

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE 2-MONTHS PERIOD ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		2 months ended		14 months ended	
		30/06/2019 RM'000 (Unaudited)	30/06/2018 RM'000 (Audited)	30/06/2019 RM'000 (Unaudited)	30/06/2018 RM'000 (Audited)
Revenue	B1	6,936	-	63,053	-
Other operating income		106	-	864	-
Employee benefits		(952)	-	(6,525)	-
Depreciation & amortisation		(762)	-	(4,458)	-
Other operating expenses		(8,823)	-	(65,148)	-
<b>Profit/(Loss) from operations</b>		(3,495)	-	(12,214)	-
Finance costs		(70)	-	(383)	-
<b>Profit before taxation</b>	B2	(3,565)	-	(12,597)	-
Income tax recover/(expenses)	B5	(67)	-	(17)	-
<b>Profit/(loss) for the year/(period)</b>		(3,632)	-	(12,614)	-
<b>Other Comprehensive income</b>					
- Currency translation difference not recognised in income statement		-	-	-	-
<b>Total comprehensive income for the financial year/(period)</b>		(3,632)	-	(12,614)	-
<b>Profit/ (Loss) Attributable to:</b>					
Owner of the Parent		(3,475)	-	(11,758)	-
Non-controlling interest		(157)	-	(856)	-
		(3,632)	-	(12,614)	-
<b>Total comprehensive income attributable to :</b>					
Owner of the Parent		(3,475)	-	(11,758)	-
Non-controlling interest		(157)	-	(856)	-
		(3,632)	-	(12,614)	-
<b>Earning/(Loss) per share (sen)</b>					
- Basic	B10	(0.59)	-	(1.99)	-
- Diluted	B10	(0.59)	-	(1.99)	-

**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 2018 and the accompanying note attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As At 30/06/2019 RM'000	Audited As At 30/04/2018 RM'000
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		1,660	1,208
Intangible asset		13,813	17,007
Goodwill on consolidation		2,194	2,194
Defferred tax assets		37	-
<b>Total Non-current Assets</b>		17,704	20,409
<b>Current Assets</b>			
Trade receivables		10,928	13,867
Other receivables, deposits and prepayments		2,587	2,443
Inventory		2,271	1,139
Current tax asset		364	150
Fixed deposits with licensed banks		7,740	5,428
Cash and bank balances		1,222	4,594
<b>Total Current Assets</b>		25,112	27,621
<b>Total Assets</b>		42,816	48,030
<b>Equity and Liabilities</b>			
Share capital		40,863	65,702
Accumulated (losses)		(6,428)	(24,670)
Non controlling interest		(593)	13
<b>Total Equity</b>		33,842	41,045
<b>Non-current Liabilities</b>			
Term Loan & Finance Lease	B7	518	576
Deferred tax liability		8	23
<b>Total Non-current Liabilities</b>		526	599
<b>Current Liabilities</b>			
Trade payables		1,754	1,157
Other payables & accruals		1,896	2,029
Amount due to directors		8	33
Bank overdraft		4,440	1,506
Term Loan & Finance Lease	B7	106	1,575
Provision for taxation	B5	244	86
<b>Total Current Liabilities</b>		8,448	6,386
<b>Total Liabilities</b>		8,974	6,985
<b>Total Equity and Liabilities</b>		42,816	48,030
<b>Net assets per share attributable to ordinary equity holders of the parent company (RM)</b>		0.06	0.08

(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 2018 and the accompanying notes attached to this interim financial report)

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE 2-MONTHS PERIOD ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>Period ended 30/06/2019 Unaudited RM'000</b>	<b>Period ended 30/06/2018 Audited RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
Profit/ (Loss) before taxation	(12,597)	-
Adjustment for:-		
Depreciation and amortisation	4,458	-
Interest income	(284)	-
Interest expenses	383	-
Impairment of plant and equipment	346	-
Impairment of Intangible assets	1,717	-
Impairment of trade receivables	365	-
Impairment of other receivables	400	-
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	(5,212)	-
(Increase)/ Decrease in trade and other receivables	2,030	-
Increase/ (Decrease) in trade and other payables	528	-
(Increase)/ Decrease in inventory	(1,132)	-
<b>Cash flows from/(for) operating activities</b>	<hr/> <b>(3,786)</b>	<hr/> <b>-</b>
Interest income	284	-
Interest paid	(383)	-
Taxation refund	140	-
Taxation paid	(354)	-
<b>Net cash from/(for) operating activities</b>	<hr/> <b>(4,099)</b>	<hr/> <b>-</b>
<b>Cash flows from/(for) investing activities</b>		
Purchase of property, plant and equipment	(1,169)	-
Purchase of intangible assets	(2,610)	-
<b>Net cash from/(for) investing activities</b>	<hr/> <b>(3,779)</b>	<hr/> <b>-</b>
<b>Cash flows from/(for) financing activities</b>		
Proceeds from issuance of shares	5,161	-
Proceeds from issuance of shares to subsidiary minority interests	250	-
Repayment of bank borrowing & hire purchase	(1,527)	-
<b>Net cash from/(for) financing activities</b>	<hr/> <b>3,884</b>	<hr/> <b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<hr/> <b>(3,994)</b>	<hr/> <b>-</b>
Effects of foreign exchange translation	-	-
Cash and cash equivalents at beginning of the financial year	8,516	-
<b>Cash and cash equivalents at end of the financial period</b>	<hr/> <b>4,522</b>	<hr/> <b>-</b>
<b><u>Cash and cash equivalents at the end of the financial period comprises the following :-</u></b>		
Fixed deposits with licensed banks	7,740	-
Cash and bank balances	1,222	-
Bank overdraft	(4,440)	-
	<hr/> <b>4,522</b>	<hr/> <b>-</b>

(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 2018 and the accompanying notes attached to this interim financial report.)

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE 2-MONTHS PERIOD ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to Equity Holders of the Company →						Total Equity RM'000
	← Non-Distributable →						
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Attributable to owners of the Company RM'000	Non-Controlling Interest RM'000	
Balance at 1 May 2018	65,702	-	-	(24,670)	41,032	13	41,045
Contributions by and distribution to the owners of the Company							
- Shares issuance expenses	-	-	-	-	-	-	-
- warrant conversion	5,161	-	-	-	5,161	-	5,161
- Capital Reduction	(30,000)	-	-	30,000	-	-	-
- Acquisition of non-controlling interest	-	-	-	-	-	250	250
	(24,839)	-	-	30,000	5,161	250	5,411
Profit / (Loss) after taxation for the period	-	-	-	(11,758)	(11,758)	(856)	(12,614)
	-	-	-	(11,758)	(11,758)	(856)	(12,614)
Balance at 30 June 2019	<u>40,863</u>	<u>-</u>	<u>-</u>	<u>(6,428)</u>	<u>34,435</u>	<u>(593)</u>	<u>33,842</u>
Balance at 1 May 2017	41,293	1,304	-	(13,146)	29,451	6,357	35,808
Adjustment for effects of Companies Act 2016 (Note a)	1,304	(1,304)	-	-	-	-	-
Contributions by and distribution to the owners of the Company							
- Shares issuance expenses	-	-	-	-	-	-	-
- warrant conversion	55	-	-	-	55	-	55
- Additional share issue for acquisition of subsidiaries	16,133	-	-	-	16,133	-	16,133
- Private Placement	6,917	-	-	-	6,917	-	6,917
- Acquisition of non-controlling interest	-	-	-	(9,690)	(9,690)	(6,442)	(16,132)
	23,105	-	-	(9,690)	13,415	(6,442)	6,973
Profit / (Loss) after taxation for the year	-	-	-	(1,834)	(1,834)	98	(1,736)
	-	-	-	(1,834)	(1,834)	98	(1,736)
Balance at 30 April 2018	<u>65,702</u>	<u>-</u>	<u>-</u>	<u>(24,670)</u>	<u>41,032</u>	<u>13</u>	<u>41,045</u>

Note a

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium of RM1,304,000.00 has been transferred to the share capital account.

Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the New Act.

The Board Directors will make a decision thereon by 31 January 2019.

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 2018 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 2-Months Period Ended 30 June 2019**

### **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 2018 and the accompanying notes attached to this interim financial report.

#### **A2. Change of Financial Year End**

The Company has changed the financial year end from 30 April to 30 June. The next audited financial statements shall be for a period of fourteen (14) months, made up from 1 May 2018 to 30 June 2019.

#### **A3. Changes in accounting policies**

The Group has adopted those standards and interpretations (including the consequential amendments, if any) that have become effective on 1 January 2018 and such adoptions do not have material impact on the financial position and performance of the Group.

##### **1. MFRS 9 Financial Instruments**

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement effective on 1 January 2018, introducing new requirements for:

- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets, and
- General hedge accounting.

Hedge accounting is not applicable to the Group and the Company.

##### **2. MFRS 15 Revenue from contracts with customers**

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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## Unaudited Quarterly Financial Report For The 2-Months Period Ended 30 June 2019

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

#### A3. Changes in accounting policies

The 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for this interim financial report:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the interim financial report.

#### A4. Audit Report of Preceding Annual Financial Statements

The audited annual financial statements for the financial year 30 April 2018 were not subject to any qualification.

#### A5. 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 2-Months Period Ended 30 June 2019**

### **A6. 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.

### **A7. Material Changes in Estimates**

There were no material changes in the estimates used for the preparation of this interim financial report.

### **A8. 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 2019 under review.

### **A9. 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 2-Months Period Ended 30 June 2019

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

#### A10. Segmental Information

##### a) Analysis of revenue by product categories

2 Months Ended 30 June 2019	Application Support & Services & Hardwares RM'000	Manpower Outsourcing & Recruitments RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Sales	4,983	1,854	99	-	-	6,936
Intersegment sales	-	70	-	227	(297)	-
	4,983	1,924	99	227	(297)	6,936
<b>Results</b>						
Interest Income	60	41	-	24	(34)	91
Interest expenses	(35)	(66)	(1)	(2)	34	(70)
Depreciation & amortisation	(21)	(6)	(713)	(22)	-	(762)
Income Tax recover /(expenses)	81	(148)	-	-	-	(67)
Segment profit/(loss) after tax	(402)	(674)	(2,495)	(61)	-	(3,632)
14 Months Period Ended 30 June 2019	Application Support & Services & Hardwares RM'000	Manpower Outsourcing & Recruitments RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Sales	48,450	13,429	1,174	-	-	63,053
Intersegment sales	176	105	-	1,619	(1,900)	-
	48,626	13,534	1,174	1,619	(1,900)	63,053
<b>Segment results</b>						
Interest Income	80	47	1	292	(136)	284
Interest expenses	(251)	(262)	(4)	(2)	136	(383)
Depreciation & amortisation	(207)	(45)	(4,135)	(71)	-	(4,458)
Income Tax recover /(expenses)	131	(148)	-	-	-	(17)
Segment profit/(loss) after tax	(1,345)	(897)	(9,724)	(648)	-	(12,614)

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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## **Unaudited Quarterly Financial Report For The 2-Months Period Ended 30 June 2019**

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

#### **A11. 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.

#### **A12. 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.

#### **A13. Changes in Composition of the Group**

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

#### **A14. Contingent Assets or Liabilities**

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

#### **A15. Capital Commitments**

There were no capital commitments for the period under review.

#### **A16. Related Party Transactions**

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

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## Unaudited Quarterly Financial Report For The 2-Months Period Ended 30 June 2019

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

#### B1. Review of Performance-Comparison between Current 2-month Financial Period Ended (FPE) 30 June 2019 and Preceding Year 2-month Financial Period.

A comparison of financial performance for the 2-month FPE 30 June 2019 with the corresponding period preceding year is not possible as there are no financial figures for 30 June 2018.

#### B2. Variation of Results against Average 2 Months Period of Preceding 3-month Financial Period Ended (FPE) 30 April 2019

	INDIVIDUAL QUARTER ENDED		Variance		Actual 3 months Preceding Quarter 30/4/2019 RM'000
	2 months FPE	Adjusted Preceding Quarter *	RM'000	%	
	30/6/2019	30/4/2019			
	RM'000	RM'000	RM'000	%	RM'000
Revenue	6,936	6,879	57	0.8	10,318
Loss Before Tax ("LBT")	(3,565)	(2,907)	(658)	(23)	(4,361)

\* This is an illustrative figures using the average of 2 months performance from the preceding quarter numbers

The Group reported revenue of RM6.936 million for the current 2-month FPE 30 June 2019, marginal increase of 0.8% from the average 2 months of the preceding 3-month FPE of RM6.879 million. This was mainly attributable to higher revenue reported from Manpower Outsourcing & Recruitment segments. There was no major increase revenue in other segments due to slow and uncertainty in the market condition.

Under the current FPE review, total lower profit of RM0.47 million was reported from Manpower Outsourcing & Recruitment segments resulting from impairment loss on trade receivable of RM 0.37 million and higher operating expenses of RM0.10 million.

The IT Hardware Service segment has increase in costs of total RM0.18 million for marketing and commercialisation of new products and clients segment.

Consequently, the Group's LBT was higher by 23% or RM0.658 million, from RM2.907 million to RM3.565 million in the reporting period under review.

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## Unaudited Quarterly Financial Report For The 2-Months Period Ended 30 June 2019

### 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 marketplace 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.

#### B4. Profit Forecast and Profit Guarantee

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

#### B5. Taxation

	Current FPE	Cumulative Quarter Ended
	30/6/2019	30/6/2019
RM'000	Unaudited	Unaudited
Income tax		
- Current provision	-	-
- (Over)/ under provision of tax in prior years	67	17
Total income tax expenses	67	17

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 2-Months Period Ended 30 June 2019

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

#### B6. Corporate Proposals

There is no corporate proposals announced has not completed as at the date of this report except for the following:-

The Board of Directors of the Company had on 21 November 2018 announced that the Company proposed to undertake the Proposed Share Capital Reduction of RM30 million, the sealed order of the High Court of Malaya confirming the Proposed Share Capital Reduction has been lodged with Companies Commission of Malaysia on 18 February 2019. The Proposed Share Capital Reduction shall therefore take effect and be deemed completed on 18 February 2019.

#### B7. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 June 2019 are as follows:

	<b>As at 30/06/2019 (RM'000)</b>
<b>Secured borrowings:-</b>	
<b>Current:</b>	
Term Loan & Finance Lease	106
	<b>106</b>
<b>Non-Current:</b>	
Overdraft & Finance Lease	518
	<b>518</b>
<b>Total</b>	<b>624</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.

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## Unaudited Quarterly Financial Report For The 2-Months Period Ended 30 June 2019

### 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 RM1.498 million for the current quarter under review and net loss attributable to the owners of RM4.094 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 590,421,123 as follows:-

	Current FPE	Cumulative Quarter Ended
	30/6/2019	30/6/2019
	Unaudited	Unaudited
Net profit/ (loss) attributable to ordinary equity holders of the parent (RM'000)	(3,475)	(11,758)
Weighted Average Number of Ordinary Shares	590,421,123	590,421,123
Basic (loss)/ earnings per share (sen)	(0.59)	(1.99)

#### B11. Status of Utilisation of Proceeds

There is no unutilised proceeds derived from any corporate exercise as at the date of this report.