

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		3 months ended	
		31/07/2016 RM'000 (Unaudited)	31/07/2015 RM'000 (Audited)	31/07/2016 RM'000 (Unaudited)	31/07/2015 RM'000 (Audited)
Revenue	B1	7,209	5,635	7,209	5,635
Other operating income		3	27	3	27
Employee benefits		(1,881)	(1,496)	(1,881)	(1,496)
Depreciation & amortisation		(754)	(819)	(754)	(819)
Other operating expenses		(3,491)	(2,891)	(3,491)	(2,891)
<b>Profit/(Loss) from operations</b>		1,086	456	1,086	456
Finance costs		(2)	(10)	(2)	(10)
<b>Profit before taxation</b>	B2	1,084	446	1,084	446
Income tax recover /(expenses)	B5	(205)	(110)	(205)	(110)
<b>Profit/(loss) for the year/(period)</b>		879	336	879	336
<b>Other Comprehensive income</b>					
- Currency translation difference not recognised in income statement		-	-	-	-
<b>Total comprehensive income for the financial year/(period)</b>		879	336	879	336
<b>Profit/ (Loss) Attributable to:</b>					
Owner of the Parent		69	35	69	35
Non-controlling interest		810	301	810	301
		879	336	879	336
<b>Total comprehensive income attributable to :</b>					
Owner of the Parent		69	35	69	35
Non-controlling interest		810	301	810	301
		879	336	879	336
<b>Earning/(Loss) per share (sen)</b>					
- Basic	B10	0.02	0.01	0.02	0.01
- Diluted	B10	0.01	0.01	0.01	0.01

**Note:**

The unaudited Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 and the accompanying note attached to this interim financial report.

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2016**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As At 31/07/2016 RM'000	Audited As At 30/04/2016 RM'000
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		1,297	1,080
Goodwill on consolidation		2,714	2,714
Development costs		-	-
Other intangible assets		10,850	10,047
<b>Total Non-current Assets</b>		<b>14,861</b>	<b>13,841</b>
<b>Current Assets</b>			
Trade receivables		13,468	11,647
Other receivables, deposits and prepayments		3,476	2,257
Inventory		250	-
Tax refundable		-	-
Fixed deposits with licensed banks		600	600
Cash and bank balances		7,101	4,293
<b>Total Current Assets</b>		<b>24,895</b>	<b>18,797</b>
<b>Total Assets</b>		<b>39,756</b>	<b>32,638</b>
<b>Equity and Liabilities</b>			
Share capital		41,293	37,539
Share premium		1,817	1,853
Foreign exchange translation reserve		676	676
Accumulated (losses)		(14,182)	(14,251)
Non controlling interest		5,294	4,485
<b>Total Equity</b>		<b>34,898</b>	<b>30,301</b>
<b>Non-current Liabilities</b>			
Hire purchase payables	B7	778	-
Deferred tax liability		61	61
<b>Total Non-current Liabilities</b>		<b>839</b>	<b>61</b>
<b>Current Liabilities</b>			
Trade payables		557	187
Other payables & accruals		2,716	1,806
Bank overdraft		-	0
Hire purchase payables	B7	462	174
Term loans		-	-
Provision for taxation	B5	285	109
<b>Total Current Liabilities</b>		<b>4,020</b>	<b>2,276</b>
<b>Total Liabilities</b>		<b>4,859</b>	<b>2,337</b>
<b>Total Equity and Liabilities</b>		<b>39,756</b>	<b>32,638</b>
<b>Net assets per share attributable to ordinary equity holders of the parent company (RM)</b>		<b>0.08</b>	<b>0.08</b>

(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 2016 and the accompanying notes attached to this interim financial report)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Period ended 31/07/2016 Unaudited RM'000	Period ended 31/07/2015 Audited RM'000
<b>Cash flows from/(for) operating activities</b>		
Profit/ (Loss) before taxation	1,084	446
Adjustment for:-		
Depreciation and amortisation	754	819
Interest expenses	3	10
Interest income	(2)	(27)
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	1,839	1,248
(Increase)/ Decrease in trade and other receivables	(3,040)	(1,817)
Increase/ (Decrease) in trade and other payables	1,279	(152)
(Increase)/ Decrease in inventory	(251)	-
<b>Cash flows from/(for) operating activities</b>	<hr/>	<hr/>
	(173)	(721)
Interest income	3	27
Interest paid	(2)	(10)
Income tax refund	1	10
Income tax paid	(30)	-
<b>Net cash from/(for) operating activities</b>	<hr/>	<hr/>
	(202)	(694)
<b>Cash flows from/(for) investing activities</b>		
Purchase of property, plant and equipment	(276)	(11)
Purchase of intangible assets	(1,499)	(516)
Acquisition of subsidiaries, net of cash acquired	-	-
<b>Net cash from/(for) investing activities</b>	<hr/>	<hr/>
	(1,775)	(527)
<b>Cash flows from/(for) financing activities</b>		
Proceeds from issuance of shares	3,942	-
Proceeds from hire purchase	1,260	-
Repayment of hire purchase	(195)	(242)
Repayment of term loans	-	-
Share Issue expenses	(224)	(30)
<b>Net cash from/(for) financing activities</b>	<hr/>	<hr/>
	4,783	(272)
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,807	(1,493)
Effects of foreign exchange translation	-	-
Cash and cash equivalents at beginning of the financial year	4,894	6,309
<b>Cash and cash equivalents at end of the financial period</b>	<hr/>	<hr/>
	7,701	4,815
<b><u>Cash and cash equivalents at the end of the financial period comprises the following :-</u></b>		
Fixed deposits with licensed banks	600	3,951
Cash and bank balances	7,101	864
	<hr/>	<hr/>
	7,701	4,815

(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 2016 and the accompanying notes attached to this interim financial report.)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company			Distributable	Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Foreign Exchange Translation Reserve			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 May 2016	37,539	1,853	676	(14,251)	4,485	30,301
Profit for the financial year	-	-	-	69	810	879
Other comprehensive income for the financial year - Foreign currency translation differences	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	69	810	879
Contributions by the owners of the Company						
Issuance of shares	3,754	(36)	-	-	-	3,718
<b>Total Transactions with owners</b>	3,754	(36)	-	-	-	3,718
Balance at 31 July 2016	<u>41,293</u>	<u>1,817</u>	<u>676</u>	<u>(14,182)</u>	<u>5,295</u>	<u>34,898</u>
Balance at 1 May 2015	37,539	1,853	675	(14,541)	1,202	26,727
Profit for the financial year	-	-	-	290	1,783	2,073
Other comprehensive income for the financial year - Foreign currency translation differences	-	-	1	-	-	1
Contributions by the owners of the Company						
- Acquisition of a subsidiary	-	-	-	-	1,500	1,500
- Issuance of shares	-	-	-	-	-	-
- Conversion of warrants	-	-	-	-	-	-
	-	-	-	-	1,500	1,500
Balance at 30 April 2016	<u>37,539</u>	<u>1,853</u>	<u>676</u>	<u>(14,251)</u>	<u>4,485</u>	<u>30,301</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 2016 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 2016**

### **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 2016 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 2016.

The adoption of the following MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on 1 May 2015 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 2016 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.

# **TECHNODEX BHD**

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

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## **Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2016**

### **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**

During the quarter under review, the Company issued 37,539,390 new ordinary shares of RM0.10 each via a private placement exercise at an issued price of RM0.105 per share.

There were no issuance or repayment of debt, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 July 2016.

#### **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 First Quarter Ended 31 July 2016**

**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	E-Commerce	Others	Investment Holding	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31 July 2016</b>							
Sales	937	4,628	1,500	144	-	-	7,209
Intersegment sales	-	139	-	-	-	(139)	-
	<u>937</u>	<u>4,767</u>	<u>1,500</u>	<u>144</u>	<u>-</u>	<u>(139)</u>	<u>7,209</u>
<b>Results</b>							
Interest Income	22	-	-	-	15	(35)	2
Interest expenses	(2)	-	(1)	-	-	-	(3)
Depreciation & amortisation	(240)	(5)	(84)	(1)	(424)	-	(754)
Income Tax expenses	(49)	(155)	-	-	-	-	(204)
Segment profit/(loss) after tax	<u>157</u>	<u>469</u>	<u>1,279</u>	<u>(59)</u>	<u>(968)</u>	<u>-</u>	<u>878</u>

Year to date Ended	Application Support & Services	Manpower Outsourcing	E-Commerce	Others	Investment Holding	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31 July 2016</b>							
Sales	937	4,628	1,500	144	-	-	7,209
Intersegment sales	-	139	-	-	-	(139)	-
	<u>937</u>	<u>4,767</u>	<u>1,500</u>	<u>144</u>	<u>-</u>	<u>(139)</u>	<u>7,209</u>
<b>Segment results</b>							
Interest Income	22	-	-	-	15	(35)	2
Interest expenses	(2)	-	(1)	-	-	-	(3)
Depreciation & amortisation	(240)	(5)	(84)	(1)	(424)	-	(754)
Income Tax expenses	(49)	(155)	-	-	-	-	(204)
Profit/(loss) after tax	<u>157</u>	<u>469</u>	<u>1,279</u>	<u>(59)</u>	<u>(968)</u>	<u>-</u>	<u>878</u>

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.

# **TECHNODEX BHD**

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

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## **Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2016**

### **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 except that SurfsTek Resources (R&D) Sdn. Bhd., a subsidiary of the Company has:

- (i) on 12 May 2016, acquired 2 ordinary shares of RM1.00 each in Hotelsurfs Sdn. Bhd., representing 100% of the issued and paid up share capital of Hotelsurfs Sdn. Bhd. for a total consideration of RM2.00.
- (ii) on 26 May 2016, acquired 2 ordinary shares of RM1.00 each in SurfsTek Innovation Sdn. Bhd., representing 100% of the issued and paid up share capital for a total consideration of RM2.00.

#### **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 Group has no related party transactions transpired this quarter under review and the current financial year-to-date.



# TECHNODEX BHD

(Company No. 627634-A)

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## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2016

### 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	
	31/07/2016	31/07/2015	RM'000	%
	Unaudited	Audited		
Revenue	7,209	5,635	1,574	28%
Profit before Tax	1,084	446	638	143%

The Group recorded revenue of RM7.209 million for the current quarter ended 31 July 2016, representing an increase of 28% as compared to RM5.635 million recorded in the last corresponding quarter ended 31 July 2015. The increase was mainly attributable to the consolidation of the revenue of the outsourcing manpower segment and E-commerce segment which contributed RM4.767 million and RM1.5 million to the total revenue of the Group during the quarter ended 31 July 2016.

Concurrently, the Group's profit before tax (PBT) for the current quarter ended 31 July 2016 was RM1.084 million, an increase of 143% as compared to RM0.446 million recorded in the last corresponding quarter ended 31 July 2015. The increase in PBT was mainly due to the increase in revenue during the period under review.

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

	INDIVIDUAL QUARTER ENDED		Variance	
	Current Quarter	Preceding Quarter	RM'000	%
	31/07/2016	30/04/2016		
	RM'000	RM'000		
Revenue	7,209	5,794	1,415	24%
Profit before Tax	1,084	774	310	40%

Revenue in the quarter under review has increase by 24% from RM5.794 million to RM7.209 million as compared to the previous quarter. The PBT has increased 40% from RM0.774 million to RM1.084 million.

# TECHNODEX BHD

(Company No. 627634-A)

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## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2016

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

#### B3. Commentary on Prospects

The Group is positioned to weather the economic uncertainties by focusing in growth strategy which focuses on a prudent and cohesive expansion in activities closely correlated with the Group's core competencies. In anticipation the slowdown, the Group will engage in development of new ICT products (vertical solutions) and services, targeting at the government sector, financial institutions and property industries. The new products and services will allow the Group to penetrate into new market space that in turns will bring forth new income streams to the Group.

The Group is confidence to perform satisfactorily amidst of the economy uncertainty by taking pragmatic and well strategized action plans towards maintaining financial performance of the Group.

#### 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
	31/07/2016	31/07/2016
RM'000	Unaudited	Unaudited
Income tax		
- Current provision	205	205
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	205	205

The subsidiaries income taxes were calculated at the Malaysian statutory tax rate of 24% or 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.

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## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2016

### B6. Corporate Proposals

The Board of Directors of the Company had on 4 February 2016 announced that the Company had proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company to investor(s) to be identified later (“Proposed Private Placement”).

The listing application in relation to the Proposed Private Placement has been submitted to Bursa Securities on 2 March 2016.

Bursa Securities had, vide its letter dated 18 April 2016 approved the listing and quotation of up to 39,939,750 shares of the Company to be issued pursuant to the Proposed Private Placement subject to the conditions stated therein.

The Private Placement has been completed, following the listing and quotation for 37,539,390 placement shares on the ACE Market of Bursa Securities on 4 July 2016.

### B7. Borrowings and Debt Securities

Details of the Group’s borrowings as at 31 July 2016 are as follows:

	As at 31/07/2016	As at 31/07/2015
	(RM’000)	(RM’000)
<b>Secured borrowings :-</b>		
<b>Current:</b>		
Hire Purchase Payable	462	623
	<b>462</b>	<b>623</b>
<b>Non-Current:</b>		
Hire Purchase Payable	778	-
	<b>778</b>	-
<b>Total</b>	<b>1,240</b>	<b>623</b>

### 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.

# TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia)

## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2016

### 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 RM0.69 million for the current quarter under review and net profit attributable to the owners of RM0.69 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 412,933,290 as follows:-

	Current quarter	Current year-to-date
	31/07/2016	31/07/2016
	Unaudited	Unaudited
Net profit/ (loss) attributable to ordinary equity holders of the parent (RM'000)	69	69
Weighted Average Number of Ordinary Shares in issue of RM0.10 each	385,706,919	385,706,919
Basic (loss)/ earnings per share (sen)	0.02	0.02
Weighted Average Number of Ordinary Shares after conversion of all outstanding warrants	497,599,640	497,599,640
Diluted (loss)/ earnings per share (sen)	0.01	0.01

# TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia)

## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2016

### 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 2016, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	As at 31/7/2016 Unaudited RM'000
Total (accumulated loss)/retained earnings of the Company and its subsidiary companies:	
- realised	(14,182)
Total share of loss of an associate:	
- realised	-
	(14,182)
Less: Consolidation adjustments	-
Group's retained profits/ (Loss) as per consolidated financial statements	(14,182)

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 Utilisation of Proceeds

Status of utilisation of Proceeds derived from the private placement of 37,539,390 shares by the Company as at 31 July 2016 is as follow:-

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceed RM'000	Timeframe for the utilisation of proceed
Working capital	2,188	-	2,188	Within 12 months
Business development expenditure	1,554	-	1,554	Within 12 months
Expenses in relation to the Private Placement	200	117	83	Upon completion
Total	3,942	117	3,825	

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