

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		9 months ended	
		31/01/2016 RM'000 (Unaudited)	31/01/2015 RM'000 (Audited)	31/01/2016 RM'000 (Unaudited)	31/01/2015 RM'000 (Audited)
Revenue	B1	6,322	4,109	18,159	10,674
Other operating income		24	19	78	91
Employee benefits		(1,408)	(1,012)	(4,460)	(2,702)
Depreciation & amortisation		(843)	(885)	(2,383)	(2,808)
Other operating expenses		(3,272)	(2,190)	(9,815)	(4,895)
Profit/(Loss) from operations		822	41	1,579	361
Finance costs		(3)	(26)	(23)	(141)
Profit before taxation	B2	818	15	1,556	220
Income tax recover/(expenses)	B5	-	(64)	(80)	(115)
Profit/(loss) for the year/(period)		818	(49)	1,476	105
Other Comprehensive income					
- Currency translation difference not recognised in income statement		-	-	-	(3)
Total comprehensive income for the financial year/(period)		818	(49)	1,476	102
Profit/ (Loss) Attributable to:					
Owner of the Parent		5	(167)	60	(13)
Non-controlling interest		813	118	1,416	118
		818	(49)	1,476	105
Total comprehensive income attributable to :					
Owner of the Parent		5	(167)	60	(16)
Non-controlling interest		813	118	1,416	118
		818	(49)	1,476	102
Earning/(Loss) per share (sen)					
- Basic	B10	0.00	(0.05)	0.02	(0.00)
- Diluted	B10	0.00	(0.04)	0.01	(0.00)

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.

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As At 31/01/2016 RM'000	Audited As At 30/04/2015 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		1,125	1,239
Goodwill on consolidation		2,714	2,714
Development costs		-	-
Other intangible assets		9,840	9,672
Total Non-current Assets		13,679	13,624
Current Assets			
Trade receivables		5,282	4,211
Other receivables, deposits and prepayments		9,525	5,708
Tax refundable		-	-
Fixed deposits with licensed banks		606	4,324
Cash and bank balances		3,343	1,984
Total Current Assets		18,756	16,227
Total Assets		32,435	29,851
Equity and Liabilities			
Share capital		37,539	37,539
Share premium		1,730	1,853
Foreign exchange translation reserve		619	675
Accumulated (losses)		(14,481)	(14,541)
Non controlling interest		4,118	1,202
Total Equity		29,525	26,728
Non-current Liabilities			
Hire purchase payables		-	-
Deferred tax liability	B7	76	76
Total Non-current Liabilities		76	76
Current Liabilities			
Trade payables		231	373
Other payables & accruals		2,309	1,633
Bank overdraft		-	0
Hire purchase payables	B7	242	865
Term loans		-	-
Provision for taxation	B5	54	176
Total Current Liabilities		2,836	3,048
Total Liabilities		2,912	3,123
Total Equity and Liabilities		32,435	29,851
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.08	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 THIRD QUARTER ENDED 31 JANUARY 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Year ended 31/01/2016 Unaudited RM'000	Year ended 31/01/2015 Audited RM'000
Cash flows from/(for) operating activities		
Profit/ (Loss) before taxation	1,556	205
Adjustment for:-		
Allowance for impairment loss on trade receivables	-	-
Depreciation and amortisation	2,377	1,922
Interest expenses	23	115
Waiver of debts	-	-
Interest income	(58)	(67)
Written off of plant and equipment	-	-
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	3,898	2,175
(Increase)/ Decrease in trade and other receivables	(4,889)	(573)
Increase/ (Decrease) in trade and other payables	533	843
Cash flows from/(for) operating activities	<hr/> (458)	<hr/> 2,445
Interest income	58	67
Interest paid	(23)	(115)
Income tax refund	6	-
Income tax paid	(208)	(12)
Net cash from/(for) operating activities	<hr/> (625)	<hr/> 2,385
Cash flows from/(for) investing activities		
Purchase of property, plant and equipment	(30)	(212)
Purchase of intangible assets	(2,402)	(2,133)
Acquisition of subsidiaries, net of cash acquired	1,500	(1,913)
Net cash from/(for) investing activities	<hr/> (932)	<hr/> (4,258)
Cash flows from/(for) financing activities		
Proceeds from issuance of shares	-	-
Repayment of hire purchase	(623)	(461)
Repayment of term loans	-	(2,047)
Expenses on ESOS & M&A	(123)	-
Net cash from/(for) financing activities	<hr/> (746)	<hr/> (2,508)
Net increase/(decrease) in cash and cash equivalents	(2,303)	(4,381)
Effects of foreign exchange translation	(56)	(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/> 3,949	<hr/> 4,500
Cash and cash equivalents at the end of the financial period comprises the following :-		
Fixed deposits with licensed banks	606	1,930
Cash and bank balances	3,343	2,784
Bank overdraft	-	(214)
	<hr/> 3,949	<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 THIRD QUARTER ENDED 31 JANUARY 2016

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	-	-	-	60	-	60
Other comprehensive income for the financial year - Foreign currency translation differences	-	-	(56)	-	-	(56)
Minority interest	-	-	-	-	1,416	1,416
Total comprehensive income for the year	-	-	(56)	60	1,416	1,420
Contributions by the owners of the Company	-	-	-	-	-	-
ESOS expenses	-	(123)	-	-	-	(123)
Acquisition of a subsidiary	-	-	-	-	1,500	1,500
Total Transactions with owners	-	(123)	-	-	1,500	1,377
Balance at 31 July 2015	<u>37,539</u>	<u>1,730</u>	<u>619</u>	<u>(14,480)</u>	<u>4,117</u>	<u>29,525</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	-	-	-	-	-	3,408
- Issuance of shares	3,408	-	-	-	-	1,211
- Conversion of warrants	53	1,158	-	-	-	5,241
	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 Third Quarter Ended 31 January 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 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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Unaudited Quarterly Financial Report For The Third Quarter Ended 31 January 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

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 January 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 Third Quarter Ended 31 January 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
31 January 2016							
Sales	1,056	3,262	1,613	391	-	-	6,322
Intersegment sales	-	-	-	-	-	(208)	(208)
	<u>1,056</u>	<u>3,262</u>	<u>1,613</u>	<u>391</u>	<u>-</u>	<u>(208)</u>	<u>6,114</u>

Results

Interest Income	3	(5)	-	-	18	(11)	5
Interest expenses	(5)	(9)	-	-	-	11	(3)
Depreciation & amortisation	(238)	(7)	(75)	(8)	(440)	-	(768)
Income Tax expenses	-	-	-	-	-	-	-
Segment profit/(loss) after tax	<u>(446)</u>	<u>400</u>	<u>1,453</u>	<u>399</u>	<u>(987)</u>	<u>-</u>	<u>818</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
31 January 2016							
Sales	6,420	8,895	2,617	462	-	-	18,394
Intersegment sales	-	-	-	-	-	(235)	(235)
	<u>6,420</u>	<u>8,895</u>	<u>2,617</u>	<u>462</u>	<u>-</u>	<u>(235)</u>	<u>18,159</u>

Segment results

Interest Income	5	-	-	-	66	(13)	58
Interest expenses	(23)	(13)	-	-	-	13	(23)
Depreciation & amortisation	(714)	(21)	(150)	(27)	(1,471)	-	(2,383)
Income Tax expenses	-	(80)	-	-	-	-	(80)
Profit/(loss) after tax	<u>821</u>	<u>1,212</u>	<u>2,049</u>	<u>418</u>	<u>(3,024)</u>	<u>-</u>	<u>1,476</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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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 Group has no related party transactions transpired this quarter under review and the current financial year-to-date.

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Unaudited Quarterly Financial Report For The Third Quarter Ended 31 January 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	
	31/01/2016	31/01/2015	RM'000	%
	Unaudited	Audited		
Revenue	6,322	4,109	2,213	54%
Profit before Tax	818	15	804	5471%

The Group recorded revenue of RM6.322 million for the current quarter ended 31 January 2016, representing an increase of 54% as compared to RM4.109 million recorded in the last corresponding quarter ended 31 January 2015. The increase was attributed to the consolidation of revenues generated from application development service, application support & services, manpower outsourcing, and E-commerce segments.

The Group's profit before tax (PBT) for the current quarter ended 31 January 2016 was RM0.818 million, an increase of 5471% as compared to RM0.015 million recorded in the last corresponding quarter ended 31 January 2015. 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	%
	31/01/2016	31/10/2015		
	RM'000	RM'000		
Revenue	6,322	6,410	-88	-1%
Profit before Tax	818	292	526	180%

Revenue in the quarter under review has slightly decreased by 1% from RM 6.410 million to RM6.322 million as compared to the previous quarter. However, the PBT has increased 180% from RM0.292 million to RM0.818 million.

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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 to maintain existing revenue with emphasis on manpower outsourcing and licensing service, and develop new 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
	31/01/2016	31/01/2016
RM'000	Unaudited	Unaudited
Income tax		
- Current provision	-	80
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	-	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

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.

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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 January 2016 are as follows:

	As at 31/01/2016	As at 31/01/2015
	(RM'000)	(RM'000)
Secured borrowings:-		
Current:		
Hire Purchase Payable	242	826
	242	826
Non-Current:		
Hire Purchase Payable	-	310
	242	310
Total	363	1,136

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 RM0.005 million for the current quarter under review and net profit attributable to the owners of RM0.060 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
	31/01/2016	31/01/2016
	Unaudited	Unaudited
Net profit/ (loss) attributable to ordinary equity holders of the parent (RM'000)	5	60
Weighted Average Number of Ordinary Shares in issue of RM0.10 each	375,393,900	375,393,900
Basic (loss)/ earnings per share (sen)	0.00	0.02
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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Unaudited Quarterly Financial Report For The Third Quarter Ended 31 January 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 January 2016, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	Period Ended	Period Ended
	31/01/2016	31/01/2015
	Unaudited	Audited
	RM'000	RM'000
Total (accumulated loss)/retained earnings of the Company and its subsidiary companies:		
- realised	(14,481)	(14,452)
Total share of loss of an associate:		
- realised	-	-
	(14,481)	(14,452)
Less: Consolidation adjustments	-	-
Group's retained profits/ (Loss) as per consolidated financial statements	(14,481)	(14,452)

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 January 2016 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	(3,643)	918	Within 24 months
Expenses in relation to the private placement	210	(210)	-	Immediately
	4,771	(3,853)	918	

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