

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
which is integral to the announcement of quarterly report for period ended 31 December 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31-Dec-2012 RM'000	PRECEDING CORRESPONDING QUARTER ENDED 31-Dec-2011 RM'000	CURRENT YEAR TO DATE ENDED 31-Dec-2012 RM'000	PRECEDING YEAR TO DATE ENDED 31-Dec-2011 RM'000
<b>Continuing Operations</b>				
Revenue	471	1,283	5,822	13,029
Other operating income	(26)	1,169	192	1,633
Employee benefits	(662)	(559)	(2,592)	(2,905)
Depreciation & amortisation	(594)	(1,121)	(3,995)	(4,416)
Other operating expenses	160	(1,032)	(3,274)	(4,547)
<b>Profit/(Loss) from operations</b>	<b>(651)</b>	<b>(259)</b>	<b>(3,847)</b>	<b>2,795</b>
Finance costs	(100)	(206)	(687)	(863)
<b>Profit/(loss) before taxation</b>	<b>(751)</b>	<b>(466)</b>	<b>(4,534)</b>	<b>1,931</b>
Income tax expenses	-	-	-	46
<b>Profit/(loss) for the year/(period)</b>	<b>(751)</b>	<b>(466)</b>	<b>(4,534)</b>	<b>1,978</b>
<b>Other Comprehensive income</b>				
- Currency translation difference not recognised in income statement	-	(164)	-	(164)
<b>Total comprehensive income for the financial year/(period)</b>	<b>(751)</b>	<b>(630)</b>	<b>(4,534)</b>	<b>1,813</b>
<b>Profit Attributable to:</b>				
Equity holders of the Company	(751)	(466)	(4,534)	1,978
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	(751)	(630)	(4,534)	1,813
<b>Earning/(Loss) per share (sen)</b>				
- Basic	(0.29)	(0.27)	(1.77)	0.78
- Diluted	(0.29)	(0.27)	(1.77)	0.78

The unaudited Condensed Consolidated Income Statements should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

TECHNODEX BHD ("TB" or "Company")

Company No. 627634-A

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

which is integral to the announcement of quarterly report for period ended 31 December 2012

	UNAUDITED AS AT END OF CURRENT QUARTER AT 31-Dec-2012 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 31-Dec-2011 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED AT 1-Jan-2011 RM'000
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	2,609	2,956	3,412
Goodwill on consolidation	1,559	1,559	1,559
Development costs	1,077	577	4,202
Other intangible assets	10,272	12,279	10,053
	<u>15,517</u>	<u>17,371</u>	<u>19,226</u>
<b>Current Assets</b>			
Trade receivables	9,181	17,005	13,917
Other receivables, deposits and prepayments	2,530	497	612
Tax recoverable	11	12	13
Fixed deposits with licensed banks	3,847	3,792	4,377
Cash and bank balances	173	1,170	2,162
	<u>15,743</u>	<u>22,476</u>	<u>21,081</u>
<b>Total Assets</b>	<u><u>31,261</u></u>	<u><u>39,847</u></u>	<u><u>40,307</u></u>
<b>Equity and Liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share Capital	25,559	24,652	22,739
Share Premium	1,135	1,136	746
Exchange fluctuation reserve	613	858	791
Retained (Loss)/Profits	(8,919)	(4,456)	(6,473)
<b>Total Equity</b>	<u>18,388</u>	<u>22,190</u>	<u>18,017</u>
<b>Non-current and deferred liabilities</b>			
Long term borrowings	6,851	6,807	5,164
Government grant	370	490	360
	<u>7,221</u>	<u>7,297</u>	<u>5,524</u>
<b>Current Liabilities</b>			
Other payables and accruals	3,388	5,248	6,237
Short term borrowings	-	2,779	6,176
Bank overdraft	2,252	2,315	4,289
Provision for taxation	12	18	64
	<u>5,651</u>	<u>10,360</u>	<u>16,766</u>
<b>Total Liabilities</b>	<u>12,872</u>	<u>17,657</u>	<u>22,290</u>
<b>Total Equity and Liabilities</b>	<u><u>31,261</u></u>	<u><u>39,847</u></u>	<u><u>40,307</u></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<u>0.07</u>	<u>0.09</u>	<u>0.08</u>

The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**TECHNODEX BHD ("TB" or "Company")**  
**Company No. 627634-A**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**which is integral to the announcement of quarterly report for period ended 31 December 2012**

	<b>UNAUDITED CURRENT YEAR TO DATE ENDED 31-Dec-2012 RM'000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 31-Dec-2011 RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
Profit/(loss) before tax	(4,534)	1,931
Adjustment for non-cash items	2,329	4,044
Operating profit/(loss) before working capital changes	<u>(2,205)</u>	<u>5,975</u>
Changes in working capital:		
Net change in current assets	6,733	(2,066)
Net change in current liabilities	4,785	(988)
<b>Cash flows from/(used in) operations</b>	<u>9,312</u>	<u>2,921</u>
Tax paid	(3)	1
Interest paid	(587)	(863)
<b>Net cash from/(used in) operating activities</b>	<u>8,722</u>	<u>2,059</u>
<b>Cash flows for investing activities</b>		
Proceeds from disposal of equipment	-	3
Purchase of property, plant and equipment	(141)	(173)
Intangible assets/Development costs incurred	(1,077)	(2,435)
Interest received	192	61
<b>Net cash used in investing activities</b>	<u>(1,026)</u>	<u>(2,544)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	906	2,199
Bonus issue expenses	-	-
Net drawdown/(repayment) of term loans	19	(1,433)
Net (repayment)/drawdown of revolving credits	(175)	(1,921)
Repayment of hire purchase and finance lease payables	-	(361)
Grant received	-	600
<b>Net cash (used in)/from financing activities</b>	<u>750</u>	<u>(916)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,447	(1,401)
Foreign reserve	10	(164)
Restructure of bank overdraft to term loan	-	1,962
Cash and cash equivalents at beginning of the financial period	2,647	2,250
<b>Cash and cash equivalents at end of the financial period</b>	<u>11,104</u>	<u>2,647</u>
<b>Cash and cash equivalents at the end of the financial period comprises the following :-</b>		
Fixed deposits with licensed banks	3,847	3,792
Cash and bank balances	173	1,170
Bank overdraft	(2,252)	(2,315)
	<u>1,769</u>	<u>2,647</u>

The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
which is integral to the announcement of quarterly report for period ended 31 December 2012

	← Attributable to Equity Holders of the Company →					Total RM'000
	Share Capital RM'000	Non-Distributable Share Premium RM'000	Other reserves RM'000	Exchange fluctuation reserve RM'000	Distributable Retained Profits RM'000	
At 1 Jan 2012	24,652	1,136	-	626	(4,384)	22,030
Currency translation difference not recognised in income statement	-	-	-	10	-	10
Loss after taxation for the financial period	-	-	-	-	(4,534)	(4,534)
<b>Total Comprehensive income for the year</b>	-	-	-	10	(4,534)	(4,524)
Issuance of ordinary shares pursuant to:-						
- Private placement	906	-	-	-	-	906
<b>Total Transactions with owners</b>	906	-	-	-	-	906
At 31 December 2012	<u>25,558</u>	<u>1,136</u>	<u>-</u>	<u>636</u>	<u>(8,918)</u>	<u>18,412</u>
At 1 Jan 2011	22,739	746	215	790	(6,473)	18,017
Currency translation difference not recognised in income statement	-	-	-	(164)	-	(164)
Profit after taxation for the financial period	-	-	-	-	1,978	1,978
<b>Total Comprehensive income for the year</b>	-	-	-	(164)	1,978	1,814
Issuance of ordinary shares pursuant to:-						
- ESOS	713	286	-	-	-	999
- Bonus issue	-	-	-	-	-	-
- Private placement	1,200	-	-	-	-	1,200
Transfer from other reserves to share premium	-	104	(104)	-	-	-
Transfer from other reserves to retained earnings upon ESOS expired	-	-	(111)	-	111	-
<b>Total Transactions with owners</b>	1,913	390	(215)	-	111	2,199
At 31 December 2011	<u>24,652</u>	<u>1,136</u>	<u>-</u>	<u>626</u>	<u>(4,384)</u>	<u>22,030</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

**A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

These interim financial statements are the Group’s first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial statements, are consistent with those of the audited financial statements for the year ended 31 December 2011.

The interim financial report should be read in conjunction with the latest audited consolidated financial statements of Technodex Bhd (“TB”) for the financial year ended 31 December 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

The accounting policies and methods of computation adopted in the condensed financial statement are consistent with those adopted for the annual financial statement for the year ended 31 December 2011.

**A2. Changes in accounting policies**

As at the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>		<b>Effective for annual periods beginning on or after</b>
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) and October 2010)	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	1 January 2013

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Amendments to MFRS 101	Financial Liabilities Presentation of Items of Other Comprehensive Income	1 July 2012
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<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>		<b>Effective for annual periods beginning on or after</b>
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

The Group plans to apply the abovementioned MFRSs (and its consequential amendments) and Interpretations in the respective annual periods based on their effective dates and applicability.

The initial application of the above applicable standards (and its consequential amendments) and interpretations, is not expected to have any material impact on the financial statements of the Group.

### **A3. Audit Report of Preceding Annual Financial Statements**

The audited annual financial statements for the period ended 31 December 2011 were not subject to any qualification.

### **A4. Comments on Seasonal or Cyclical Factors**

The results of the Group were not significantly affected by any seasonal or cyclical factors during the current quarter under review and the financial year-to-date.

### **A5. Nature and Amount of Exceptional and Extraordinary Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter under review and the financial year-to-date.

### **A6. Material Changes in Estimates**

There were no material changes in the estimates used for the preparation of this interim financial report.

### **A7. Debts and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

### **A8. Dividend**

There were no dividends paid during the current quarter under review and the financial year-to-date.

### **A9. Segmental Information**

The Group operates in a single line of business, namely the provision of Open Source Based Business Software and as such, segment reporting by business segment is not prepared.

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In determining the geographical segments of the Group, segmental revenue is based on the country in which the customer is located.

The Group derives revenue from customers in the following geographical areas:

Revenue	Current Quarter	Preceding Corresponding Period To date	9 MONTHS Current Year To Date	9 MONTHS Preceding Corresponding Period To date
	Ended 31/12/12 RM'000	Ended 31/12/11 RM'000	Ended 31/12/12 RM'000	Ended 31/12/11 RM'000
Malaysia	471	1,283	5,822	13,029

Information on the segment results have not been presented as the operating expenses of the Group are mostly incurred in Malaysia and therefore could not be allocated to the respective geographical area.

**A10. Valuation of Property, plant and equipment**

There were no changes in the valuation of property, plant and equipment reported in the previous audited financial statements that will have an effect in the financial quarter under review.

**A.11 Material Events Subsequent To The End of The Quarter**

Save as disclosed in Note B8 and B11, there were no material events subsequent to the end of the quarter under review.

**A12. Changes in Composition of the Group**

There were no changes in the composition of the Group in the current quarter under review.

**A13. Contingent Assets or Liabilities**

There were no contingent assets or contingent liabilities as at 30 September 2012.

**A14. Capital Commitments**

There were no capital commitments for the period under review.

**A15. Related Party Transactions**

There were no related party transactions entered into in the current quarter under review and the financial year-to-date.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET**

**B1. Review of Performance**

For the current third quarter ended 31 December 2012 (“4Q12”), the Group recorded revenue of RM5.822 million compared to RM13.029 million in preceding year corresponding quarter (“4Q11”). The Group has significantly decreased its revenue by 55% due to contract expired at beginning of the year and new contracts sealed in the this quarter.

For 4Q12 the Group recorded loss before taxation (“LBT”) of RM4.534 million compared to profit before taxation of RM1.978 million in the 4Q11. The Group also recorded loss after taxation of RM4.534 million for 4Q12 compared to profit after taxation of RM1.978 million in the 4Q11.

**B2. Comparison with Preceding Quarter’s Results**

	<b>Quarter ended 31/12/2012 RM’000</b>	<b>Quarter ended 30/09/2012 RM’000</b>	<b>Changes (%)</b>	<b>Quarter ended 31/12/2011 RM’000</b>	<b>Current Year To Date 31/12/2012 RM’000</b>
Revenue	471	1,920	75%	1,283	5,822
Profit/(Loss) before taxation	(751)	(629)	19%	(466)	(4,534)

For the current quarter, there are significant changes as compared with preceding quarter in revenue. The Group recorded revenue and LBT of RM0.471 million and RM0.751 Million respectively for quarter ended 31/12/2012. In the preceding quarter, the Group recorded revenue and PBT of RM1.283 million and RM0.466 Million respectively.

**B3. Commentary on Prospects**

The Board of Directors and Management note that the recent operation loss recorded in financial period ended 31 December 2012 and business operation requires stringent monitoring and controls to ensure operation sustainability. Various strategies have been put in place to ascertain business revival. Thus far, the Group has shown effects of various revival strategies. Contracts secured in this quarter indicated positive stability of The Group and the Board is confident that The Group will record positive result.

**B4 Profit Forecast and Profit Guarantee**

The Group neither announced any profits forecast nor profit guarantee during the financial quarter under review.



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**B5. Loss for the period**

	<b>Current Quarter 31.12.2012 RM'000</b>	<b>Current Year To Date 31.12.2012 RM'000</b>
Loss before taxation is stated after charging/(crediting):		
Amortization of intangible assets	772	3,507
Depreciation of property, plant and equipment	122	484
Interest expenses	100	687
Amortization of government grant	(60)	(180)
Interest income	9	7

**B6. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Quarter Ended 31/12/12 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/12/11 RM'000</b>	<b>Current Year To Date Ended 31/12/12 RM'000</b>	<b>Preceding Corresponding Period To date Ended 31/12/11 RM'000</b>
Taxation	-	(1)	-	(1)

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 2010. The Company is in the process of applying for an extension of the Pioneer Status incentive.

A subsidiary of the Company was granted the MSC Malaysia Status on 6 November 2002 and the Pioneer Status on 26 March 2003, which qualifies the subsidiary 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 26 March 2008 to 25 March 2013.

The taxation charge is in respect of interest income earned by the Company.

**B7. Corporate Proposals**

There were no corporate proposal announced but not completed prior to the date of issuance of this quarterly report

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**B8. Borrowings and Debt Securities**

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 December 2012:

	<b>As At End Of Current Quarter Ended 31 December 2012 (RM'000)</b>	<b>As At End Of Preceding Financial Period Ended 31 December 2011 (RM'000)</b>
<b>Short term borrowings:-</b>		
<b>Secured:</b>		
<b>Other borrowings:-</b>		
Term Loan	-	2,779
Bank overdrafts	2,252	2,315
	<u>2,252</u>	<u>5,094</u>
<b>Long term borrowings:-</b>		
<b>Secured:</b>		
Term Loan	6,851	6,807
	<u><u>6,851</u></u>	<u><u>6,807</u></u>

**B9. Material Litigation**

The Group has not been involved in any material litigation since the last Balance Sheet date as at 31 December 2011.

**B11. Dividend**

The Board of Directors does not recommend any dividend for the current quarter under review and the financial year-to-date.

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**B12. Earnings Per Share**

The earnings per share have been calculated based on the (loss)/profit after taxation divided by the weighted average number of ordinary shares as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 December 2012	Preceding Corresponding Quarter Ended 31 December 2011	Current Period To Date Ended 31 December 2012	Preceding Financial Period To date Ended 31 December 2011
(Loss)/Profit After Taxation (RM'000)	(751)	(630)	(4,534)	1,813
Weighted Average Number of Ordinary Shares in issue of RM0.10 each ('000)	255,589	234,526	255,589	231,607
Basic (loss)/ earnings per share (sen)	(0.29)	(0.27)	(1.77)	0.78
Weighted Average Number of Ordinary Shares after effect of Employee Share Option Scheme ('000)	255,589	234,526	255,589	231,607
Diluted (loss)/ earnings per share (sen)	(0.29)	(0.27)	(1.77)	0.78

**B13. Disclosure of Realised and Unrealised earnings**

The breakdown of the retained profits of the Group as at 30 September 2012, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	As At End Of Current Quarter Ended 31 Dec 12 (RM'000)	As At End Of Preceding Financial Period to date Ended 31 Dec 11 (RM'000)
Total (accumulated loss)/retained profits:		
- realised	(8,919)	(4,495)
Total share of loss of an associate:		
- realised	-	-
	(8,919)	(4,495)
Less: Consolidation adjustments	-	111
At 31 December	(8,919)	(4,384)

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The determination of realised and unrealised profits or losses is compiled based on Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Main Market Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.