

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		12 months ended	
		30/04/2015 RM'000 (Unaudited)	30/04/2014 RM'000 (Audited)	30/04/2015 RM'000 (Unaudited)	30/04/2014 RM'000 (Audited)
Revenue	B1	9,489	2,945	20,164	12,636
Other operating income		1,692	90	1,783	543
Employee benefits		(1,260)	(1,097)	(3,962)	(4,477)
Depreciation & amortisation		(797)	(1,186)	(3,605)	(3,652)
Other operating expenses		(8,538)	(684)	(13,433)	(5,229)
Profit/(Loss) from operations		586	68	947	(178)
Finance costs		(36)	(35)	(177)	(188)
Profit/(loss) before taxation	B2	550	33	770	(366)
Income tax recover/ (expenses)	B5	(327)	-	(442)	(71)
Profit/(loss) for the year/(period)		223	33	328	(437)
Other Comprehensive income					
- Currency translation difference not recognised in income statement		0	10	-	76
Total comprehensive income for the financial year/(period)		224	43	328	(361)
Profit/ (Loss) Attributable to:					
Owner of the Parent		(238)	33	(252)	(437)
Non-controlling interest		462	-	579	-
		223	33	328	(437)
Total comprehensive income attributable to :					
Owner of the Parent		(238)	43	(252)	(361)
Non-controlling interest		462	-	579	-
		224	43	328	(361)
Earning/(Loss) per share (sen)					
- Basic	B10	(0.06)	0.01	(0.07)	(0.14)
- Diluted	B10	(0.05)	0.01	(0.05)	(0.14)

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.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As At 30/04/2015 RM'000	Audited As At 30/04/2014 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		1,239	812
Goodwill on consolidation		2,714	1,559
Development costs		-	-
Other intangible assets		9,672	9,681
Total Non-current Assets		13,624	12,052
Current Assets			
Trade receivables		4,211	4,298
Other receivables, deposits and prepayments		5,708	3,090
Tax refundable		-	-
Fixed deposits with licensed banks		4,324	7,107
Cash and bank balances		1,984	1,776
Total Current Assets		16,227	16,271
Total Assets		29,851	28,322
Equity and Liabilities			
Share capital		37,539	34,078
Share premium		1,853	695
Foreign exchange translation reserve		675	675
Accumulated (losses)		(14,541)	(14,290)
Non controlling interest		1,202	-
Total Equity		26,728	21,158
Non-current Liabilities			
Hire purchase payables	B7	-	898
Deferred tax liability		76	-
Total Non-current Liabilities		76	898
Current Liabilities			
Trade payables		373	1,592
Other payables & accruals		1,633	1,678
Bank overdraft		0	-
Hire purchase payables	B7	865	934
Term loans		-	2,047
Provision for taxation	B5	176	15
Total Current Liabilities		3,048	6,266
Total Liabilities		3,123	7,164
Total Equity and Liabilities		29,851	28,322
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.07	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 FOURTH QUARTER ENDED 31 JANUARY 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Year ended 30/04/2015 Unaudited RM'000	Year ended 30/04/2014 Audited RM'000
Cash flows from/(for) operating activities		
Profit/ (Loss) before taxation	770	(366)
Adjustment for:-		
Allowance for impairment loss on trade receivables	22	10
Reversal of allowance for impairment loss on trade receivables	-	(3,801)
Depreciation and amortisation	3,605	3,652
Interest expenses	173	188
Waiver of debts	13	(454)
Interest income	(18)	(144)
Written off of plant and equipment	87	-
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Operating profit/(loss) before working capital changes	4,652	(916)
(Increase)/ Decrease in trade and other receivables	(1,238)	5,932
Increase/ (Decrease) in trade and other payables	(1,430)	(332)
	<hr/>	<hr/>
Cash flows from/(for) operating activities	1,983	4,684
Interest income	18	144
Interest paid	(173)	(188)
Income tax refund	33	-
Income tax paid	(232)	(49)
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Net cash from/(for) operating activities	1,630	4,591
Cash flows from/(for) investing activities		
Purchase of property, plant and equipment	(284)	(478)
Purchase of intangible assets	(3,350)	(1,376)
Acquisition of subsidiaries, net of cash acquired	(2,063)	-
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Net cash from/(for) investing activities	(5,698)	(1,854)
Cash flows from/(for) financing activities		
Proceeds from issuance of shares	4,619	8,079
Advances from/ (to) directors	(43)	-
Repayment of hire purchase	(967)	(1,118)
Repayment of term loans	(2,116)	(2,704)
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Net cash from/(for) financing activities	1,493	4,257
Net increase/(decrease) in cash and cash equivalents	(2,575)	6,994
Effects of foreign exchange translation	-	76
Cash and cash equivalents at beginning of the financial year	8,883	1,813
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Cash and cash equivalents at end of the financial period	6,309	8,883
Cash and cash equivalents at the end of the financial period comprises the following :-		
Fixed deposits with licensed banks	4,324	7,107
Cash and bank balances	1,984	1,776
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	6,309	8,883

(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 FOURTH QUARTER ENDED 30 APRIL 2015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →			Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Non-Controlling Interest RM'000	
Balance at 1 May 2014	34,078	695	675	(14,290)	-	21,158
Profit for the financial year	-	-	-	(252)	-	(252)
Other comprehensive income for the financial year - Foreign currency translation differences	-	-	(0)	-	-	(0)
- Minority interest	-	-	-	-	1,202	1,202
Total comprehensive income for the year	-	-	(0)	(252)	1,202	950
Contributions by the owners of the Company	-	-	-	-	-	-
Share issued pursuant to the exercise of warrants conversion	53	5	-	-	-	58
Share issued pursuant to private placement	3,408	1,363	-	-	-	4,771
Private placement expenses	-	(210)	-	-	-	(210)
Total Transactions with owners	3,461	1,158	-	-	-	4,619
Balance at 30 April 2015	<u>37,539</u>	<u>1,853</u>	<u>675</u>	<u>(14,541)</u>	<u>1,202</u>	<u>26,727</u>
Balance at 1 May 2013	25,559	1,135	598	(13,853)	-	13,440
Loss for the financial year	-	-	-	(437)	-	(437)
Other comprehensive income for the financial year - Foreign currency translation differences	-	-	76	-	-	76
Total comprehensive income/(expense) for the financial year	-	-	76	(437)	-	(361)
Contributions by the owners of the Company	-	-	-	-	-	-
- Right issue	8,520	(440)	-	-	-	8,079
Balance at 30 Apr 2014	<u>34,078</u>	<u>695</u>	<u>675</u>	<u>(14,290)</u>	<u>-</u>	<u>21,158</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 Fourth Quarter Ended 30 April 2015

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.

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Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 April 2015

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 or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 April 2015 save for the following:-

Details of shares issued during the quarter ended 30 April 2015

	<u>Number of Shares</u>
Balance as at 31 January 2015	341,315,400
Shares issued from private placement	<u>34,078,500</u>
Balance as at 30 April 2015	<u><u>375,393,900</u></u>

A8. Dividend

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

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Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 April 2015

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

A9. Segmental Information

a) Analysis of revenue by product categories

Quarter Ended 30 April 2015	Application & development RM'000	Support & Maintenance RM'000	Outsourcing Manpower RM'000	Eliminations RM'000	Total RM'000
Sales	2,506	54	6,929	-	9,489
Intersegment sales	-	-	(47)	47	-
	2,506	54	6,881	47	9,489
Results					
Interest Income	33	0	-	-	33
Interest expenses	(17)	-	(15)	-	(32)
Depreciation & amortisation	(744)	(12)	(40)	-	(797)
Income Tax expenses	(51)	22	(298)	-	(326)
Segment profit/(loss) after tax	(477)	(5)	676	(2)	223
Year Ended 30 April 2015	Application & development RM'000	Support & maintenance RM'000	Outsourcing Manpower RM'000	Eliminations RM'000	Total RM'000
Sales	11,282	202	8,679	-	20,164
	11,282	202	8,679	-	20,164
Segment results					
Interest Income	121	0	-	-	121
Interest expenses	(150)	-	(23)	-	(173)
Depreciation & amortisation	(3,505)	(59)	(40)	-	(3,605)
Income Tax expenses	(83)	27	(386)	-	(442)
Profit/(loss) after tax	(696)	88	938	(2)	328

b) 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.

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

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.

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.

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Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 April 2015

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

B1. Review of Performance

RM'000	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30/04/15	30/04/14	RM'000	%
	Unaudited	Audited		
Revenue	9,489	2,945	6,544	222%
Profit/ (Loss) before Tax	550	33	517	1567%

The Group recorded revenue of RM9.489 million for the current quarter ended 30 April 2015, representing an increase of 222% as compared with a revenue of RM2.945 million recorded in the last corresponding quarter ended 30 April 2014. The increase was mainly attributable to the consolidation of the revenue of the Company's newly acquired subsidiary which contributed RM6.8 million to the total revenue of the Group.

The Group's profit before tax (PBT) for the current quarter ended 30 April 2015 was RM0.550 million, an increase of 1567% as compared to a PBT of RM0.033 million in the last corresponding quarter ended 30 April 2014. The increase in PBT was mainly due to increase in revenue during the period under review.

During the period under review, there were no other factors or circumstances that have significantly affected its revenue, costs or profit margins.

B2. Variation of Results against Preceding Quarter

	INDIVIDUAL QUARTER ENDED		Variance	
	Current Quarter	Preceding Quarter	RM'000	%
	30/04/15	31/01/15		
	RM'000	RM'000		
Revenue	9,489	4,109	5,381	131%
Profit/ (Loss) before Tax	550	15	535	3553%

For the current quarter under review, there has been an increase in revenue to RM9.489 million as compared to RM4.109 million recorded in the preceding quarter ended 31 January 2015. The PBT recorded an increase of 3553% to RM0.550 million in the current quarter as compared with preceding quarter ended 31 January 2015.

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

B3. Commentary on Prospects

Moving forward, the Group will focus on the development and future growth of its existing business 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, 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.

The Group's management remains committed to the growth strategy which focuses on a prudent and cohesive expansion in activities closely co-related 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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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
	30/04/15	30/04/15
RM'000	Unaudited	Unaudited
Income tax		
- Current provision	327	442
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	327	442

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

There were no corporate proposals announced but not completed.

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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 30 April 2015 are as follows:

	As at 30/04/2015	As at 30/04/2014
	(RM'000)	(RM'000)
Secured borrowings:-		
Current:		
Term Loan	-	2,047
Hire Purchase Payable	865	934
Bank overdraft	-	-
	865	2,982
Non-Current:		
Term Loan	-	-
Hire Purchase Payable	-	898
	-	-
	-	898
Total	865	3,879

B8. Material Litigation

There was no material litigation 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 Fourth Quarter Ended 30 April 2015

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

B10. Earnings per Share

The basic earnings per share is calculated based on Group's net loss attributable to the owners of the parent of approximately RM0.238 million for the current quarter and net loss attributable to the owners of RM0.252 million for the current year-to-date, divided by the weighted average number of ordinary shares of RM0.10 each in issue for the current quarter and cumulative year to date of 372,270,119 and 348,462,496 respectively as follows:-

	Current quarter	Current year to date
	30/04/15	30/04/15
	Unaudited	Unaudited
Net profit/ (loss) attributable to ordinary equity holders of the parent (RM'000)	(238)	(252)
Weighted Average Number of Ordinary Shares in issue of RM0.10 each	372,270,119	348,462,496
Basic (loss)/ earnings per share (sen)	(0.06)	(0.07)
Weighted Average Number of Ordinary Shares after conversion of all outstanding warrants	460,060,250	460,060,250
Diluted (loss)/ earnings per share (sen)	(0.05)	(0.05)

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Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 April 2015

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 30 April 2015, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	Year Ended	Year Ended
	30/04/15	30/04/14
	Unaudited	Audited
	RM'000	RM'000
Total (accumulated loss)/retained earnings of the Company and its subsidiary companies:		
- realised	(14,603)	(14,290)
Total share of loss of an associate:		
- realised	-	-
	(14,603)	(14,290)
Less: Consolidation adjustments	-	-
Group's retained profits/ (Loss) as per consolidated financial statements	(14,603)	(14,290)

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.

B12 Status of Utilization of Proceeds

Status of utilization of Proceeds derived from the private placement of 34,078,500 shares by the Company as at 30 April 2015 is as follow:-

	Proposed Utilisation	Actual Utilisation	Unutilised Proceed	Timeframe for the utilisation of proceed
	RM'000	RM'000	RM'000	
Working capital/ future investment	4,421	(1,232)	3,189	Within 24 months
Expenses in relation to the private placement	350	(210)	140	Immediately
	4,771	(1,442)	3,328	

* In the event that no suitable investment projects are indentified, the entire amount will be utilised for working capital purpose.