

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		3 months ended	
		31-Jul-2014 RM'000 (Unaudited)	31-Jul-2013 RM'000 (Audited)	31-Jul-2014 RM'000 (Unaudited)	31-Jul-2013 RM'000 (Audited)
Revenue	B1	3,732	3,224	3,732	3,224
Other operating income		53	1	53	1
Employee benefits		(1,114)	(1,065)	(1,114)	(1,065)
Depreciation & amortisation		(1,018)	(757)	(1,018)	(757)
Other operating expenses		(1,471)	(1,911)	(1,471)	(1,911)
<b>Profit/(Loss) from operations</b>		182	(509)	182	(509)
Finance costs		(64)	(108)	(64)	(108)
<b>Profit/(loss) before taxation</b>	B2	118	(617)	118	(617)
Income tax recover/ (expenses)	B5	(29)	-	(29)	-
<b>Profit/(loss) for the year/(period)</b>		88	(617)	88	(617)
<b>Other Comprehensive income</b>					
- Currency translation difference not recognised in income statement			-		-
<b>Total comprehensive income for the financial year/(period)</b>		88	(617)	88	(617)
<b>Profit Attributable to:</b>					
Equity holders of the Company		88	(617)	88	(617)
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		88	(617)	88	(617)
<b>Earning/(Loss) per share (sen)</b>					
- Basic	B10	0.03	(0.24)	0.03	(0.24)
- Diluted	B10	0.03	(0.24)	0.03	(0.24)

**Note:**

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 30 April 2014.

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

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As At 31-07-2014 RM'000	Audited As At 30-4-2014 RM'000
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		765	812
Goodwill on consolidation		1,559	1,559
Other intangible assets		10,524	9,681
<b>Total Non-current Assets</b>		12,849	12,052
<b>Current Assets</b>			
Trade receivables		4,933	4,298
Other receivables, deposits and prepayments		2,267	3,090
Fixed deposits with licensed banks		7,155	7,107
Cash and bank balances		704	1,776
<b>Total Current Assets</b>		15,058	16,271
<b>Total Assets</b>		27,908	28,322
<b>Equity and Liabilities</b>			
Share capital		34,079	34,079
Share premium		695	695
Foreign exchange translation reserve		672	675
Accumulated (losses)		(14,201)	(14,290)
<b>Total Equity</b>		21,245	21,158
<b>Non-current Liabilities</b>			
Hire purchase payables	B7	656	898
<b>Total Non-current Liabilities</b>		656	898
<b>Current Liabilities</b>			
Trade payables		1,521	1,592
Other payables & accruals		1,694	1,678
Hire purchase payables	B7	947	934
Term loans		1,807	2,047
Provision for taxation	B5	37	15
<b>Total Current Liabilities</b>		6,007	6,266
<b>Total Liabilities</b>		6,663	7,164
<b>Total Equity and Liabilities</b>		27,908	28,322
<b>Net assets per share attributable to ordinary equity holders of the parent company (RM)</b>		0.06	0.06

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2014 and the accompanying notes attached to this interim financial report)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	3 months ended 31-Jul-2014 Unaudited RM'000	3 months ended 31-Jul-2013 Audited RM'000
<b>Cash flows from/(for) operating activities</b>		
Profit/ (Loss) before taxation	118	(617)
Adjustment for:-		
Allowance for impairment loss on trade receivables	-	-
Reversal of allowance for impairment loss on trade receivables	-	-
Depreciation and amortisation	1,018	757
Interest expenses	64	215
Waiver of debts	-	-
Interest income	(51)	(1)
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	1,149	354
(Increase)/ Decrease in trade and other receivables	188	(1,652)
Increase/ (Decrease) in trade and other payables	(54)	2,114
<b>Cash flows from/(for) operating activities</b>	<hr/> 1,283	<hr/> 816
Interest paid	(64)	(108)
Income tax paid	(8)	-
<b>Net cash from/(for) operating activities</b>	<hr/> 1,211	<hr/> 708
<b>Cash flows from/(for) investing activities</b>		
Interest income received	51	1
Purchase of property, plant and equipment	(2)	(0)
Purchase of intangible assets	(1,814)	-
<b>Net cash from/(for) investing activities</b>	<hr/> (1,765)	<hr/> 1
<b>Cash flows from/(for) financing activities</b>		
Proceeds from issuance of shares	-	-
Repayment of hire purchase	(229)	(196)
Repayment of term loans	(240)	(392)
<b>Net cash from/(for) financing activities</b>	<hr/> (469)	<hr/> (588)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(1,023)	120
Effects of foreign exchange translation	(2)	(1)
Cash and cash equivalents at beginning of the financial year	8,883	1,813
<b>Cash and cash equivalents at end of the financial period</b>	<hr/> 7,859	<hr/> 1,932
<b>Cash and cash equivalents at the end of the financial period comprises the following :-</b>		
Fixed deposits with licensed banks	7,155	1,706
Cash and bank balances	704	225
	<hr/> 7,859	<hr/> 1,932

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2014 and the accompanying notes attached to this interim financial report.)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →			→ Distributable →	
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance at 1 May 2014	34,079	695	675	(14,290)	21,159
Profit for the financial year	-	-	-	88	88
Other comprehensive income for the financial year					
- Foreign currency translation differences	-	-	(2)	-	(2)
<b>Total comprehensive income for the year</b>	-	-	(2)	88	86
Contributions by the owners of the Company					
- Right issue	-	-	-	-	-
<b>Total Transactions with owners</b>	-	-	-	-	-
Balance at 31 July 2014	<u>34,079</u>	<u>695</u>	<u>672</u>	<u>(14,201)</u>	<u>21,245</u>
Balance at 1 May 2013	25,559	1,135	598	(13,853)	13,440
Loss for the financial year	-	-	-	(617)	(617)
Other comprehensive income for the financial year					
- Foreign currency translation differences	-	-	0	-	0
<b>Total comprehensive income/(expense) for the financial year</b>	-	-	0	(617)	(617)
Contributions by the owners of the Company					
- Issuance of shares	-	-	-	-	-
- Right issue	-	-	-	-	-
Balance at 30 Apr 2014	<u>25,559</u>	<u>1,135</u>	<u>598</u>	<u>(14,471)</u>	<u>12,821</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2014 and the accompanying explanatory notes attached to the interim financial statements.

# **TECHNODEX BHD**

**(Company No. 627634-A)**

**(Incorporated in Malaysia)**

## **UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014**

### **PART A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting**

#### **A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standard ("MFRS") No. 134: Interim Financial Reporting, and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR").

The interim financial report should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2014 and the accompanying notes attached to this interim financial report.

#### **A2. Changes in accounting policies**

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 30 April 2013.

The adoption of the following MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on 1 January 2014 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendment to MFRS 10, : Consolidated Financial Statements Investment Entities  
MFRS 12, MFRS 127

Amendment to MFRS 132 : Financial Instruments Presentation – Offsetting Financial Assets  
and Financial Liabilities

Amendment to MFRS 136 : Impairment of Assets – Recoverable Amount Disclosure for Non-  
Financial Assets

Amendment to MFRS 139 : Financial Instrument – Recognition and Measurement - Novation  
of Derivatives and Continuation of Hedge Accounting

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

The audited annual financial statements for the year 30 April 2014 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.

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## **UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014**

### **PART A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting**

#### **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.

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

The Group's segmental information by geographical location is not shown as the activities of the Group are in Malaysia.

#### **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 Current Period**

Save as disclosed in Note B6, there were no material events subsequent to the end of the current period under review.

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

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

#### **A13. Contingent Assets or Liabilities**

There were no changes in contingent liabilities and contingent assets since the end of the last annual reporting period.

#### **A14. Capital Commitments**

There were no capital commitments for the period under review.

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## **UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014**

**PART A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting**

### **A15. Related Party Transactions**

The Directors are of the opinion that the Group has no related party transactions entered into in the current quarter under review and the financial year-to-date.

# TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia)

## UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

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

#### B1. Review of Performance

	INDIVIDUAL QUARTER ENDED		VARIANCE	
	31/07/14	31/07/13		
	Unaudited	Audited		
	RM'000	RM'000	RM'000	%
Revenue	3,732	3,224	509	16%
Profit/ (Loss) before Tax	118	(617)	735	119%

The Group recorded revenue of RM3.732 million for current quarter ended 31 July 2014, which is higher by 16% as compared to RM3.224 million for the quarter ended 31 July 2013.

The Group's profit before tax (PBT) for the current quarter ended 31 July 2014 was RM0.118 million, having a turnaround of RM0.735 million compared to a loss before tax of RM0.617 million for the quarter ended 31 July 2013. During the period under review, there were no factors or circumstances that significantly affected its revenue, costs or profit margins.

#### B2. Variation of Results against Preceding Quarter

	INDIVIDUAL QUARTER ENDED		Variance	
	Current Quarter	Preceding Quarter		
	31/07/14	30/04/14		
	RM'000	RM'000	RM'000	%
Revenue	3,732	2,816	916	33%
Profit/ (Loss) before Tax	118	121	(3)	-3%

For the current quarter under review, there has been a slight increase in revenue to RM3.732 million as compared to RM2.816 million recorded in the preceding quarter ended 30 April 2014. However, the PBT recorded a slight decrease of 3% to RM0.118 million in the current quarter as compared with preceding quarter. Included in PBT for the current quarter under review is a professional fee for corporate exercise as stated in B6 amounting to RM61,000.

#### B3. Commentary on Prospects

Moving forward, the Group will focus on the development and future growth of its existing businesses and the coming new projects despite the challenging global and local economic outlook. The Group is positioned to weather these uncertainties in view of its order book which includes hardware support maintenance and software renewal contract, outsourcing contract and application development contract awarded for the next two years. These projects are expected to contribute positively to the revenue and earnings of the Group.

Our management remains committed to the growth strategy which focuses on a prudent and cohesive expansion in activities closely correlated with the Group's core competencies. The Group will continue to tender for more IT contracts.

The Group's prospects for the year 2015 are expected to remain positive.



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## UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

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

#### B4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

#### B5. Taxation

	Current Quarter	Cumulative Quarter Ended
	31/07/14	31/07/14
	Unaudited	Unaudited
	RM'000	RM'000
Income tax		
- Current provision	29	29
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	29	29

The subsidiaries income taxes were calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period.

The effective tax rate of the Group for the current and previous corresponding quarters were higher than the statutory tax rate of the respective year principally due to certain expenses which were not deductible for tax purposes.

The Company was granted the MSC Malaysia Status and the Pioneer Status on 20 April 2010, 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 2010 to 19 April 2015.

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

#### B6. Corporate Proposals

The Company announced that it had on 7 May 2014 entered into a Heads of Agreement with Chong Eng Yeau and Pang Kim Huay (collectively, the "Controlling Shareholders") with the intention to invest in Zeal Systems (M) Sdn. Bhd., MYZSM Sdn. Bhd. and E-Tech IT Solution Pte. Ltd. by way of subscription of 55% equity interest in a private limited company to be formed by the Controlling Shareholders under the Companies Act, 1965 ("SPV") for an aggregate subscription price of RM2,200,000 ("HOA") ("Proposed Subscription").

As of the date of announcement, the proposed subscription has not been completed.

# TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia)

## UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

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

#### B7. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 July 2014 are as follows:

	As at 31 July 2014 (RM'000)	As at 31 July 2013 (RM'000)
<b>Secured borrowings:-</b>		
<b>Current:</b>		
Term Loan	1,807	1,325
Hire Purchase Payable	947	610
	<b>2,755</b>	<b>1,935</b>
<b>Non-Current:</b>		
Term Loan	-	1,967
Hire Purchase Payable	656	588
	<b>656</b>	<b>2,555</b>
<b>Total</b>	<b>3,411</b>	<b>4,490</b>

#### B8. Material Litigation

There were no material litigations as at the date of this report.

#### B9. 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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## UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

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

#### B10. 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:

	Current year quarter	Current year to date
	31/07/14	31/07/14
	Unaudited	Unaudited
(Loss)/Profit After Taxation (RM'000)	88	88
Weighted Average Number of Ordinary Shares in issue of RM0.10 each ('000)	340,785	340,785
Basic (loss)/ earnings per share (sen)	0.03	0.03
Weighted Average Number of Ordinary Shares after effect of rights issue of shares with free warrant ('000)	340,785	340,785
Diluted (loss)/ earnings per share (sen)	0.03	0.03

# TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia)

## UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

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

#### B11. Disclosure of Realised and Unrealised earnings

The breakdown of the retained profits of the Group as at 31 July 2014, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	Three month			
	Current Quarter Ended	Preceding Quarter Ended	Cumulative Quarter Ended	Preceding Cumulative Quarter Ended
	31/07/14	31/07/13	31/07/14	31/07/13
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Total (accumulated loss)/retained earnings of the Company and its subsidiary companies:				
- realised	(14,201)	(14,471)	(14,201)	(14,471)
Total share of loss of an associate:				
- realised	-	-	-	-
	(14,201)	(14,471)	(14,201)	(14,471)
Less: Consolidation adjustments	-	-	-	-
Group's retained profits/ (Loss) as per consolidated financial statements	(14,201)	(14,471)	(14,201)	(14,471)

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 ACE 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.

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(Company No. 627634-A)

(Incorporated in Malaysia)

## UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2014

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

#### B12 Status of Utilization of Proceeds

Status of utilization of Proceeds derived from the rights issue of 85,196,350 shares by the Company as at 31 July 2014 is as follow:-

	Proposed Utilisation	Actual Utilisation	Unutilised Proceed	Deviation	Timeframe for the utilisation of proceed
	RM'000	RM'000	RM'000	RM'000	
Business development expenditure	3,500	(61)	3,439	-	Within 18 months
Capital expenditure	2,500	(2,500)	-	-	Within 12 months
Working capital	2,020	(2,020)	-	-	Within 12 months
Expenses in relation to the Rights Issue with Warrant	500	(500)	-	-	Within 1 month
	8,520	(5,081)	3,439	-	

\* Excess of the amounts allocated will be utilised for meeting general working capital requirements as disclosed in the Prospectus in relation to the right issue dated 27 August 2013.