



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

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

	2nd Quarter Ended		Financial Period Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	17,022	4,948	27,215	9,820
Amortisation of intangible assets	(385)	(349)	(766)	(676)
Cost of sales	(11,334)	(2,409)	(16,994)	(4,987)
Gross profit	5,303	2,190	9,455	4,157
Interest income	183	8	350	12
Other income	481	35	485	58
Administration expenses	(2,854)	(1,482)	(4,936)	(2,443)
Depreciation	(208)	(159)	(401)	(298)
Selling and distribution expenses	(824)	(426)	(1,597)	(695)
Gain on foreign exchange	23	16	26	13
Other operating expenses	(1,455)	(625)	(3,218)	(874)
Profit/(Loss) from operations	649	(443)	164	(70)
Finance cost	(273)	(4)	(475)	(7)
Profit/(Loss) before tax	376	(447)	(311)	(77)
Income tax expenses	(1)	-	-	-
Profit/(Loss) after tax from continuing operations	375	(447)	(311)	(77)
Discontinued Operations				
(Loss)/Profit after tax from discontinued operations	-	(405)	-	44
Profit/(Loss) for the financial period	375	(852)	(311)	(33)
Other comprehensive income/(loss):				
- Continuing operations	300	12	(558)	237
- Discontinued operations	-	(54)	-	(31)
	300	(42)	(558)	206
Total comprehensive income/(loss) for the financial period	675	(894)	(869)	173

(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.)



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Incorporated in Malaysia

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

	2nd Quarter Ended		Financial Period Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) after tax attributable to:				
Owners of the parent from:				
- Continuing operations	1,153	(503)	(391)	(373)
- Discontinued operations	-	(405)	-	45
	<u>1,153</u>	<u>(908)</u>	<u>(391)</u>	<u>(328)</u>
Non-controlling Interest from:				
- Continuing operations	(778)	56	80	296
- Discontinued operations	-	-	-	(1)
	<u>(778)</u>	<u>56</u>	<u>80</u>	<u>295</u>
	<u>375</u>	<u>(852)</u>	<u>(311)</u>	<u>(33)</u>
Total comprehensive income/(loss) for the period attributable to:				
Owners of the parent from:				
- Continuing operations	1,572	(493)	(830)	(160)
- Discontinued operations	-	(459)	-	14
	<u>1,572</u>	<u>(952)</u>	<u>(830)</u>	<u>(146)</u>
Non-controlling Interest from:				
- Continuing operations	(897)	58	(39)	320
- Discontinued operations	-	-	-	(1)
	<u>(897)</u>	<u>58</u>	<u>(39)</u>	<u>319</u>
	<u>675</u>	<u>(894)</u>	<u>(869)</u>	<u>173</u>
Earning/(Loss) per share attributable to owners of the parent (sen per share)				
Basic:				
- Continuing operations	0.18	(0.14)	(0.06)	(0.11)
- Discontinued operations	-	(0.12)	-	0.01
	<u>0.18</u>	<u>(0.26)</u>	<u>(0.06)</u>	<u>(0.10)</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)



SYSTECH BHD 201001012883(897114-T)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**
(the figures have not been audited)

	<u>30.09.2024</u>	<u>31.03.2024</u>
	RM'000	RM'000
	Unaudited	Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,648	1,637
Goodwill	17,273	17,589
Investment properties	2,350	-
Right-of-use assets	1,348	1,346
Intangible assets	5,258	5,884
Other receivables	234	-
Deferred tax assets	773	359
Total Non-Current Assets	<u>28,884</u>	<u>26,815</u>
CURRENT ASSETS		
Inventory	10,569	8
Trade and other receivables	34,941	8,080
Current tax assets	21	17
Short term deposits with licensed financial institutions	2,410	2,389
Fixed deposits with licensed financial institution	11,392	9
Cash and bank balances	7,134	2,965
Total Current Assets	<u>66,467</u>	<u>13,468</u>
Total Assets	<u>95,351</u>	<u>40,283</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	150,722	43,882
Accumulated losses	(29,264)	(28,873)
Merger reserve	(65,466)	-
Exchange translation reserves	188	627
Treasury Shares	(376)	(376)
	<u>55,804</u>	<u>15,260</u>
Non-controlling interest	3,209	3,248
Total Equity	<u>59,013</u>	<u>18,508</u>
NON-CURRENT LIABILITIES		
Borrowings	8,234	40
Lease liabilities	973	828
Other payables	3,319	3,000
Deferred tax liabilities	1,168	1,166
Total Non-Current Liabilities	<u>13,694</u>	<u>5,034</u>
CURRENT LIABILITIES		
Trade and other payables	12,556	15,106
Current tax liabilities	4,382	1,064
Borrowings	5,086	20
Lease liabilities	620	551
Total Current Liabilities	<u>22,644</u>	<u>16,741</u>
Total Liabilities	<u>36,338</u>	<u>21,775</u>
Total Equity And Liabilities	<u>95,351</u>	<u>40,283</u>
Net Assets Per Share (Sen)	<u>8.66</u>	<u>4.39</u>

(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 accompanying notes are an integral part of this statement)



SYSTECH BHD 201001012883(897114-T)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**
(the figures have not been audited)

Six (6) months ended 30 September 2024	<-----Attributable To Equity Holders of the Company----->							
	Share Capital	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 period	-	(391)	-	-	-	(391)	80	(311)
Other comprehensive loss	-	-	-	-	(439)	(439)	(119)	(558)
Total comprehensive loss for the financial period	-	(391)	-	-	(439)	(830)	(39)	(869)
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 September 2024	150,722	(29,264)	(65,466)	(376)	188	55,804	3,209	59,013
Six (6) months ended 30 September 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 (loss)/income for the financial period	-	(332)		-	186	(146)	319	173
Acquisition of a new subsidiary	-	-		-	-	-	(229)	(229)
Share Issuance	-	110		-	23	133	103	236
Total changes in ownership interests in subsidiaries	-	110		-	23	133	(126)	7
Balance as at 30 September 2023	43,882	(23,542)		(376)	418	20,382	3,017	23,399

(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)



SYSTECH BHD 201001012883(897114-T)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**
(the figures have not been audited)

	Financial Period Ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax from:		
- Continuing operations	(311)	(77)
- Discontinued operations	-	44
Adjustment for non-cash items	(311)	(33)
	1,666	1,431
Operating profit before changes in working capital	1,355	1,398
Changes in working capital		
Inventories	(2,435)	8
Trade receivables	(7,999)	2,024
Other receivables	(816)	2,676
Trade payables	9	(397)
Other payables	(7,320)	876
Cash flow from operations	(17,206)	6,585
Tax (paid)/refunded	(1,580)	25
Net cash flow (used in)/from operating activities	(18,786)	6,610
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(348)	(274)
Net cash inflow from the disposal of subsidiaries	-	3,396
Net cash outflow from the acquisition of a subsidiary	(18,847)	(8,090)
Payment for development expenditure	(140)	(186)
Movement in fixed deposits pledge	(1,383)	-
Interest received	350	14
Net cash used in investing activities	(20,368)	(5,140)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	51,840	-
Interest paid	(482)	(63)
Net changes in hire purchase payables	(33)	(26)
Net changes in term loan	(1,587)	(77)
Net changes in lease liabilities	(115)	(160)
Net cash flow from/(used in) financing activities	49,623	(326)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,469	1,144
Effect of changes in exchange rate	(190)	67
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	5,363	5,012
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	15,642	6,223
The cash and cash equivalents at the end of the reporting period comprised of the following:-		
Fixed deposits with licensed financial institution	11,392	9
Short term deposits with licensed financial institutions	2,410	3,535
Cash and bank balances	7,134	2,679
Bank overdraft	(3,911)	-
	17,025	6,223
Fixed deposits pledged to licensed banks	(1,383)	-
	15,642	6,223

(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 SEPTEMBER 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 September 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 period, 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 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.

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>30.09.2024</u>	<u>30.09.2023</u>
	RM'000	RM'000
Corporate guarantees given to banks as securities for credit facilities granted to a subsidiary	<u>5,000</u>	<u>-</u>

On 24 July 2024, the Company has provided the corporate guarantee for Wilstech Sdn. Bhd. for existing and a new banking facility granted to Wilstech.

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 SEPTEMBER 2024

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

The Group recorded RM17.022 million of revenue and profit after tax of RM0.375 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) Systemech IOT Solutions Sdn. Bhd. (“**Systemech 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**”).



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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		Current Year		Preceding Year	
	30.09.2024	30.09.2023	Changes		30.09.2024	30.09.2023	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Continuing Operations								
Revenue	17,022	4,948	12,074	244	27,215	9,820	17,395	177
Gross profit	5,303	2,190	3,113	142	9,455	4,157	5,298	127
Profit/(Loss) before interest and tax	466	(451)	917	203	(186)	(82)	(104)	(127)
Profit/(Loss) before tax	376	(447)	823	184	(311)	(77)	(234)	(304)
Profit/(Loss) after tax	375	(447)	822	184	(311)	(77)	(234)	(304)
Attributable to owners of the parent	1,153	(503)	1,656	329	(391)	(373)	(18)	(5)

For the current financial quarter ended 30 September 2024, the Group recorded a revenue of RM17.022 million, an increase of RM12.074 million, 244% from RM4.948 million as recorded in the preceding year corresponding quarter mainly contributed by Corporate Solutions and e-Logistic Solution.

The Group recorded a profit before tax of RM0.376 million in this financial quarter as compared to a loss before tax of RM0.447 million recorded in the preceding year corresponding quarter, mainly due to increase in revenue in Corporate Solutions segment.

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 in the Republic of Indonesia as direct subsidiary of SysArmy 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	
	30.09.2024	30.06.2024	RM'000	%
	RM'000	RM'000	RM'000	%
<u>Continuing Operations</u>				
Revenue	17,022	10,193	6,829	67
Gross profit	5,303	4,152	1,151	28
Profit/(Loss) before interest and tax	466	(652)	1,118	171
Profit/(Loss) before tax	376	(687)	1,063	155
Profit/(Loss) after tax	375	(686)	1,061	155
Attributable to owners of the parent	1,153	(1,544)	2,697	175

The Group recorded a total revenue of RM17.022 million for the current financial quarter ended 30 September 2024, representing a 67% increase in revenue as compared to the immediate preceding quarter, mainly due to revenue from Corporate Solutions segment, from the completion of the acquisition of a subsidiary.

The Group recorded a profit before tax of RM0.376 million, representing 155% improvement as compared to a loss before tax of RM0.687 million recorded in the immediate preceding quarter, mainly due to completion of acquisition of a subsidiary, and the absence of professional fee incurred for corporate exercise.

Segmental Reporting: Business and Geographical Highlights

The performance of the respective business segments for the financial period ended 30 September 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		
Six (6) months ended 30 September 2024					
Revenue from external customers	17,476	4,424	6,415	(1,100)	27,215
Segment results	(412)	(1,599)	1,653	172	(186)
Interest income					350
Financing cost					(475)
Loss before tax					(311)
Income tax expenses					-
Loss after tax					(311)
Segment assets	67,247	6,314	3,705	18,085	95,351
Segment liabilities	34,750	1,967	1,104	(1,483)	36,338
Depreciation	(59)	(191)	(151)	-	(401)
Amortisation	(42)	(539)	-	(185)	(766)

Corporate solutions - The Group continuously focusing on organic growth in providing Corporate Solutions, including Digital Transformation and Automation via AI and Enterprise Resource Planning (“ERP”), IoT and HCM solutions.

The segmental results based on geographical segments are as follows:

Six (6) months ended 30 September 2024	Malaysia	North Asia and Other Areas	South East Asia	Total
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers:	20,515	6,647	53	27,215

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 Solutions segment shall contribute positively to the group business.

With the completion of the acquisition of Wilstech and the implementation of the employees' share scheme to retain key talent, the Group is strategically positioned for sustained growth. The acquisition of Wilstech enhances capabilities and broadens the portfolio within the Corporate Solutions segment, bringing valuable resources and expertise into the Group. As previously announced, the Group is actively pursuing strategic mergers and acquisitions and will make further announcements in due course.

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

Not applicable.

4. Taxation

The taxation charge for the Group comprises:

	<u>Financial Quarter</u>	<u>Financial Period Ended</u>
	30.09.2024	30.09.2024
	RM'000	RM'000
<u>Continuing Operations</u>		
Income Tax		
- Malaysian Tax	(1)	-
Total income tax expense	<u>(1)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total income tax expense	<u>(1)</u>	<u>-</u>

5. Status of Corporate Proposals

- (i) On 17 July 2024, the Company offered a total of 6,000,000 employees' share scheme to eligible Directors and employees of the Group.
- (ii) On 28 August 2024, the Company entered into a Heads of Agreement (“HOA”) with MDT Innovations Sdn Bhd (“MDT”) and Liew Choon Lian (“LCL”) for the acquisition of part or all of the equity interest or the business undertakings of MDT Group (“Proposed Acquisition”).

The Company, MDT and LCL (collectively referred to as the “Parties”) intend to undertake the Proposed Acquisition and the HOA serves as an exclusive agreement for the Parties to negotiate the terms of the Proposed Acquisition subject to the terms and conditions set out in the HOA. The terms and structure of the Proposed Acquisition will be determined at a later date and a definitive agreement will be entered into between the Parties thereafter (“Definitive Agreement”). The Company will make the necessary announcements to Bursa Securities in relation to the Proposed Acquisition upon signing of the Definitive Agreement.

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

6. Utilisation of Proceeds

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 September 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	(2,681)	3,319	Within 15 Months
General working capital	23,340	(10,870)	12,470	Within 24 Months
Estimated expenses for the Proposal	2,500	(2,500)	-	Within 6 Months
Total estimated proceeds/utilisation	51,840	(36,051)	15,789	

