurred for corporate exercise, increase in staff costs and impairment of goodwill.

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. Despite the transactions were insignificant, the exposures were managed and monitored closely by the management of the Group from time to time.

Other than Postlink, which was incorporated in the Republic of Singapore; the remaining 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 PT SysArmy, the exposure of foreign currency translation risk of Indonesian Rupiah (“IDR”) is therefore not significant.

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 has no material impact on the financial results of the Group for the current financial period under review.

The Group did not generate any revenue from Discontinued Operations in this financial quarter as the five Subsidiaries have been disposed and deconsolidated on 1 July 2023.

Comparison with immediate Preceding Quarter’s Results

	Financial Quarter Ended			
	Current	Preceding	Changes	
	31.03.2024	31.12.2023	RM'000	%
	RM'000	RM'000	RM'000	
Continuing Operations				
Revenue	7,229	8,082	(853)	(11)
Gross profit	3,411	3,058	353	12
Loss before interest and tax	(3,858)	(933)	(2,925)	314
Loss before tax	(3,874)	(943)	(2,931)	311
Loss after tax	(4,289)	(1,254)	(3,035)	242
Attributable to owners of the parent	(3,848)	(1,373)	(2,475)	180

The Group’s Continuing Operations recorded a total revenue of RM7.229 million for the current financial quarter ended 31 March 2024, representing a 11% decrease in revenue as compared to the immediate preceding quarter, mainly due to the revenue decrease in cybersecurity segment.

The Group’s Continuing Operations recorded a loss before tax of RM3.874 million in the current financial quarter as compared to RM0.943 million in the immediate preceding quarter, mainly due to professional fees incurred for corporate exercise, increase in staff cost and impairment of goodwill.

Segmental Reporting: Business and Geographical Highlights

The performance of the respective business segments for this financial year quarter ended 31 March 2024 is as follows:

	Continuing			Discontinued	Adjustment and Eliminations	Consolidated
	Corporate solutions	CyberSecurity solutions	e-Logistics	e-Business Solutions		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve (12) Months Financial Year Ended 31 March 2024						
Revenue from external customers	5,237	13,236	6,658	1,627	-	26,758
Segment results	(3,851)	42	(1,074)	99	-	(4,784)
Interest income						27
Financing cost						(92)
Loss before taxation						(4,849)
Tax Expenses						(727)
Loss after taxation						(5,576)
Segment assets	7,052	9,556	2,811	-	20,864	40,283
Segment liabilities	16,010	3,376	1,603	-	786	21,775
Depreciation	21	398	267	-	-	686
Amortisation	340	1,196	-	-	-	1,536

Corporate solution - The Group continuously focusing on organic growth in providing Corporate Solutions, including Digital Transformation and Automation via artificial intelligence (“AI”) and Enterprise Resource Planning (“ERP”), Internet of Things (“IoT”) and human capital management (“HCM”) solutions.

The segmental results based on geographical segments are as follows:

	Twelve (12) Months Financial Year Ended 31 March 2024			
	Malaysia	North Asia and Other Areas	South East Asia	Total
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers:				
- Continuing operations	17,646	536	6,949	25,131
- Discontinued operations	581	146	900	1,627
	18,227	682	7,849	26,758

2. Prospects

The Group will continue to focus on organic growth in providing Corporate Solutions, including Digital Transformation and Automation via AI and ERP, IoT and HCM solutions as well as cybersecurity.

The Group will also leverage its customer networking to actively pursue new opportunities in AI and IOT solutions. In this regard, the Board is optimistic that the corporate solution segment shall contribute positively to the group business.

The Group will continue to focus on cost optimisation efforts to ensure the Group remains competitive in the challenging business environment and deliver sustainable growth in the long term especially rapid growth in the technology industry. The Board is optimistic that the Group shall perform positively and may from time to time review the Group's businesses and operations as well as will make such arrangements, rationalisation and reorganisation that is suitable for the improvement, future growth, viability or sustainability of the business operations of the Group.

3. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable.

4. Taxation

The taxation charge for the Group comprises:

	Financial Quarter	Financial Year Ended
	31.03.24	31.03.24
	RM'000	RM'000
<u>Continuing Operations</u>		
Income Tax		
- Malaysian Tax	739	1,050
- Deferred Tax	(324)	(324)
	<u>415</u>	<u>726</u>
<u>Discontinued Operations</u>		
Income Tax		
- Foreign Tax	-	1
	<u>-</u>	<u>1</u>
Total income tax expense	<u>415</u>	<u>727</u>

5. Status of Corporate Proposals

- (i) On 22 December 2023, the Company had announced the following:
- a) the Company had on 22 December 2023 entered into subscription agreements with 7 subscribers for the shares issuance of up to 144,000,000 new ordinary shares in Systech (“Systech Shares” or “Shares”) (“Subscription Shares”) (“Subscription Agreements”), representing approximately 29.4% of the enlarged total number of issued Shares (excluding treasury shares) after the shares issuance, for a total cash consideration of RM51,840,000 (“Subscription Consideration”) (“Shares Issuance”);
 - b) the Company (as the purchaser) had on 22 December 2023 entered into a conditional share sale agreement with Low Min Yew, Sea Capital LP and Maybank Trustees Berhad (for Securities Commission MYCIF) (collectively, referred to as the “Vendors”) (“SSA”) for the acquisition of 552,255 ordinary shares in Wilstech Sdn. Bhd. (“Wilstech”) (“Sale Shares”), representing the entire equity interest of Wilstech, for a total purchase consideration of RM75,000,000, which shall be satisfied via cash consideration of RM20,000,000 and the remaining RM55,000,000 to be settled via the issuance of 152,777,777 Systech Shares (“Consideration Shares”) at an issue price of RM0.36 per Consideration Share (“Acquisition”);
 - c) the Company proposes to undertake a bonus issue of up to 160,656,399 new warrants in the Company (“Warrants”) on the basis of 1 Warrant for every 4 existing Systech Shares held by the entitled shareholders on an entitlement date to be determined and announced later (“Bonus Issue of Warrants”); and
 - d) the Company proposes to establish an employees’ share scheme of up to 15.0% of the total number of issued Shares (excluding treasury shares) (“Scheme”) at any point in time during the tenure of the Scheme for eligible Directors and employees of the Company and its subsidiaries (“Systech Group” or “Group”) (excluding dormant subsidiaries, if any) (“ESS”).
- (ii) On 11 March 2024, the Company and the Vendors (collectively referred to as the “Parties”) had entered into a supplemental agreement to vary the terms of the conditional share sale agreement entered into between the Parties on 22 December 2023 to provide clarity on the terms of the profit guarantee mechanism.
- (iii) On 22 March 2024, Bursa Malaysia Securities Berhad (“Bursa Securities”) had vided its letter dated 22 March 2024, approved the following:
- a) listing and quotation of 144,000,000 Subscription Shares to be issued pursuant to the Shares Issuance;
 - b) listing and quotation of 152,777,777 Consideration Shares to be issued pursuant to the Acquisition;
 - c) admission to the Official List and listing and quotation of up to 160,656,399 Warrants to be issued pursuant to the Bonus Issue of Warrants;
 - d) listing and quotation of up to 160,656,399 new Systech Shares to be issued arising from the exercise of the Warrants; and
 - e) listing and quotation of such number of new Systech Shares, representing up to 15% of the Company’s total number of issued shares (excluding treasury shares, if any), to be issued pursuant to the ESS.
- (iv) The implementation of the ESS had been effected on 25 April 2024.
- (v) The Shares Issuance had been completed on 30 April 2024 following the listing of 144,000,000 Subscription Shares on the ACE Market of Bursa Securities on 30 April 2024.

(vi) The Acquisition had been completed on 14 May 2024 in accordance with the terms and conditions of the SSA. The 152,777,777 Consideration Shares were listed on the ACE Market of Bursa Securities on 15 May 2024.

(vii) On 15 May 2024, the Company announced that the entitlement date for the Bonus Issue of Warrants had been fixed at 5.00 p.m. on 31 May 2024.

There were no corporate proposals that were announced but not completed as at the date of this report, other than those disclosed above.

6. Borrowings

Breakdown of the Group's borrowing and debt securities were as follows:

	As at 31 March 2024					
	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
Unsecured						
- Term loan	-	40	-	20	-	60
- Hire purchase	-	-	7	25	7	25
- Lease liabilities	146	828	72	526	218	1,354
						1,439
						0.08
						Gearing ratio (times)
	As at 31 March 2023					
	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
Secured						
- Term loan	-	4,623	-	289	-	4,912
Unsecured						
- Hire purchase	7	227	7	84	14	311
- Lease liabilities	-	73	58	266	58	339
						5,562
						0.24
						Gearing ratio (times)

7. Changes in Material Litigation

There is no material litigation involving the Group as at 31 March 2024.

8. Dividends

The Board has not recommended any dividend for the financial quarter under review.



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9. Basic Earning/(Loss) per Share

	Current Quarter Ended		Current Year-to-Date	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Basic (loss)/earning per share (Loss)/Profit after tax attributable to owners of the parent (RM'000)				
- Continuing operations	(3,848)	496	(5,594)	72
- Discontinued operations	-	(5,282)	45	(6,050)
	<u>(3,848)</u>	<u>(4,786)</u>	<u>(5,549)</u>	<u>(5,978)</u>
Weighted average number of ordinary shares in issue ('000)	347,708	347,708	347,708	347,708
Basic (loss)/earning per share (sen)				
- Continuing operations	(1.11)	0.14	(1.61)	0.02
- Discontinued operations	-	(1.52)	-	(1.74)
	<u>(1.11)</u>	<u>(1.38)</u>	<u>(1.61)</u>	<u>(1.72)</u>

By the Order of the Board

Company Secretary

Dated this 28th of May 2024