

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your TDEX Shares, you should at once hand this Abridged Prospectus, and the accompanying NPA and RSF to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, and the accompanying NPA and RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 26 April 2013. Approval from Bursa Securities has also been obtained on 4 April 2013 for the admission of the Warrants to the Official List and the listing of the Rights Shares and the Warrants as well as the new TDEX Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The admission of the Warrants to the Official List and the listing of and quotation for all the new securities on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants. The admission of the Warrants to the Official List and the official listing of and quotation for all the new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/ or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus.

Our Directors have seen and approved all the documentation relating to this Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus, and the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on 27 August 2013. This Abridged Prospectus, and the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares and the Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHB Investment Bank nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares and the Warrants made by the Entitled Shareholders and/ or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHB Investment Bank, being our Principal Adviser for this Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.

TECHNODEX

TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 85,196,350 NEW ORDINARY SHARES OF RM0.10 EACH IN TECHNODEX BHD ("TDEX") ("RIGHTS SHARE(S)") TOGETHER WITH UP TO 85,196,350 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM0.10 EACH IN TDEX HELD AS AT 5.00 P.M. ON 27 AUGUST 2013 AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE ("RIGHTS ISSUE WITH WARRANTS")

Principal Adviser



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Tuesday, 27 August 2013 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Tuesday, 3 September 2013 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Friday, 6 September 2013 at 4.00 p.m.
Last date and time for acceptance and payment	: Wednesday, 11 September 2013 at 5.00 p.m.*
Last date and time for excess application and payment	: Wednesday, 11 September 2013 at 5.00 p.m.*

* or such later date and time as our Board may determine and announce not less than two (2) Market Days before the stipulated date and time.

This Abridged Prospectus is dated 27 August 2013

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE RIGHTS SHARES AND THE WARRANTS. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

"Act"	: The Companies Act, 1965 as amended from time to time and any re-enactment thereof
"Additional Undertakings"	: Tan Sze Chong, Heng Ling Jy and Kerk Han Meng had on 26 March 2013 respectively provided additional undertakings, over and above their Entitlement Undertakings, to further subscribe for up to an aggregate of 37,249,752 Rights Shares not taken up by the remaining Entitled Shareholders in order to meet the Minimum Subscription Basis
"ATM"	: Automated teller machine
"Authorised Nominee(s)"	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
"Board"	: The Board of Directors of TDEX
"Bursa Depository" or "Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W)
"CDS"	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
"CDS Account(s)"	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA, 1991 and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
"CMSA"	: The Capital Markets and Services Act 2007
"Code"	: The Malaysian Code on Take-Overs and Mergers, 2010
"Deed Poll"	: The deed poll dated 6 August 2013 constituting the Warrants
"Director(s)"	: The director(s) of TDEX and shall have the meaning given in Section 4 of the Act
"Documents"	: Collectively, this Abridged Prospectus, the NPA and RSF
"EGM"	: Extraordinary General Meeting
"Electronic Application"	: Application for the Rights Share and/or Excess Rights Share through the ATMs of Participating Financial Institutions
"Entitled Shareholder(s)"	: Our shareholders whose names appear in our Record of Depositors on the Entitlement Date
"Entitlement Date"	: 5.00 p.m. on 27 August 2013, being the date and time on which the names of our shareholders must appear in the Record of Depositors in order to participate in the Rights Issue with Warrants

DEFINITIONS (CONT'D)

"Entitlement Undertakings"	: The substantial shareholders of TDEX, being Tan Sze Chong, Heng Ling Jy and Kerk Han Meng, had on 26 March 2013 provided their irrevocable undertakings to subscribe in full for their respective Rights Shares entitlements of 10,696,848 Rights Shares together with 10,696,848 free Warrants, collectively
"EPS"	: Earnings per Share
"Excess Rights Shares with Warrants"	: Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renounee(s) (if applicable) prior to excess application
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended/ ending
"ICT"	: Information and communication technology
"Internet Application"	: Application for the Rights Share and/or Excess Rights Share through an Internet Participating Financial Institution
"Internet Participating Financial Institution"	: Participating financial institution for the Internet Applications as referred to in Section 10.3 of this Abridged Prospectus
"IT"	: Information technology
"LAT"	: Loss after tax
"LBT"	: Loss before tax
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 5 August 2013, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"LPS"	: Loss per share
"Market Day(s)"	: Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	: Assuming that all Entitled Shareholders subscribe for their respective Rights Shares entitlement
"Minimum Scenario"	: Assuming none of the Entitled Shareholders (other than substantial shareholders who have given their Entitlement Undertakings and Additional Undertakings) subscribe for their respective Rights Shares entitlement. Under this scenario, the substantial shareholders will subscribe for an aggregate 47,946,600 TDEX Shares based on the Minimum Subscription Basis
"Minimum Subscription Basis"	: The Rights Issue with Warrants will be implemented at a minimum subscription level which would entail the issuance of 47,946,600 Rights Shares and 47,946,600 free Warrants pursuant to the Entitlement Undertakings and Additional Undertakings
"NA"	: Net assets

DEFINITIONS (CONT'D)

"NPA"	:	Notice of Provisional Allotment
"NRS"	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares through Bursa Depository's existing network facility with the Authorised Nominees
"Official List"	:	A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed
"PAT"	:	Profit after tax
"Participating Financial Institution"	:	Participating financial institution for Electronic Applications as referred to in Section 10.3 of this Abridged Prospectus
"PBT"	:	Profit before tax
"Provisional Rights Shares with Warrants"	:	Rights Shares with Warrants provisionally allotted to our Entitled Shareholders
"Record of Depositors"	:	A record consisting of names of depositors established by Bursa Depository under the Rules of Depository
"RHB Investment Bank" or the "Principal Adviser"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue Entitlement File"	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlements under the Rights Issue as at the Entitlement Date
"Rights Issue with Warrants"	:	The renounceable rights issue of up to 85,196,350 Rights Shares together with up to 85,196,350 Warrants on the basis of one (1) Rights Share together with one (1) free Warrant for every three (3) existing TDEX Shares held on Entitlement Date,
"Rights Share(s)"	:	Up to 85,196,350 new TDEX Shares to be issued pursuant to the Rights Issue with Warrants
"Rights Shares Subscription File"	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Rights Shares or Excess Rights Shares with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form
"Rules of Bursa Depository"	:	The rules of Central Depository as defined in the SICDA
"SC"	:	Securities Commission Malaysia
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991

DEFINITIONS (CONT'D)

"TDEX" or the "Company"	: TechnoDex Bhd (627634-A)
"TDEX Group" or the "Group"	: TDEX and its subsidiary companies
"TDEX Share(s)" or "Share(s)"	: Ordinary share(s) of RM0.10 each in TDEX
"WAMP"	: Weighted average market price
"Warrant(s)"	: Up to 85,196,350 free detachable warrants to be issued pursuant to the Rights Issue with Warrants

All references to "our Company" or "TDEX" in this Abridged Prospectus are made to TechnoDex Bhd and references to "our Group" are made to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders and/or where the context otherwise requires, their renounee(s) and/or transferee(s).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Nationality	Occupation
Kerk Han Meng <i>(Executive Chairman)</i>	87, 19/155B Taman Esplanad Bukit Jalil 57000 Kuala Lumpur	Malaysian	Company Director
Heng Ling Jy <i>(Managing Director and Group Chief Executive Officer)</i>	10, Jalan Perkasa 3 Taman Maluri Cheras 55100 Kuala Lumpur	Malaysian	Company Director
Koo Teck Seong <i>(Independent Non-Executive Director)</i>	30 Jalan Kuning Taman Bukit Pasir 83000 Batu Pahat, Johor	Malaysian	Company Director
Steven Wong Chin Fung <i>(Senior Independent Non- Executive Director)</i>	14, Jalan BU 4/8 Bandar Utama 47800 Petaling Jaya, Selangor	Malaysian	Company Director
Tan Tian Wooi <i>(Independent Non-Executive Director)</i>	12 Jalan Kolam Air 08000 Sg. Petani Kedah	Malaysian	Company Director
Tan Sze Chong <i>(Non-Independent Non- Executive Director)</i>	10, Jalan Perkasa 3 Taman Maluri Cheras 55100 Kuala Lumpur	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Tan Tian Wooi	Chairman	Independent Non-Executive Director
Koo Teck Seong	Member	Independent Non-Executive Director
Steven Wong Chin Fung	Member	Senior Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES** : Tea Sor Hua (MACS 01324)
77C, Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan
Tel: 03-7728 4778
Fax: 03- 7722 3668
- Shee Pek Hoong (MAICSA 7052352)
77C, Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan
Tel: 03-7728 4778
Fax: 03- 7722 3668
- REGISTERED OFFICE** : Third Floor, No. 79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7728 4778
Fax: 03-7722 3668
- PRINCIPAL OFFICE** : Level 6, Blok B-6-6
Pusat Komersial Southgate
No 2, Jalan Dua
Off Jalan Chan Sow Lin
55200 Kuala Lumpur
Tel: 03-9223 6699
Fax: 03-9223 6688
Email: info@techodex.com
Website: www.technodex.com
- SHARE REGISTRAR** : Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7841 8000
Fax: 03-7841 8151/8152
Helpdesk: 03-7849 0777
- AUDITORS** : Messrs Crowe Horwath (AF 1018)
Chartered Accountants
Level 16, Tower C
Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2788 9999
Fax: 03-2788 9998
- REPORTING ACCOUNTANTS** : Messrs CHI-LLTC (AF 1114)
Chartered Accountants
No. 61-6C, Jalan SS2/75
47300 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7873 9898
Fax: 03-7874 8602

CORPORATE DIRECTORY (CONT'D)

- PRINCIPAL BANKER** : CIMB Islamic Bank Berhad (671380-H)
Jalan Kenari
No. 12 & 13, Jalan Kenari 1
Bandar Puchong Jaya
47100 Puchong, Selangor
Tel: 1 300 880 900
Fax: 03-5882 5009
- SOLICITORS** : Messrs Tan, Goh & Associates
Unit 825, 8th Floor, Block A, Lift Lobby 7
Damansara Intan
No. 1 Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7727 7228
Fax: 03-7731 9238
- PRINCIPAL ADVISER** : RHB Investment Bank Berhad (19663-P)
Level 10, Tower One, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
Tel: 03-9287 3888
Fax: 03-9287 2233 / 3355
- STOCK EXCHANGE LISTED AND LISTING SOUGHT** : ACE Market of Bursa Securities

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TECHNODEX

TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Third Floor, No79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor

27 August 2013

Board of Directors

Kerk Han Meng (*Executive Chairman*)
Heng Ling Jy (*Managing Director and Group Chief Executive Officer*)
Koo Teck Seong (*Independent Non-Executive Director*)
Steven Wong Chin Fung (*Senior Independent Non-Executive Director*)
Tan Tian Wooi (*Independent Non-Executive Director*)
Tan Sze Chong (*Non-Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 85,196,350 NEW TDEX SHARES TOGETHER WITH UP TO 85,196,350 FREE DETACHABLE WARRANTS ON THE BASIS OF ONE (1) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY THREE (3) EXISTING TDEX SHARES HELD AS AT 5.00 P.M. ON 27 AUGUST 2013 AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

1. INTRODUCTION

On 25 February 2013, RHB Investment Bank had, on behalf of our Board, announced that the Company proposes to undertake the Rights Issue with Warrants.

On 25 March 2013, RHB Investment Bank had, on behalf of our Board, announced that the Controller of Foreign Exchange (via Bank Negara Malaysia) had, vide its letter dated 21 March 2013, resolved to approve the issuance of the Warrants to the non-resident holders.

On 5 April 2013, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 4 April 2013, resolved to approve the following:-

- i. Admission to the Official List and the listing of and quotation for the Warrants; and
- ii. Listing of the Rights Shares to be issued pursuant to the Rights Issue with Warrants and the new TDEX Shares to be issued arising from the exercise of the Warrants.

The aforesaid approval is subject to the following conditions:-

Conditions	Status of compliance
i. TDEX and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	Noted

- ii. TDEX and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue with Warrants; To be complied
- iii. TDEX to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and To be complied
- iv. TDEX is required to furnish Bursa Securities on a quarterly basis, a summary of the total number of TDEX Shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable. To be complied

On 26 April 2013, our shareholders had approved the Rights Issue with Warrants at our EGM. A certified true extract of the resolutions pertaining to the Rights Issue with Warrants passed at the aforesaid EGM is set out in **Appendix I** of this Abridged Prospectus.

On 6 August 2013, RHB Investment Bank had, on behalf of our Board, announced that the issue price of the Rights Shares and the exercise price of the Warrants have been fixed at RM0.10 per Rights Share and RM0.11 per Warrant, respectively.

On 13 August 2013, RHB Investment Bank had, on behalf of our Board, announced that the Entitlement Date has been fixed on 27 August 2013 at 5.00 p.m., along with other relevant dates pertaining to the Rights Issue with Warrants.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank in connection with the Rights Issue with Warrants.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails a rights issue of up to 85,196,350 Rights Shares together with 85,196,350 Warrants to our Entitled Shareholders, on a renounceable basis of one (1) Rights Share together with one (1) free Warrant for every three (3) existing TDEX Shares held on the Entitlement Date, at an issue price of RM0.10 per Rights Share.

In determining the entitlements of the Entitled Shareholders, fractional entitlements of the Rights Shares and the Warrants, if any, will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

The Warrants will be immediately detached from the Rights Shares upon allotment and issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll.

The Rights Issue with Warrants is renounceable in full or in part. The renunciation of the Rights Shares by the Entitled Shareholders will entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. Accordingly, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall then be entitled to the Warrants in the proportion of their acceptance of their Rights Shares entitlements.

Any unsubscribed Rights Shares together with the Warrants, will be made available to other Entitled Shareholders and/ or their renouncee(s) (if applicable) under the Excess Rights Shares with Warrants application. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner, and on a basis as set out in Section 10.6 of this Abridged Prospectus.

As the Rights Shares and the Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Rights Shares with Warrants, as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

Any dealings in our securities will be subject to, inter-alia, the provisions of the SICDA, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares and the Warrants to be allotted and issued will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued.

We will allot and issue the Rights Shares with Warrants, despatch notices of allotment to the successful applicant and make an application for the quotation for the Rights Shares and the Warrants within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants or such period as may be prescribed by Bursa Securities. The Rights Shares and the Warrants will then be quoted on the ACE Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis and justification of determining the issue price of the Rights Shares

On 6 August 2013, RHB Investment Bank had, on behalf of our Board, announced that the issue price of the Rights Shares has been fixed at RM0.10 after taking into consideration the prevailing market price of our shares and our par value of RM0.10 each. This represents a slight premium of approximately 11.11% to the theoretical ex-rights price of TDEX Shares of RM0.094, calculated based on the five (5)-day WAMP of TDEX Shares of RM0.092, up to and including 5 August 2013, being the last trading day of TDEX Shares immediately preceding the price-fixing date for the Rights Shares.

2.3 Basis and justification of determining the exercise price of the Warrants

On 6 August 2013, RHB Investment Bank had, on behalf of our Board, announced that the exercise price of the Warrants has been fixed at RM0.11 per Warrant. This represents premium of approximately 17.02% to the theoretical ex-rights price of TDEX Shares of RM0.094, calculated based on the five (5)-day WAMP of TDEX Shares of RM0.092, up to and including 5 August 2013, being the last trading day of TDEX Shares immediately preceding the price-fixing date for the Rights Shares.

The exercise price was determined after taking into consideration, amongst others, the par value of TDEX Shares, the tenure of our warrants and the historical share price movement of TDEX Shares.

For avoidance of doubt, the Warrants attached to the Rights Shares will be issued at no cost to the Entitled Shareholders who subscribe for the Rights Shares.

2.4 Ranking of the Rights Shares and new TDEX Shares to be issued arising from the exercise of the Warrants

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing TDEX Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

The new TDEX Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing TDEX Shares, save and except that the new TDEX Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the said new TDEX Shares.

2.5 Principal terms of the Warrants

The principal terms of the Warrants are set out below:-

- | | | |
|----------------------------|---|---|
| Issue size | : | Up to 85,196,350 new Warrants to be issued in conjunction with the Rights Issue with Warrants to the Entitled Shareholders of TDEX on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed. |
| Form and denomination | : | The Warrants, which are issued with the Rights Shares, are immediately detached upon issuance and will be separately traded. The Warrants will be issued in registered form and constituted by the Deed Poll. |
| Exercise Rights | : | Each Warrant entitles the registered holder, at any time during the Exercise Period, to subscribe for one (1) new Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll. |
| Exercise Period | : | Exercisable at any time within five (5) years commencing on and including the date of issuance of the Warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid. |
| Exercise Price | : | RM0.11 per Warrant, payable in cash in respect of each new Share for which a Warrant holder will be entitled to subscribe upon exercise of the Exercise Rights, or such other price as may be approved by the relevant authorities, subject further to adjustments in accordance with the provisions of the Deed Poll. |
| Mode of exercise | : | The registered holder of a Warrant is required to lodge an exercise form with the Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia. |
| Board lot | : | For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new Shares at any time during the exercise period, or such denomination as determined by Bursa Securities. |
| Ranking of new TDEX Shares | : | The new Shares to be issued pursuant to the exercise of the Warrants, shall upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotment, and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issue of the said new Shares. |

- Rights of the warrant holder(s) : Warrant holders are not entitled to vote in any general meeting of TDEX or to participate in any distribution and/or offer of further securities in the Company unless and until the Warrant holder becomes a shareholder by exercising his/her Warrants.
- Adjustments in the exercise price and/ or number of Warrants : The exercise price and/ or number of unexercised Warrants may be adjusted by our Board, in consultation with its auditors or approved adviser and certified by the Company's auditors, in the event of alteration to the share capital of the Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll
- Rights in the event of winding up, compromise and/ or arrangement : Where a resolution has been passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then every Warrant holder shall be entitled upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/ her Warrants to the Company, elect to be treated as if he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/ her Warrants to the extent specified in the relevant exercise forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he/ she had on such date been the holder of the new Shares to which he/ she would have been entitled to pursuant to such exercise.
- Modifications : Subject to the approval of any relevant authority, any modification or abrogation of the covenants or provisions contained in this Deed Poll proposed or agreed to by the Company must be sanctioned by special resolution of the Warrant holders, effected by a deed poll, executed by the Company and expressed to be supplemental and comply with the requirements of the Deed Poll.
- The Company may, from time to time, without the consent or sanction of the Warrant Holders, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrant Holders or is made to correct a manifest error or to comply with prevailing laws of Malaysia or in accordance with the Deed Poll.
- Governing law : Laws and Regulations of Malaysia.

2.6 Details of other corporate exercises

Save for the Rights Issue with Warrants, we do not have any other corporate exercises which have been approved by the regulatory authorities but not yet completed as at the LPD.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

After due consideration of the various funding options available to us, our Board is of the view that the Rights Issue with Warrants is the most appropriate avenue for raising funds after taking into consideration the following factors as the Rights Issue with Warrants will:-

- i. Enable us to raise equity capital without incurring interest expenses as compared to bank borrowings. This would allow us to preserve cash for reinvestment and/ or operational purpose and the fund raised will be utilised for the purposes highlighted in Section 5 of this Abridged Prospectus;
- ii. Provide our Entitled Shareholders with an opportunity to further increase their equity participation in our Company via the issuance of new TDEX Shares without diluting their existing equity interest, assuming that all Entitled Shareholders fully subscribe for their respective entitlements pursuant to the Rights Issue with Warrants; and
- iii. To optimise our Group's capital structure by strengthening the statement of financial position.

In addition, the Warrants to be issued pursuant to the Rights Issue with Warrants will provide an incentive to the Entitled Shareholders and/ or their renounee(s) (if applicable) to subscribe for the Rights Shares. The Warrants will allow the Entitled Shareholders and/ or their renounee(s) (if applicable) to benefit from the potential capital appreciation of the Warrants and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants. Furthermore, we would also be able to raise further proceeds as and when the Warrants are exercised.

4. IRREVOCABLE UNDERTAKINGS, MINIMUM SUBSCRIPTION BASIS AND UNDERTAKING ARRANGEMENT

Our Board had determined to undertake the Rights Issue with Warrants on the Minimum Subscription Basis. The Minimum Subscription Basis had been determined by our Board after taking into consideration, amongst others, the shareholding position of the substantial shareholders of TDEX, our Group's gearing position and the minimum level of funds that we wish to raise from the Rights Issue with Warrants which will be channelled towards the proposed utilisation of proceeds as set out in Section 5 of this Abridged Prospectus. In this regard, our Board intends to raise minimum gross proceeds of approximately RM4.795 million from the issuance of 47,946,600 Rights Shares together with the 47,946,600 free Warrants.

To meet the Minimum Subscription Basis, the Company had, on 26 March 2013, procured irrevocable written undertakings from our substantial shareholders, namely Tan Sze Chong, Heng Ling Jy and Kerk Han Meng to subscribe and/or cause to subscribe in full for:-

- (i) their Entitlement Undertakings; and
- (ii) the Additional Undertakings of an aggregate total of 37,249,752 Rights Shares representing approximately 43.72% of the total Rights Shares available for subscription under the Maximum Scenario;

For illustrative purposes only, a summary of the irrevocable undertakings is set out below:-

Substantial shareholders	(a)		(b)	(c)	(b)+(c)	Funding required RM
	Shareholdings as at the LPD		Entitlement Undertakings	Additional Undertakings	Maximum Rights Shares to be subscribed	
	No. of Shares	% ¹	No. of Shares	No. of Shares	No. of Shares	
Tan Sze Chong	18,021,800	7.05	6,007,266	18,624,734	24,632,000	2,463,200
Heng Ling Jy	50,000	0.02	16,666	334	17,000	1,700
Kerk Han Meng	14,018,750	5.48	4,672,916	18,624,684	23,297,600	2,329,760
Total	32,090,550	12.55	10,696,848	37,249,752	47,946,600	4,794,660

Note:-

¹ *Percentage calculated based on the issued and paid-up share capital of TDEX as at the LPD.*

The above-mentioned substantial shareholders had also confirmed vide their letters dated 26 March 2013 that they have sufficient financial resources to subscribe and/or cause to subscribe for their respective Entitlement Undertakings and Additional Undertakings as set out above. The said confirmation has been verified by RHB Investment Bank, our Principal Adviser for the Rights Issue with Warrants.

The above-mentioned substantial shareholders had also undertaken to subscribe and/or cause to subscribe in full for any additional entitlements pursuant to the Rights Issue with Warrants, in the event that they have increased their shareholdings in TDEX as at the Entitlement Date. In the event of disposal of part or all of their shareholdings, they will continue to irrevocably undertake to subscribe their Rights Shares entitlements as per the Entitlement Undertakings and Additional Undertakings.

Based on the Entitlement Undertakings and Additional Undertakings, there will be no take-over implications pursuant to Part II of the Malaysian Code on Take-Overs and Mergers, 2010.

As the Rights Issue with Warrants will be undertaken on the Minimum Subscription Basis, we will not be procuring any underwriting arrangement for the remaining Rights Shares not subscribed.

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5. UTILISATION OF PROCEEDS

The Rights Issue with Warrants is expected to raise an estimated gross proceeds of up to RM8,519,635 based on the issue price of RM0.10 per Rights Share. The proceeds, based on the Minimum and Maximum Scenarios are expected to be utilised in the following manner:-

Details of utilisation	Estimated timeframe for the utilisation of proceeds from the completion of the Rights Issue with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000
Business development expenditure ⁽¹⁾	within eighteen (18) months	2,000	3,500
Capital expenditure ⁽²⁾	within twelve (12) months	1,300	2,500
Working capital ⁽³⁾	within twelve (12) months	995	2,020
Estimated expenses in relation to the Rights Issue with Warrants ⁽⁴⁾	within one (1) month	500	500
Total		4,795	8,520

Notes:-

⁽¹⁾ We are exploring various business development opportunities to improve the earnings of our Group and we have earmarked up to RM3.5 million to fund any future viable investment that we may identify within eighteen (18) months from the completion of the Rights Issue with Warrants. As at the LPD, we are exploring IT-related businesses which are involved in data integration services and data management solutions. TDEX believes that there is an opportunity to provide tools and design customized software for purposes of data integration and data management particularly for companies with multiple data sources and multiple IT platforms within their business. These services would include data cleansing, validation and mapping to ensure efficient data retrieval and reporting.

In addition to the above, the Group will consider other suitable investments and/or strategic acquisitions within the IT space and will make the appropriate announcement, if and when required pursuant to the Listing Requirements.

⁽²⁾ Our Group has earmarked up to RM2.5 million to upgrade our Group's current computing environment and infrastructure in order to keep up with the rapid changes in the ICT services industry as well as to deliver up-to-date business software solutions. The new computing infrastructure will also facilitate the implementation of new projects that have been awarded to our Group. The projects of our Group (with a total outstanding contract value of approximately RM25 million as at 31 July 2013) include the hardware support maintenance, software renewal for Jabatan Penilaian dan Perkhidmatan Harta ("JPPH"), and application development services for the government which will be carried out over the next two (2) years until end of 2014. The breakdown of the utilisation is as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Replacement of existing assets:-		
- Servers	-	176
- Computer Equipment	200	250
- Network Equipment	-	50
Acquisition of new assets:-		
- Software licenses comprising:-		
• Database Application	600	600
• Data Cleansing Application	500	500
• Asset Management Application	-	924
	1,300	2,500

Under the Maximum Scenario, the total estimated cost for the replacement of existing assets and the acquisition of new assets are approximately RM0.48 million and RM2.02 million, respectively. Under the Minimum Scenario, the shortfall will be funded through internally generated funds and/or bank borrowings. Under the Maximum Scenario, in the event that the actual expenses are higher than budgeted, the deficit will be funded from the proceeds allocated to working capital. Conversely, if the actual expenses are lower than budgeted, the excess will be utilised for working capital purposes.

⁽³⁾ Our Group has earmarked up to RM2.02 million for our Group's day-to-day operations in the following estimated proportion:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
- Salary costs	995	1,500
- Marketing expenses	-	250
- Administrative expenses for the Group such as utilities expenses, staff insurance, and other welfare	-	270
	995	2,020

⁽⁴⁾ Proceeds earmarked for estimated expenses related to the Rights Issue with Warrants comprises professional fees (i.e. principal adviser, reporting accountant, solicitors), regulatory fees and other related expenses. Any deficit or excess funds allocated for the estimated expenses will be funded from or used for the working capital of our Group.

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the total number of Rights Shares to be issued. Any difference to the amount of proceeds to be raised which is dependent upon the actual number of Rights Shares to be subscribed and issued, will be adjusted to or from the amount allocated for working capital.

Any variation in the estimated expenses for the Rights Issue with Warrants shall be adjusted to/ from the amount allocated for working capital.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions or short term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short term money market instruments will be used as additional working capital of our Group.

Any proceeds arising from any exercise of the Warrants in the future are dependent on the total number of Warrants exercised during the tenure of the Warrants. Based on the exercise price of RM0.11 per Warrant, the proceeds expected to be raised from the exercise of Warrants is approximately up to RM9.37 million. Such proceeds will be utilised for the working capital requirements of the Group.

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6. RISK FACTORS

You and/ or your renounee(s) (if applicable) should consider carefully, in addition to other information contained elsewhere in this Abridged Prospectus, the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to the industry that we operate in

6.1.1 We face continuous competition from other business software providers

The business software solutions industry is highly competitive and fragmented as there are numerous players in the local business software industry. Inherently, competition is expected to persist and increase in the future which could erode our pricing position and profitability, resulting in a material and adverse effect on our overall financial and operational position. Notwithstanding these competitive pressures on the business of our Group, our Board is of the opinion that our leverage on TechnoDex® Platform, together with our continuous emphasis on research and development, will enable us to face the challenges ahead.

Although our Group has established long-term relationships with key clients, there can be no assurance that the emergence of new competitors will not have a material adverse impact on our Group's operational results and financial condition. Whilst our Directors are confident of these long-term relationships which have been established through our Group's consistency in delivering projects on a timely basis, we are not able to guarantee the ability to maintain or increase our market share in the future.

6.1.2 We are subject to rapid technological obsolescence risk in the ICT services industry

We are subject to inherent risks associated with the rapid changes in customer requirements, constant technological development, frequent enhancement of products and services as well as evolving industry standards. It is difficult to gauge the general life cycle of ICT products and our existing market position may be weakened by rapid technological changes through the introduction of new products by new or existing competitors. Failure to manage technological changes and to respond to changes in customer requirements will render our products obsolete. As such, our future success depends hugely on our ability to develop new or enhanced business software solutions as well as our capacity to respond to technological advances and new industry standards.

Approximately up to RM2.5 million of the proceeds to be raised from the Rights Issue with Warrants will be utilised for the replacement of existing assets/ older assets and the acquisition of new assets to upgrade our Group's current computing environment and infrastructure. The new computing infrastructure is expected to keep our business relevant and technologically up-to-date in order to facilitate the implementation of projects that have been awarded to our Group.

Although our Group constantly strives to upgrade our existing infrastructure and computing equipment to ensure that we are able to deliver up-to-date business software solutions to our customers and cater for rapid changing market demands, there can be no assurance that we will be able to constantly adapt to on-going advancements in technology and develop new business software solutions in a timely and cost effective manner.

6.2 Risks relating to our operations

6.2.1 Projects secured may be delayed or aborted

Our Group's contracts with customers are generally entered into on a project basis. It is inevitable that for projects with typical sales cycle spanning over a few months, certain customers may elect to delay or abort the projects, and hence may adversely affect our profitability. However, our Directors are of the view that there have been no such incidents that could materially and adversely affect our profitability.

Revenue is accrued typically upon completion of certain milestones, or otherwise known as the progress payment method. However, even if the project is completed by the stipulated timeline, there is a risk that our customers may delay the acceptance or certification of the stages of completion before the work done can be recognised as revenue. Initial layout costs for the different stages of completion above would have already been incurred by our Group.

In the event that such delays occur for a prolonged period or due to project failures or stoppage, our Group's financial performance and working capital position may be adversely affected. However, our payment milestones, which correspond with the related project milestones, have been intentionally designed to be shorter, taking into account the specified deliverables at each stage of the project. This is intended to mitigate the risk of incurring large amounts of initial and layout costs whilst pending payment by customers in stages.

Although we may have legal avenues to seek for acceptance or certification and subsequently claiming such amounts from our customers, there can be no assurance that during the interim period, our financial performance and cash-flow position will not be materially affected.

6.2.2 Warranty claims by our customers may affect our profitability

In addition to the offering of our products and services, we also provide warranties to our customers. There can be no assurance that warranty claims would not be substantial and have material adverse effects on our business, financial condition and reputation.

However, our Directors are of the view that our Group performs strict quality testing, and that there has not been any substantial warranty claim that has adversely and materially affected our profitability. This is in view of our focus on quality control testing and customers' acceptance of the results before the final release of the products and services. Similarly, going forward, our Directors believe that with our experience, technical expertise and emphasis on quality control, warranty claims, if any, would be mitigated.

6.2.3 There is no assurance that there would be no unauthorised use of our technology

Our Directors are aware that there may be unauthorised attempts to copy or otherwise obtain and use our TechnoDex® Platform or business software. Apart from the copyright protection accorded by the Malaysian Copyright Act 1987 (as amended), our Directors have been safeguarding documentations, enforcing confidentiality clauses and encrypting source codes, in order to mitigate risk of misappropriation of our technology.

However, despite the efforts to protect our intellectual proprietary rights, there can be no assurance that there would be no unauthorised use or distribution of our technology.

Nevertheless, the risk of unauthorised use of technology can be made obsolete through the rapid changes in technology. Hence, we regularly carry out upgrading exercises on our technology through continuous innovation and expansion of our TechnoDex® Platform and business software. However, there can be no assurance that the abovementioned efforts are sufficient to mitigate the risk arising from the unauthorised use of our technology.

6.2.4 We rely on open standard technology in our product development

Open standard technology allows the end users and other developers to view and modify the source code of software. This provides the platform upon which anyone with the knowledge of source codes can add on to the development and production of software. The advantage of this is that customers using open standard technology can significantly save business money while maximizing their investment on technology.

Technodex Solutions Sdn Bhd, a wholly owned subsidiary of TDEX, provides source codes upon delivery of services that enables the customers to continue enhancements and modifications of business applications. There can be no assurance that there would be a continuous supply of open standard technology, and that our profitability would not be adversely affected as a result. However, our Directors are of the opinion that there would be no shortage in supply of open standard technology in the foreseeable future, as there are strong supporters of this technology, especially in the more developed countries.

6.2.5 We rely on the continued employment and performance of our Executive Directors and key personnel

Our Group's continued success may depend upon the abilities and continued efforts of our existing Directors, key management and/ or technical personnel. The loss of any key member may adversely affect our ability to achieve our business objectives.

Our Directors are also aware that much effort is required to source for competent and experienced personnel who are well-versed with Open Standard Technology.

To ensure project and service continuity, we attempt to minimise the effects of loss of key personnel through documentation and regular updating of our products' technical specifications and standard operating procedures.

Whilst we have sought to mitigate the risks associated with the loss of any key personnel, there can be no assurance that the above measures will be successful in attracting and retaining key personnel or mitigating the effects of any loss of key personnel should unforeseen circumstances occur.

6.2.6 We are affected by political, economic and legislative factors that are beyond our control

Our Directors keep themselves abreast with current political, economic and regulatory conditions, and aims to favourably adapt our business operations in response to any change in the conditions. Adverse developments in the political, economic and regulatory conditions, could materially and adversely affect our financial and business prospects. Political, economic and regulatory uncertainties include, but are not limited to the risks of war, riots, expropriation, nationalisation, changes to methods of taxation, inflation and changes in interest rates.

6.2.7 There is no assurance that our insurance coverage would be adequate

We are aware of the adverse consequences arising from inadequate insurance coverage. In response, we regularly review and ensure insurance coverage is adequate for our assets on a continuous basis to safeguard our servers, computer equipment and network equipment. However, there can be no assurance that the insurance coverage would be adequate for the replacement of our assets or any consequential loss arising thereof.

6.2.8 We are exposed to financial risks

Generally, businesses face limitations in their growth, and operating and financial flexibilities due to their indebtedness. Nevertheless, our debt to equity ratio of up to 0.23 times based on TDEX's proforma consolidated balance sheets as at 30 April 2013 (based on enlarged issued and fully paid-up share capital of up to 340,785,400 shares after the Proposed Rights Issue with Warrants under the Maximum Scenario), gives us the capacity to borrow further if desired.

Furthermore, in relation to our indebtedness, our Directors are of the opinion that we would be able to meet our commitments when our debts become due and payable, with internally generated funds and/ or external borrowings, and the commitments would not adversely affect our financial performance.

There are also various covenants in the credit facility agreements which may limit our operating and financial flexibilities. Our Directors are of the view that such covenants are common in credit facility agreements within Malaysia. We shall require the consent of the relevant bank or financier if our act falls within the ambit or scope of such covenants. Breach of such covenants may give rise to a right to the bank or financier to terminate the relevant credit facility and/or enforce any security granted in relation to that credit facility. Our Directors are aware of such covenants and shall take all precautions necessary to prevent any such breach.

6.3 Risks relating to the Rights Issue with Warrants

6.3.1 Market risks of the Rights Shares and the Warrants

The market price of our Shares is influenced by, amongst others, the prevailing market sentiments, the liquidity of our Shares, the volatility of equity markets, the outlook of the ICT industry and our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares or the theoretical ex-rights price of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities.

The market price of the Warrants is influenced by, amongst others, the market price of the underlying Shares, the remaining tenure of the Warrants and the volatility of our Share price. In view of this, there can be no assurance that the Warrants will be "in-the-money" during the tenure of the Warrants. As the Warrants are new securities issued by our Company, there can also be no assurance that an active market for the Warrants will develop upon or subsequent to its listing on Bursa Securities or if developed, will be sustainable.

Accordingly, there is no assurance that the market price of the Rights Shares and Warrants will be at a level that meets the investment objectives of the subscriber of the Rights Share with Warrants.

6.3.2 Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one (1) or more of the following events:-

- i. Material adverse change of events/ circumstances such as changes in inflation rates, interest rates, political leadership and unfavourable changes in the governments' policies such as taxation and licensing regulations as well as other force majeure events, which are beyond the control of our Company and RHB Investment Bank, arising prior to or during the implementation of the Rights Issue with Warrants;
- ii. The parties as set out in Section 4 who have given their irrevocable undertakings to subscribe for their Entitlement Undertakings and Additional Undertakings under the Rights Issue with Warrants may not fulfil or be able to fulfil their obligations;
- iii. We are unable to meet the public spread requirement of the Listing Requirements, i.e. at least 25% of our issued and paid-up capital must be held by public shareholders holding not less than 100 Shares each; and
- iv. We are unable to meet the public spread requirements of at least 100 holders of Warrants holding not less than one (1) board lot of the Warrants each. In the event we do not meet the aforesaid public spread requirements, the Warrants will not be listed on the ACE Market of Bursa Securities.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the Warrants. However, there can be no assurance that the abovementioned events will not occur or cause a delay in or abortion of the Rights Issue with Warrants.

In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after it becomes liable, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

6.4 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information which may not be reflective of the future results, whilst others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on forecasts and assumptions made by our Group, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In light of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

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7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy is expected to remain on a steady growth path, with an expansion of 5 – 6 % in 2013. Economic activity will be anchored by the continued resilience of domestic demand, and supported by a gradual improvement in the external sector. Private investment is expected to remain robust, driven by capacity expansion by the domestic-oriented firms and the continued implementation of projects with long gestation periods. Investments by external-oriented business is also expected to be higher amid the gradual improvement in external demand, while private consumption is projected to grow at a more moderate rate in the second half of the year, although it will continue to be well supported by sustained income growth and positive labour market conditions.

Government spending is expected to record a lower growth given the on-going consolidation of the Government's fiscal position and as the role of the private sector gains greater significance. In line with the more favourable external sector, gross exports are projected to record a higher growth in 2013 supported by the export of manufactured products. Gross imports are expected to moderate, in tandem with the projected trend in domestic demand. Overall, this is expected to result in a lower negative contribution to real GDP from net exports. As import growth continues to outpace export growth amid the continued deficit in the income account and in current transfers, the current account surplus, while still remaining significant is expected to narrow further in 2013.

On the supply side, all major economic sectors are expected to record continued expansion in 2013. The services and manufacturing sectors are expected to be the key contributors to overall growth, driven by the continued resilience of domestic demand and supported by higher international trade activity. Growth in the construction sector is projected to remain strong, supported by the implementation of major infrastructure projects. In the commodities sector, the growth of agriculture is expected to improve due to the higher output of crude palm oil and food commodities while the mining sector is expected to strengthen following the higher production of natural gas, crude oil and condensates.

Headline inflation is expected to average 2 – 3% in 2013. This inflation projection takes into account the expected higher global prices of selected food commodities and the adjustments to domestic administered prices. Demand-driven price pressures are expected to be moderate. The wider forecast range reflects the greater uncertainty in the external and domestic environment.

Overall, the growth prospects of the Malaysian economy will continue to be underpinned by the strength of its fundamentals. Of importance, labour market conditions will remain favourable, with the unemployment rate projected to remain low at 3.1% of the labour force in 2013. In addition, the financial system continues to demonstrate resilience against the challenging external environment, with financial intermediation expected to continue to provide strong support to domestic economic activity. The introduction of macro-prudential and other policy measures have helped to manage the risks from the increase in household indebtedness. Malaysia's favourable external position is to remain intact, with international reserves at healthy levels and a low external debt that is within prudent limits.

Given the challenging external environment, there, however, remain risks to the economic outlook. The potential re-emergence of instability in the euro area and slower growth in Malaysia's major trading partners would affect the Malaysian economy. While pressures from the global commodity prices have receded, upside risks from non-fundamental factors, such as adverse weather conditions and geopolitical developments, could push commodity prices higher and adversely affect the growth prospects of economies that are major trading partners of Malaysia.

Potential upside to the domestic economy could emerge if the recovery in the advanced economies turns out to be better than expected.

(Source: Bank Negara Malaysia Annual Report - 2012)

7.2 Overview and outlook of the ICT industry in Malaysia

The ICT sector will continue to be a key focus for Malaysia and is expected to gain greater momentum driven by the convergence of industries due to digitalisation. The contribution of the ICT industry to GDP is targeted to increase to 10.2% by 2015. Greater use of ICT will not only support the growth of the sector but also boost productivity and raise the nation's overall competitiveness. However, to achieve growth, Malaysia needs to shift from being an average producer of general ICT products and services to a niche producer of selected ICT products and services, and progress from a net importer to a net exporter. Issues of lack of product acceptability, weak product branding and lack of cross-discipline expertise will be addressed.

(Source: 10th Malaysia Plan 2011–2015, Economic Planning Unit, Prime Minister's Department)

The ICT industry in Malaysia is projected to register significant growth in 2012, supported by the right domestic driver conditions. Persatuan Industri Komputer dan Multimedia Malaysia ("PIKOM") predicts that information technology ("IT") spending in Malaysia is poised to net a double-digit growth of at least 12.0% in 2012. International Data Corporation ("IDC") cited that Malaysia's economic growth is expected to remain cautiously optimistic, with IT spending forecasted to reach USD8.2 billion at the end of 2012. The other factor that is poised to catalyse the growth of IT spending are the government's strategic programmes such as the Economic Transformation Program, Government Transformation Programme ("GTP"), Digital Transformation Programme ("DTP"), Rural Transformation Programme and Political Transformation Programme, which are very much ICT-driven or ICT-enabled.

Similarly, in all the GTP initiatives, contemporary ICT has a critical role in ensuring their efficient and effective implementation. Needless to say, the DTP programme initiatives are pure ICT-based projects aimed at providing transformational changes in five broadly categorised dimensions- technological, economic, social, governance and environmental.

The implementation of the DTP will hinge on three (3) strategic thrusts. The first thrust is to move the country from ICT supply to demand-focused while leveraging on its existing infrastructure, economic activities, market trends and consumer behaviour. The second thrust is to shift from consumption to production-centric behaviour by leveraging opportunities available in digital technologies. The third and final thrust is to evolve from low knowledge-add to high knowledge-add by increasing the number of local talents, innovators and knowledge workers. An increasing number of Malaysians are leveraging on e-commerce to tap into the growing global marketplace. This, in turn, has helped to push up IT spending in the country.

(Source: PIKOM – ICT Strategic Review 2012/ 13 – Innovation for Digital Opportunities)

Under the nation's programme, namely, Digital Malaysia, the government aims to create an ecosystem which promotes the pervasive use of digital technology in all aspects of the economy to connect communities globally and interact in real time resulting in increased economic activity, productivity and standard of living. While Malaysia has built a strong ICT foundation, Digital Malaysia will focus on driving value-added services through digital technologies. One of the key goals to be achieved under Digital Malaysia is to raise Malaysia's ICT contribution from 9.8% of GDP in 2010 to 17% by 2020.

(Source: Ministry of Finance Malaysia (2012). Economic Report 2012/ 2013 – Chapter 3: Economic Performance and Prospects)

7.3 Prospects of our Group

We are principally engaged in the business of investment holding and providing eBusiness solutions such as application development services, technical consulting and training services, carrying out relevant research and development activities, providing human resource solutions and other related products. Our Group continues to play a role as an application developer and in hardware and software maintenance in the technology and application upgrade of the Property Information System Malaysia ("PRISM"), a system that gives timely, comprehensive and accurate information to government agencies and property developers on the demand and supply including activities and transactions of properties in the country. The PRISM system is the proprietary of the National Property Information Centre, a centre under the purview of the Valuation and Services Property department (also known as JPPH) of the Ministry of Finance.

As at 31 July 2013, the outstanding order book of TDEX is approximately RM25 million over the next two (2) years. These projects include the PRISM hardware support maintenance and software renewal for JPPH, outsourcing contract for one of the multinational IT corporations for a period of twelve (12) months which may be renewable, and application development services for the government. These projects are expected to contribute positively to the revenue and earnings of our Group in the current financial year. Further, we are also in the midst of tendering for more IT contracts. Barring any unforeseen circumstances, our Group is optimistic that it will secure more contracts in the near future.

In view of the above, our Board believes that the prospect of our Group is favourable after having considered all the relevant aspects including the outlook of the related industries which are closely linked to our business performance.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

For illustration purposes, the effects of the Rights Issue with Warrants on our issued and paid-up ordinary share capital, NA per share and gearing, EPS and existing convertible securities shall be based on the Minimum and Maximum Scenarios.

8.1 Issued and paid-up share capital

The proforma effects of the Rights Issue with Warrants on our issued and paid-up share capital as at the LPD is as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Existing issued and paid-up ordinary share capital as at the LPD	255,589,050	25,558,905	255,589,050	25,558,905
<i>To be issued pursuant to the Rights Issue with Warrants</i>	<i>47,946,600</i>	<i>4,794,660</i>	<i>85,196,350</i>	<i>8,519,635</i>
	303,535,650	30,353,565	340,785,400	34,078,540
Shares to be issued assuming full exercise of the Warrants	47,946,600	4,794,660	85,196,350	8,519,635
Enlarged issued and paid-up share capital	351,482,250	35,148,225	425,981,750	42,598,175

8.2 Earnings and EPS

The Rights Issue with Warrants is not expected to have an immediate or material effect on the consolidated earnings and EPS our Group but is expected to contribute positively to the future earnings of our Group as and when the returns/benefits from the utilisation of funds, as described in Section 5 of this Abridged Prospectus, are realised.

Based on the assumption that the Rights Issue with Warrants is expected to be completed by third (3) quarter of 2013, the EPS of our Group for FYE 30 April 2014 may be diluted as a result of the increase in the number of Shares in issue after the Rights Issue with Warrants and as and when the Warrants are exercised into new Shares.

8.3 NA and gearing

Based on the audited consolidated financial statement of our Group as at 30 April 2013, the proforma effects of the Rights Issue with Warrants on the consolidated NA per Share and gearing of our Group are set out below:-

Minimum Scenario

	Audited as at 30 April 2013 RM'000	Proforma I After the Rights Issue with Warrants RM'000	Proforma II After Proforma I and assuming full exercise of the Warrants RM'000
Share capital	25,559	30,354	35,148
Share premium	1,135	⁽¹⁾ 1,135	⁽⁴⁾ 1,615
Exchange fluctuation reserve	598	598	598
Warrants reserve	-	⁽²⁾ 1,438	-
Other reserve	-	⁽²⁾ (1,438)	-
Accumulated losses	(13,853)	⁽³⁾ (14,353)	(14,353)
Shareholders' equity/ NA	13,439	17,734	23,008
No. of Shares ('000)	255,589	303,536	351,482
NA per Share (RM)	0.05	0.06	0.07
Total borrowings (RM'000)	4,971	4,971	4,971
Gearing (times)	0.37	0.28	0.22

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Maximum Scenario

	Audited as at 30 April 2013 RM'000	Proforma I After the Rights Issue with Warrants RM'000	Proforma II After Proforma I and assuming full exercise of the Warrants RM'000
Share capital	25,559	34,079	42,598
Share premium	1,135	⁽¹⁾ 1,135	⁽⁴⁾ 1,988
Exchange fluctuation reserve	598	598	598
Warrants reserve	-	⁽²⁾ 2,556	-
Other reserve	-	⁽²⁾ (2,556)	-
Accumulated losses	(13,853)	⁽³⁾ (14,353)	(14,353)
Shareholders' equity/ NA	13,439	21,459	30,831
No. of Shares ('000)	255,589	340,785	425,982
NA per Share (RM)	0.05	0.06	0.07
Total borrowings (RM'000)	4,971	4,971	4,971
Gearing (times)	0.37	0.23	0.16

Notes:-

⁽¹⁾ Based on the issue price of RM0.10 per Rights Share.

⁽²⁾ Based on the theoretical fair value of RM0.03 per Warrant, a fair value amounting to RM1.44 million and RM2.56 million under the minimum and maximum scenarios respectively, will be transferred to warrant reserves upon issuance of the Warrant. Correspondingly, the same amount will be set-off against the other reserve account.

⁽³⁾ After deducting the estimated expenses of RM500,000 relating to the Rights Issue with Warrants.

⁽⁴⁾ Based on the exercise price of RM0.11 per Warrant.

8.4 Convertible securities

As at the LPD, TDEX does not have any existing convertible securities.

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9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from operations, current cash in hand and banking facilities available, and the proceeds of the Rights Issue with Warrants, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM4.97 million. All the borrowings are denominated in local currency, interest-bearing and comprise the following:-

	RM'000
Short term borrowings:-	
Finance lease payables	525
Term loans	1,359
	1,884
Long term borrowings:-	
Finance lease payables	845
Term loans	2,242
	4,971
Total	4,971

After having made all reasonable enquiries and to the best knowledge and belief of our Board, there has been no outstanding default on payments of either interest and/or principal sums in respect of any borrowings for the FYE 30 April 2013 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

After having made all reasonable enquiries and save as disclosed below, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

	RM'000
Unsecured:-	
Corporate guarantees given to licenced banks for facilities granted to certain subsidiaries	3,601

9.4 Material commitments

After having made all reasonable enquiries, as at the LPD, our Board is not aware of any material commitments for capital expenditure incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

10. PROCEDURES FOR ACCEPTANCE, SALE/TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 Important relevant dates and time:-

Last date and time for the sale of Provisional Rights Shares with Warrants	Tuesday, 3 September 2013 at 5.00 p.m.
Last date and time for the transfer of Provisional Rights Shares with Warrants	Friday, 6 September 2013 at 4.00 p.m.
Last date and time for acceptance and payment	Wednesday, 11 September 2013 at 5.00 p.m.
Last date and time for application for Excess Rights Shares with Warrants and payment	Wednesday, 11 September 2013 at 5.00 p.m.

Our Directors may decide in their absolute discretion to extend the last date and time for acceptance, application for Excess Rights Shares with Warrants and payment to any later time(s) and/or date(s). We will announce the extension (if any) not less than two (2) Market Days before the stipulated day and time.

Late applications will not be accepted.

10.2 General

The Provisional Rights Shares with Warrants are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares.

If you are an Entitled Shareholder (other than an Authorised Nominee who has subscribed for NRS), you will find enclosed with this Abridged Prospectus the NPA notifying you of the crediting of such Provisional Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants that have been provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants, if you choose to do so.

Full instructions for the acceptance of and payment for the Rights Shares with Warrants provisionally allotted to you and/or your renounee(s) and/or transferee(s) (if applicable) and the procedures to be followed are set out in this Abridged Prospectus and the accompanying RSF. You are advised to read this Abridged Prospectus, the RSF and the notes and instructions contained in the documents carefully.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this Abridged Prospectus and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 10.4.4 and 10.6.4 of this Abridged Prospectus for the procedures for acceptance as well as to apply for Excess Rights Shares with Warrants, if you choose to do so.

Acceptances which do not strictly conform to the terms and conditions as well as the notes and instructions contained herein, or which may be illegible may not be accepted at the absolute discretion of our Board.

10.3 Methods of application

You may subscribe for such number of Rights Shares with Warrants that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants, if you so choose, using either of the following methods:

<u>Method of application</u>	<u>Category of Entitled Shareholders</u>
RSF ⁽¹⁾	All Entitled Shareholders
Electronic Application ⁽²⁾ or Internet Application ⁽³⁾	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:-

- (1) A copy of the RSF will be enclosed together with this Abridged Prospectus. The RSF is also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).
- (2) The following surcharge per Electronic Application will be charged by the Participating Financial Institution:
- Public Bank Berhad – RM4.00;
- (3) The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institution:
- Public Bank Berhad (www.pbebank.com) – RM4.00.

10.4 Procedures for acceptance and payment

10.4.1 By way of RSF

If you wish to accept your entitlement to the Provisional Rights Shares with Warrants, either in full or in part, please complete Parts I and III of the RSF. Send each completed and signed RSF with the relevant payments in the reply envelope enclosed with this Abridged Prospectus, by the mode of despatch of your choice (at your own risk) to our Share Registrar at the following address:

FOR DELIVERY BY HAND / COURIER	FOR ORDINARY POST
Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Tel. no. : (603) 7841 8000 Helpdesk: (603) 7849 0777 Fax. no.: (603) 7841 8151 / 8152	Peti Surat 9150 Pejabat Pos Kelana Jaya 46785 Petaling Jaya Selangor Darul Ehsan

so as to arrive not later than 5.00 p.m. on 11 September 2013 (or such later day and time as our Board in its absolute discretion may decide and announce not less than 2 Market Days before the stipulated day and time).

If you have lost, misplaced or for any other reasons require another copy of the RSF, you may obtain additional copies from one of the following:

- (i) our registered office at:
Third Floor, No. 79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan;
- (ii) our Share Registrar at:
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia; or
- (iii) Bursa Securities' website at the following address:
www.bursamalaysia.com

One (1) RSF can only be used for acceptance of the Provisional Rights Shares with Warrants standing to the credit in one (1) CDS Account. Separate RSFs must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit in more than one (1) CDS Account. The Rights Shares with Warrants accepted by you will be credited into the CDS Account(s) where the Provisional Rights Shares with Warrants are credited.

The minimum number of Rights Shares with Warrants that can be accepted is one (1) Rights Share. However, you should take note that a trading board lot comprises 100 TDEX Shares.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares with Warrants accepted in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "TDEX RIGHTS ISSUE ACCOUNT", crossed "A/C PAYEE ONLY" and endorsed on the reverse side with your name and address in block letters and your CDS Account number. The payment must be made for the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. **Cheques or other modes of payment not prescribed here are not acceptable.**

If acceptance and payment for the Provisional Rights Shares with Warrants allotted to you (whether in full or in part) are not received by our Share Registrar by 5.00 p.m. on 11 September 2013 or such later day and time as our Board in its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated day and time, the provisional entitlement to you will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot such Rights Shares with Warrants not taken up to applicants who have applied for Excess Rights Shares with Warrants in the manner as set out in Section 10.6.1 of this Abridged Prospectus.

You should note that all RSFs lodged with our Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement of receipt of the RSF for the Rights Shares application or the application monies will be issued by our Company or our Share Registrar.

Applications for Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any Rights Shares application, in full or in part, without assigning any reason.

Notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.2 By way of Electronic Application

Only Malaysian individuals who are Entitled Shareholders may apply for the Rights Share by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institution before making an Electronic Application.

(i) **Steps for Electronic Applications through a Participating Financial Institution's ATM**

The procedures for Electronic Applications at the ATMs of the Participating Financial Institution are set out on the ATM screens of the relevant Participating Financial Institution ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions for Electronic Applications set out below before making an Electronic Application.

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institution cannot be used to apply for the Rights Share at an ATM belonging to other Participating Financial Institutions;
- (b) You are advised to read and understand this Abridged Prospectus **BEFORE** making the application; and
- (c) You shall apply for the Rights Share via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the application are as set out in "**Terms and conditions for Electronic Applications**" (please refer to Section 10.4.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen require you to do so:-
- Personal Identification Number ("**PIN**");
 - TDEX Rights Issue Account;
 - CDS Account number;
 - Number of Rights Share applied for and/or the RM amount to be debited from the account;
 - Current contact number (for e.g. your mobile phone number); and
 - Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by the Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your Application.

You must ensure that you use the number of the CDS Account held in your name when making an Electronic Application. If you operate a joint bank account with any of the Participating Financial Institution, you must ensure that you enter the number of the CDS Account held in your name when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.

(ii) Participating Financial Institution

Electronic Applications may be made through an ATM of the following Participating Financial Institution and their branches within Malaysia:

- Public Bank Berhad;

(iii) Terms and Conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institution and those appearing herein:

- (a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
- (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have read the relevant Abridged Prospectus and understood and agreed with the terms and conditions of the application; and
 - (iii) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Rights Shares with Warrants as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institution.

- (e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository and irrevocably agrees that if:
 - (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
 - (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Electronic Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

- (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (k) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(iii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.3 By way of Internet Application

All Entitled Shareholders may apply for the Rights Shares by way of Internet Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) Step 1: Set up of account

Before making an application by way of Internet Application, you **must have all** of the following:-

- (a) an existing account with access to internet financial services with **Public Bank Berhad** at www.pbebank.com. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and
- (b) a CDS Account held in your name.

(ii) Step 2: Read the Abridged Prospectus

You are advised to read and understand this Abridged Prospectus **BEFORE** making your application.

(iii) Step 3: Apply through Internet

While we will attempt to provide you with assistance in your application for the Rights Shares through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

- (a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an bank account;
- (b) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (c) Navigate to the section of the website on applications in respect of the Rights Shares;
- (d) Select the counter in respect of the Rights Shares to launch the Electronic Abridged Prospectus and the terms and conditions of the Internet Application;
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (f) At the next screen, complete the online application form;
- (g) Check that the information contained in your online application form, such as the share counter (in this case, TDEX Rights Issue Account), your NRIC number, your current contact number (for e.g. your mobile phone number), your CDS Account number, number of Rights Shares applied for and the account number to debit are correct. Then select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution (as defined below) to effect the online payment of your money for the Rights Issue with Warrants;

- (i) You must pay for the Rights Issue with Warrants through the website of the Authorised Financial Institution (as defined below), failing which the Internet Application is not completed, despite the display of the Confirmation Screen. "Confirmation Screen" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Application has been completed and states the details of your Internet Application, including the number of Rights Shares applied for, which can be printed out for your record;
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) pertaining to the payment status will appear on the screen of the website through which the online payment for the Rights Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and
- (k) You are advised to print out the Confirmation Screen for your reference and record.

(iv) Terms and Conditions of Internet Applications

The Internet Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Internet Participating Financial Institution and those appearing herein:-

- (a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:-
 - (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this Abridged Prospectus, the contents of which you have read and understood;
 - (iii) You agree to all the terms and conditions of the Internet Application as set out in this Abridged Prospectus and have carefully considered the risk factors set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the Internet Application;
 - (v) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in Section 10.3 (Note 3) of this Abridged Prospectus) from your bank account with the said financial institution ("Authorised Financial Institution"); and

- (vi) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.
- (b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this Abridged Prospectus.
- (c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.
- Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institution.
- (d) By making and completing your Internet Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account.
- (e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository and irrevocably agrees that if:
- (i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or
- (ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

- (f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (h) By making and completing an Internet Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Internet Application facility established by the Internet Participating Financial Institution at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Internet Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (j) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iv) of this Abridged Prospectus and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (k) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services;

10.4.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.

- (c) A notification of the delivery of the Abridged Prospectus and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.
- (f) To apply for the Rights Shares, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
- (g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5pm, but in any event no later than the last day and time for acceptance and payment.
- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:-
 - (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
 - (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Rights Shares which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:-

Bank: **PUBLIC BANK BERHAD**
Account Name : **TDEX RIGHTS ISSUE ACCOUNT**
Bank Account No. : **3185950603**

prior to submitting the Rights Shares Subscription File to Bursa Depository.
- (j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Record**") from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Rights Shares electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.

- (i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 10.4.4(ii)(a) of this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (m) Upon crediting of the Rights Shares allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (n) You should note that all applications made for the Rights Shares submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and Conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:-

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

- (c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:-
- (i) our Company or our Share Registrar does not receive your application via NRS; or
 - (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or our Share Registrar,
- you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.
- (e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:-
- (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

10.5 Procedures for sale or transfer of Provisional Rights Shares with Warrants

The Provisional Rights Shares with Warrants are renounceable securities and will be traded on Bursa Securities commencing from 28 August 2013 up to 3 September 2013. As such, you may sell/transfer all or part of your entitlements under the Rights Issue during such period.

As the Provisional Rights Shares with Warrants are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to one (1) or more persons, you may do so through your stockbrokers without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit in your CDS Account.

You may sell such entitlement on Bursa Securities or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository, both for the period up to the last day and time for the sale or transfer of the Provisional Rights Shares with Warrants (in accordance with the Rules of Bursa Depository).

You are advised to read and adhere to the RSF and the notes and instructions contained in the RSF. In selling or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document (including the RSF) to your stockbrokers in respect of the portion of the Provisional Rights Shares with Warrants sold or transferred. However, you are advised to ensure that you must have sufficient number of Provisional Rights Shares with Warrants standing to the credit in your CDS Account before selling or transferring.

If you have sold or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants. Please refer to Section 10.4 of this Abridged Prospectus for the procedures for acceptance and payment.

10.6 Procedures for application for Excess Rights Shares with Warrants

10.6.1 By way of RSF

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares in excess of your entitlement, you may do so by completing Part I(b) and II of the RSF. Send each completed and signed RSF with a **separate remittance** for the full amount payable on the Excess Rights Shares with Warrants applied for to our Share Registrar so as to arrive not later than 5.00 p.m. on 11 September 2013 (or such later day and time as our Board in its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated day and time).

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises 100 TDEX Shares.

Payment for the Excess Rights Shares with Warrants applied for should be made in the same manner described in Section 10.4.1 of this Abridged Prospectus except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia should be made payable to "**TDEX EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letters and your CDS Account number. The payment must be made for the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. **Cheques or other modes of payment not prescribed here are not acceptable.**

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application; and
- (iv) fourthly, for allocation to our renounee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

You should note that all RSFs lodged with our Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement of receipt of the RSF for the Excess Rights Shares with Warrants application or the application monies will be issued by our Company or our Share Registrar.

Applications for Excess Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our

Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.6.2 By way of Electronic Application

If you are a Malaysian individual who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.2 of this Abridged Prospectus save and except that you shall proceed with the option for Excess Rights Shares with Warrants application and the amount payable to be directed to "**TDEX Excess Rights Issue Account**" for the Excess Rights Shares with Warrants applied.

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share, which will accompanied by one (1) Warrant. However, you should take note that a trading board lot comprises of 100 TDEX Shares and 100 Warrants.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots; and
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application; and
- (iv) fourthly, for allocation to our renouncee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Electronic Application for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this Abridged Prospectus, as well as the terms and conditions as stated below:-

- (i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Transaction Record or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or
 - (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(iii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.6.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.3 of this Abridged Prospectus save and except that you shall proceed with the option for Excess Rights Shares with Warrants application and the amount payable to be directed to "**TDEX EXCESS RIGHTS ISSUE ACCOUNT**" for the Excess Rights Shares with Warrants applied.

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share, which will be accompanied by one (1) Warrant. However, you should take note that a trading board lot comprises of 100 TDEX Shares and 100 Warrants.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company on the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application; and
- (iv) fourthly, for allocation to our renouncee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Internet Application for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.3 of this Abridged Prospectus, as well as the terms and conditions as stated below:-

- (i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of Excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

- (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iv) of this Abridged Prospectus and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.6.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 10.4.4 of this Abridged Prospectus save and except for the amount payable to be directed to "**TDEX EXCESS RIGHTS ISSUE ACCOUNT**" (**Bank Account No. 3185950506 with PUBLIC BANK BERHAD**) for the Excess Rights Shares with Warrants applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File.

The minimum number of Excess Rights Shares with Warrants that can be applied for is one (1) Excess Rights Share with one (1) Warrant. However, you should take note that a trading board lot comprises of 100 TDEX Shares and 100 Warrants.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company on the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application; and
- (v) fourthly, for allocation to our renounee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Application for Excess Rights Shares with Warrants via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.4 of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS), as well as the terms and conditions as stated below:-

- (i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Right Shares Subscription File or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your application via NRS. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your application via NRS is successful, your submission of the Rights Shares Subscription File to Bursa Depository shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) You will be notified on the outcome of your application for the Excess Rights Shares with Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
 - (a) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or
 - (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 10.4.4(ii)(a) of this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.7 CDS Accounts

Bursa Securities has prescribed the TDEX Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, all dealings in the Rights Shares with Warrants will be by book entries through CDS Accounts and will be subject to the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants.

Your subscription for the Rights Shares with Warrants/application for the Excess Rights Shares with Warrants shall mean that you consent to receiving such Rights Shares with Warrants/Excess Rights Shares with Warrants (if successful) as deposited securities which will be credited directly into your CDS Account. No physical share certificates will be issued.

10.8 Foreign addressed shareholders and/or shareholders subject to laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any jurisdiction other than Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to persons receiving the Documents electronically or otherwise within Malaysia.

As a result, the Documents have not been (and will not be) sent to our foreign addressed shareholders as at the Entitlement Date who have not provided an address in Malaysia to Bursa Depository for the delivery of the Documents ("**Foreign Addressed Shareholders**"). However, Foreign Addressed Shareholders may collect the Documents from our Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, who will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

If you are a Foreign Addressed Shareholder, our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia as stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

As an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s) (if applicable) may only accept or renounce or transfer (as the case may be) all or any of the Rights Shares to the extent that it would be lawful to do so, and our Directors and officers of our Company and RHB Investment Bank, being our Principal Adviser (collectively, "**Parties**"), would not in connection with the Rights Issue with Warrants, be in breach of the laws of any foreign country or jurisdiction to which you and/or your renounee(s) and/or transferee(s) (if applicable) is or might be subject to. You and/or your renounee(s) and/or transferee(s) (if applicable) shall be solely responsible to seek advice from your legal and/or professional advisers as to the laws of the countries or jurisdictions to which you are or might be subject to. The Parties shall not accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or renunciation and/or transfer made by any Entitled Shareholder and/or his renounee(s) and/or transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional Rights Shares with Warrants by signing any of the forms accompanying the Documents or subscribing for or acquiring any Rights Shares, will be deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and declarations will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which you and/or your renounee(s) and/or transferee(s) are or might be subject to;
- (ii) you and/or your renounee(s) and/or transferee(s) have complied with the laws to which you and/or your renounee(s) and/or transferee(s) are or might be subject to in connection with the acceptance or renunciation;
- (iii) you and/or your renounee(s) and/or transferee(s) are not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) you and/or your renounee(s) and/or transferee(s) are aware that the Provisional Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) you and/or your renounee(s) and/or transferee(s) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as you and/or your renounee(s) and/or transferee(s) deem necessary in connection with your and/or your renounee(s)'s and/or transferee(s)'s decision to subscribe for or purchase the Rights Shares; and
- (vi) you and/or your renounee(s) and/or transferee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Entitled Shareholders and any other person having possession of this Abridged Prospectus and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Rights Shares with Warrants relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares with Warrants available for excess application by the other Entitled Shareholders. You and/or your renounee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renounee(s)'s and/or transferee(s)'s entitlement under the Rights Issue with Warrants or to any net proceeds thereof.

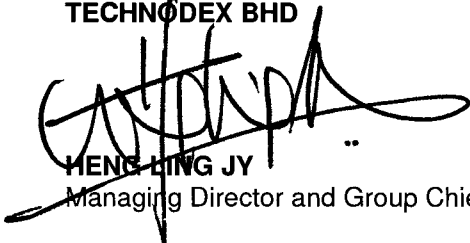
11. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, and the accompanying NPA and RSF.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
TECHNODEX BHD



HENG LING JY
Managing Director and Group Chief Executive Officer

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 26 APRIL 2013

CERTIFIED TRUE COPY

TEA SOR HUA
Company Secretary
MACS 01324

01 APR 2013

TECHNODEX BHD.
(627634-A)
(Incorporated in Malaysia)

This is an Extract of the Minutes of the Extraordinary General Meeting of TECHNODEx BHD. ("TDEX" or "the Company") held at Redang Room, First Floor, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Friday, 26 April 2013 at 10.37 a.m.

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 85,196,350 NEW ORDINARY SHARES OF RM0.10 EACH IN TDEX ("RIGHTS SHARE(S)") TOGETHER WITH UP TO 85,196,350 FREE DETACHABLE WARRANTS ("WARRANT(S)") AT AN ISSUE PRICE TO BE DETERMINED LATER ON THE BASIS OF ONE (1) RIGHTS SHARE TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM0.10 EACH IN TDEX ("TDEX SHARE(S)" OR "SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER, BASED ON THE MINIMUM SUBSCRIPTION LEVEL OF 47,946,600 RIGHTS SHARES TOGETHER WITH 47,946,600 WARRANTS ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

The Chairman informed the Meeting that the purpose of the Meeting was to consider the proposed renounceable rights issue of up to 85,196,350 new ordinary shares of RM0.10 each in TDEX ("Rights Share") together with up to 85,196,350 free detachable warrants at an issue price to be determined and announced later, on the basis of one (1) Rights Share and one (1) free Warrant for every three (3) existing ordinary shares of RM0.10 each held in TDEX on an entitlement date to be determined later.

He further informed the Meeting that details of the Proposed Rights Issue with Warrants were set out in the Circular to Shareholders dated 11 April 2013.

There was no question raised by the shareholders, upon the proposal of Maggie Then (proxy for Choo Ai Lee) and seconded by Tai Guan Wen (proxy for Sim Chin Hu), THE SHAREHOLDERS RESOLVED THAT the following Ordinary Resolution, be approved :

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 85,196,350 NEW ORDINARY SHARES OF RM0.10 EACH IN TDEX ("RIGHTS SHARE(S)") TOGETHER WITH UP TO 85,196,350 FREE DETACHABLE WARRANTS ("WARRANT(S)") AT AN ISSUE PRICE TO BE DETERMINED LATER ON THE BASIS OF ONE (1) RIGHTS SHARE TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM0.10 EACH IN TDEX ("TDEX SHARE(S)" OR "SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER, BASED ON THE MINIMUM SUBSCRIPTION LEVEL OF 47,946,600 RIGHTS SHARES TOGETHER WITH 47,946,600 WARRANTS

"THAT, subject to the approval of Bank Negara Malaysia, approval-in-principle granted by Bursa Malaysia Securities Berhad ("Bursa Securities") and all other relevant authorities/ parties (if applicable), approval be and is hereby given to the Directors of the Company for the following:

CERTIFIED TRUE COPY

TEA SOR HUA
Company Secretary
MAC901224

01 AUG 2013

TECHNODEX BHD. (482772-D)

Extract of the Minutes of Extraordinary General Meeting held on 26 April 2013.....cont'd

- (a) to provisionally allot and issue by way of a renounceable rights issue of up to 85,196,350 Rights Shares of RM0.10 each in TDEX together with up to 85,196,350 free detachable Warrants at an issue price to be determined and announced later, but in any case, the issue price will not be lower than the par value of the existing ordinary shares of RM0.10 each in TDEX on the basis of one (1) Rights Share and one (1) Warrant for every three (3) existing TDEX Shares held. The Rights Share will be subscribed by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on a date to be determined by the Board of Directors of TDEX;
- (b) wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll ("Deed Poll") to be executed, at any time during the "Exercise Period" as defined in the Deed Poll (i.e. the period commencing on and including the date of issuance of the Warrants and ending at the close of business at 5.00 p.m., on the date preceding the fifth (5th) anniversary of the date of issuance, or if such day is not a market day, then it shall be on the immediate preceding market day), for one (1) new TDEX Share at an exercise price to be determined later, but in any case the exercise price will not be lower than the par value of the existing Shares of RM0.10 per Share;
- (c) to allot and issue such number of new TDEX Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants, and such new TDEX Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing TDEX Shares provided that such new TDEX Shares then issued, shall not be entitled to any dividend, right, allotment and/ or other distribution declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the said new TDEX Shares;
- (d) to allot and issue such additional Warrants and new TDEX Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities;
- (e) to do all such acts and things including but not limited to the application to Bursa Securities for the listing of and quotation for the new TDEX Shares which may from time to time be allotted and issued upon exercise of the Warrants;

THAT any fractional entitlements under the Proposed Rights Issue with Warrants shall be dealt with in such manner as the Directors shall in their absolute discretion deem expedient in the interest of the Company;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in the Circular to Shareholders of the Company dated 11 April 2013 ("Circular"), and the Directors be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/ or expedient, subject (where required) to the approval of the relevant authorities;

TECHNODEX BHD. (482772-D)

CERTIFIED TRUE COPY

TEA SOR HUA
Company Secretary
MACS 01324

Extract of the Minutes of Extraordinary General Meeting held on 26 April 2013.....cont'd

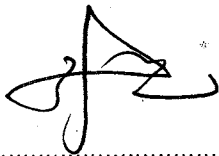
01 AUG 2013

THAT the Rights Shares and new TDEX Shares arising from exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares of the Company then, save and except that they will not be entitled to any dividend, right, allotment and/ or other distribution that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issue of the Rights Shares and new TDEX Shares (as the case may be) arising from exercise of the Warrants;

THAT the Board of Directors of TDEX ("the Board") be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Board, and with full powers to implement and give effect to the terms and conditions of the Deed Poll;

AND THAT the Board be and is hereby authorised to sign and execute all documents (including without limitation, the Deed Poll), and to do all things and acts as may be required to give effect to the Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

CONFIRMED BY,



KERK HAN MENG
Chairman



HENGLING JY
Managing Director

DATED: 01 AUG 2013

INFORMATION ON OUR COMPANY**1. HISTORY AND PRINCIPAL ACTIVITIES**

Our Company was incorporated as a private limited liability company in Malaysia under the name Technodex Sdn Bhd on 10 September 2003 under the Act. Our Company commenced operations as an investment holding company on 17 November 2004. On 7 April 2005, we were converted to a public limited company. On 23 August 2006, our Company was listed on the former MESDAQ Market (now known as ACE Market) of Bursa Securities.

We are an investment holding company. Through our subsidiary companies, we are principally involved in providing e-Business solutions such as application development services, technical consulting, training services, carrying out relevant research and development activities, and providing human resource solutions and other related products.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are set out below:-

	No. of Shares	Par value RM	Total RM
Authorised	500,000,000	0.10	50,000,000
Issued and paid-up	255,589,050	0.10	25,558,905

The changes in our issued and paid-up share capital for the past three (3) years preceding the LPD are set out below:-

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative of issued and paid- up share capital RM
01.03.2011	7,140,000	0.10	Cash/ Conversion of ESOS	23,452,655
14.12.2011	12,000,000	0.10	Cash/ Private Placement	24,652,655
12.01.2012	9,062,500	0.10	Cash/ Private placement	25,558,905

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Register of substantial shareholders of our Company, the shareholdings of our substantial shareholders as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sze Chong	18,021,800	7.05	50,000*	0.02	42,653,800	14.05	67,000*	0.02	67,285,800	19.14	84,000*	0.02
Heng Ling Jy	50,000	0.02	18,021,800*	7.05	67,000	0.02	42,653,800*	14.05	84,000	0.02	67,285,800*	19.14
Kerk Han Meng	14,018,750	5.48	-	-	37,316,350	12.29	-	-	60,613,950	17.25	-	-
Low Fui Teck	17,128,600	6.70	-	-	#17,128,600	5.64	-	-	17,128,600	4.87	-	-

Maximum Scenario

Substantial shareholders	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sze Chong	18,021,800	7.05	50,000*	0.02	24,029,066	7.05	66,666*	0.02	30,036,332	7.05	83,332*	0.02
Heng Ling Jy	50,000	0.02	18,021,800*	7.05	66,666	0.02	24,029,066*	7.05	83,332	0.02	30,036,332*	7.05
Kerk Han Meng	14,018,750	5.48	-	-	18,691,666	5.48	-	-	23,364,582	5.48	-	-
Low Fui Teck	17,128,600	6.70	-	-	22,838,133	6.70	-	-	28,547,666	6.70	-	-

Note:-

* Deemed interest by virtue of his/her spouse's interest in TDEX.

Assuming Low Fui Teck did not subscribe for his Rights Shares entitlements.

4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Kerk Han Meng	87, 19/155B Taman Esplanad Bukit Jalil 57000 Kuala Lumpur	40	Malaysian	Company Director	Executive Chairman
Heng Ling Jy	10, Jalan Perkasa 3 Taman Maluri Cheras 55100 Kuala Lumpur	44	Malaysian	Company Director	Managing Director and Group Chief Executive Officer
Koo Teck Seong	30 Jalan Kuning Taman Bukit Pasir 83000 Batu Pahat, Johor	40	Malaysian	Company Director	Independent Non- Executive Director
Steven Wong Chin Fung	14, Jalan BU 4/8 Bandar Utama 47800 Petaling Jaya Selangor	46	Malaysian	Company Director	Senior Independent Non- Executive Director
Tan Tian Wooi	12 Jalan Kolam Air 08000 Sg. Petani Kedah	43	Malaysian	Company Director	Independent Non- Executive Director
Tan Sze Chong	10, Jalan Perkasa 3 Taman Maluri Cheras 55100 Kuala Lumpur	44	Malaysian	Company Director	Non- Independent Non- Executive Director

The shareholdings of our Directors as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

Directors	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kerk Han Meng	14,018,750	5.48	-	-	37,316,350	12.29	-	-	60,613,950	17.25	-	-
Heng Ling Jy	50,000	0.02	18,021,800*	7.05	67,000	0.02	42,653,800*	14.05	84,000	0.02	67,285,800*	19.14
Koo Teck Seong	10,174,625	3.98	-	-	10,174,625	3.35	-	-	10,174,625	2.89	-	-
Tan Sze Chong	18,021,800	7.05	50,000*	0.02	42,653,800	14.05	67,000*	0.02	67,285,800	19.14	84,000*	0.02
Steven Wong Chin Fung	-	-	-	-	-	-	-	-	-	-	-	-
Tan Tian Wooli	-	-	-	-	-	-	-	-	-	-	-	-

Maximum Scenario

Directors	Shareholdings as at the LPD				Proforma I After the Rights Issue with Warrants				Proforma II After Proforma I and assuming full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kerk Han Meng	14,018,750	5.48	-	-	18,691,666	5.48	-	-	23,364,582	5.48	-	-
Heng Ling Jy	50,000	0.02	18,021,800*	7.05	66,666	0.02	24,029,066*	7.05	83,332	0.02	30,036,332*	7.05
Koo Teck Seong	10,174,625	3.98	-	-	13,566,167	3.98	-	-	16,957,708	3.98	-	-
Tan Sze Chong	18,021,800	7.05	50,000*	0.02	24,029,066	7.05	66,666*	0.02	30,036,332	7.05	83,332*	0.02
Steven Wong Chin Fung	-	-	-	-	-	-	-	-	-	-	-	-
Tan Tian Wooli	-	-	-	-	-	-	-	-	-	-	-	-

Note:-

* Deemed interested by virtue of his/her spouse's interest in TDEX.

5. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Name of company	Date and place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Technodex Solutions Sdn Bhd	28.02.2001 Malaysia	1,000,000	100	Providing information technology products and related services, and carrying out relevant research and development activities
Evodex Solutions Sdn Bhd	11.08.2004 Malaysia	2	100	Providing human resource solutions and other related products
Tdex Global Limited	08.01.2007 Hong Kong SAR	1	100	Investment holding
Suzhou Technodex Co., Ltd.	03.04.2007 The People's Republic of China	241,700	100	Dormant

As at the LPD, the Company has written off its investments in an associate company, namely Shenzhen Oyou8 Digital Intereactive Co.

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6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) FYE 31 December 2010, FYE 31 December 2011 and FPE 30 April 2013:-

	←-----Audited-----→		
	1.7.2009 to 31.12.2010 ⁽¹⁾ RM'000	1.1.2011 to 31.12.2011 RM'000	1.1.2012 to 30.04.2013 ⁽²⁾ RM'000
Revenue	8,367	13,029	8,107
Other income	493	1,633	2,218
Employment benefits	(6,694)	(2,905)	(3,317)
Depreciation and amortisation	(5,965)	(4,416)	(5,846)
Other expenses	(25,701)	(4,547)	(9,625)
Share of results in an associate	(318)	-	-
Finance costs	(1,375)	(863)	(1,036)
PBT	(31,192)	1,931	(9,499)
Taxation	(47)	46	31
(LAT)/PAT	(31,239)	1,978	(9,468)
(LAT)/PAT attributable to:-			
Owners of the Company	(31,239)	1,978	(9,468)
Earnings before interests, taxes, depreciation and amortisation	(18,089)	6,740	(3,107)
Weighted average number of Shares in issue ('000)	204,147	233,638	255,384
Gross profit margin (%)	*N/A	*N/A	*N/A
PBT margin (%)	-	14.82	-
Net profit margin (%)	-	15.18	-
(LPS)/EPS (sen)			
- Basic ⁽³⁾	(15.01)	0.85	(3.71)
- Diluted	(14.15) ⁽⁴⁾	0.85	(3.71)

Notes:-

* Not applicable

⁽¹⁾ On 22 March 2010, the Company and the Group changed their financial year end from 30 June to 31 December. Therefore, the financial statement for the FYE 31 December 2011 is for 18-month period, from 1 July 2009 to 31 December 2011.

⁽²⁾ On 21 December 2012, the Company and the Group changed their financial year end from 31 December to 30 April. Therefore, the financial statement for the FPE 30 April 2013 is for 16-month period, from 1 January 2012 to 30 April 2013.

⁽³⁾ Computed by dividing the PAT attributable to our shareholders by the weighted average number of Shares in issue.

⁽⁴⁾ Computed by dividing the LAT attributable to our shareholders by the assumed weighted average number of Shares in issue, adjusted for the effect of outstanding share options to employees, of 220,760,839.

Commentary on past performance:-**FYE 31 December 2010**

For the eighteen (18)-month FPE 31 December 2010, our Group recorded a revenue of RM8.37 million and a LBT of approximately RM31.19 million. The higher PBT was mainly due to the following factors:-

- (i) the overall reduction in revenue due to earlier economic situation that hindered ICT spending in the country;
- (ii) the decline in contributing incomes from its associated company mainly related to the Online Game business via Shenzhen Oyou8 Digital Intereactive Co, China ("Oyou8");
- (iii) allowance for doubtful debts; and
- (iv) provision of impairment for our Group's investment in Oyou8.

For the current year under review, the Group had flagged out selected long outstanding (more than 24 months) receivables amounting to RM8.0 million as doubtful. This provision was made after long and careful discussion by the Board and Management who believe that it is a prudent and timely action to provide the provision. Further, our Group had also provided impairment to its investment in Oyou8 amounting to RM6.0 million. Our venture into the Online Game business was not able to provide the returns as expected after three (3) years, mainly due to poor management and departure of key technical personnel in China. These factors have significantly affected Oyou8's existing operations, continuity and profitability, and hence the impairment is provided.

FYE 31 December 2011

For the twelve (12)-month FYE 31 December 2011, our Group recorded a revenue of approximately RM13.03 million. The increase in sales from our core product, TechnoDex® Platform business solutions, has contributed positively to our revenue in FYE 31 December 2011. In line with the improvement sales, our Group also registered a PBT of RM1.93 million in FYE 31 December 2011, a turnaround from previous LBT of RM31.24 million. Further, our Group did not provide any significant provision of doubtful debt and impairment during the current financial under review.

FPE 30 April 2013

For the sixteen (16)-month FPE 30 April 2013, our Group recorded a revenue of approximately RM8.11 million and a LBT of approximately RM9.50 million. The higher LBT was mainly due to the following:-

- (i) amortisation effect of the software of approximately RM5.25 million and the write-off of non-marketable software of approximately RM2.00 million; and
- (ii) the provision for doubtful debt of approximately of RM1.70 million.

The financial period ended for 30 April 2013 is for a sixteen (16)-months period from 1 January 2012 to 30 April 2013. Hence, the amortisation expenses of approximately RM5.25 million was higher than the previous FYE 31 December 2011 amortisation expenses of approximately RM3.83 million. In addition, the amortisation expenses for the FPE 30 April 2013 includes new software that was acquired during the financial period for the implementation of new projects that have been awarded to our Group.

Further, as we have already provided impairment for intangible assets, the management believes that any further impairment to our existing assets will be minimal, if any.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months from August 2012 to July 2013 are set out below:-

	High RM	Low RM
2012		
August	0.11	0.10
September	0.10	0.09
October	0.10	0.09
November	0.10	0.08
December	0.11	0.09
2013		
January	0.16	0.10
February	0.14	0.11
March	0.13	0.10
April	0.12	0.10
May	0.13	0.10
June	0.11	0.10
July	0.10	0.08

Last transacted market price on 22 February 2013
(being the date prior to the announcement on the Corporate Exercises) RM0.12

Last transacted market price on 22 August 2013
(being the date prior to the ex-date for the Rights Issue with Warrants and the latest practicable date prior to the issuance of this Abridged Prospectus) RM0.10

(Source: Bloomberg)

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REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE NOTES



CH International

13 August 2013

The Board of Directors
TechnoDex Bhd
Level 6, Block B-6-6
Pusat Komersial Southgate
No. 2, Jalan Dua
Off Jalan Chan Sow Lin
55200 Kuala Lumpur

Dear Sirs

TECHNODEX BHD (“TDEX”)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013

We have reviewed the Proforma Consolidated Statements of Financial Position of TDEX and its subsidiaries (collectively referred to as “TDEX Group”) based on the latest audited financial statements as at 30 April 2013, together with the accompanying notes thereto, for which the Directors of TDEX are collectively and individually responsible. The Proforma Consolidated Statements of Financial Position have been prepared for the purpose of inclusion in the Abridged Prospectus to the shareholders of TDEX in connection with the Proposed Rights Issue (as defined below), which we have stamped for the purpose of identification. The Proforma Consolidated Statements of Financial Position should not be relied on for any other purposes.

The Proposed Rights Issue entails an issuance of up to 85,196,350 new ordinary shares of RM0.10 each in TDEX (“Rights Shares”) together with up to 85,196,350 free detachable warrants (“Warrants”) at an issue price of RM0.10 per Rights Share, on the basis of One (1) Rights Shares together with One (1) Free Warrants for every three (3) existing TDEX shares of RM0.10 each, based on the minimum subscription level of 47,946,600 Rights Issue together with 47,946,600 Warrants (“Proposed Rights Issue”). The Proposed Rights Issue is renounceable in full or in part.

It is the sole responsibility of the Directors’ of TDEX to prepare the proforma consolidated financial information in accordance with the requirements of the Prospectus Guidelines.

It is our responsibility to form an opinion, as required by the Prospectus Guidelines, as to the proper compilation of on the Proforma Consolidated Statements of Financial Position and to report our opinion to you.

In providing this opinion we are not responsible in updating or refreshing any report or opinion previously made by us on any financial information used in the compilation of the Proforma Consolidated Statements of Financial position, nor do we accept responsibility for such report or opinion beyond that owed to those the report or opinion were addressed by us at the date of issue.

Our work consisted primarily of comparing the Proforma Consolidated Statements of Financial Position with the audited financial statements of TDEX Group for the 16 months financial period ended 30 April 2013, considering the evidence supporting the adjustments and discussing the Proforma Consolidated Statements of Financial Position with the Directors/Officers of TDEX. Our work involved no independent examination of any of the underlying financial information.

An Independent Member of CH International (Group) Limited
with affiliated offices worldwide

CHI-LLTC (AF : 1114)
Chartered Accountants

No. 61 - 6C, Jalan SS2 / 75,
47300 Petaling Jaya,
Selangor Darul Ehsan.
Tel : +603-7873 9898
Fax : +603-7874 8602
Email: ngl@lltc.my
Web: www.lltc.my
(Offices and Affiliate Offices
located throughout Malaysia)

Formerly known as LLTC





CH International

As the Proforma Consolidated Statements of Financial Position has been prepared for illustrative purposes only, such information, may not, because of its nature, reflect the actual financial position, results and cash flows of the Group. Furthermore, such information does not purport to predict the future financial position, results and cash flows of the Group.

In our opinion,

- (a) The Proforma Consolidated Statements of Financial Position have been properly compiled on the bases set out in the accompanying notes to the Proforma Consolidated Statements of Financial Position prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and the Companies Act, 1965 in Malaysia, which include International Accounting Standards, and in a manner consistent with the financial statements and the accounting policies of TDEX; and
- (b) The adjustments made to the information used in the preparation of the Proforma Consolidated Statements of Financial Position are appropriate for the purposes of preparing such Proforma Consolidated Statements of Financial Position.

The accompanying Proforma Consolidated Statements of Financial Position and this letter have been prepared for purposes of inclusion in the Abridged Prospectus in connection with the Corporate Exercise. This letter should not be reproduced, referred to in any other document, or used for any other purpose without prior written consent.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chi-LLTC'.

CHI-LLTC
(Formerly known as LLTC)
(AF 1114)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Tang Boon Hiap'.

Tang Boon Hiap
2127/02/15 (J)
Partner of the Firm



**Technodex Bhd and its subsidiary companies (“TDEX Group”)
Proforma Consolidated Statements of Financial Position as at 30 April 2013 (Minimum Scenario)**

The Proforma Consolidated Statements of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the Consolidated Statement of Financial Position of the TDEX Group as at 30 April 2013 and also based on the assumption that the following events had been effected on that date.

	Note	Audited as at 30 April 2013 RM'000	Proforma I After Proposed Rights Issues with Warrants RM'000	Proforma II After Proforma I and Full Exercise of Warrants RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		508	508	508
Goodwill on consolidation		1,559	1,559	1,559
Intangible assets		9,052	9,052	9,052
		<u>11,119</u>	<u>11,119</u>	<u>11,119</u>
CURRENT ASSETS				
Trade receivables		7,055	7,055	7,055
Other receivables, deposits and prepayments		2,500	2,500	2,500
Tax refundable		8	8	8
Fixed deposits with licensed banks		1,706	1,706	1,706
Cash and bank balances	1	107	4,402	9,676
		<u>11,376</u>	<u>15,671</u>	<u>20,945</u>
TOTAL ASSETS		<u>22,495</u>	<u>26,790</u>	<u>32,064</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	2	25,559	30,354	35,148
Share premium	2	1,135	1,135	1,615
Foreign exchange translation reserve		598	598	598
Other reserve	2	-	(1,438)	-
Warrant reserve	2	-	1,438	-
Accumulated losses	2	(13,853)	(14,353)	(14,353)
TOTAL EQUITY		<u>13,439</u>	<u>17,734</u>	<u>23,008</u>
NON-CURRENT LIABILITIES				
Finance lease payable		845	845	845
Term loan		2,243	2,243	2,243
		<u>3,088</u>	<u>3,088</u>	<u>3,088</u>
CURRENT LIABILITIES				
Other payables and accruals		4,084	4,084	4,084
Finance lease payable		525	525	525
Term loan		1,359	1,359	1,359
		<u>5,968</u>	<u>5,968</u>	<u>5,968</u>
TOTAL LIABILITIES		<u>9,056</u>	<u>9,056</u>	<u>9,056</u>
TOTAL EQUITY AND LIABILITIES		<u>22,495</u>	<u>26,790</u>	<u>32,064</u>
Net Assets (“NA”) Computation				
No. of shares in issue ('000)		255,589	303,536	351,482
Par value (RM)		0.10	0.10	0.10
Net assets (“NA”) (RM'000)		13,439	17,734	23,008
NA per share (RM)		0.05	0.06	0.07

**Technodex BHD and its subsidiary companies (“TDEX Group”)
Proforma Consolidated Statements of Financial Position as at 30 April 2013 (Maximum Scenario)**

The Proforma Consolidated Statements of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the Consolidated Statement of Financial Position of the TDEX Group as at 30 April 2013 and also based on the assumption that the following events had been effected on that date.

	Note	Audited as at 30 April 2013 RM'000	Proforma I After Proposed Rights Issues with Warrants RM'000	Proforma II After Proforma I and Full Exercise of Warrants RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		508	508	508
Goodwill on consolidation		1,559	1,559	1,559
Intangible assets		9,052	9,052	9,052
		<u>11,119</u>	<u>11,119</u>	<u>11,119</u>
CURRENT ASSETS				
Trade receivables		7,055	7,055	7,055
Other receivables, deposits and prepayments		2,500	2,500	2,500
Tax refundable		8	8	8
Fixed deposits with licensed banks		1,706	1,706	1,706
Cash and bank balances	1	107	8,127	17,499
		<u>11,376</u>	<u>19,396</u>	<u>28,768</u>
TOTAL ASSETS		<u>22,495</u>	<u>30,515</u>	<u>39,887</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	2	25,559	34,079	42,598
Share premium	2	1,135	1,135	1,988
Foreign exchange translation reserve		598	598	598
Other reserve	2	-	(2,556)	-
Warrant reserve	2	-	2,556	-
Accumulated losses	2	(13,853)	(14,353)	(14,353)
TOTAL EQUITY		<u>13,439</u>	<u>21,459</u>	<u>30,831</u>
NON-CURRENT LIABILITIES				
Finance lease payable		845	845	845
Term loan		2,243	2,243	2,243
		<u>3,088</u>	<u>3,088</u>	<u>3,088</u>
CURRENT LIABILITIES				
Other payables and accruals		4,084	4,084	4,084
Finance lease payable		525	525	525
Term loan		1,359	1,359	1,359
		<u>5,968</u>	<u>5,968</u>	<u>5,968</u>
TOTAL LIABILITIES		<u>9,056</u>	<u>9,056</u>	<u>9,056</u>
TOTAL EQUITY AND LIABILITIES		<u>22,495</u>	<u>30,515</u>	<u>39,887</u>
Net Assets (“NA”) Computation				
No. of shares in issue ('000)		255,589	340,785	425,982
Par value (RM)		0.10	0.10	0.10
Net assets (“NA”) (RM'000)		13,439	21,459	30,831
NA per share (RM)		0.05	0.06	0.07

**TECHNODEX BHD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES**

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION**

Basis of Preparation and Consolidation

The Proforma Consolidated Statements of Financial Position are prepared for illustrative purposes only and based on the Consolidated Statements of Financial Position of the TDEX Group as at 30 April 2013 and on the assumption that the corporate exercise had taken place on 30 April 2013.

The Proforma Consolidated Statements of Financial Position have been prepared on bases and accounting policies consistent with those previously adopted by TDEX Group in the preparation of audited financial statements.

Proforma I

Proforma I incorporates the effects of the Proposed Rights Issues based on the following two (2) scenarios:-

Minimum Scenario

Assuming the Proposed Rights Issue will be subscribed on the minimum level of subscription of 47,946,600 Rights Issue at an issue price of RM0.10 per Rights Share together with 47,946,600 Warrants.

Arising from the issuance of the Warrant, a warrant reserve of RM1,438,398 .00 will be created based on the indicative fair value of RM0.03 per Warrants. The estimated expenses of the Proposed Rights Issues amounted to approximately RM500,000 will be charged against accumulated losses.

Maximum Scenario

Assuming all the existing shareholders will subscribe in full for their respective Rights Shares entitlements of 85,196,350 Rights Issues at an issue price of RM0.10 per Rights Share together with 85,196,350 Warrants.

Arising from the issuance of the Warrant, a warrant reserve of RM2,555,890.50 will be created based on the indicative fair value of RM0.03 per warrants. The estimated expenses of the Proposed Rights Issues amounted to approximately RM500,000 will be charged against accumulated losses.

CHI-LLTC (AF 1114)
For Identification Only

**TECHNODEX BHD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES**

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION (CONT'D)**

Proforma II

Proforma II incorporates the effects of Proforma I and assumption of full exercise of the Warrants as follows:

Minimum Scenario

Assuming exercise of all 47,946,600 Warrants at the exercise price of RM0.11 per Warrants.

Maximum Scenario

Assuming exercise of all 85,196,350 Warrants at the exercise price of RM0.11 per Warrants.

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For Identification Only

TECHNODEX BHD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION (CONT'D)

1. Cash and Bank Balances

The movements of the cash and bank balances of the TDEX Group are as follows:

<u>Minimum Scenario</u>	RM'000
As at 30 April 2013	107
Rights Issues	4,795
Less: Estimated Expenses	(500)
Proforma I	4,402
Full Exercise of Warrants	5,274
Proforma II	9,676

<u>Maximum Scenario</u>	RM'000
As at 30 April 2013	107
Rights Issues	8,520
Less: Estimated Expenses	(500)
Proforma I	8,127
Full Exercise of Warrants	9,372
Proforma II	17,499

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TECHNODEX BHD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. Share Capital and Reserves

The movements of the issued and paid-up share capital and reserves of the TDEX Group are as follows:

<u>Minimum Scenario</u>	Ordinary share capital RM'000	Share premium RM'000	Foreign exchange translation reserve RM'000	Other reserve RM'000	Warrants reserve RM'000	Accumulated losses RM'000
As at 30 April 2013	25,559	1,135	598	-	-	(13,853)
Rights Issues with Warrants	4,795	-	-	(1,438)	1,438	-
Less: Estimated Expenses	-	-	-	-	-	(500)
Proforma I	30,354	1,135	598	(1,438)	1,438	(14,353)
Full Exercise of Warrants	4,794	480	-	1,438	(1,438)	-
Proforma II	35,148	1,615	598	-	-	(14,353)

<u>Maximum Scenario</u>	Ordinary share capital RM'000	Share premium RM'000	Foreign exchange translation reserve RM	Other reserve RM'000	Warrants reserve RM'000	Accumulated losses RM'000
As at 30 April 2013	25,559	1,135	598	-	-	(13,853)
Rights Issues with Warrants	8,520	-	-	(2,556)	2,556	-
Less: Estimated Expenses	-	-	-	-	-	(500)
Proforma I	34,079	1,135	598	(2,556)	2,556	(14,353)
Full Exercise of Warrants	8,519	853	-	2,556	(2,556)	-
Proforma II	42,598	1,988	598	-	-	(14,353)

Note:

*Warrant reserve was derived based on the assumption of the theoretical fair value of RM0.03 per Warrant.

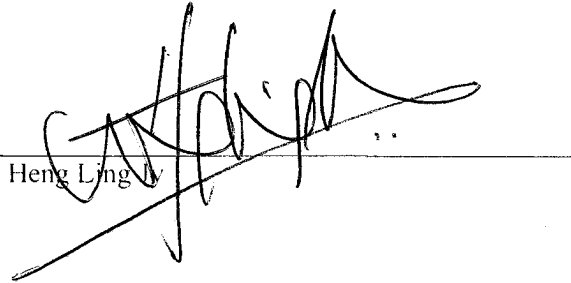
^ Based on the indicative exercise price of RM0.11 per Warrant.

CHI-LLTC (AF 1114)
For Identification Only

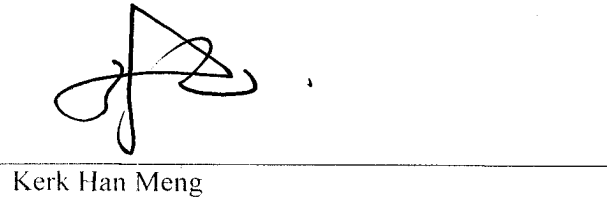
APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 8th March 2013

On behalf of the Board of Directors



Heng Ling Ly



Kerk Han Meng

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT

TECHNODEX BHD.

(Incorporated in Malaysia)

Company No : 627634 - A

FINANCIAL REPORT

for the financial period from
1 January 2012 to 30 April 2013

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TECHNODEX BHD.

(Incorporated in Malaysia)
Company No : 627634 - A

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 January 2012 to 30 April 2013.

CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 31 December to 30 April.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and providing information technology products and related services, and carrying out relevant research and development activities whilst the principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial period	(9,468,158)	(7,156,180)
Attributable to:- Owners of the Company	(9,468,158)	(7,156,180)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial period.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial period are disclosed in the financial statements.

TECHNODEX BHD.

(Incorporated in Malaysia)
Company No : 627634 - A

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial period:-

- (a) there were no changes in the authorised share capital of the Company;
- (b) the Company increased its issued and paid-up share capital from RM24,652,655 to RM25,558,905 by the allotment of 9,062,500 new ordinary shares of RM0.10 each via a private placement at par for the purpose of working capital. The shares were issued for cash consideration. All the new ordinary shares issued rank pari passu in all respects with the existing shares of the Company; and
- (c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

TECHNODEX BHD.

(Incorporated in Malaysia)
Company No : 627634 - A

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

The contingent liability of the Company is disclosed in Note 33 to the financial statements. At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Heng Ling Jy
Kerk Han Meng
Koo Teck Seong
Steven Wong Chin Fung
Tan Tian Wooi
Tan Sze Chong

TECHNODEX BHD.

(Incorporated in Malaysia)
Company No : 627634 - A

DIRECTORS' REPORT**DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares and options in the Company and its related corporations during the financial period are as follows:-

	<----- Number Of Ordinary Shares Of RM0.10 Each ----->			
	At 1.1.2012	Allotment/ Bought	Sold	At 30.4.2013
<i>Direct Interests</i>				
Heng Ling Jy	12,563,500	-	(12,513,500)	50,000
Kerk Han Meng	1,107,750	12,911,000	-	14,018,750
Koo Teck Seong	10,174,625	-	-	10,174,625
Tan Sze Chong	21,508,300	-	(3,486,500)	18,021,800
<i>Indirect Interests</i>				
Heng Ling Jy *	21,508,300	-	(3,486,500)	18,021,800
Tan Sze Chong *	12,563,500	-	(12,513,500)	50,000

* Deemed interested by virtue of her/his spouse's shareholdings in Technodex Bhd.

The other directors holding office at the end of the financial period had no interest in shares in the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

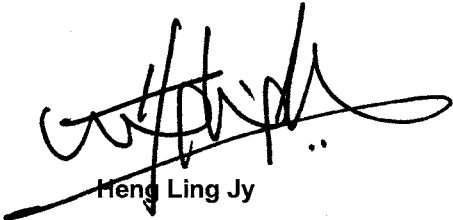
SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in Note 36 to the financial statements.

TECHNODEX BHD.
(Incorporated in Malaysia)
Company No : 627634 - A

DIRECTORS' REPORT

Signed in accordance with a resolution of the directors dated **31 JUL 2013**



Heng Ling Jy



Kerk Han Meng

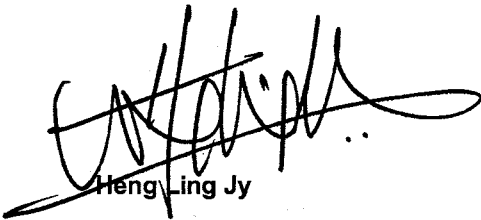
TECHNODEX BHD.
(Incorporated in Malaysia)
Company No : 627634 - A

STATEMENT BY DIRECTORS

We, Heng Ling Jy and Kerk Han Meng, being two of the directors of Technodex Bhd., state that, in the opinion of the directors, the financial statements set out on pages 10 to 75 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 April 2013 and of their results and cash flows for the financial period ended on that date.

The supplementary information set out in Note 39, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated **31 JUL 2013**



Heng Ling Jy



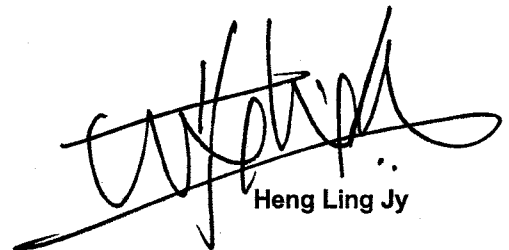
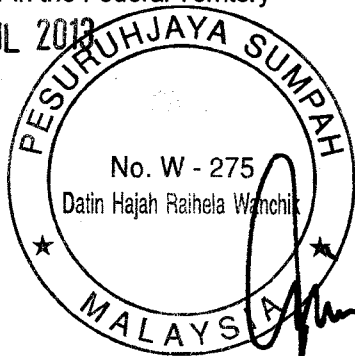
Kerk Han Meng

STATUTORY DECLARATION

I, Heng Ling Jy, I/C No. 690417-10-6224, being the director primarily responsible for the financial management of Technodex Bhd., do solemnly and sincerely declare that the financial statements set out on pages 10 to 75 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Heng Ling Jy, I/C No. 690417-10-6224,
at Kuala Lumpur in the Federal Territory
on this **31 JUL 2013**

Before me



Heng Ling Jy

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50450 Kuala Lumpur
Tel: 012-3008300
03-27156556



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNODEX BHD.

(Incorporated in Malaysia)
Company No: 627634 - A

Report on the Financial Statements

We have audited the financial statements of Technodex Bhd., which comprise the statements of financial position as at 30 April 2013 of the Group and of the Company, and the statements comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 75.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNODEX BHD. (CONT'D)

(Incorporated in Malaysia)
Company No: 627634 - A

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 April 2013 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 10 to the financial statements. The Group has not made any allowance for an impairment loss on a trade receivable relating to the overdue debts as the directors are of the opinion that the debts are recoverable.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 39 on page 76 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TECHNODEX BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No: 627634 - A

Other Matters

1. As stated in Note 3.1 to the financial statements, Technodex Bhd. adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial period ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial period then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

02 AUG 2013

Kuala Lumpur

Ooi Song Wan
Approval No: 2901/10/14 (J)
Chartered Accountant

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2013**

	Note	30.4.2013 RM	The Group 31.12.2011 RM	1.1.2011 RM	30.4.2013 RM	The Company 31.12.2011 RM	1.1.2011 RM
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	3,738,426	3,738,426	4,627,226
Property, plant and equipment	6	507,816	2,956,567	3,412,053	152,876	2,279,280	2,437,814
Goodwill on consolidation	7	1,559,393	1,559,393	1,559,393	-	-	-
Development costs	8	-	576,763	4,201,880	-	576,763	4,201,880
Intangible assets	9	9,052,215	12,279,032	10,053,295	8,860,924	11,564,612	8,362,948
		<u>11,119,424</u>	<u>17,371,755</u>	<u>19,226,621</u>	<u>12,752,226</u>	<u>18,159,081</u>	<u>19,629,868</u>
CURRENT ASSETS							
Trade receivables	10	7,055,039	15,902,476	13,916,743	-	-	-
Other receivables, deposits and prepayments	11	2,500,251	590,182	611,485	9,500	30,770	61,820
Amount owing by subsidiaries	12	-	-	-	-	-	11,172,588
Tax refundable		7,720	11,498	12,749	-	11,123	11,311
Fixed deposits with licensed banks	13	1,706,198	3,791,784	4,377,303	3,905	3,771	3,666
Cash and bank balances		106,474	1,169,921	2,161,575	1,006	1,007,949	1,000,823
		<u>11,375,682</u>	<u>21,465,861</u>	<u>21,079,855</u>	<u>14,411</u>	<u>1,053,613</u>	<u>12,250,208</u>
TOTAL ASSETS		<u>22,495,106</u>	<u>38,837,616</u>	<u>40,306,476</u>	<u>12,766,637</u>	<u>19,212,694</u>	<u>31,880,076</u>

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2013 (CONT'D)**

	Note	30.4.2013 RM	The Group 31.12.2011 RM	1.1.2011 RM	30.4.2013 RM	The Company 31.12.2011 RM	1.1.2011 RM
EQUITY AND LIABILITIES							
EQUITY							
Share capital	14	25,558,905	24,652,655	22,738,655	25,558,905	24,652,655	22,738,655
Share premium	15	1,135,420	1,135,420	746,290	1,135,420	1,135,420	746,290
Other reserve		-	-	214,441	-	-	214,441
Foreign exchange translation reserve	16	598,266	626,479	790,828	-	-	-
(Accumulated losses)/ Retained profits		(13,852,553)	(4,384,395)	(6,472,904)	(17,603,963)	(10,447,783)	3,769,748
TOTAL EQUITY		13,440,038	22,030,159	18,017,310	9,090,362	15,340,292	27,469,134
NON-CURRENT LIABILITIES							
Finance lease payable	17	844,623	-	291,503	-	-	-
Term loans	18	2,242,764	6,807,228	4,872,408	-	-	-
Government grant	19	-	490,000	360,000	-	-	-
		3,087,387	7,297,228	5,523,911	-	-	-

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2013 (CONT'D)**

	Note	30.4.2013 RM	The Group 31.12.2011 RM	1.1.2011 RM	30.4.2013 RM	The Company 31.12.2011 RM	1.1.2011 RM
CURRENT LIABILITIES							
Other payables and accruals	20	4,083,870	4,398,270	6,236,565	1,217,057	2,089,641	3,286,363
Amount owing to subsidiaries	12	-	-	-	2,459,218	1,782,761	1,124,579
Finance lease payable	17	525,087	-	70,130	-	-	-
Term loans	18	1,358,724	1,852,293	1,651,883	-	-	-
Revolving credits	21	-	926,964	4,454,304	-	-	-
Provision for taxation		-	17,679	63,668	-	-	-
Bank overdrafts	22	-	2,315,023	4,288,705	-	-	-
		5,967,681	9,510,229	16,765,255	3,676,275	3,872,402	4,410,942
TOTAL LIABILITIES		9,055,068	16,807,457	22,289,166	3,676,275	3,872,402	4,410,942
TOTAL EQUITY AND LIABILITIES		22,495,106	38,837,616	40,306,476	12,766,637	19,212,694	31,880,076
NET ASSETS PER SHARE (RM)	23	0.05	0.09	0.08			

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

	Note	The Group		The Company	
		1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
REVENUE	24	8,106,885	13,029,209	-	6,288,276
OTHER INCOME		2,218,470	1,632,814	1,545,577	760,788
EMPLOYMENT BENEFITS		(3,317,821)	(2,904,522)	(1,154,934)	(1,029,416)
DEPRECIATION AND AMORTISATION		(5,845,692)	(4,415,755)	(4,862,391)	(2,862,712)
OTHER EXPENSES		(9,625,030)	(4,547,151)	(2,697,529)	(17,485,190)
FINANCE COSTS		(1,035,746)	(863,214)	-	-
(LOSS)/PROFIT BEFORE TAXATION	25	(9,498,934)	1,931,381	(7,169,277)	(14,328,254)
INCOME TAX EXPENSE	26	30,776	46,217	13,097	(188)
(LOSS)/PROFIT AFTER TAXATION		(9,468,158)	1,977,598	(7,156,180)	(14,328,442)
OTHER COMPREHENSIVE INCOME, NET OF TAX - Foreign currency translation		(28,213)	(164,349)	-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL PERIOD/YEAR		(9,496,371)	1,813,249	(7,156,180)	(14,328,442)

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013 (CONT'D)**

	Note	The Group		The Company	
		1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:- Owners of the Company		(9,468,158)	1,977,598	(7,156,180)	(14,328,442)
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:- Owners of the Company		(9,496,371)	1,813,249	(7,156,180)	(14,328,442)
(LOSS)/EARNINGS PER SHARE					
- Basic	27	(3.71 sen)	0.85 sen		
- Diluted	27	(3.71 sen)	0.85 sen		

TECHNODEX BHD.

(Incorporated in Malaysia)

Company No : 627634 - A

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

	←----- Attributable To Owners Of The Company ----->					
	←----- Non-distributable ----->				Distributable	
The Group	Share Capital RM	Share Premium RM	Other Reserve RM	Foreign Exchange Translation Reserve RM	Accumulated Losses RM	Total RM
Balance at 1.1.2011	22,738,655	746,290	214,441	790,828	(6,472,904)	18,017,310
Profit after taxation for the financial year	-	-	-	-	1,977,598	1,977,598
Other comprehensive income for the financial year, net of tax:						
- Foreign currency translation	-	-	-	(164,349)	-	(164,349)
Total comprehensive (expenses)/income for the financial year	-	-	-	(164,349)	1,977,598	1,813,249
Contributions by owners of the Company:						
- Issuance of shares	1,200,000	-	-	-	-	1,200,000
- Employees' share options exercised	714,000	285,600	-	-	-	999,600
Transfer to share premium upon exercise of share options	-	103,530	(103,530)	-	-	-
Transfer to accumulated losses upon expiry of share options	-	-	(110,911)	-	110,911	-
Balance at 31.12.2011	24,652,655	1,135,420	-	626,479	(4,384,395)	22,030,159

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013 (CONT'D)**

	←----- Attributable To Owners Of The Company ----->				Total RM
	Share Capital RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Accumulated Losses RM	
The Group					
Balance at 31.12.2011/1.1.2012	24,652,655	1,135,420	626,479	(4,384,395)	22,030,159
Loss after taxation for the financial period	-	-	-	(9,468,158)	(9,468,158)
Other comprehensive income for the financial period, net of tax: - Foreign currency translation	-	-	(28,213)	-	(28,213)
Total comprehensive expenses for the financial period	-	-	(28,213)	(9,468,158)	(9,496,371)
Contributions by owners of the Company: - Issuance of shares	906,250	-	-	-	906,250
Balance at 30.4.2013	25,558,905	1,135,420	598,266	(13,852,553)	13,440,038

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013 (CONT'D)**

	← Non-distributable →			Distributable Retained Profits/ (Accumulated Loss) RM	Total Equity RM
	Share Capital RM	Share Premium RM	Other Reserve RM		
The Company					
Balance at 1.1.2011	22,738,655	746,290	214,441	3,769,748	27,469,134
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	(14,328,442)	(14,328,442)
Contributions by owners of the Company:					
- Issuance of shares	1,200,000	-	-	-	1,200,000
- Employees' share options exercised	714,000	285,600	-	-	999,600
Transfer to share premium upon exercise of share options	-	103,530	(103,530)	-	-
Transfer to accumulated losses upon expiry of share options	-	-	(110,911)	110,911	-
Balance at 31.12.2011/1.1.2012	24,652,655	1,135,420	-	(10,447,783)	15,340,292
Loss after taxation/Total comprehensive expenses for the financial period	-	-	-	(7,156,180)	(7,156,180)
Contributions by owners of the Company:					
- Issuance of shares	906,250	-	-	-	906,250
Balance at 30.4.2014	25,558,905	1,135,420	-	(17,603,963)	9,090,362

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

	Note	The Group		The Company	
		1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(9,498,934)	1,931,381	(7,169,277)	(14,328,254)
Adjustments for:-					
Allowance for impairment losses on:					
- trade receivables		1,700,744	115,477	-	-
- amount owing by a subsidiary		-	-	1,456	15,165,622
Amortisation of intangible assets		5,254,415	3,834,350	4,731,286	2,707,167
Bad debts written off		96,000	-	-	-
Depreciation of property, plant and equipment		591,274	581,405	131,102	155,545
Equipment written off		6,481	44,086	3,725	-
Impairment loss on investments in subsidiaries		-	-	-	888,800
Intangible assets written off		2,007,763	-	2,007,763	-
Interest expense		1,035,746	863,214	-	-
Amortisation of government grant		(490,000)	(470,000)	-	-
Gain on disposal of property		(1,508,423)	-	(1,508,423)	-
Interest income		(162,849)	(61,072)	(1,185)	(1,873)
Waiver of debts by directors		-	(850,119)	-	(758,915)
Write-back of allowance for impairment losses on:					
- trade receivables		-	(13,657)	-	-
- amount owing by a subsidiary		-	-	(16,719)	-
Operating (loss)/profit before working capital changes		(967,783)	5,975,065	(1,820,272)	3,828,092
Decrease/(Increase) in trade and other receivables		5,140,624	(2,066,250)	21,270	31,050
Increase/(Decrease) in other payables		341,402	(988,176)	(872,584)	(437,807)
Decrease/(Increase) in amount owing by subsidiaries		-	-	924,198	(2,595,706)
CASH FROM/(FOR) OPERATIONS		4,514,243	2,920,639	(1,747,388)	825,629
Interest paid		(1,035,746)	(863,214)	-	-
Income tax refunded		16,875	1,479	24,220	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES/BALANCE CARRIED FORWARD		3,495,372	2,058,904	(1,723,168)	825,629

The annexed notes form an integral part of these financial statements.

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TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013 (CONT'D)**

	Note	The Group		The Company	
		1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
BALANCE BROUGHT FORWARD		3,495,372	2,058,904	(1,723,168)	825,629
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Proceeds from disposal of equipment		3,500,000	2,989	3,500,000	2,989
Purchase of plant and equipment		(140,581)	(172,994)	-	-
Intangible assets/Development costs incurred		(2,534,400)	(2,434,970)	(2,534,400)	(2,283,714)
Net repayment to subsidiaries		-	-	(1,156,676)	(739,146)
Interest received		162,849	61,072	1,185	1,873
NET CASH FROM/(FOR) INVESTING ACTIVITIES		987,868	(2,543,903)	(189,891)	(3,017,998)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Gross proceeds from issuance of shares		906,250	2,199,600	906,250	2,199,600
Drawdown of term loans		-	551,561	-	-
Repayment of term loans		(5,058,033)	(1,984,505)	-	-
Decrease in revolving credits		(926,964)	(1,921,133)	-	-
Repayment of hire purchase and finance lease payables		(210,290)	(361,633)	-	-
Government grant received		-	600,000	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(5,289,037)	(916,110)	906,250	2,199,600
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(805,797)	(1,401,109)	(1,006,809)	7,231
Foreign exchange translation differences		(28,213)	(164,349)	-	-
Restructure of bank overdraft to term loan		-	1,961,967	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/ YEAR		2,646,682	2,250,173	1,011,720	1,004,489
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/ YEAR	28	1,812,672	2,646,682	4,911	1,011,720

The annexed notes form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : Third Floor, No. 79 (Room A), Jalan SS21/60,
Damansara Utama, 47400 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : Level 6, Block B-6-6, Pusat Komersial Southgate,
No 2, Jalan Dua, Off Jalan Chan Sow Lin,
55200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 July 2013.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and providing information technology products and related services, and carrying out relevant research and development activities whilst the principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

3. BASIS OF PREPARATION (CONT'D)

- 3.1 These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

- 3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****3. BASIS OF PREPARATION (CONT'D)**

- 3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year (Cont'd):-

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impacts on the financial statements of the Group upon its initial application

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no financial impact on the financial statements of the Group upon its initial application.

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Group upon its initial application.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year (Cont'd):-

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows (Cont'd):-

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application.

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES**4.1 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. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Amortisation of Development Costs/Intangible Assets

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****(e) Impairment of Trade and Other Receivables**

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(f) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to end of reporting period.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.2 BASIS OF CONSOLIDATION (CONT'D)****(a) Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.2 BASIS OF CONSOLIDATION (CONT'D)****(d) Loss of Control**

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition (1 January 2011). Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.4 FUNCTIONAL AND FOREIGN CURRENCIES****(a) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition (1 January 2011) which are treated as assets and liabilities of the Company and are not retranslated.

MFRS 121 requires an entity:

- (a) to recognise some translation differences in other comprehensive income and accumulate these in a separate component of equity; and
- (b) on disposal of a foreign operation, to reclassify the cumulative translation difference for that foreign operation (including, if applicable, gains and losses on related hedges) from equity to profit or loss as part of the gain or loss on disposal.

However, a first-time adopter need not comply with these requirements for cumulative translation differences that existed at the date of transition to MFRSs. In relation to this, the Group has not adopted this exemption.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.5 FINANCIAL INSTRUMENTS**

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category

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4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)**(ii) Held-to-maturity Investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis

As at the end of the reporting period, there were no financial assets classified under this category

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

As at the end of the reporting period, there were no financial assets classified under this category

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.5 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial Liabilities**

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
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Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Machineries	14%
Furniture and fittings	10%
Office equipment	10%
Computer equipment	20%
Renovation	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
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Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

- (a) its ability to measure reliably the expenditure attributable to the asset under development;
- (b) the product or process is technically and commercially feasible;
- (c) its future economic benefits are probable;
- (d) its ability to use or sell the developed asset; and
- (e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is transferred at cost to intangible assets upon completion of the developed project.

4.9 INTANGIBLE ASSETS

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years begin from the period when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.10 IMPAIRMENT****(a) Impairment of Financial Assets**

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.11 ASSETS UNDER FINANCE LEASE**

Leases of equipment where substantially all the benefits and risks of ownership are transferred to the Group are classified as finance leases.

Equipment acquired under finance lease are capitalised in the financial statements.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to profit or loss over the periods of the respective lease agreements.

Equipment acquired under finance lease are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

4.12 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.12 INCOME TAXES (CONT'D)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.14 OPERATING LEASES

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4.15 EMPLOYEE BENEFITS**(a) Short-term Benefits**

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.16 RELATED PARTIES**

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.17 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Government Grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related costs which they are intended to compensate for.

Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the expected life of the related asset.

4.19 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.20 GOVERNMENT GRANTS**

Grants from the government are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants that compensate the Group for expenses incurred are recognised in profit or loss over the periods necessary to match the grants with the related costs which they are intended to compensate on a systematic basis.

Grants that compensate the Group for the cost of an asset are recognised in profit or loss over the expected useful life of the relevant asset on a systematic basis.

4.21 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	30.4.2013	31.12.2011
	RM	RM
Unquoted shares, at cost:		
- in Malaysia	3,738,426	3,738,426
- outside Malaysia	888,800	888,800
	4,627,226	4,627,226
Accumulated impairment losses:		
At 1.1.2012/2011	(888,800)	-
Addition during the financial period/year	-	(888,800)
At 30.4.2013/31.12.2011	(888,800)	(888,800)
	3,738,426	3,738,426

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****5. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		30.4.2013	31.12.2011	
Technodex Solutions Sdn. Bhd. ("TSSB")	Malaysia	100%	100%	Providing information technology products and related services, and carrying out relevant research and development activities.
Evodex Solutions Sdn. Bhd. ("ESSB")	Malaysia	100%	100%	Providing human resource solutions and other related products.
Tdex Global Limited ("TGL")	Hong Kong SAR	100%	100%	Investment holding.
Suzhou Technodex Co., Ltd. ("STCL") ^	The People's Republic of China.	100%	100%	Dormant.

^ - Interest held by TGL.

The impairment loss was recognised in the previous financial year, as the foreign subsidiary has become inactive and did not have any future business plans.

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At	Addition	Disposals	Written	Depreciation	At
	1.1.2012			Off	Charge	30.4.2013
	RM	RM	RM	RM	RM	RM
<i>Net Book Value</i>						
Freehold land	635,400	-	(635,400)	-	-	-
Building	1,386,767	-	(1,356,177)	-	(30,590)	-
Machineries	103,600	-	-	-	(52,267)	51,333
Furniture and fittings	271,019	140,581	-	-	(69,260)	342,340
Office equipment	113,941	-	-	-	(23,119)	90,822
Computer equipment	397,237	-	-	-	(373,916)	23,321
Renovation	48,603	-	-	(6,481)	(42,122)	-
	2,956,567	140,581	(1,991,577)	(6,481)	(591,274)	507,816

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group	At 1.1.2011 RM	Additions RM	Disposal RM	Written Off RM	Depreciation Charge RM	At 31.12.2011 RM
<i>Net Book Value</i>						
Freehold land	635,400	-	-	-	-	635,400
Building	1,417,358	-	-	-	(30,591)	1,386,767
Machineries	142,800	-	-	-	(39,200)	103,600
Furniture and fittings	182,090	145,190	-	(29,880)	(26,381)	271,019
Office equipment	105,271	27,804	-	(1,370)	(17,764)	113,941
Computer equipment	794,012	-	-	-	(396,775)	397,237
Renovation	135,122	-	(2,989)	(12,836)	(70,694)	48,603
	3,412,053	172,994	(2,989)	(44,086)	(581,405)	2,956,567

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 30.4.2013			
Machineries	280,000	(228,667)	51,333
Furniture and fittings	542,817	(200,477)	342,340
Office equipment	215,582	(124,760)	90,822
Computer equipment	2,572,094	(2,548,773)	23,321
	3,610,493	(3,102,677)	507,816
At 31.12.2011			
Freehold land	635,400	-	635,400
Building	1,529,522	(142,755)	1,386,767
Machineries	280,000	(176,400)	103,600
Furniture and fittings	402,236	(131,217)	271,019
Office equipment	215,582	(101,641)	113,941
Computer equipment	2,572,094	(2,174,857)	397,237
Renovation	353,945	(305,342)	48,603
	5,988,779	(3,032,212)	2,956,567

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Company	At 1.1.2012 RM	Disposals RM	Written Off RM	Depreciation Charge RM	At 30.4.2013 RM
<i>Net Book Value</i>					
Freehold land	635,400	(635,400)	-	-	-
Building	1,386,767	(1,356,177)	-	(30,590)	-
Furniture and fittings	119,714	-	-	(29,626)	90,088
Office equipment	74,657	-	-	(17,136)	57,521
Computer equipment	18,333	-	-	(13,066)	5,267
Renovation	44,409	-	(3,725)	(40,684)	-
	2,279,280	(1,991,577)	(3,725)	(131,102)	152,876

	At 1.1.2011 RM	Addition RM	Depreciation Charge RM	At 31.12.2011 RM
<i>Net Book Value</i>				
Freehold land	635,400	-	-	635,400
Building	1,417,358	-	(30,591)	1,386,767
Furniture and fittings	141,934	-	(22,220)	119,714
Office equipment	87,508	-	(12,851)	74,657
Computer equipment	38,960	-	(20,627)	18,333
Renovation	116,654	(2,989)	(69,256)	44,409
	2,437,814	(2,989)	(155,545)	2,279,280

The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 30.4.2013			
Furniture and fittings	222,198	(132,110)	90,088
Office equipment	128,521	(71,000)	57,521
Computer equipment	126,809	(121,542)	5,267
	477,528	(324,652)	152,876

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.12.2011			
Freehold land	635,400	-	635,400
Building	1,529,522	(142,755)	1,386,767
Furniture and fittings	222,198	(102,484)	119,714
Office equipment	128,521	(53,864)	74,657
Computer equipment	126,809	(108,476)	18,333
Renovation	346,755	(302,346)	44,409
	<u>2,989,205</u>	<u>(709,925)</u>	<u>2,279,280</u>

The freehold land and building of the Company in the previous financial year had been pledged to licensed banks as security for banking facilities granted to the Group.

7. GOODWILL ON CONSOLIDATION

	The Group	
	30.4.2013 RM	31.12.2011 RM
At Cost:-		
Goodwill on consolidation	<u>1,559,393</u>	<u>1,559,393</u>

Goodwill on consolidation arose from the acquisition of subsidiaries in the financial year ended 30 June 2005 and is stated at cost.

The Group has assessed the recoverable amounts of goodwill and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the information technology segment computed based on the projections of financial budgets approved by management covering a period of 3 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

Gross margin	40%
Growth rate	40%
Discount rate	7%

(i) Budgeted gross margin The basis used to determine the budgeted gross margin is based on past performance and the expectation of market development.

(ii) Growth rate The growth rates used are based on the expected projection of the information technology products and related services.

(iii) Discount rate The discount rates used are weighted average cost of capital.

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****8. DEVELOPMENT COSTS**

	The Group/The Company	
	30.4.2013 RM	31.12.2011 RM
At 1.1.2012/2011	576,763	4,201,880
Addition during the financial period/year	2,534,400	2,058,013
Transfer to other intangible assets (Note 9)	(3,111,163)	(5,683,130)
At 30.4.2013/31.12.2011	-	576,763

Included in the development costs of the Group and the Company in the previous financial year were staff costs amounting to RM194,417.

9. INTANGIBLE ASSETS

	The Group		The Company	
	30.4.2013 RM	31.12.2011 RM	30.4.2013 RM	31.12.2011 RM
At 1.1.2012/2011	25,802,404	19,742,317	19,816,060	13,907,229
Addition during the financial period/year	924,198	376,957	924,198	225,701
Transfer from development costs (Note 8)	3,111,163	5,683,130	3,111,163	5,683,130
Write-off during the financial period/year	(7,122,594)	-	(7,122,594)	-
At 30.4.2013/31.12.2011	22,715,171	25,802,404	16,728,827	19,816,060
Accumulated amortisation:-				
At 1.1.2012/2011	(13,523,372)	(9,689,022)	(8,251,448)	(5,544,281)
Amortisation during the financial period/year	(5,254,415)	(3,834,350)	(4,731,286)	(2,707,167)
Write-off during the financial period/year	5,114,831	-	5,114,831	-
At 30.4.2013/31.12.2011	(13,662,956)	(13,523,372)	(7,867,903)	(8,251,488)
	9,052,215	12,279,032	8,860,924	11,564,612

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****9. INTANGIBLE ASSETS (CONT'D)**

Intangible assets of the Group and of the Company relate to the Technodex Platform Software, Comprehensive Reporting System, Tailoring Production MS, E-Document, Property MS, Warehouse Management, Telematics Platform and ThinkHR System.

Included in the intangible assets of the Group and the Company at the end of the reporting period were staff costs amounting to RM4,138,302 (31.12.2011 - RM5,375,833) and RM2,782,740 (31.12.2011 - RM4,020,271) respectively.

Included in the intangible assets of the Group and the Company at the end of the reporting period were software licence with a carrying amount of RM831,778 (31.12.2011 - Nil) which were acquired under financial lease.

10. TRADE RECEIVABLES

	The Group	
	30.4.2013 RM	31.12.2011 RM
Trade receivables	10,856,307	18,998,301
Allowance for impairment losses	(3,801,268)	(3,095,825)
	7,055,039	15,902,476
Allowance for impairment losses:-		
At 1.1.2012/2011	(3,095,825)	(3,044,005)
Addition during the financial period/year	(1,700,744)	(115,477)
Write-back during the financial period/year	-	13,657
Write-off during the financial period/year	995,301	50,000
At 30.4.2013/31.12.2011	(3,801,268)	(3,095,825)

The Group's normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables of the Group is an amount of approximately RM1.3 million (31.12.2011 - approximately RM3.1 million) owing by a debtor which has been outstanding for more than a year. The Group has collected approximately RM1.8 million during the current financial period.

The directors, having considered all available information relating to the above trade receivables, are confident that the debts will be recovered in full. Accordingly, the directors are of the opinion that no additional allowance for impairment loss is required.

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	The Group		The Company	
	30.4.2013 RM	31.12.2011 RM	30.4.2013 RM	31.12.2011 RM
Other receivables	86,661	10,829	-	7,687
Deposits	521,760	251,993	9,500	23,083
Prepayments	1,891,830	327,360	-	-
	<u>2,500,251</u>	<u>590,182</u>	<u>9,500</u>	<u>30,770</u>

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	30.4.2013 RM	31.12.2011 RM
Amount owing by:-		
Trade balance	272,540	272,540
Non-trade balances	6,974,147	14,893,082
	<u>7,246,687</u>	<u>15,165,622</u>
Allowance for impairment losses	(7,246,687)	(15,165,622)
	<u>-</u>	<u>-</u>
Allowance for impairment losses:		
At 1.1.2012/2011	(15,165,622)	-
Addition during the financial period/year	(1,456)	(15,165,622)
Write-back during the financial period/year	16,719	-
Write-off during the financial period/year	7,903,672	-
At 30.4.2013/31.12.2011	<u>(7,246,687)</u>	<u>(15,165,622)</u>
Amount owing to:-		
Trade balance	5,091,538	6,015,736
Non-trade balances	(7,550,756)	(7,798,497)
	<u>(2,459,218)</u>	<u>(1,782,761)</u>

The trade balances are subject to the normal trade credit terms ranging from 30 to 60 days. The amount owing is to be settled in cash.

The non-trade balances represent unsecured, interest-free advances and payments made on behalf. The amounts owing are receivable/repayable on demand and are to be settled in cash.

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13. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 2.82% to 3.20% (31.12.2011 - 2.5% to 3.15%) per annum. The fixed deposits have an average maturity period of 12 months (31.12.2011 - 12 months).
- (b) Included in deposits with licensed banks of the Group at the end of the reporting period was an amount of RM1,702,293 (31.12.2011 - RM3,788,013) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

14. SHARE CAPITAL

	The Company			31.12.2011 RM
	30.12.2013 Number Of Shares	31.12.2011	30.4.2013 RM	
ORDINARY SHARES OF RM0.10 EACH				
Authorised	500,000,000	500,000,000	50,000,000	50,000,000
Issued And Fully Paid-Up				
At 1.1.2012/2011	246,526,550	227,386,550	24,652,655	22,738,655
Issuance of shares	9,062,500	12,000,000	906,250	1,200,000
New shares issued under the employee share option scheme	-	7,140,000	-	714,000
At 30.4.2013/31.12.2011	255,589,050	246,526,550	25,558,905	24,652,655

During the financial period, the Company increased its issued and paid-up share capital from RM24,652,655 to RM25,558,905 by the allotment of 9,062,500 new ordinary shares of RM0.10 each via a private placement at par for the purpose of working capital. The shares were issued for cash consideration. The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

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The movements in the share premium of the Group and the Company are as follows:-

	The Group/The Company	
	30.4.2013	31.12.2011
	RM	RM
At 1.1.2012/2011	1,135,420	746,290
New shares issued under the employee share option scheme	-	285,600
Transfer of exercised share options from other reserve	-	103,530
	1,135,420	1,135,420
At 30.4.2013/31.12.2011	1,135,420	1,135,420

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965 in Malaysia.

16. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

17. FINANCE LEASE PAYABLE

	The Group	
	30.4.2013	31.12.2011
	RM	RM
Minimum finance lease payments:		
- not later than one year	588,324	-
- later than one year and not later than five years	882,486	-
	1,470,810	-
Less: Future finance charges	(101,100)	-
	1,369,710	-
Present value of finance lease payable		
Non-current:		
- later than one year but not later than five years	844,623	-
Current:		
- not later than one year	525,087	-
	1,369,710	-

The finance lease payable bore an effective interest rate of 5.59% per annum at the end of the reporting period.

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	The Group	
	30.4.2013 RM	31.12.2011 RM
Non-current portion:		
- later than one year and not later than two years	2,242,764	1,703,269
- later than two years and not later than five years	-	3,880,616
- later than five years	-	1,223,343
	2,242,764	6,807,228
Current portion:		
- not later than one year	1,358,724	1,852,293
	<u>3,601,488</u>	<u>8,659,521</u>

Details of the term loans outstanding at the end of the reporting period are as follows:-

Term Loan	Number Of Monthly Instalments	Monthly Instalments RM	Effective Dates Of Commencement Of Repayment	Amount Outstanding	
				30.4.2013 RM	31.12.2011 RM
1	72	17,699	January 2009	-	1,798,356
2	60	94,030	November 2009	763,282	3,292,991
3	36	#	January 2012	2,838,206	3,568,174
				<u>3,601,488</u>	<u>8,659,521</u>

- First 24 monthly principal instalments of RM50,000 with interest on outstanding principal and subsequent 12 monthly principal instalments of RM80,000 with interest on outstanding principal. The remaining outstanding will be settled with the pledge of fixed deposits of the Group.

The term loans bore a weighted average effective interest of 7.95% (31.12.2011 - 7.60%) per annum at the end of the reporting period and are secured by:-

- (a) a pledge of certain fixed deposits of the Group; and
- (b) corporate guarantee of the Company and a third party.

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19. GOVERNMENT GRANT

	The Group	
	30.4.2013 RM	31.12.2011 RM
At 1.1.2012/2011	490,000	360,000
Addition during the financial period/year	-	600,000
Recognised in profit or loss	(490,000)	(470,000)
	<hr/>	<hr/>
At 30.4.2013/31.12.2011	-	490,000
	<hr/>	<hr/>

The government grant is in respect of the funding under the Multimedia Super Corridor Malaysia Research and Development Grant Scheme ("MGS") to assist the Group in carrying out the research and development activities for the Project Mtube.

20. OTHER PAYABLES AND ACCRUALS

Included in the other payables and accruals is an amount of RM121,000 (31.12.2011 - RM479,000) owing to directors and a former director in respect of outstanding remuneration and fees of the Group and the Company.

21. REVOLVING CREDITS

The revolving credits were secured by a corporate guarantee of the Company.

Certain revolving credit of RM1,606,207 was restructured into a term loan in the previous financial year.

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22. BANK OVERDRAFTS

The bank overdrafts of the Group bore an effective interest rate of 7.60% per annum in the previous financial year and were secured by:-

- (a) a pledge of the fixed deposits of the Group;
- (b) a legal charge on the freehold land and building of the Company; and
- (c) a corporate guarantee of the Company.

A bank overdraft of RM1,961,967 was restructured into a term loan in the previous financial year.

23. NET ASSETS PER SHARE

The net assets per share is calculated based on the net assets value of the Group at the end of the reporting period of RM13,440,038 (31.12.2011 – RM22,030,159) divided by the number of ordinary shares in issue at the end of the reporting period of 255,589,050 (31.12.2011 – 246,526,550).

24. REVENUE

	The Group		The Company	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
Sale of goods and services	8,106,885	13,029,209	-	-
Licence fee	-	-	-	6,288,276
	<u>8,106,885</u>	<u>13,029,209</u>	<u>-</u>	<u>6,288,276</u>

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	The Group		The Company	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
(Loss)/Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for impairment losses:				
- trade receivables	1,700,744	115,477	-	-
- a subsidiary	-	-	1,456	15,165,622
Audit fee:				
- current financial period/year	82,000	54,515	46,000	24,000
- under/(over)provision in the previous financial year/period	39,252	(16,278)	39,252	(10,000)
Amortisation of intangible assets	5,254,415	3,834,350	4,731,286	2,707,167
Bad debts written off	96,000	-	-	-
Depreciation of property, plant and equipment	591,274	581,405	131,102	155,545
Directors' fee:				
- current financial period/year	96,000	114,000	96,000	114,000
- overprovision in the previous financial year/period	(28,000)	(204,000)	(28,000)	(204,000)
Directors' non-fee emoluments:				
- current financial period/year	481,226	601,380	481,226	601,380
- overprovision in previous financial years	(282,000)	-	(282,000)	-
Equipment written off	6,481	44,086	3,725	-
Impairment loss on investments in subsidiaries	-	-	-	888,800
Intangible assets written off	2,007,763	-	2,007,763	-
Interest expense:				
- bank overdrafts	183,204	335,381	-	-
- finance lease	83,872	-	-	-
- revolving credits	-	126,622	-	-
- term loans	768,670	401,211	-	-
Rental of equipment	211,746	1,005,283	76,958	767,952
Rental of premises	374,746	91,415	(3,838)	7,000

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	The Group		The Company	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
Staff costs:				
- salaries, wages, bonuses and allowance	2,646,209	1,975,694	741,365	420,447
- defined contribution plan	296,065	278,214	79,776	51,088
- others	108,321	139,234	66,567	46,501
Amortisation of government grant	(490,000)	(470,000)	-	-
Gain on disposal of property	(1,508,423)	-	(1,508,423)	-
Interest income	(162,849)	(61,072)	(1,185)	(1,873)
Realised gain on foreign exchange	(10,117)	-	-	-
Waiver of debts by directors	-	(850,119)	-	(758,915)
Write-back of allowance for impairment losses on:				
- trade receivables	-	(13,657)	-	-
- amount owing by a subsidiary	-	-	(16,719)	-

26. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
Current tax expense:				
- for the financial period/year	-	695	-	-
- (over)/underprovision in the previous financial year/period	(30,776)	(46,912)	(13,097)	188
	(30,776)	(46,217)	(13,097)	188

The Company was granted the MSC Malaysia Status and the Pioneer Status on 20 April 2005, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act, 1986. The statutory income from pioneer activities is exempted from income tax for a period of five years from 20 April 2005 to 19 April 2011. The Company has made an application for the extension of the Pioneer Status incentive.

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26. INCOME TAX EXPENSE (CONT'D)

A subsidiary of the Company was granted the MSC Malaysia Status on 6 November 2002 and the Pioneer Status on 26 March 2003, which qualify the subsidiary for the Pioneer Status incentive under the Promotion of Investments Act, 1986. The Pioneer Status has been extended for another five years commencing 26 March 2008. The statutory income from pioneer activities is exempted from income tax for a period of five years from 26 March 2008 to 25 March 2013. The extended Pioneer Status had expired during the financial period.

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
(Loss)/Profit before taxation	(9,498,934)	1,931,381	(7,169,277)	(14,328,254)
Tax at the statutory tax rate of 25%	(2,374,734)	482,845	(1,792,319)	(3,582,063)
Tax effects of:-				
Non-taxable income	(503,785)	(330,030)	(381,285)	(189,729)
Non-deductible expenses	382,647	353,585	96,604	4,141,562
Tax-exempt income	(40,378)	(1,103,374)	-	(463,770)
Reversal of deferred tax liabilities previously not recognised due to pioneer status	2,077,000	94,000	2,077,000	94,000
Deferred tax assets not recognised during the financial period/year	459,250	523,000	-	-
(Over)/Underprovision of income tax in the previous financial year/period	(30,776)	(46,912)	(13,097)	188
Differential in tax rates	-	(19,331)	-	-
Income tax expense for the financial period/year	(30,776)	(46,217)	(13,097)	188

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26. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets are recognised in the statements of financial position for the following items:-

	The Group	
	30.4.2013 RM	31.12.2011 RM
Development costs and intangible assets	(9,051,000)	(12,855,000)
Accelerated capital allowances	(170,000)	(547,000)
Allowance for impairment loss on trade receivables	3,801,000	3,096,000
Unabsorbed capital allowances	292,000	256,000
Unutilised tax losses	17,155,000	11,932,000
	12,027,000	1,882,000

27. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is arrived at by dividing the Group's (loss)/profit attributable to owners of the Company of RM9,468,158 (31.12.2011 - profit after taxation of RM1,977,598) by the following weighted average number of ordinary shares in issue during the financial period/year.

	The Group	
	1.1.2012 to 30.4.2013	1.1.2011 to 31.12.2011
(Loss)/Profit after taxation attributable to owners of the Company (RM)	(9,468,158)	1,977,598
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1.1.2012/2011	246,526,550	227,386,550
Effect of share options granted to employees	-	5,692,438
Effect of new ordinary shares issued	8,857,382	558,904
Weighted average number ordinary shares at 30.4.2013/31.12.2011	255,383,932	233,637,892
Basic (loss)/earnings per share (Sen)	(3.71)	0.85

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

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For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	30.4.2013 RM	31.12.2011 RM	30.4.2013 RM	31.12.2011 RM
Fixed deposits with licensed banks (Note 13)	1,706,198	3,791,784	3,905	3,771
Cash and bank balances	106,474	1,169,921	1,006	1,007,949
Bank overdrafts (Note 22)	-	(2,315,023)	-	-
	<u>1,812,672</u>	<u>2,646,682</u>	<u>4,911</u>	<u>1,011,720</u>

29. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial period/year are as follows:-

	The Group/The Company	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
Executive directors:		
- basic salaries, incentives, allowances, bonuses and EPF:		
- current financial period/year	413,226	601,380
- overprovision in previous financial years	(282,000)	-
- fees:		
- current financial period/year	32,000	42,000
- overprovision in the previous financial year	-	(84,000)
	<u>163,226</u>	<u>559,380</u>
Non-executive directors:		
- allowance:	68,000	-
- fees:		
- current financial period/year	64,000	72,000
- overprovision in the previous financial year	-	(120,000)
	<u>132,000</u>	<u>(48,000)</u>

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29. DIRECTORS' REMUNERATION (CONT'D)

The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial period/year are as follows (Cont'd):-

	The Group/The Company	
	1.1.2012	1.1.2011
	to	to
	30.4.2013	31.12.2011
	RM	RM
Former non-executive directors:		
- fees		
- overprovision in previous financial years	(28,000)	-
Benefits-in-kind	-	9,000

Details of directors' emoluments of the Group and the Company received/receivable for the financial period/year in bands of RM50,000 are as follows:-

	The Group/The Company	
	30.4.2013	31.12.2011
	RM	RM
Executive directors:-		
RM400,001 - RM450,000	1	1
Below RM50,000	1	1
Non-Executive directors:-		
Below RM50,000	4	3
	6	5

30. RELATED PARTY DISCLOSURES**(a) Identities of related parties**

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

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- (b) Other than those disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial period/year:-

	The Group		The Company	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM
Licence fee received/ receivables from subsidiaries:				
- TSSB	-	-	-	6,015,736
- EVSB	-	-	-	272,540
Key management personnel compensation:				
- short-term employee benefits	330,153	869,940	267,226	708,660
Waiver of debts to a subsidiary	-	-	7,903,672	-
Waiver of debts by directors	-	850,119	-	758,915

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31. OPERATING SEGMENTS

The operating segments reporting are not presented as the Group is principally involved in the information technology industry.

Geographical Information

In presenting the information on the basis of geographical segments, segment revenue is based on the geographical location of customers. The carrying values of segment assets are based on the geographical location of the assets.

	Revenue		Non-current Assets	
	1.1.2012 to 30.4.2013 RM	1.1.2011 to 31.12.2011 RM	30.4.2013 RM	31.12.2011 RM
Malaysia	8,106,885	13,029,209	11,119,424	17,371,755

Major Customers

Revenue from three (3) major customers, with revenue equal to or more than 10% of the Group's revenue, amounted to RM6,834,167 (1.1.2011 to 31.12.2011 - RM7,603,893) arising from the information technology services.

32. OPERATING LEASE COMMITMENTS

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group		The Company	
	30.4.2013 RM	31.12.2011 RM	30.4.2013 RM	31.12.2011 RM
Not later than one year	90,324	124,761	-	-
Later than one year and not later than five years	173,121	23,393	-	-
	263,445	148,154	-	-

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33. CONTINGENT LIABILITY

	The Company	
	30.4.2013	31.12.2011
	RM	RM
Unsecured:-		
Corporate guarantees given to licensed banks for facilities granted to certain subsidiaries	3,601,488	7,186,531

34. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	30.4.2013	31.12.2011
	RM	RM
Chinese Renminbi	0.49	0.50
Hong Kong Dollar	0.39	0.41
Singapore Dollar	N/A	3.00
United States Dollar	N/A	2.40

N/A – Not applicable.

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

36.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

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35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)**(i) Foreign Currency Risk (Cont'd)***Foreign currency exposure*

The Group	Chinese Renminbi RM	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
30.4.2013				
Financial assets				
Trade receivables	-	-	7,055,039	7,055,039
Other receivables and deposits	-	-	608,421	608,421
Fixed deposits with licensed banks	-	-	1,706,198	1,706,198
Cash and bank balances	317	1	106,156	106,474
	317	1	9,475,814	9,476,132

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35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**(i) **Foreign Currency Risk (Cont'd)***Foreign currency exposure (Cont'd)*

The Group	Chinese Renminbi RM	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
30.4.2013				
Financial liabilities				
Finance lease payable	-	-	1,369,710	1,369,710
Term loans	-	-	3,601,488	3,601,488
Other payables and accruals	143,916	2,379	3,937,575	4,083,870
	143,916	2,379	8,908,773	9,055,068

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35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	Chinese Renminbi RM	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
30.4.2013				
Net financial (liabilities)/assets	(143,599)	(2,378)	567,041	421,064
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	143,599	2,378	(567,041)	(421,064)
Currency exposure	-	-	-	-

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)**(i) Foreign Currency Risk (Cont'd)***Foreign currency exposure (Cont'd)*

The Group	Chinese Renminbi RM	Hong Kong Dollar RM	United States Dollar RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
31.12.2011						
Financial assets						
Trade receivables	-	-	-	-	15,902,476	15,902,476
Other receivables and deposits	-	-	-	-	262,822	262,822
Fixed deposits with licensed banks	-	-	-	-	3,791,784	3,791,784
Cash and bank balances	322	26	-	-	1,169,573	1,169,921
	322	26	-	-	21,126,655	21,127,003

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	Chinese Renminbi RM	Hong Kong Dollar RM	United States Dollar RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
31.12.2011						
Financial liabilities						
Term loans	-	-	-	-	8,659,521	8,659,521
Revolving credits	-	-	-	-	926,964	926,964
Other payables and accruals	150,146	4,013	52,594	39,354	4,152,163	4,398,270
Bank overdrafts	-	-	-	-	2,315,023	2,315,023
	150,146	4,013	52,594	39,354	16,053,671	16,299,778

TECHNODEX BHD.(Incorporated in Malaysia)
Company No : 627634 - A**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	Chinese Renminbi RM	Hong Kong Dollar RM	United States Dollar RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
31.12.2011						
Net financial (liabilities)/assets	(149,824)	(3,987)	(52,594)	(39,354)	5,072,984	4,827,225
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	149,824	3,987	-	-	(5,072,984)	(4,919,173)
Currency exposure	-	-	(52,594)	(39,354)	-	(91,948)

TECHNODEX BHD.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)**(i) Foreign Currency Risk (Cont'd)***Foreign currency risk sensitivity analysis*

In the previous financial year, a 5% strengthening/weakening of the RM against the United States Dollar and Singapore Dollar as at the end of the reporting period would have immaterial impact on profit after taxation/equity. This assumes that all other variables remain constant.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 35.1(c) to the financial statements.

Interest rate risk sensitivity analysis

The analysis is not presented as the sensitivity impact is immaterial.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by four (4) customers which constituted approximately 62% of its trade receivables as at the end of the reporting period.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	30.4.2013 RM	31.12.2011 RM
Malaysia	7,055,039	15,902,476

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
30.4.2013				
Not past due	4,425,999	-	-	4,425,999
Past due:				
- less than 3 months	350,793	-	-	350,793
- 3 to 6 months	257,259	-	-	257,259
- 6 to 12 months	-	-	-	-
- over 1 year	5,822,256	(3,801,268)	-	2,020,988
	10,856,307	(3,801,268)	-	7,055,039
31.12.2011				
Not past due	1,691,665	-	-	1,691,665
Past due:				
- less than 3 months	1,113,961	-	-	1,113,961
- 3 to 6 months	2,697,566	-	-	2,697,566
- 6 to 12 months	6,476,609	-	-	6,476,609
- over 1 year	7,018,500	(3,095,825)	-	3,922,675
	18,998,301	(3,095,825)	-	15,902,476

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)**(iii) Ageing analysis**

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates, based on the rates at the end of the reporting period):-

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)****35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)**

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
30.4.2013						
Finance lease payable	5.59	1,369,710	1,470,810	588,324	882,486	-
Term loans	7.95	3,601,488	3,762,528	1,493,154	2,269,374	-
Other payables and accruals	-	4,083,870	4,083,870	4,083,870	-	-
		9,055,068	9,317,208	6,165,348	3,151,860	-
31.12.2011						
Term loans	7.60	8,659,521	10,565,292	2,499,119	6,523,461	1,542,712
Revolving credits	-	926,964	926,964	926,964	-	-
Other payables and accruals	-	4,398,270	4,398,270	4,398,270	-	-
Bank overdraft	7.60	2,315,023	2,315,023	2,315,023	-	-
		16,299,778	18,205,549	10,139,376	6,523,461	1,542,712

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)****35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)**

The Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
30.4.2013						
Other payables and accruals	-	1,217,057	1,217,057	1,217,057	-	-
Amount owing to subsidiaries	-	2,459,218	2,459,218	2,459,218	-	-
		3,676,275	3,676,275	3,676,275	-	-
31.12.2011						
Other payables and accruals	-	2,089,641	2,089,641	2,089,641	-	-
Amount owing to subsidiaries	-	1,782,761	1,782,761	1,782,761	-	-
		3,872,402	3,872,402	3,872,402	-	-

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

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The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group	
	30.4.2013 RM	31.12.2011 RM
Finance lease payable	1,369,710	-
Term loans	3,601,488	8,659,521
Revolving credits	-	926,964
Other payables and accruals	4,083,870	4,398,270
Bank overdrafts	-	2,315,023
	9,055,068	16,299,778
Less: Fixed deposits with licensed banks	(1,706,198)	(3,791,784)
Less: Cash and bank balances	(106,474)	(1,169,921)
	7,242,396	11,338,073
Net debt		
	13,440,038	22,030,159
Total equity		
	0.54	0.51
Debt-to-equity ratio		

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013****35. FINANCIAL INSTRUMENTS (CONT'D)****35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	The Group		The Company	
	30.4.2013 RM	31.12.2011 RM	30.4.2013 RM	31.12.2011 RM
Financial asset				
<u>Loans and receivables</u>				
<u>financial assets</u>				
Trade receivables	7,055,039	15,902,476	-	-
Other receivables and deposits	608,421	262,822	9,500	30,770
Fixed deposits with licensed banks	1,706,198	3,791,784	3,905	3,771
Cash and bank balances	106,474	1,169,921	1,006	1,007,949
	<u>9,476,132</u>	<u>21,127,003</u>	<u>14,411</u>	<u>1,042,490</u>
Financial liability				
<u>Other financial liabilities</u>				
Finance lease payable	1,369,710	-	-	-
Term loans	3,601,488	8,659,521	-	-
Revolving credits	-	926,964	-	-
Other payables and accruals	4,083,870	4,398,270	1,217,057	2,089,641
Amount owing to subsidiaries	-	-	2,459,218	1,782,761
Bank overdraft	-	2,315,023	-	-
	<u>9,055,068</u>	<u>16,299,778</u>	<u>3,676,275</u>	<u>3,872,402</u>

35.4 FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- The fair values of lease payable and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 30 APRIL 2013**

35. FINANCIAL INSTRUMENTS (CONT'D)**35.5 FAIR VALUE HIERARCHY**

At the end of the reporting period, there were no financial instruments carried at fair values.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (a) On 31 July 2012, the Company entered into a Sale and Purchase Agreement to dispose of the freehold land and building of the Company for a total consideration of RM3,500,000.
- (b) On 25 February 2013, the Board of Directors approved the Company to undertake the corporate proposal in respect of a renounceable rights issue together with free detachable warrants on the basis of one Rights Share together with one free Warrant for every three existing ordinary shares in the Company. The details of the corporate proposal are disclosed in Note 37 to the financial statements.

37. CORPORATE PROPOSAL

During the financial period, the Board of Directors approved the Company to undertake the corporate proposal in respect of a renounceable rights issue of up to 85,196,350 new ordinary shares of RM0.10 each in the Company ("Rights Share(s)") together with up to 85,196,350 free detachable warrants ("Warrant(s)") at an issue price of RM0.10 each on the basis of one Rights Share together with one free Warrant for every three existing ordinary shares of RM0.10 each in the Company, based on the minimum subscription level of 47,946,600 Rights Shares together with 47,946,600 Warrants.

The Company received a conditional approval via a letter dated 4 April 2013 from Bursa Malaysia Securities Berhad on the proposed corporate proposal.

Upon completion of the abovementioned corporate proposal, the Company is expected to raise an estimated gross proceeds of up to RM8,519,635 based on the indicative issue price of RM0.10 per Rights Share. The proceeds are expected to be utilised for the Group's business development expenditure, capital expenditure and for working capital purposes.

The corporate proposal has not been completed at the date of this report.

38. COMPARATIVE FIGURES

The Group and the Company changed their financial year end from 31 December to 30 April. Accordingly, the financial statements of the Group and the Company for the financial period ended 30 April 2013 cover a 16-month period from 1 January 2012 to 30 April 2013 as compared to the 12-month period from 1 January 2011 to 31 December 2011.

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**NOTES TO THE FINANCIAL STATEMENTS
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39. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the accumulated losses of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	30.4.2013 RM	31.12.2011 RM	30.4.2013 RM	31.12.2011 RM
Total accumulated losses: - realised	(29,759,432)	(28,172,330)	(17,603,963)	(10,447,783)
	(29,759,432)	(28,172,330)	(17,603,963)	(10,447,783)
Less: Consolidation adjustments	15,906,879	23,787,935	-	-
At 30.4.2013/31.12.2011	(13,852,553)	(4,384,395)	(17,603,963)	(10,447,783)

DIRECTORS' REPORT

TECHNODEX

TechnoDex Bhd 627634-A
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Date: 13 August 2013

Registered Office:
Third Floor, No79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor

To: The Shareholders of TechnoDex Bhd ("TDEX" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of TDEX ("Board"), I wish to report that after making due enquiries in relation to TDEX and its subsidiary companies ("Group") during the period between 30 April 2013, being the date on which the latest audited consolidated financial statements have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus, that:-

- (a) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;
- (b) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group, which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Abridged Prospectus, there are no material contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- (e) there have been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group since the last audited consolidated financial statements of TDEX; and
- (f) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of TDEX.

Yours faithfully,
For and on behalf of the Board
TECHNODEX BERHAD


HENG LING JY

Managing Director and Group Chief Executive Officer

ADDITIONAL INFORMATION**1. SHARE CAPITAL**

- i. Save for the Rights Shares, the Warrants and the new TDEX Shares to be issued arising from the exercise of the Warrants, no securities will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.
- ii. As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely the ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.
- iii. All the Rights Shares and the new TDEX Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing TDEX Shares, save and except that such Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of such Shares.
- iv. Save as disclosed below, as at the LPD, no person has been or is entitled to be granted an option to subscribe for any of our securities:-
 - a) the Entitled Shareholders, who will be entitled to the Provisional Rights Shares with Warrants with Warrants under the Rights Issue with Warrants.
- v. Save as disclosed below, as at the LPD, no securities of TDEX have been issued or are proposed or intended to be issued either as fully or partly paid-up in cash or otherwise than in cash within the two (2) years immediately preceding the date of this Abridged Prospectus:-
 - a) 21,062,500 new TDEX Shares issued pursuant to the private placement, which was completed on 19 January 2012;
 - b) the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants; and
 - c) the new TDEX Shares to be issued arising from the exercise of the Warrants.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

Article 86

Fees of Directors shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determined. Provided always that:-

- (a) Fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) Salaries payable to executive directors may not include a commission on or percentage of turnover;
- (c) Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) Any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 87 (1)

The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meeting of the Company.

Article 87 (2)

If any Director whether he holds an executive or non-executive position in the Company, being willing shall be called upon to perform extra services or to make any special arrangements in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing if he holds an executive position in the Company, either by a fixed sum of otherwise (other than by a sum to include a commission on or percentage of turnover) and if he holds a non-executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors.

Article 90

The remuneration of the Managing Director and/or Executive Directors may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover.

Article 92(1)(a)

Each Director shall have power from time to time to nominate any person, not being a director, to act as his alternate Director and at his discretion to remove such alternate Director and his appointment shall not take effect until approved by a majority of the other Directors. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

3. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

- i. On 31 July 2012, TDEX had entered into a sale and purchase agreement with Rizuke Asia Sdn. Bhd. ("**Rizuke**") for the disposal by TDEX to Rizuke of all that piece of land held under GRN244760 Lot 68105, Pekan Kinrara, Daerah Petaling, Negeri Selangor measuring approximately 240 square metres together with a three (3)-storey shop office known as Unit No. PA.07, Type Prima Avenue, Bandar Puchong Jaya, Parcel B, Phase CP04 bearing postal address No.10, Jalan Kenari, 12A, Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan for a total consideration of RM3,500,000 upon terms and conditions therein contained. The disposal is pending completion; and
- ii. The Deed Poll for the Warrants.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and after having made all reasonable enquiries, our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

5. GENERAL

- i. There is no existing or proposed service contract entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- ii. Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-
 - a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of fundings;
 - c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;
 - d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income; and
 - e) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Principal Adviser, Company Secretaries, Share Registrar, Principal Banker, the Solicitors for the Rights Issue with Warrants and Bloomberg LP have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names, the letter on the proforma consolidated statements of financial position of our Group as at 30 April 2013, the audited consolidated financial statements of our Group for the FYE 30 April 2013, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DECLARATIONS OF CONFLICT OF INTEREST

RHB Investment Bank confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Company for the Rights Issue with Warrants.

Messrs Tan, Goh and Associates confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Solicitors to our Company for the Rights Issue with Warrants.

Messrs CHI-LLTC (formerly known as LLTC) confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Reporting Accountants to our Company for the Rights Issue with Warrants.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

- i. Our Memorandum and Articles of Association;
- ii. The Reporting Accountants' letter on the proforma consolidated statements of financial position of our Group as at 30 April 2013 together with the notes prepared by Messrs CHI-LLTC, as set out in Appendix III of this Abridged Prospectus;
- iii. Our audited consolidated financial statements for the past two (2) financial years comprising FYE 31 December 2011 and FYE 30 April 2013;
- iv. The Directors' Report, as set out in Appendix V of this Abridged Prospectus;
- v. The letters of consent referred to in Section 6 of this Appendix;
- vi. The irrevocable undertaking letters from Tan Sze Chong, Heng Ling Jy and Kerk Han Meng referred to in Section 4 of this Abridged Prospectus;
- vii. The material contracts referred to in Section 3 of this Appendix; and
- viii. The Deed Poll.

9. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the accompanying NPA and RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHB Investment Bank, being our Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.

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