

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		6 months ended	
		31/10/2015 RM'000 (Unaudited)	31/10/2014 RM'000 (Audited)	31/10/2015 RM'000 (Unaudited)	31/10/2014 RM'000 (Audited)
Revenue	B1	6,410	2,833	12,045	6,565
Other operating income		26	19	53	72
Employee benefits		(1,556)	(576)	(3,052)	(1,690)
Depreciation & amortisation		(796)	(904)	(1,615)	(1,922)
Other operating expenses		(3,784)	(1,234)	(6,675)	(2,705)
Profit/(Loss) from operations		302	138	756	320
Finance costs		(10)	(51)	(20)	(115)
Profit before taxation	B2	292	87	736	205
Income tax recover /(expenses)	B5	30	(22)	(80)	(51)
Profit/(loss) for the year/(period)		322	65	656	154
Other Comprehensive income					
- Currency translation difference not recognised in income statement		-	-	-	-
Total comprehensive income for the financial year/(period)		322	65	656	154
Profit/ (Loss) Attributable to:					
Owner of the Parent		20	65	53	154
Non-controlling interest		302	-	603	-
		322	65	656	154
Total comprehensive income attributable to :					
Owner of the Parent		20	65	53	154
Non-controlling interest		302	-	603	-
		322	65	656	154
Earning/(Loss) per share (sen)					
- Basic	B10	0.01	0.02	0.01	0.05
- Diluted	B10	0.00	0.02	0.01	0.05

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 2015.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As At 31/10/2015 RM'000	Audited As At 30/04/2015 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		1,155	1,239
Goodwill on consolidation		2,714	2,714
Development costs		-	-
Other intangible assets		8,846	9,672
Total Non-current Assets		12,715	13,624
Current Assets			
Trade receivables		4,902	4,211
Other receivables, deposits and prepayments		8,846	5,708
Tax refundable		-	-
Fixed deposits with licensed banks		3,144	4,324
Cash and bank balances		1,066	1,984
Total Current Assets		17,958	16,227
Total Assets		30,673	29,851
Equity and Liabilities			
Share capital		37,539	37,539
Share premium		1,823	1,853
Foreign exchange translation reserve		675	675
Accumulated (losses)		(14,486)	(14,541)
Non controlling interest		1,804	1,202
Total Equity		27,355	26,728
Non-current Liabilities			
Hire purchase payables		-	-
Deferred tax liability	B7	76	76
Total Non-current Liabilities		76	76
Current Liabilities			
Trade payables		615	373
Other payables & accruals		2,056	1,633
Bank overdraft		-	0
Hire purchase payables	B7	377	865
Term loans		-	-
Provision for taxation	B5	195	176
Total Current Liabilities		3,243	3,048
Total Liabilities		3,319	3,123
Total Equity and Liabilities		30,673	29,851
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.07	0.07

(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 2015 and the accompanying notes attached to this interim financial report)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Year ended 31/10/2015 Unaudited RM'000	Year ended 31/10/2014 Audited RM'000
Cash flows from/(for) operating activities		
Profit/ (Loss) before taxation	736	205
Adjustment for:-		
Allowance for impairment loss on trade receivables	-	-
Depreciation and amortisation	1,540	1,922
Interest expenses	20	115
Waiver of debts	-	-
Interest income	(53)	(67)
Written off of plant and equipment	-	-
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	2,244	2,175
(Increase)/ Decrease in trade and other receivables	(3,829)	(573)
Increase/ (Decrease) in trade and other payables	2,164	843
Cash flows from/(for) operating activities	<hr/> 579	<hr/> 2,445
Interest income	53	67
Interest paid	(20)	(115)
Income tax refund	-	-
Income tax paid	(61)	(12)
Net cash from/(for) operating activities	<hr/> 550	<hr/> 2,385
Cash flows from/(for) investing activities		
Purchase of property, plant and equipment	(16)	(212)
Purchase of intangible assets	(2,115)	(2,133)
Acquisition of subsidiaries, net of cash acquired	-	(1,913)
Net cash from/(for) investing activities	<hr/> (2,130)	<hr/> (4,258)
Cash flows from/(for) financing activities		
Proceeds from issuance of shares	-	-
Repayment of hire purchase	(488)	(461)
Repayment of term loans	-	(2,047)
Expenses on ESOS & M&A	(30)	-
Net cash from/(for) financing activities	<hr/> (518)	<hr/> (2,508)
Net increase/(decrease) in cash and cash equivalents	(2,098)	(4,381)
Effects of foreign exchange translation	-	(2)
Cash and cash equivalents at beginning of the financial year	6,308	8,883
Cash and cash equivalents at end of the financial period	<hr/> 4,210	<hr/> 4,500
Cash and cash equivalents at the end of the financial period comprises the following :-		
Fixed deposits with licensed banks	3,144	1,930
Cash and bank balances	1,066	2,784
Bank overdraft	-	(214)
	<hr/> 4,210	<hr/> 4,500

(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 2015 and the accompanying notes attached to this interim financial report.)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 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 2015	37,539	1,853	675	(14,541)	1,201	26,728
Profit for the financial year	-	-	-	53		53
- Minority interest	-	-	-	-	603	603
Total comprehensive income for the year	-	-	-	53	603	656
Contributions by the owners of the Company	-	(30)	-	-	-	(30)
ESOS expenses	-	(30)	-	-	-	(30)
Total Transactions with owners	-	(30)	-	-	-	(30)
Balance at 31 July 2015	<u>37,539</u>	<u>1,823</u>	<u>675</u>	<u>(14,487)</u>	<u>1,804</u>	<u>27,354</u>
Balance at 1 May 2014	34,078	695	675	(14,290)	-	21,158
Loss for the financial year	-	-	-	(251)	579	328
Contributions by the owners of the Company	-	-	-	-	622	622
- Acquisition of a subsidiary	-	-	-	-	622	622
- Issuance of shares	3,408	-	-	-	-	3,408
- Conversion of warrants	53	1,158	-	-	-	1,211
	3,461	1,158	-	-	622	5,241
Balance at 31 April 2015	<u>37,539</u>	<u>1,853</u>	<u>675</u>	<u>(14,541)</u>	<u>1,201</u>	<u>26,728</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 Second Quarter Ended 31 October 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 2015 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 2014.

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 2015 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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PART A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

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 31 October 2015.

A8. Dividend

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

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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	Application Support & Services	Manpower Outsourcing	Technology Licensing	Others	Investment Holding	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 October 2015							
Sales	2,451	2,918	1,004	37	-	-	6,410
Intersegment sales	-	-	-	-	-	-	-
	2,451	2,918	1,004	37	-	-	6,410
Results							
Interest Income	1	5	-	-	22	(2)	26
Interest expenses	(8)	(4)	-	-	-	2	(10)
Depreciation & amortisation	801	(6)	(75)	(9)	(1,507)	-	(796)
Income Tax expenses	-	30	-	-	-	-	30
Segment profit/(loss) after tax	323	201	572	22	(770)	(27)	322
Year to date Ended							
31 October 2015							
Sales	5,364	5,633	1,004	71	-	-	12,072
Intersegment sales	-	-	-	-	-	(27)	(27)
	5,364	5,633	1,004	71	-	(27)	12,045
Segment results							
Interest Income	2	5	-	-	48	(2)	53
Interest expenses	(18)	(4)	-	-	-	2	(20)
Depreciation & amortisation	(476)	(14)	(75)	(19)	(1,031)	-	(1,615)
Income Tax expenses	-	(80)	-	-	-	-	(80)
Profit/(loss) after tax	1,267	812	596	19	(2,037)	-	657

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 Second Quarter Ended 31 October 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	
	31/10/2015	31/10/2014	RM'000	%
	Unaudited	Audited		
Revenue	6,410	2,833	3,577	126%
Profit/ (Loss) before Tax	292	87	205	235%

The Group recorded revenue of RM6.41 million for the current quarter ended 31st October 2015, representing an increase of 126% as compared to RM2.833 million recorded in the last corresponding quarter ended 31st October 2014. The increase was attributed to the consolidation of revenues generated from application support & services, manpower outsourcing, and technology licensing segments.

The Group's profit before tax (PBT) for the current quarter ended 31st October 2015 was RM0.291 million, an increase of 234% as compared to RM0.087 million recorded in the last corresponding quarter ended 31st October 2014. The increase in PBT was mainly due to the increase in revenue in the quarter under review.

B2. Variation of Results against Preceding Quarter

	INDIVIDUAL QUARTER ENDED		Variance	
	Current Quarter	Preceding Quarter	RM'000	%
	31/10/2015	31/07/2015		
	RM'000	RM'000		
Revenue	6,410	5,635	775	14%
Profit/ (Loss) before Tax	292	446	(154)	-35%

Revenue in the quarter under review has increased 14% from RM 5.635 million to RM6.41 million from the previous quarter. However, the PBT has decreased 35% from RM0.446 million to RM0.291 million. The decrease in PBT is due to slight increase in operating expenditure in terms of 1) cost of sales, in the manpower outsourcing segment; 2) purchase of supplies, in the application support & maintenance segment; and 3) corporate activities. The costs incurred are not repetitive in nature. There was no other factor or circumstances that have significantly affected the Group's costs or profit margins.

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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

In view of the uncertainties and challenges ahead, the Group will focus on the development and future growth of its existing businesses both locally and globally. The Group is positioned to weather these uncertainties by focusing in growth strategy which focuses on a prudent and cohesive expansion in activities closely correlated with the Group's core competencies. The Group will continue maintain existing revenue and customer bases, and develop other revenue streams.

Moving forward, the Group's prospects for the financial year ending 30 April 2016 will remain moderately positive.

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
	31/10/2015	31/10/2015
RM'000	Unaudited	Unaudited
Income tax		
- Current provision/ (recover)	(30)	80
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	(30)	80

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.

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 31 October 2015 are as follows:

	As at 31/10/2015	As at 31/10/2014
	(RM'000)	(RM'000)
Secured borrowings:-		
Current:		
Term Loan	-	68
Hire Purchase Payable	377	961
Bank overdraft	-	214
	377	1,243
Non-Current:		
Term Loan	-	-
Hire Purchase Payable	-	411
	-	411
Total	377	1,654

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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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 profit attributable to the owners of the parent of approximately RM0.019 million for the current quarter and net profit attributable to the owners of RM0.054 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 375,393,900 as follows:-

	Current quarter	Current year to date
	31/07/2015	31/07/2015
	Unaudited	Unaudited
Net profit/ (loss) attributable to ordinary equity holders of the parent (RM'000)	19	54
Weighted Average Number of Ordinary Shares in issue of RM0.10 each	375,393,900	375,393,900
Basic (loss)/ earnings per share (sen)	0.01	0.01
Weighted Average Number of Ordinary Shares after conversion of all outstanding warrants	460,060,250	460,060,250
Diluted (loss)/ earnings per share (sen)	0.00	0.01

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

	Period Ended	Period Ended
	31/10/2015	31/10/2014
	Unaudited	Audited
	RM'000	RM'000
Total (accumulated loss)/retained earnings of the Company and its subsidiary companies:		
- realised	(14,486)	(14,136)
Total share of loss of an associate:		
- realised	-	-
	(14,486)	(14,136)
Less: Consolidation adjustments	-	-
Group's retained profits/ (Loss) as per consolidated financial statements	(14,486)	(14,136)

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 31 October 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	4,561	(2,143)	2,418	Within 24 months
Expenses in relation to the private placement	210	(210)	-	Immediately
	4,771	(2,353)	2,418	

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