



**SYSTECH BHD 201001012883(897114-T)**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**  
(the figures have not been audited)

	1st Quarter Ended		Financial Year Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	10,193	4,872	10,193	4,872
Amortisation of intangible assets	(381)	(327)	(381)	(327)
Cost of sales	(5,660)	(2,578)	(5,660)	(2,578)
Gross profit	4,152	1,967	4,152	1,967
Interest income	167	4	167	4
Other income	4	23	4	23
Administration expenses	(2,082)	(961)	(2,082)	(961)
Depreciation	(193)	(139)	(193)	(139)
Selling and distribution expenses	(773)	(269)	(773)	(269)
Gain/(Loss) on foreign exchange	3	(3)	3	(3)
Other operating expenses	(1,763)	(249)	(1,763)	(249)
(Loss)/Profit from operations	(485)	373	(485)	373
Finance cost	(202)	(3)	(202)	(3)
(Loss)/Profit before tax	(687)	370	(687)	370
Income tax expenses	1	-	1	-
(Loss)/Profit after tax from continuing operations	(686)	370	(686)	370
<b>Discontinued Operations</b>				
Profit after tax from discontinued operations	-	449	-	449
(Loss)/Profit for the financial year	(686)	819	(686)	819
Other comprehensive (loss)/income:				
- Continuing operations	(858)	225	(858)	225
- Discontinued operations	-	23	-	23
	(858)	248	(858)	248
<b>Total comprehensive loss/(income) for the financial year</b>	<b>(1,544)</b>	<b>1,067</b>	<b>(1,544)</b>	<b>1,067</b>

*(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2024. The accompanying notes are an integral part of this statement.)*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (Continued)**  
(the figures have not been audited)

	1st Quarter Ended		Financial Year Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
<b>(Loss)/Profit after tax attributable to:</b>				
Owners of the parent from:				
- Continuing operations	(1,544)	130	(1,544)	130
- Discontinued operations	-	450	-	450
	<u>(1,544)</u>	<u>580</u>	<u>(1,544)</u>	<u>580</u>
Non-controlling Interest from:				
- Continuing operations	858	240	858	240
- Discontinued operations	-	(1)	-	(1)
	<u>858</u>	<u>239</u>	<u>858</u>	<u>239</u>
	<u>(686)</u>	<u>819</u>	<u>(686)</u>	<u>819</u>
<b>Total comprehensive (loss)/income for the period attributable to:</b>				
Owners of the parent from:				
- Continuing operations	(2,402)	333	(2,402)	333
- Discontinued operations	-	473	-	473
	<u>(2,402)</u>	<u>806</u>	<u>(2,402)</u>	<u>806</u>
Non-controlling Interest from:				
- Continuing operations	858	262	858	262
- Discontinued operations	-	(1)	-	(1)
	<u>858</u>	<u>261</u>	<u>858</u>	<u>261</u>
	<u>(1,544)</u>	<u>1,067</u>	<u>(1,544)</u>	<u>1,067</u>
<b>(Loss)/Earning per share attributable to owners of the parent (sen per share)</b>				
Basic:				
- Continuing operations	(0.24)	0.04	(0.24)	0.04
- Discontinued operations	-	0.13	-	0.13
	<u>(0.24)</u>	<u>0.17</u>	<u>(0.24)</u>	<u>0.17</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 2024. The accompany notes are an integral part of this statement)*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

(the figures have not been audited)

	30.06.2024	31.03.2024
	RM'000	RM'000
	Unaudited	Audited
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,514	1,637
Goodwill	17,775	17,589
Investment properties	2,350	-
Right-of-use assets	1,530	1,346
Intangible assets	5,537	5,884
Other receivables	235	-
Deferred tax assets	438	359
<b>Total Non-Current Assets</b>	<b>29,379</b>	<b>26,815</b>
<b>CURRENT ASSETS</b>		
Inventory	10,567	8
Trade and other receivables	27,805	8,080
Current tax assets	443	17
Short term deposits with licensed financial institutions	903	2,389
Fixed deposits with licensed financial institution	1,227	9
Cash and bank balances	31,462	2,965
<b>Total Current Assets</b>	<b>72,407</b>	<b>13,468</b>
<b>Total Assets</b>	<b>101,786</b>	<b>40,283</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	150,722	43,882
Accumulated losses	(30,417)	(28,873)
Merger reserve	(65,466)	-
Exchange translation reserves	775	627
Treasury Shares	(376)	(376)
	55,238	15,260
Non-controlling interest	4,106	3,248
<b>Total Equity</b>	<b>59,344</b>	<b>18,508</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	8,641	40
Lease liabilities	1,098	828
Other payables	3,000	3,000
Deferred tax liabilities	770	1,166
<b>Total Non-Current Liabilities</b>	<b>13,509</b>	<b>5,034</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	17,447	15,106
Current tax liabilities	5,055	1,064
Borrowings	5,737	20
Lease liabilities	694	551
<b>Total Current Liabilities</b>	<b>28,933</b>	<b>16,741</b>
<b>Total Liabilities</b>	<b>42,442</b>	<b>21,775</b>
<b>Total Equity And Liabilities</b>	<b>101,786</b>	<b>40,283</b>
<b>Net Assets Per Share (Sen)</b>	<b>8.57</b>	<b>4.39</b>

*(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2024. The accompany notes are an integral part of this statement)*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**  
(the figures have not been audited)

Three (3) months ended 30 June 2024	<-----Attributable To Equity Holders of the Company----->							
	Ordinary Shares	Accumulated Losses	Merger Reserve	Treasury Shares	Exchange Translation Reserves	Total	Non-Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2024	43,882	(28,873)	-	(376)	627	15,260	3,248	18,508
Loss for the financial year	-	(686)	-	-	-	(686)	858	172
Other comprehensive (loss)/income	-	(858)	-	-	148	(710)	-	(710)
Total comprehensive (loss)/income for the financial year	-	(1,544)	-	-	148	(1,396)	858	(538)
Acquisition of a new subsidiary	55,000	-	(65,466)	-	-	(10,466)	-	(10,466)
Share Issuance	51,840	-	-	-	-	51,840	-	51,840
Total changes in ownership interests in subsidiaries	106,840	-	(65,466)	-	-	41,374	-	41,374
Balance as at 30 June 2024	150,722	(30,417)	(65,466)	(376)	775	55,238	4,106	59,344
	-	-	-	-	-	-	-	-
Three (3) months ended 30 June 2023	<-----Attributable To Equity Holders of the Company----->							
	Ordinary Shares	Accumulated Losses		Treasury Shares	Exchange Translation Reserves	Total	Non-Controlling Interest	Total
	RM'000	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
Total comprehensive income for the financial year	-	577		-	229	806	261	1,067
Balance as at 30 June 2023	43,882	(22,743)		(376)	438	21,201	3,085	24,286

*(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 2024. The accompany notes are an integral part of this statement)*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**  
(the figures have not been audited)

	FOR THE FINANCIAL YEAR ENDED	
	30.06.2024 RM'000	30.06.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax from:		
- Continuing operations	(687)	370
- Discontinued operations	-	450
	(687)	820
Adjustment for non-cash items	740	519
Operating profit before changes in working capital	53	1,339
Changes in working capital		
Inventories	(2,433)	-
Trade receivables	(584)	1,652
Other receivables	(1,020)	(187)
Trade payables	2,582	(331)
Other liabilities	(1,411)	(382)
Cash flow from operations	(2,813)	2,091
Tax paid	(1,353)	(44)
Net cash flow (used in)/from operating activities	(4,166)	2,047
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(135)	(13)
Net cash outflow from the acquisition of a subsidiary	(18,847)	-
Payment for development expenditure	(49)	(148)
Interest received	167	6
Net cash used in investing activities	(18,864)	(155)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	51,840	-
Interest paid	(163)	(59)
Net changes in hire purchase payables	(14)	(19)
Net changes in term loan	(366)	(73)
Net changes in lease liabilities	(57)	(70)
Advances from intermediate holding company	-	1,700
Net cash flow from financing activities	51,240	1,479
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>28,210</b>	<b>3,371</b>
Effect of changes in exchange rate	18	65
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>5,364</b>	<b>5,012</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>33,592</b>	<b>8,448</b>
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	1,227	9
Short term deposits with licensed financial institutions	903	2,406
Cash and bank balances	31,462	3,262
Fixed deposits, short term deposits and cash and bank balances attributable to assets of disposal group classified as held for sale	-	2,771
	33,592	8,448

*(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2024. The accompany notes are an integral part of this statement)*



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## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 30 June 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 2024.

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 2024.

#### **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 2024.

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 2024. 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.

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

## **Amendments**

		<i>Effective Date</i>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 new standards and amendments when become effective in the respective financial periods. The above new standards and 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 2024.

### **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 2024 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 other than the following:-

- (i) On 20<sup>th</sup> May 2024, the Company incorporated a 100%-owned subsidiary, namely Systemech Capital Sdn. Bhd. (“Systemech Capital”) under the Corporate Solution segment.
- (ii) On 14 May 2024, the Company completed the acquisition of 552,255 ordinary shares of Wilstech, representing the entire equity interest of Wilstech, for a total purchase consideration of RM75 million, satisfied via cash consideration of RM20 million and the remaining RM55 million via the issuance of 152,777,777 Shares (“Consideration Shares”) at an issue price of RM0.36 per Consideration Share. Accordingly, Wilstech is a wholly owned subsidiary of the Company.

The following summarized the major classes of consideration transferred, and the recognized amount of assets acquired, and liabilities assumed as at 14 May 2024.



a) Fair Value of Purchase Considerations:

	Group and Company As at 14 May 2024 <u>RM'000</u>
Cash Consideration	20,000
Value of Consideration Shares	<u>55,000</u>
Total Purchase Consideration	<u>75,000</u>

b) Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed:

	Group As at 14 May 2024 <u>RM'000</u>
Plant and equipment	29
Investment properties	2,350
Trade and other receivables	18,374
Cash and bank balance	116
Fixed deposit	1,038
Inventory	8,126
Deferred tax assets	414
Term loans	(14,847)
Trade and other payables	(1,169)
Current tax liabilities	<u>(4,897)</u>
Fair value of net identifiable assets acquired and liabilities assumed	<u>9,534</u>

c) Merger Reserve Arising from the Acquisition:

	Group As at 14 May 2024 <u>RM'000</u>
Total consideration transferred	75,000
Less: Fair value of net identifiable assets acquired and liabilities assumed (item (b) above)	(9,534)
Merger reserve arising from the acquisition	<u>65,466</u>

d) Cash Flows Arising from Acquisition:

	Group As at 14 May 2024 <u>RM'000</u>
Total consideration transferred	20,000
Less: Cash and cash equivalents of subsidiary acquired (item (b) above)	<u>(1,153)</u>
Net cash outflow from the acquisition of subsidiary	<u>18,847</u>

### 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:

	<u>30.06.2024</u>	<u>30.06.2023</u>
	RM'000	RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a former subsidiary	-	4,098

### 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 30 JUNE 2024

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

#### 1. Review of Performance

The Group recorded RM10.193 million in revenue and loss after taxation of RM0.686 million within the current quarter under review. The recorded revenue of the quarter continuously contributed by the business operation of the following six (6) 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) Wilstech Sdn. Bhd (“**Wilstech**”), principally involved in provision of services on software and applications development, data communication and management, artificial intelligence and automation, and other related IT services as well as supply of IT hardware and other peripherals;
- (v) 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
- (vi) 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**”).

**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 Quarter	Preceding Year Corresponding Quarter	Changes		Current Year	Preceding Year	Changes	
	30.06.2024	30.06.2023	RM'000	%	30.06.2024	30.06.2023	RM'000	%
<b>Continuing Operations</b>								
Revenue	10,193	4,872	5,321	109	10,193	4,872	5,321	109
Gross profit	4,152	1,967	2,185	111	4,152	1,967	2,185	111
(Loss)/Profit before interest and tax	(652)	369	(1,021)	(277)	(652)	369	(1,021)	(277)
(Loss)/Profit before tax	(687)	370	(1,057)	(286)	(687)	370	(1,057)	(286)
(Loss)/Profit after tax	(686)	370	(1,056)	(285)	(686)	370	(1,056)	(285)
Attributable to owners of the parent	(1,544)	130	(1,674)	(1288)	(1,544)	130	(1,674)	(1,288)

For the current financial quarter ended 30 June 2024, the Group recorded a revenue of RM10.193 million, an increase of RM5.321 million, 109% from RM4.872 million as recorded in the preceding year corresponding quarter mainly contributed by Corporate Solution and e-Logistic segments.

The Group recorded a loss before taxation of RM0.687 million in this financial quarter as compared to a profit before taxation of RM0.370 million recorded in the preceding year corresponding quarter, mainly due to professional fee incurred for the corporate exercises completed in the current quarter under review. Please refer to note 5 for further details.

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”), 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.

## Comparison with immediate Preceding Quarter's Results

	Financial Quarter Ended			
	Current	Immediate Preceding	Changes	
	30.06.2024	31.03.2024	RM'000	%
	RM'000	RM'000	RM'000	%
<b><u>Continuing Operations</u></b>				
Revenue	10,193	7,229	2,964	41
Gross profit	4,152	3,411	741	22
Loss before interest and tax	(652)	(3,858)	3,206	83
Loss before tax	(687)	(3,874)	3,187	82
Loss after tax	(686)	(4,289)	3,603	84
Attributable to owners of the parent	(1,544)	(3,848)	2,304	60

The Group recorded a total revenue of RM10.193 million for the current financial quarter ended 30 June 2024, representing a 41% increase in revenue as compared to the immediate preceding quarter, mainly due to the increase of sales revenue in Corporate Solution segment. This is mainly due to the completion of the acquisition of Wilstech.

The Group recorded a loss before tax of RM0.687 million, representing 82% improvement as compared to the immediate preceding quarter of RM3.874 million. This is mainly due to the improved performance of the Corporate Solution segment. Furthermore, there is no impairment of goodwill and trade receivables in the current quarter under review.

## Segmental Reporting: Business and Geographical Highlights

The performance of the respective business segments for this financial year quarter ended 30 June 2024 is as follows:

	Continuing			Adjustment and Eliminations RM'000	Consolidated RM'000
	Corporate solutions RM'000	CyberSecurity solutions RM'000	e-Logistics RM'000		
<b>Three (3) Months Financial Year Ended 30 June 2024</b>					
Revenue from external customers	3,416	2,480	4,737	(440)	10,193
Segment results	(2,347)	(526)	1,826	396	(651)
Interest income					167
Financing cost					(202)
Loss before taxation					(687)
Tax Expenses					1
Loss after taxation					(686)
Segment assets	69,269	7,789	4,325	20,403	101,786
Segment liabilities	38,461	1,891	1,324	766	42,442
Depreciation	(29)	(87)	(77)	-	(193)
Amortisation	(21)	(268)	-	(92)	(381)

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.

During the current quarter under review, the Group has successfully expanded the Corporate Solutions segment, with a recorded sales of 65% of twelve months accumulated sales in the previous financial year ended.

The segmental results based on geographical segments are as follows:

	Three (3) Months Financial Year Ended 30 June 2024			
	Malaysia RM'000	North Asia and Other Areas RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers:	5,286	4,854	53	10,193

## 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 <u>30.06.2024</u> RM'000	Financial Year Ended <u>30.06.2024</u> RM'000
<b><u>Continuing Operations</u></b>		
Income Tax		
- Malaysian Tax	1	1
Total income tax expense	<u>1</u>	<u>1</u>

## 5. Status of Corporate Proposals

- (i) On 25 April 2024, the Company implemented an employees' share scheme of up to 15% 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 Group (excluding dormant subsidiaries, if any).
- (ii) On 30 April 2024, the Company completed the issuance of 144,000,000 new ordinary shares in the Company to 7 subscribers, following the listing of 144,000,000 Subscription Shares on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), which raised total proceeds of RM51.84 million.
- (iii) On 14 May 2024, the Company completed the acquisition of 552,255 ordinary shares of Wilstech, representing the entire equity interest of Wilstech, for a total purchase consideration of RM75.000 million, satisfied via cash consideration of RM20.000 million and the remaining RM55.000 million via the issuance of 152,777,777 Shares ("Consideration Shares") at an issue price of RM0.36 per Consideration Share. Accordingly, Wilstech is a wholly-owned subsidiary of the Company.
- (iv) On 12 June 2024, the Company completed the bonus issue of new warrants in the Company ("Warrants") following the listing and quotation of 160,656,361 Warrants on the ACE Market of Bursa Securities on even date.

There were no corporate proposals that were announced but not completed as at the date of this report.

## 6. Utilisation of Proceeds

The Company did not implement any fund-raising exercise during the financial year ended 31 March 2024. On 30th April 2024 Systech issued 144,000,000 new ordinary shares in Systech Bhd. ("Shares") at RM0.36 each, generating a total proceeds of RM51.84 million.

The details of the proceed utilisation up to 30th June 2024 are as follows:

Details of Utilisation	Proposed Utilisation Amount RM '000	Utilised Amount RM '000	Unutilised Amount RM '000	Intended Timeframe for Utilisation
Payment for the Cash Consideration	20,000	(20,000)	-	Within 3 Months
Payment for the acquisition of TCAI	6,000	-	6,000	Within 3 Months
General working capital	23,340	(1,688)	21,652	Within 24 Months
Estimated expenses for the Proposal	2,500	(2,500)	-	Within 6 Months
Total estimated proceeds/utilisation	51,840	(24,188)	27,652	



## 7. Borrowings

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

	As at 30 June 2024					
	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<b>Secured</b>						
- Term loan	-	8,641	-	5,737	-	14,378
- Hire purchase	-	172	5	63	5	235
						14,613
						Gearing ratio (times) 0.25
	As at 30 June 2023					
	Long Term		Short term		Total	
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<b>Secured</b>						
- Term loan	-	4,559	-	280	-	4,839
- Hire purchase	5	206	8	86	13	292
						5,131
						Gearing ratio (times) 0.21

## 8. Changes in Material Litigation

There is no material litigation involving the Group as at 30 June 2024.

## 9. Dividends

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

## 10. Basic Earning/(Loss) per Share

	Current Quarter Ended		Current Year-to-Date	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
<b>Basic (loss)/earning per share</b>				
(Loss)/Profit after tax attributable to owners of the parent (RM'000)				
- Continuing operations	(1,544)	130	(1,544)	130
- Discontinued operations	-	450	-	450
	(1,544)	580	(1,544)	580
Weighted average number of ordinary shares in issue ('000)	644,486	347,708	644,486	347,708
<b>Basic (loss)/earning per share (sen)</b>				
- Continuing operations	(0.24)	0.04	(0.24)	0.04
- Discontinued operations	-	0.13	-	0.13
	(0.24)	0.17	(0.24)	0.17



**SYSTECH BHD 201001012883(897114-T)**  
Incorporated in Malaysia

**By the Order of the Board**

**Company Secretary**

**Dated this 27 of August 2024**