

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		3 months ended	
		31/07/2017 RM'000 (Unaudited)	31/07/2016 RM'000 (Audited)	31/07/2017 RM'000 (Unaudited)	31/07/2016 RM'000 (Audited)
Revenue	B1	14,552	7,209	14,552	7,209
Other operating income		30	3	30	3
Employee benefits		(1,597)	(1,881)	(1,597)	(1,881)
Depreciation & amortisation		(480)	(754)	(480)	(754)
Other operating expenses		(11,944)	(3,491)	(11,944)	(3,491)
<b>Profit/(Loss) from operations</b>		561	1,086	561	1,086
Finance costs		(45)	(2)	(45)	(2)
<b>Profit before taxation</b>	B2	516	1,084	516	1,084
Income tax recover /(expenses)	B5	(104)	(205)	(104)	(205)
<b>Profit/(loss) for the year/(period)</b>		412	879	412	879
<b>Other Comprehensive income</b>					
- Currency translation difference not recognised in income statement		-	-	-	-
<b>Total comprehensive income for the financial year/(period)</b>		412	879	412	879
<b>Profit/ (Loss) Attributable to:</b>					
Owner of the Parent		78	69	78	69
Non-controlling interest		334	810	334	810
		412	879	412	879
<b>Total comprehensive income attributable to :</b>					
Owner of the Parent		78	69	78	69
Non-controlling interest		334	810	334	810
		412	879	412	879
<b>Earning/(Loss) per share (sen)</b>					
- Basic	B10	0.02	0.02	0.02	0.02
- Diluted	B10	0.02	0.01	0.02	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 2017 and the accompanying note attached to this interim financial report.

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

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2017**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As At 31/07/2017 RM'000	Audited As At 30/04/2017 RM'000
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		1,338	1,378
Intangible asset			
Goodwill on consolidation		2,714	2,714
Other intangible assets		15,306	13,754
<b>Total Non-current Assets</b>		<b>19,358</b>	<b>17,846</b>
<b>Current Assets</b>			
Trade receivables		12,657	16,498
Other receivables, deposits and prepayments		4,359	4,240
Inventory		878	1,033
Current tax asset		461	239
Fixed deposits with licensed banks		2,685	2,307
Cash and bank balances		2,617	2,205
<b>Total Current Assets</b>		<b>23,657</b>	<b>26,521</b>
<b>Total Assets</b>		<b>43,015</b>	<b>44,367</b>
<b>Equity and Liabilities</b>			
Share capital		41,293	41,293
Share premium		1,325	1,304
Foreign exchange translation reserve		-	-
Accumulated (losses)		(13,068)	(13,146)
Non controlling interest		6,691	6,357
<b>Total Equity</b>		<b>36,241</b>	<b>35,808</b>
<b>Non-current Liabilities</b>			
Hire purchase payables	B7	1,455	1,774
Deferred tax liability		63	63
<b>Total Non-current Liabilities</b>		<b>1,519</b>	<b>1,837</b>
<b>Current Liabilities</b>			
Trade payables		1,566	902
Other payables & accruals		2,036	4,142
Hire purchase payables	B7	1,350	1,476
Provision for taxation	B5	304	202
<b>Total Current Liabilities</b>		<b>5,256</b>	<b>6,722</b>
<b>Total Liabilities</b>		<b>6,775</b>	<b>8,559</b>
<b>Total Equity and Liabilities</b>		<b>43,015</b>	<b>44,367</b>
<b>Net assets per share attributable to ordinary equity holders of the parent company (RM)</b>		<b>0.09</b>	<b>0.09</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 2017 and the accompanying notes attached to this interim financial report)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Period ended 31/07/2017 Unaudited RM'000	Period ended 31/07/2016 Audited RM'000
<b>Cash flows from/(for) operating activities</b>		
Profit/ (Loss) before taxation	516	1,084
Adjustment for:-		
Depreciation and amortisation	480	754
Interest income	(30)	3
Interest expenses	45	(2)
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	1,011	1,839
(Increase)/ Decrease in trade and other receivables	3,722	(3,040)
Increase/ (Decrease) in trade and other payables	(1,442)	1,279
(Increase)/ Decrease in inventory	155	(251)
<b>Cash flows from/(for) operating activities</b>	<hr/> 3,446	<hr/> (173)
Interest income	30	3
Interest paid	(45)	(2)
Income tax refund		1
Income tax paid	(224)	(30)
<b>Net cash from/(for) operating activities</b>	<hr/> 3,207	<hr/> (202)
<b>Cash flows from/(for) investing activities</b>		
Purchase of property, plant and equipment	(33)	(276)
Purchase of intangible assets	(1,959)	(1,499)
<b>Net cash from/(for) investing activities</b>	<hr/> (1,992)	<hr/> (1,775)
<b>Cash flows from/(for) financing activities</b>		
Proceeds from issuance of shares		3,942
Proceeds from hire purchase	-	1,260
Repayment of bank borrowing	(445)	(195)
Share Issue expenses	21	(224)
<b>Net cash from/(for) financing activities</b>	<hr/> (424)	<hr/> 4,783
<b>Net increase/(decrease) in cash and cash equivalents</b>	791	2,806
Effects of foreign exchange translation	-	-
Cash and cash equivalents at beginning of the financial year	4,512	4,894
<b>Cash and cash equivalents at end of the financial period</b>	<hr/> 5,303	<hr/> 7,701
<b><u>Cash and cash equivalents at the end of the financial period comprises the following :-</u></b>		
Fixed deposits with licensed banks	2,685	600
Cash and bank balances	2,617	7,101
	<hr/> 5,303	<hr/> 7,701

(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 2017 and the accompanying notes attached to this interim financial report.)

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←← Attributable to Equity Holders of the Company →→						
	← Non-Distributable →		→	Distributable			
	Share Capital	Share Premium	Exchange Translation Reserve	Accumulated Losses	Attributable to owners of the Company	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 May 2017	41,293	1,304	-	(13,146)	29,451	6,357	35,808
Contributions by and distribution to the owners of the Company							
- Shares issuance expenses	-	21	-	-	21	-	21
- Writing off preliminary expenses	-	-	-	-	-	-	-
	-	21	-	-	21	-	21
Profit after taxation for the year	-	-	-	78	78	334	412
Effect of disposal of subsidiary	-	-	-	-	-	-	-
Other comprehensive income for the year							
- Reversal of adjustment of exchange reserve	-	-	-	-	-	-	-
	-	-	-	78	78	334	412
Balance at 31 July 2017	<u>41,293</u>	<u>1,325</u>	<u>-</u>	<u>(13,068)</u>	<u>29,550</u>	<u>6,691</u>	<u>36,241</u>
<hr/>							
Balance at 1 May 2016	37,539	1,853	676	(14,251)	25,816	4,485	30,301
Contributions by and distribution to the owners of the Company							
- Issuance of shares	3,754	(132)	-	-	3,622	-	3,622
- Writing off preliminary expenses	-	(417)	-	-	(417)	-	(417)
	3,754	(549)	-	-	3,205	-	3,205
Profit after taxation for the year				430	430	1,893	2,323
Effect of disposal of subsidiary	-	-	-	-	-	(21)	(21)
Other comprehensive income for the year							
- Reversal of adjustment of exchange reserve	-	-	(676)	676	-	-	-
	-	-	(676)	1,106	430	1,872	2,302
Balance at 30 April 2017	<u>41,293</u>	<u>1,304</u>	<u>-</u>	<u>(13,146)</u>	<u>29,451</u>	<u>6,357</u>	<u>35,808</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 2017 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 2017**

### **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 2017 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 2017.

The adoption of the following MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on 1 Jan 2016 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendment to MFRS 10, : Investment Entities: Applying the Consolidation Exception  
MFRS 12, MFRS 127

Amendment to MFRS101 : Disclosure Initiative

Amendment to MFRS : Classification of Acceptable Methods of Depreciation and  
116, MFRS 138 Amortisation

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

The audited annual financial statements for the financial year 30 April 2017 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**

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**(Incorporated in Malaysia)**

## **Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2017**

### **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 30 July 2017.

#### **A8. Dividend**

There were no dividends paid during 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 2017

### 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 & Hardware	Manpower Outsourcing	E-Commerce	Others	Investment Holding	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 July 2017							
Sales	9,906	4,119	513	-	14	-	14,552
Intersegment sales	-	-	-	-	-	-	-
	<u>9,906</u>	<u>4,119</u>	<u>513</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14,552</u>
<b>Results</b>							
Interest Income	14	16	-	-	-	-	30
Interest expenses	(21)	(24)	-	-	-	-	(45)
Depreciation & amortisation	(246)	(4)	(11)	-	(219)	-	(480)
Income Tax expenses	(36)	(68)	-	-	-	-	(104)
Segment profit/(loss) after tax	<u>216</u>	<u>495</u>	<u>380</u>	<u>-</u>	<u>(679)</u>	<u>-</u>	<u>412</u>

Year to date Ended	Application Support & Services & Hardware	Manpower Outsourcing	E-Commerce	Others	Investment Holding	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 July 2017							
Sales	9,906	4,119	513	-	14	-	14,552
Intersegment sales	-	-	-	-	-	-	-
	<u>9,906</u>	<u>4,119</u>	<u>513</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14,552</u>
<b>Segment results</b>							
Interest Income	14	16	-	-	-	-	30
Interest expenses	(21)	(24)	-	-	-	-	(45)
Depreciation & amortisation	(246)	(4)	(11)	-	(219)	-	(480)
Income Tax expenses	(36)	(68)	-	-	-	-	(104)
Profit/(loss) after tax	<u>216</u>	<u>495</u>	<u>380</u>	<u>-</u>	<u>(679)</u>	<u>-</u>	<u>412</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.

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

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## **Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2017**

### **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 financial quarter 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**

During the current financial quarter, the Group has not entered into any related party transactions.



# TECHNODEX BHD

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## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2017

### 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	
	31/7/2017	31/7/2016		
	Unaudited	Audited	RM'000	%
Revenue	14,552	7,209	7,343	102
Profit before Tax	516	1,084	(568)	-52

The Group recorded a revenue of RM14.552 million for the current quarter ended 31 July 2017, representing an increase of 102% as compared to RM7.209 million recorded in the preceding year corresponding quarter ended 31 July 2016. The increase was mainly due to the increase of the revenue from the following segments to the total revenue of the Group during the quarter ended 31 July 2017: -

- i) Application Support & Services & Hardware – RM 8.9 million

The Group's profit before tax (PBT) for the current quarter ended 31 July 2017 was RM0.516 million, lesser as compared to RM1.084 million recorded in the preceding year corresponding quarter ended 31 July 2016. This is mainly because the sales of IT hardware solution (which was a key contributor to the increased revenue in current quarter) is a lower margin segment, with higher operating costs.

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

	INDIVIDUAL QUARTER ENDED		Variance	
	Current Quarter	Preceding Quarter		
	31/7/2017	30/4/2017		
	RM'000	RM'000	RM'000	%
Revenue	14,552	13,938	614	4
Profit before Tax	516	240	276	115

Revenue in the quarter under review has increased by 4.4% from RM13.938 million to RM14.552 million as compared to the previous quarter. The PBT improved from RM0.240 million to RM0.516 million mainly due to higher contribution of sales from segment of Application Support & Services and E-commerce with higher margin.

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## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2017

### 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 a strategy which focuses on a prudent and cohesive expansion in activities closely correlated with the Group's core competencies. In anticipation of the impending economic slowdown, the Group will engage in the 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 confident to perform satisfactorily amidst the economic uncertainty by taking pragmatic and well strategised action plans towards maintaining the financial performance of the Group.

The Group strategic intent is to increase market share by improving market coverage and widening its product and services offering. The Board is optimistic that 2018 would deliver better performance than the previous year.

#### 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
	31/7/2017	31/7/2017
RM'000	Unaudited	Unaudited
Income tax		
- Current provision	104	104
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	104	104

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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(Company No. 627634-A)

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## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2017

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

#### B6. Corporate Proposals

- (a) The Board of Directors of the Company (“**Board**”) had on 2 November 2016 announced that the Company proposed to undertake the following:-
- (i) Proposed acquisition of an additional 42% equity interest in Idealseed Resources Sdn Bhd for a total purchase consideration of RM2,677,500 to be satisfied via the issuance of 13,387,500 ordinary shares of TDEX (“**TDEX Shares**”) at an issue price of RM0.20 per TDEX Share ; and
  - (ii) Proposed acquisition of the remaining 50% equity interest in SurfsTek Resources (R&D) Sdn Bhd for a total purchase consideration of RM13,455,000 to be satisfied via the issuance of 67,275,000 TDEX Shares at an issue price of RM0.20 per TDEX Share.

(collectively referred to as the “**Proposed Acquisitions**”).

The listing application in relation to the Proposed Acquisitions has been submitted to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 30 November 2016 and is pending the approval of Bursa Securities.

- (b) The Board had on 2 June 2017 announced that the Company proposed to seek ratification from its shareholders in respect of the variation to the utilisation of proceeds raised from the private placement exercise which was completed on 4 July 2016. (“**Ratification**”).

At the extraordinary general meeting of the Company held on 10 August 2017, the shareholders have approved the ratification in respect of the variation to the utilisation of proceeds of RM1.554 million raised from the private placement.

#### B7. Borrowings and Debt Securities

Details of the Group’s borrowings as at 31 July 2017 are as follows:

# TECHNODEX BHD

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(Incorporated in Malaysia)

## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2017

	As at
	31/07/2017
	(RM'000)
<b>Secured borrowings:-</b>	
<b>Current:</b>	
Hire Purchase Payable	1,350
	<b>1,350</b>
<b>Non-Current:</b>	
Hire Purchase Payable	1,455
	<b>1,455</b>
<b>Total</b>	<b>2,805</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.

### 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 RM0.078 million for the current quarter under review and net profit attributable to the owners of RM0.078 million for the current year-to-date, divided by the weighted average number of ordinary shares in issue for the current quarter and cumulative year to date of 412,933,290 and 497,599,640 as follows:-

	Current	Current year-to-
	quarter	date
	31/7/2017	31/7/2017
	Unaudited	Unaudited
Net profit/ (loss) attributable to ordinary equity holders of the parent (RM'000)	78	78
Weighted Average Number of Ordinary Shares	412,933,290	412,933,290
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)	0.02	0.02

# TECHNODEX BHD

(Company No. 627634-A)

(Incorporated in Malaysia)

## Unaudited Quarterly Financial Report For The First Quarter Ended 31 July 2017

### 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 2017, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	<b>As at</b>
	<b>31/7/2017</b>
	<b>Unaudited</b>
	<b>RM'000</b>
Total (accumulated loss)/retained earnings of the Company and its subsidiary companies:	
- realised	(13,068)
Total share of loss of an associate:	
- realised	-
	(13,068)
Less: Consolidation adjustments	-
Group's retained profits/ (Loss) as per consolidated financial statements	(13,068)

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.