

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Circular has been reviewed and approved by Mercury Securities Sdn Bhd, being the Adviser to TechnoDex Bhd (“**TDEX**”) for the Proposed Placement (as defined herein).

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

# TechnoDex

**TECHNODEX BHD**  
(Registration No. 200301025214 (627634-A))  
(Incorporated in Malaysia)

## **PROPOSED PLACEMENT OF UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF TDEX (“PROPOSED PLACEMENT”)**

**AND**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*



### **MERCURY SECURITIES SDN BHD**

(Registration No. 198401000672 (113193-W))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) together with the Proxy Form are enclosed in this Circular.

The details of TDEX’s EGM are as follows:

Day, date and time of the EGM	: Friday, 6 December 2019 at 11.00 a.m. or immediately after the conclusion or adjournment of TDEX’s Fifteenth (15 <sup>th</sup> ) Annual General Meeting, to be held at the same venue and same date at 10.00 a.m., whichever is later or at any adjournment thereof
Venue of the EGM	: Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 1, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan
Last day, date and time for lodging the Proxy Form	: Wednesday, 4 December 2019 at 11.00 a.m. or at any adjournment thereof

This Circular is dated 5 November 2019

## DEFINITIONS

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The following definitions shall apply throughout this Circular unless otherwise indicated:

Board	: Board of Directors of TDEX
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	: This circular to TDEX's shareholders in relation to the Proposed Placement dated 5 November 2019
EGM	: Extraordinary general meeting
EPS	: Earnings per Share
FPE	: Financial period ended
FYE	: Financial year ended
ICT	: Information and communications technology
IMR Report	: Independent market research report on the ICT Market in Asia Pacific, and Recruitment and Outsourcing for the ICT Industry in Malaysia dated 14 October 2019 prepared by PROVIDENCE
Issue Price	: Issue price of the Placement Shares
IT	: Information technology
LBT	: Loss before tax
LPD	: 14 October 2019, being the latest practicable date prior to the date of this Circular
LTD	: 3 October 2019, being the last trading date prior to our announcement in relation to the Proposed Placement dated 4 October 2019
Mercury Securities	: Mercury Securities Sdn Bhd (198401000672 (113193-W))
NA	: Net assets
Placement Shares	: Up to 177,126,300 new TDEX Shares to be issued pursuant to the Proposed Placement
Proposed Placement	: Proposed placement of up to 30% of the total number of issued shares of TDEX
PROVIDENCE	: Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A))
RM and sen	: Ringgit Malaysia and sen, respectively
SurfsTek R&D	: SurfsTek Resources (R&D) Sdn Bhd (201501025610 (1150933-X)), a subsidiary of our Company
TDEX or Company	: TechnoDex Bhd (200301025214 (627634-A))
TDEX Group or Group	: Collectively, TDEX and our subsidiaries
TDEX Shares or Shares	: Ordinary shares in TDEX
WAMP	: Weighted average market price

## **DEFINITIONS (Cont'd)**

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All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires otherwise, shall include our subsidiaries.

All references to “**you**” in this Circular are to the shareholders of TDEX.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference to any enactment or guideline in this Circular is a reference to that enactment or guideline as for the time being amended or re-enacted. Any reference to a date and time in this Circular is a reference to Malaysian date and time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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# TechnoDex

**TECHNODEX BHD**  
(Registration No. 200301025214 (627634-A))  
(Incorporated in Malaysia)

**Registered Office:**  
Third Floor, No. 77, 79 & 81  
Jalan SS21/60, Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

5 November 2019

## Board of Directors

Steven Wong Chin Fung (Independent Non-Executive Chairman)  
Tan Sze Chong (*Group Managing Director*)  
Tan Boon Wooi (*Executive Director*)  
Heng Ling Jy (*Executive Director cum Chief Operating Officer*)  
Datuk Abd Hamid Bin Abu Bakar (*Independent Non-Executive Director*)  
Saifulrizam Bin Zainal (*Independent Non-Executive Director*)

## To: Our Shareholders

Dear Sir/Madam,

### **PROPOSED PLACEMENT**

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#### **1. INTRODUCTION**

On 4 October 2019, Mercury Securities had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Placement.

On 30 October 2019, Mercury Securities had, on behalf of our Board, announced that Bursa Securities had *vide* its letter dated 30 October 2019 approved the listing of and quotation for up to 177,126,300 Placement Shares to be issued pursuant to the Proposed Placement, subject to the conditions as set out in Section 6 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED PLACEMENT, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSED PLACEMENT AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED PLACEMENT

### 2.1 Size of the Proposed Placement

As at the LPD, our Company has an issued share capital of RM40,862,819.43 comprising 590,421,123 Shares.

Based on the above, the Proposed Placement entails the issuance of up to 177,126,300 Placement Shares, representing up to 30% of the total number of issued Shares of our Company.

### 2.2 Pricing of the Placement Shares

Our Board will determine and announce the Issue Price at a later date (“**Price Fixing Date**”) after receipt of all relevant approvals for the Proposed Placement. The Issue Price is proposed to be priced at up to 20% discount to the WAMP of our Shares for the 5 market days immediately before the Price Fixing Date.

The maximum discount of 20% will allow flexibility for our Board to accommodate fluctuations in market conditions when implementing the Proposed Placement.

For illustrative purposes, based on the 5-day WAMP of our Shares up to and including the LTD of RM0.05 (*Source: Bloomberg*), the indicative Issue Price will be RM0.04 per Placement Share, representing a discount of 20% to the 5-day WAMP of our Shares.

### 2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, except that the holders of the Placement Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

### 2.4 Listing of and Quotation for the Placement Shares

Bursa Securities had, *vide* its letter dated 30 October 2019, given its approval for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities.

### 2.5 Placement Arrangement

The Placement Shares shall be placed to 3<sup>rd</sup> party investor(s) to be identified at a later date who falls under Schedules 6 and/or 7 of the Capital Markets and Services Act 2007. Unless you approve the specific allotment to be made to such person in a general meeting, the Placement Shares will not be placed out to the following parties:

- (i) a director, major shareholder or chief executive of TDEX or a holding company of TDEX (“**Interested Person**”);
- (ii) a person connected with the Interested Person; and
- (iii) nominee corporations, unless the name of the ultimate beneficiaries is disclosed.

Subject to the prevailing market conditions and timing of identification of placee(s), the Proposed Placement may be implemented in one or more tranches within 6 months from the date of approval from Bursa Securities for the Proposed Placement or any extended period as may be approved by Bursa Securities.

## 2.6 Utilisation of Proceeds

For illustrative purposes, the Proposed Placement is expected to raise gross proceeds of up to RM7.1 million based on the indicative Issue Price of RM0.04 per Placement Share, which are intended to be utilised in the manner set out below:

Purposes	Notes	RM'million	Estimated timeframe for utilisation of proceeds (from date of listing of the Placement Shares)
IT contracts/orders	(i)	5.2	Within 18 months
Business expansion	(ii)	1.5	Within 18 months
Estimated expenses	(iii)	0.4	Within 1 month
<b>Total</b>		<b>7.1</b>	

Notes:

(i) Our Group is principally involved in the IT sector and generate our revenue from several sources including:

- (a) securing IT contracts from government agencies and the private sector for the provision of computer hardware leasing service, development of software application and supply of computer hardware such as laptops, monitors, central processing units, printers, projectors and computer networking devices as well as provision of fixed schedule maintenance services; and
- (b) securing orders from resellers for the supply of computer and point of sales hardware as well as related accessories and peripherals such as barcode scanners, printers, cash drawers, receipt printers, touchable screens, service calling buttons and keyboards.

As at the LPD, our Group has tendered for 23 IT contracts for the provision of computer hardware leasing service, development of software application and supply of computer hardware as well as provision of fixed schedule maintenance services totalling approximately RM226.6 million. As at the LPD, our Group has secured 2 of these IT contracts amounting to approximately RM18.7 million, while the remaining tenders are still pending evaluation by the respective contract awarders. In addition, our Group has also secured an order to supply computer and point of sales hardware of up to RM24.0 million as at the LPD. Please refer to Section 3 of this Circular for further details of the IT contracts and order secured by our Group.

In order to facilitate the delivery of the secured and/or potential IT contracts/orders as well as to tender for other IT contracts, our Group intends to utilise up to approximately RM5.2 million of the proceeds to fund amongst others, the performance bonds required for the IT contracts, purchase of inventories, insurance, mobilisation cost and staff cost for the implementation of the IT contracts as well as expenses to be incurred to tender for future IT contracts. The detailed breakdown of the abovementioned utilisation of proceeds cannot be determined at this juncture as the actual utilisation is subject to the respective contract awarders' requirements, value and financing obtained for each contract/order as well as the number of tenders to be participated by our Group.

(ii) Our Group also plans to grow our IT businesses by increasing our marketing activities and expanding our presence in the South East Asia region. Pursuant thereto, our Group intends to utilise approximately RM1.5 million for our business expansion as follows:

	RM'million
Regional expansion <sup>(a)</sup>	0.6
Sales and marketing expenses <sup>(b)</sup>	0.9
<b>Total</b>	<b>1.5</b>

**Notes:**

- (a) Our Group currently operates our IT businesses from Malaysia and intends to set up regional office(s) and/or collaborate with business partner(s) in the other countries in the South East Asia region as part of our business expansion plan. The regional office(s) and/or collaboration with business partner(s) in the South East Asia region is expected to capture the demand for computer and point of sales hardware in the region and enable our Group to better serve our existing customers as well as secure new customers in the region. The regional expansion cost includes, amongst others, purchase of office equipment, rental, renovation works, mechanical and electrical works as well as staff cost. As at the LPD, our Group is in the midst of exploring the form of expansion in the individual countries in the South East Asia region and thus, the detailed breakdown of the abovementioned utilisation of proceeds cannot be determined at this juncture. Please refer to Section 3 of this Circular for further details of our Group's business expansion plan.
- (b) Comprise sales and marketing staff cost, costs of participating in exhibitions and organising product briefing events as well as digital marketing via social media for the South East Asia region, including Malaysia, to increase awareness on the products/services that our Group is distributing/offering in order to boost our Group's sales. The detailed breakdown of the sales and marketing expenses are as follows:

	<i>RM'million</i>
Sales and marketing staff cost	0.7
Exhibitions, events and digital marketing	0.2
<b>Total</b>	<b>0.9</b>

Any variation in the actual utilisation for the sales and marketing expenses will be adjusted accordingly to/from the proceeds allocated for regional expansion.

- (iii) Includes professional fees, placement fees, fees payable to authorities and other miscellaneous expenses in relation to the Proposed Placement. Any excess or shortfall in the actual amount utilised for estimated expenses will be adjusted to/from the proceeds allocated for our Group's IT contracts/orders.

The actual proceeds to be raised from the Proposed Placement are dependent on the Issue Price and number of Placement Shares successfully placed out to 3<sup>rd</sup> party investor(s). Any excess or shortfall in the actual gross proceeds raised from the above amount would be reallocated to/from the amount earmarked for our Group's IT contracts/orders. In the event that the actual proceeds raised from the Proposed Placement is not sufficient for the abovementioned utilisations, the balance will be funded via our Group's internally generated funds, borrowings and/or other alternatives funding to be identified.

Prior to utilisation for the above purposes, the proceeds from the Proposed Placement will be placed in interest-bearing deposits with financial institutions as our Board in its absolute discretion deems fit and in the best interest of our Group. The interest income derived from such short-term placements will be used for our Group's IT contracts/orders.

### **3. RATIONALE FOR THE PROPOSED PLACEMENT**

Presently, our Group is principally involved in the IT sector and provides the following IT solutions and services:

- (i) hardware, software and professional services, comprising:
- (a) ICT professional services;
  - (b) data solutions and services;
  - (c) cyber security solutions and services;

- (d) IT hardware solution development, support and maintenance services;
- (ii) ICT manpower outsourcing and recruitment services; and
- (iii) e-commerce and specified application services, comprising:
  - (a) property data sales and consulting services, which provide value added services and property information to the financial, real estate and consumer industries;
  - (b) SurfsTek GlobalLinQ System, which hosts hotel distribution database and provides reservation management solutions; and
  - (c) SurfsTek rSupport Intelligent Solution, a cloud based remote support solutions based on internet of things (IOT) architecture.

Our Group has been incurring losses for the FYE 30 April 2018 and the 14-month FPE 30 June 2019. The summary of our Group's historical financial performance is set out and discussed in Appendix 1 of this Circular.

To improve our Group's financial performance, our Group has been tendering for more IT contracts for the provision of computer hardware leasing service, development of software application, supply of computer hardware and provision of fixed schedule of maintenance services as well as securing more orders for the supply of computer and point of sales hardware. As at the LPD, our Company has *via* our subsidiaries, including SurfsTek R&D, tendered for 23 IT contracts totalling approximately RM226.6 million. As at the LPD, our Group has successfully secured 2 of these IT contracts, the details of which are as follows:

No.	Contract	Contract Duration	Total Contract Value
			RM'000
1.	Provision of computer hardware leasing service	1 Oct 2019 to 30 Sep 2022	5,768
2.	Provision of computer hardware leasing service	1 Apr 2019 to 30 Sep 2022	12,968
			<b>18,736</b>

In addition, our Group has also secured an order to supply computer and point of sales hardware which comprises amongst others, tablets, printers, routers, cash drawers, barcode scanners and label writers of up to RM24.0 million for a duration of 12 months from 5 July 2019 to 4 July 2020.

Further, our Group has been appointed by 5 international principals, including BIXOLON Co., Ltd, Qingdao Hisense Intelligent Commercial System Co., Ltd, Intermec Technologies (S) Pte Ltd (a wholly-owned subsidiary of Honeywell International Inc.) and Xiamen Maken Tech Co., Ltd to distribute their computer and point of sales hardware as well as related accessories and peripherals within the South East Asia region that is, Malaysia, Thailand, Singapore, Philippines, Vietnam, Indonesia and/or Cambodia. Our Group is also in discussions with other prospective principals to secure additional distributorships to expand our product range to our customers. In view of the regional distributorships, our Group plans to expand our presence by setting up regional office(s) and/or collaborate with business partner(s) in the other countries in the South East Asia region in the next 2 years to capture the demand for computer and point of sales hardware in the region and enable our Group to better serve our existing customers and secure new customers in the region. As at the LPD, our Group is exploring the set up of an office in Bangkok, Thailand as well as a potential collaboration in the Philippines but nothing has been finalised at this juncture.

In view of the above, our Board proposes to undertake the Proposed Placement to raise the required funds for the purposes as detailed in Section 2.6 of this Circular.

Our Board has also considered the following aspects in relation to the Proposed Placement:

**(i) Value creation of the Proposed Placement to TDEX and our shareholders**

The utilisation of proceeds from the Proposed Placement is expected to enhance our Group's financial performance and thereby our value, when our Group fulfils the IT contracts/orders and realised the benefits therefrom. The IT contracts/orders are also expected to generate recurring income from after sales services that is, support and maintenance services provided by our Group.

Part of the proceeds earmarked for business expansion that is, regional expansion and marketing activities is also expected to increase our Group's sales and thus, improve our Group's financial performance.

In addition, the Proposed Placement will strengthen our Company's capital base, which was gradually depleted from financial losses incurred in the past.

**(ii) Impact of the Proposed Placement on TDEX and our shareholders**

Your shareholdings will be diluted proportionately to the actual number of Placement Shares to be issued pursuant to the Proposed Placement.

Based on the indicative Issue Price of RM0.04 per Placement Share as set out in Section 2.2 of this Circular, the Proposed Placement is expected to lower our Group's NA per Share from RM0.06 to RM0.05 as the Issue Price is lower than our Group's audited NA per Share of RM0.06 as at 30 June 2019. Further details of the pro forma effects of the Proposed Placement are set out in Section 5 of this Circular.

Notwithstanding the above, the enlarged capital base *via* the issuance of the Placement Shares is expected to strengthen our Group's financial position while the benefits from the utilisation of proceeds from the Proposed Placement are expected to improve our Group's future financial performance. In addition, the increase in the number of Shares in issue may also improve the trading liquidity of our Shares.

**(iii) Steps and actions taken/will be taken to improve our Group's financial condition**

On 8 December 2017, our Company had increased our equity interests in 2 profitable subsidiaries, namely Idealseed Resources Sdn Bhd ("Idealseed") (from 55% to 97%) and SurfsTek R&D (from 50% to 100%). These acquisitions have increased our Group's control in Idealseed and SurfsTek R&D and further consolidate our Group's earnings.

In addition, our Company has also taken the initiatives as stated in Section 3 of this Circular, *via* SurfsTek R&D and other subsidiaries, to improve our Group's financial performance.

**(iv) Adequacy of the Proposed Placement in addressing our Company's financial concerns**

The Proposed Placement is expected to raise gross proceeds of up to RM7.1 million which will mainly be utilised for the purposes as detailed in Section 2.6 of this Circular. Premised on the above and the efforts to improve the financial performance of our Group, our Board is of the view that the Proposed Placement is currently adequate to address the immediate financial concerns of our Group.

Nevertheless, our Group will continuously evaluate the viability of other types of corporate proposals to ensure the sustainability of our Group's financial performance in the medium to long term. At this juncture, save for the Proposed Placement, there are no other corporate proposals to be undertaken by our Company.

After due consideration of various fundraising options including rights issue and bank borrowings, our Board is of the view that the Proposed Placement is the most appropriate avenue of raising funds based on the following:

- (i) it allows TDEX to raise funds in cost effective and expeditious manner;
- (ii) it provides an avenue for TDEX to raise funds without having to incur interest cost as compared to bank borrowings or other interest-bearing debt instruments; and
- (iii) upon completion of the Proposed Placement, TDEX's enlarged capital base is expected to strengthen our Group's financial position and widen our shareholders' base.

#### **4. INDUSTRY OVERVIEW AND PROSPECTS**

##### **4.1 Overview and Outlook of the Malaysian Economy**

Gross domestic products registered a higher growth of 4.9% in the second quarter of 2019 (1Q 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.0% (1Q 2019: 1.1%).

Domestic demand expanded by 4.6% in the second quarter (1Q 2019: 4.4%), supported by firm household spending and slightly higher private investment.

Private consumption expanded by 7.8% (1Q 2019: 7.6%), supported by continued income growth and festive spending during the quarter. Selected Government measures, such as the special Aidilfitri assistance and Bantuan Sara Hidup, also provided some lift to overall household spending.

Private investment expanded at a faster pace of 1.8% (1Q 2019: 0.4%), supported by increased capital spending in the services and manufacturing sectors. Nonetheless, uncertainty surrounding global trade tensions and prevailing weaknesses in the broad property segment continued to weigh on the investment growth performance.

*(Source: Economic and Financial Developments in the Malaysian Economy in the 2<sup>nd</sup> Quarter of 2019, Bank Negara Malaysia ("BNM"))*

Against the backdrop of a challenging global environment, the Malaysian economy is expected to sustain its growth momentum, expanding by 4.3% – 4.8% in 2019 (2018: 4.7%). Domestic demand will remain the anchor of growth, underpinned by continued expansion in private sector activity. Private consumption growth is expected to moderate, but remain firm supported by stable labour market conditions and continued wage growth. The implementation of several Government measures, particularly aimed at alleviating rising cost of living, is expected to further support consumption spending, especially by lower income households. Private investment activity will be supported by the implementation of on-going multi-year projects, particularly in the manufacturing and services sectors. The normalisation of destocking activities by firms after the strong demand during the tax holiday period in 2018 will serve as an additional support to growth. Public sector expenditure, however, is expected to weigh on growth. The projected contraction in public investment will be due mainly to lower investment by public corporations following the completion of large-scale projects, while the expectations for a moderate growth in public consumption reflect the continued reprioritisation of Government spending.

*(Source: Annual Report 2018, BNM)*

## 4.2 Overview and Outlook of the IT Industry in the Asia Pacific Region

ICT comprises hardware, software and services that enable receipt, storage, management and transmission of digital data. ICT hardware comprises physical equipment (such as servers) as well as peripheral devices (such as computers and power and cooling solutions). Meanwhile, ICT software includes system software (which allows for the management of hardware) and application software (which facilitates tasks such as creating documents, managing databases and sending emails). ICT services refer to services provided to support, maintain and manage hardware and software on behalf of enterprises, and this includes managed ICT services. Managed ICT services allows enterprises and governments to access IT hardware, software and services on a utility consumption model through the Internet.

The enterprise ICT market in Asia Pacific can be measured by the expenditure spent on ICT by enterprises and Government associations in the region. The ICT market in Asia Pacific grew from USD679.0 billion (RM2.2 trillion) in 2014 to an estimated USD780.0 billion (RM3.1 trillion) in 2018 at a compound annual growth rate (“CAGR”) of 3.5%. ICT expenditure in Asia Pacific is largely contributed by the ICT services segment. ICT services is estimated to have contributed 47.7% of Asia Pacific’s overall ICT expenditure in 2018.<sup>3</sup> This was followed by ICT hardware and ICT software, which contributed 35.8% and 16.5% of Asia Pacific’s overall ICT expenditure, respectively.

Moving forward, PROVIDENCE forecasts that the ICT market in Asia Pacific will grow at a CAGR of 3.7% between 2019 and 2021, from an estimated USD808.9 billion (RM3.3 trillion) in 2019 to USD869.8 billion (RM3.5 trillion) in 2021.

In Malaysia, the ICT market size, in terms of expenditure in the ICT sector, grew from RM76.3 billion in 2014 to RM91.7 billion in 2018, registering a CAGR of 4.7% during the period. Moving forward, PROVIDENCE forecasts the ICT market in Malaysia to grow at a CAGR of 4.5% between 2019 and 2020, from an estimated RM95.8 billion in 2019 to RM100.1 billion in 2020.

The growth in the ICT market in Asia Pacific, including Malaysia, is expected to be driven by the following factors:

**(i) Growing number of enterprises, indicating demand potential for the ICT market**

According to latest available data from World Bank, new businesses registered in the Asia Pacific region grew from 863,586 in 2010 to 1.2 million in 2016, at an average of approximately 6.0% each year between 2010 and 2016. The growing number of new businesses registered each year indicates potential for greater demand for ICT hardware, software and services in the Asia Pacific region.

**(ii) Emergence of managed ICT services, which will increase demand from small medium enterprises (“SMEs”)**

Managed ICT services allows ICT hardware, software and services to be procured on a pay-per-use basis. This allows businesses to enjoy benefits such as lower initial investment, as well as access to advanced technology and experienced technical personnel on a pay-per-use basis. These benefits are attractive to SMEs as it increases the affordability of ICT hardware. As affordability increases, this would give rise to greater demand from SMEs.

**(iii) Regional initiatives in the ICT sector to drive and support the industry**

The International Telecommunication Union (ITU) Asia-Pacific Regional Development Forum on “Information Communication Technologies for Sustainable Development Goals”, which was held in May 2018, provides an opportunity for governments and regulators in the Asia Pacific region to assess and discuss strategies to determine the initiatives taken between 2018 and 2021. As a result of the forum, initiatives were introduced with the aim to enhance the regional connectivity in the Asia Pacific region through the development of ICT infrastructure. In addition, the initiatives also aimed at developing talent to ensure the region has adequate skills to meet the global ICT industry requirements.

*(Source: IMR Report)*

**4.3 Overview and Outlook of the Outsourcing and Recruitment for the ICT Industry in Malaysia**

The recruitment and outsourcing industry in Malaysia can be measured by the size of the labour force in Malaysia. The number of employed persons in Malaysia grew from 13.9 million in 2014 to 14.5 million in 2016 at a CAGR of 1.4%.

In particular, the labour force in the ICT sector constituted 1.5% of the overall labour force in Malaysia. The number of employed persons in the ICT sector grew from 213,200 persons in 2014 to 220,000 in 2017 at a CAGR of 1.1%. Moving forward, PROVIDENCE forecasts the labour force in the ICT sector in Malaysia to grow at a CAGR of 1.0%, from approximately 222,000 employed persons in 2018 to approximately 229,000 employed persons in 2021.

The growth in the recruitment and outsourcing industry in Malaysia is expected to be driven by the following factors:

**(i) Availability of investments into Malaysia, leading to the relocation of businesses to Malaysia which would benefit the recruitment and outsourcing industry**

Malaysia strives to position itself as an ideal destination for investments into value-added, advanced technology, and knowledge intensive based sectors such as the ICT sector. This has led to multinational companies relocating their operations to Malaysia to benefit from better cost-effectiveness and the availability of talent in the country. Between 2015 and 2017, foreign direct investments into the ICT sector in Malaysia grew from RM0.9 billion to RM2.8 billion, recording a CAGR of 46.0% during the period. These foreign investments into the ICT sector in Malaysia is expected to have a positive effect on job creation, which will support recruitment and outsourcing for the local ICT industry.

**(ii) Growing trend of outsourcing, particularly amongst small to medium enterprises**

Outsourcing of supporting functions in a company, such as ICT services, allows companies to focus on their core functions or core business activities. As a result, companies can reduce their operational costs as outsourcing eliminates the time and resources dedicated to these functions. In light of these benefits, the trend of outsourcing is expected to drive industry growth as more companies understand and realise these benefits.

**(iii) Growing digital economy, signifying the increasing need for talent in the ICT sector**

In general, the ICT sector in Malaysia has been growing. According to the Malaysian Digital Economy Corporation (MDEC), the digital solutions industry in Malaysia has been growing from RM7.1 billion in 2014 to an estimated RM7.9 billion in 2017 at a CAGR of 3.6%. As the industry continues to grow, this is expected to create job demand for ICT personnel, thus growing the labour force in the ICT sector in Malaysia.

- (iv) **Government initiatives to develop talent, particularly in the ICT sector, which will increase the marketability of local talent and support the recruitment and outsourcing industry**

The Government of Malaysia intends to enhance the skillset of graduates and labour force to meet the needs of the evolving digital economy. As such, under the Budget 2019, the Government had provided tax deductions for companies that provide scholarships and bursaries, incur expenses relating to the participation in Ministry of Human Resources approved programmes such as the National Dual Training Scheme for Industry 4.0, as well as incur expenses relating to structured training programmes in the engineering and technology fields. The tax deductions are expected to encourage the private sector to play their part in driving talent development within the country. The Budget 2019 also included the allocation of RM210 million to strengthen education and talent development through Program Peneraju Tunas, Program Peneraju Skil, and Program Peneraju Professional.

By enhancing and developing talent in Malaysia, the marketability of local talent will likely increase. Consequently, the recruitment and outsourcing industry for the ICT sector is expected to benefit as these factors will lead to higher demand for local talent from companies in the ICT sector.

(Source: *IMR Report*)

#### **4.4 Prospects of Our Group**

Despite the challenging environment, our Group will continue to focus on the development and future growth of our existing businesses, including new IT contracts/orders. As part of our growth plans, our Group intends to:

- (i) **tender for more IT contracts**

As at the LPD, our Group has secured 2 IT contracts for the provision of computer hardware leasing service amounting to approximately RM18.7 million and is awaiting the results of another 21 tenders for IT contracts. Please refer to Section 3 of this Circular for further details of the IT contracts secured by our Group. Through tendering and securing more IT contracts, our Group's financial performance is expected to be improved by the positive return to be generated from these IT contracts.

- (ii) **expand the offering of our IT solutions and services within the South East Asia region**

Our Group intends to expand the offering of our IT solutions and services within the South East Asia region *via* amongst others, the setting up of regional office(s) and/or collaboration with business partner(s) as detailed in Section 3 of this Circular.

- (iii) **expand our range of IT solutions and services**

Our Group has commercialised a new e-commerce platform, that is the Property Platform 2.0, which provides property information such as property transaction listing, proprietary algorithm with statistical model to estimate property prices and research dashboard to facilitate property valuation and property listing management. Our Group is currently in discussions with potential customers such as financial institutions, auditors and accountants, estate agencies, property valuers and property research houses to promote our Property Platform 2.0. Our Group is also developing other IT solutions and services which are expected to further enhance our financial performance when the benefits from the commercialisation of these IT solutions and services are reaped.

Premised on the above and coupled with the positive outlook of the IT industry in the Asia Pacific region and outsourcing and recruitment industry in Malaysia as set out in Sections 4.2 and 4.3 of this Circular, our Board is positive that the utilisation of the placement proceeds for the purposes as detailed in Section 2.6 of this Circular will enable our Group to enhance our financial performance and shareholders' value.

(Source: Management of TDEX)

## 5. EFFECTS OF THE PROPOSED PLACEMENT

### 5.1 Share Capital

The pro forma effects of the Proposed Placement on our Company's issued share capital are as follows:

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at the LPD	590,421,123	40,862,820
To be issued pursuant to the Proposed Placement <sup>(1)</sup>	177,126,300	7,085,052
<b>Enlarged issued share capital</b>	<b>767,547,423</b>	<b>47,947,872</b>

*Note:*

(1) Assuming 177,126,300 Placement Shares are issued at the indicative Issue Price of RM0.04 per Placement Share.

### 5.2 NA per Share and Gearing

Based on the audited consolidated financial statements of TDEX as at 30 June 2019, the pro forma effects of the Proposed Placement on the NA per Share and gearing of our Group, assuming the Proposed Placement had been effected as at 30 June 2019, are as follows:

	<b>Audited as at 30 June 2019</b>	<b>After the Proposed Placement</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital and reserves	40,863	(1)47,948
Capital reserves	1,339	1,339
Accumulated losses	(7,789)	(2)(8,189)
Shareholders' funds/NA	<u>34,413</u>	<u>41,098</u>
No. of Shares in issue ('000)	590,421	767,547
<b>NA per Share (RM)</b>	<b>0.06</b>	<b>0.05</b>
Total borrowings	5,065	5,065
<b>Gearing (times)</b>	<b>0.15</b>	<b>0.12</b>

*Notes:*

(1) Assuming 177,126,300 Placement Shares are issued at the indicative Issue Price of RM0.04 per Placement Share.

(2) After deducting estimated expenses of approximately RM0.4 million in relation to the Proposed Placement.

### 5.3 Substantial Shareholders' Shareholdings

The pro forma effects of the Proposed Placement on our Company's substantial shareholders' shareholdings as at the LPD are as follows:

Substantial shareholders	As at the LPD				After the Proposed Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
SurfsTek Resources (M) Sdn Bhd	67,275,000	11.4	-	-	67,275,000	8.8	-	-
ACE Credit (M) Sdn Bhd	57,741,700	9.8	-	-	57,741,700	7.5	-	-
Tan Boon Wooi	33,065,000	5.6	-	-	33,065,000	4.3	-	-
Kerk Han Meng	31,731,086	5.4	-	-	31,731,086	4.1	-	-

### 5.4 Earnings and EPS

The Placement Shares to be issued pursuant to the Proposed Placement will result in a dilution in our Group's EPS due to the increase in the number of Shares in issue upon completion of the Proposed Placement.

Nevertheless, our Board expects the Proposed Placement will contribute positively to the future earnings of our Group when the benefits from the utilisation of proceeds are realised.

### 5.5 Convertible Securities

As at the LPD, our Company does not have any outstanding convertible securities.

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## **6. APPROVALS REQUIRED**

The Proposed Placement requires approval from:

- (i) Bursa Securities for the listing of and quotation for up to 177,126,300 Placement Shares to be issued pursuant to the Proposed Placement which was obtained *vide* its letter dated 30 October 2019, subject to the following conditions:

<b>Condition</b>	<b>Status of Compliance</b>
(1) TDEX and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Placement;	To be complied
(2) TDEX and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Placement; and	To be complied
(3) TDEX to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Placement is completed.	To be complied
(ii) our shareholders at the forthcoming EGM; and	
(iii) any other relevant regulatory authorities and/or parties, if required.	

The Proposed Placement is not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

## **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors and/or major shareholders of TDEX and/or persons connected with them have any interest, direct or indirect, in the Proposed Placement.

## **8. DIRECTORS' STATEMENT**

Our Board, having considered all aspects of the Proposed Placement, including the rationale, utilisation of proceeds and effects of the Proposed Placement, is of the opinion that the Proposed Placement is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution to give effect to the Proposed Placement to be tabled at the forthcoming EGM.

## **9. OTHER CORPORATE PROPOSALS**

As at the LPD, save for the Proposed Placement, there are no other corporate exercises which have been announced by our Company but have yet to be completed.

## **10. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Placement is expected to be completed by the 4<sup>th</sup> quarter of 2019.

## 11. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of TDEX Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	High	Low
	RM	RM
<b>2018</b>		
November	0.115	0.105
December	0.115	0.090
<b>2019</b>		
January	0.125	0.095
February	0.110	0.070
March	0.080	0.065
April	0.090	0.070
May	0.075	0.065
June	0.075	0.065
July	0.090	0.065
August	0.070	0.050
September	0.060	0.045
October	0.080	0.050
Last transacted market price on the LTD	0.055	
Last transacted market price on the LPD	0.055	

(Source: Bloomberg)

## 12. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 1, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan on Friday, 6 December 2019 at 11.00 a.m. or immediately after the conclusion or adjournment of our Company's Fifteenth (15<sup>th</sup>) Annual General Meeting, to be held at the same venue and on the same date at 10.00 a.m., whichever is later or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution so as to give effect to the Proposed Placement.

If you are unable to attend, participate, speak or vote in person at the EGM and wish to appoint a proxy or proxies, you are requested to complete, sign and deposit the enclosed Proxy Form in accordance with the instructions contained therein, so as to arrive at our Share Registrar's office at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time and date stipulated for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently decide to do so.

### **13. FURTHER INFORMATION**

You are advised to refer to the ensuing appendices set out in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**TECHNODEX BHD**

**HENG LING JY**  
Executive Director cum Chief Operating Officer

## APPENDIX I – HISTORICAL FINANCIAL PERFORMANCE

Our Group's historical financial performance for the FYE 30 April 2017, 30 April 2018 and the 14-month FPE 30 June 2019 are summarised below:

	Audited		
	FYE 30 April 2017	FYE 30 April 2018	14-month FPE 30 June 2019
	RM'000	RM'000	RM'000
Revenue	53,494	56,411	63,053
Profit before tax (“ <b>PBTLBT<td>2,629</td><td>(1,334)</td><td>(12,594)</td></b>	2,629	(1,334)	(12,594)
Profit/(Loss) after tax	2,323	(1,735)	(12,637)
Profit/(Loss) after tax and minority interest	430	(1,834)	(11,779)
No. of Shares ('000)	412,933	543,505	590,421
NA per Share (RM)	0.07	0.08	0.06
EPS/(Loss per share) (sen)	0.10	(0.40)	(2.05)
Borrowings	3,250	3,657	5,065
Gearing (times)	0.11	0.09	0.15
Current ratio (times)	3.85	4.32	2.97

### (a) Financial commentary for the FYE 30 April 2017

Our Group achieved a higher revenue of RM53.5 million in the FYE 30 April 2017 as compared to RM24.0 million in the previous financial year. The increase in revenue of RM29.5 million or 122.9% was mainly attributable to:

- (i) higher revenue of RM32.3 million generated mainly from ICT professional services as well as IT hardware solution development, support and maintenance services segments in the FYE 30 April 2017 as a result of increased IT hardware sales contributed from SurfsTek R&D (FYE 30 April 2016: RM8.2 million); and
- (ii) higher revenue of RM17.6 million generated from ICT manpower outsourcing and recruitment services segment in the FYE 30 April 2017 due to increased customers demand and addition of new strategic clientele during the financial year (FYE 30 April 2016: RM11.8 million).

Our Group recorded a higher PBT of RM2.6 million in the FYE 30 April 2017 as compared to RM2.3 million in the FYE 30 April 2016, representing an increase of RM0.3 million or 13.0%. The increase in PBT was mainly attributable to higher revenue as mentioned above which was partially offset by:

- (i) purchase costs for computer and point of sales hardware as well as related accessories and peripherals amounting to RM25.6 million (FYE 30 April 2016: nil); and
- (ii) higher other operating cost of RM17.9 million as a result of additional headcount for contractors, increase in incentive/commission payment to salesmen and license and maintenance fees which is in line with the increase in revenue for the FYE 30 April 2017 (FYE 30 April 2016: RM14.3 million).

**(b) Financial commentary for the FYE 30 April 2018**

Our Group recorded a higher revenue of RM56.4 million in the FYE 30 April 2018 as compared to RM53.5 million achieved in the FYE 30 April 2017. The increase in revenue of RM2.9 million or 5.4% was mainly attributable to an increase in revenue of RM6.8 million from the IT hardware solution development, support and maintenance services segment as a result of an increase in market share subsequent to adoption of competitive price and quality strategies, which was partially offset by a decrease in revenue of RM3.9 million from other segments.

Despite the higher revenue recorded during the financial year, our Group incurred a LBT of RM1.3 million as compared to a PBT of RM2.6 million recorded in the FYE 30 April 2017. The LBT incurred during the financial year was mainly due to:

- (i) higher revenue from the IT hardware solution development, support and maintenance services segment which earned lower profit margins as compared to other segments of our Group; and
- (ii) higher employment benefit of RM6.5 million as a result of hiring of new staff for the commercialisation of our Group's property data sales and consulting services, and data solutions and services segments as well as additional headcount for our Group's other segments (FYE 30 April 2017: RM4.8 million).

**(c) Financial commentary for the 14-month FPE 30 June 2019**

On 25 October 2018, our Group changed our financial year end from 30 April to 30 June. Thus, the financial results for the period subsequent to the FYE 30 April 2018 comprised of 14 months from 1 May 2018 to 30 June 2019.

For the 14-month FPE 30 June 2019, our Group recorded a revenue of RM63.1 million as compared to RM56.4 million recorded in the FYE 30 April 2018, representing an increase of RM6.7 million or 11.9%. The increase in revenue was mainly attributable to the additional 2 months results following the change in the financial year end from 30 April to 30 June. For information purposes, our revenue on an annualised basis for the FPE 30 June 2019 was RM54.1 million, representing a decrease of RM2.3 million or 4.1% as compared to RM56.4 million recorded in the FYE 30 April 2018. The decrease in revenue on an annualised basis was mainly due to:

- (i) lower revenue of RM11.5 million generated from the ICT manpower outsourcing and recruitment services segment due to softening orders from certain key customers (FYE 30 April 2018: RM15.9 million); and
- (ii) lower revenue of RM1.0 million generated from the e-commerce and specified application services segment due to lesser contracts awarded by strategic clientele (FYE 30 April 2018: RM3.1 million).

The decrease in revenue from the above segments were partially offset by the revenue increase in the IT hardware solution development, support and maintenance services segment by RM4.2 million as a result of increased export market penetration for our computer and point of sales hardware due to our competitive pricing strategy.

Our Group continue to record a higher LBT of RM10.8 million on an annualised basis for the FPE 30 June 2019 as compared to a LBT of RM1.3 million in the previous financial year, representing an increase of RM9.5 million. The increase in LBT was mainly due to:

- (i) higher revenue from the IT hardware solution development, support and maintenance services segment which earned lower profit margins as compared to other segments of our Group;
- (ii) impairment losses of intangible assets, property, plant and equipment as well as trade and other receivables totalling RM1.8 million (FYE 30 April 2018: RM0.8 million); and

## **APPENDIX I – HISTORICAL FINANCIAL PERFORMANCE (Cont'd)**

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- (iii) higher research and development cost of RM1.1 million for the enhancement of the e-commerce and specified application services segment in order for our Group to stay competitive and ahead of the technology curve (FYE 30 April 2018: nil).

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## **APPENDIX II – FURTHER INFORMATION**

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### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board and they, collectively and individually, accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein misleading.

### **2. CONSENT AND CONFLICT OF INTEREST**

#### **(i) Adviser**

Mercury Securities, being the Adviser for the Proposed Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Mercury Securities is also not aware of any conflict of interests which exist or are likely to exist in its capacity as the Adviser to our Company for the Proposed Placement.

#### **(ii) Independent Market Researcher**

PROVIDENCE, being the Independent Market Researcher for the Proposed Placement, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the extracts of its IMR Report and all references thereto in the form and context in which they appear in this Circular.

PROVIDENCE is also not aware of any conflict of interests which exist or are likely to exist in its capacity as the Independent Market Researcher for the Proposed Placement.

### **3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant which may have a material effect on the financial position or business of our Group, and our Board is not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

### **4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

#### **(i) Material Commitments**

As at the LPD, our Board is not aware of any material capital commitments incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

#### **(ii) Contingent Liabilities**

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our Registered Office during normal business hours (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Constitution of TDEX;
- (ii) audited consolidated financial statements of TDEX for the FYE 30 April 2018 and 14-month FPE 30 June 2019;
- (iii) IMR Report; and
- (iv) letters of consent and conflict of interest as referred to in Section 2 of this Appendix.

# TechnoDex

TECHNODEX BHD  
(Registration No. 200301025214 (627634-A))  
(Incorporated in Malaysia)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of TechnoDex Bhd will be held at Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 1, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan on Friday, 6 December 2019 at 11.00 a.m. or immediately after the conclusion or adjournment of TechnoDex Bhd’s Fifteenth (15<sup>th</sup>) Annual General Meeting, to be held at the same venue and on the same date at 10.00 a.m., whichever is later or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

### ORDINARY RESOLUTION

#### **PROPOSED PLACEMENT OF UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF TECHNODEX BHD (“TDEX” OR “COMPANY”) (“PROPOSED PLACEMENT”)**

“**THAT** subject to the approval of all relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board of Directors of TDEX (“**Board**”) to allot and issue up to 177,126,300 new ordinary shares of TDEX (“**TDEX Shares**” or “**Shares**”) (“**Placement Shares**”), representing approximately 30% of the total number of issued Shares of the Company, to be implemented in one or more tranches within 6 months from the date of approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the Proposed Placement or any extended period as may be approved by Bursa Securities;

**THAT** approval be and is hereby given to the Board to determine the issue price of the Placement Shares at a later date after receipt of all relevant approvals for the Proposed Placement and the issue price of the Placement Shares shall be priced at up to 20% discount to the weighted average market price of the Shares for the 5 market days immediately before the price fixing date;

**THAT** the Board be and is hereby authorised to utilise the proceeds of the Proposed Placement for such purposes and in such manner as set out in Section 2.6 of the circular to shareholders of the Company dated 5 November 2019 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient subject to the approval of the relevant authorities (where required) and in the best interest of the Company;

**THAT** such Placement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, except that the holders of the Placement Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares;

**THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangement as may be necessary to give effect and complete the Proposed Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the best interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect and to complete the Proposed Placement;

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein and shall continue in full force and effect until all Placement Shares to be issued pursuant to or in connection with the Proposed Placement have duly allotted and issued in accordance with the terms of the Proposed Placement."

**BY THE ORDER OF THE BOARD**

**TEA SOR HUA (MACS 01324)**  
Company Secretary

Petaling Jaya, Selangor Darul Ehsan  
5 November 2019

Notes:

- (i) *A member of the Company who is entitled to attend, participate, speak and vote at the EGM is entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the EGM in his/her stead. Where a member appoints more than (1) proxy, the member shall specify the proportion of his/her shareholdings to be represented by each proxy.*
- (ii) *A proxy may but need not be a member of the Company. A proxy appointed to attend, participating, speak and vote at the EGM shall have the same rights as the members to speak at the EGM.*
- (iii) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with TDEX Shares standing to the credit of the said securities account.*
- (iv) *Where a member of the Company is an exempt authorised nominee which holds TDEX Shares for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.*
- (v) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.*
- (vi) *To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time for holding the EGM or adjourned meeting.*
- (vii) *For the purpose of determining a member who shall be entitled to attend the EGM, TDEX will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of TDEX's Constitution to issue a General Meeting Record of Depositors as at 2 December 2019. Only members whose name appears in the Record of Depositors as at 2 December 2019 shall be entitled to attend the EGM and to participate, speak and vote thereat.*
- (viii) *The resolution set out in this Notice of EGM will be put to vote by poll.*

## PROXY FORM

**TechnoDex****TECHNODEX BHD**(Registration No. 200301025214 (627634-A))  
(Incorporated in Malaysia)I/We \_\_\_\_\_ NRIC /Company No. \_\_\_\_\_  
(full name in capital letters)of \_\_\_\_\_  
(full address)being (a) member(s) of TechnoDex Bhd, hereby appoint(s) \_\_\_\_\_  
NRIC No. \_\_\_\_\_  
(full name in capital letters)of \_\_\_\_\_  
(full address)and/or\* \_\_\_\_\_ NRIC No. \_\_\_\_\_  
(full name in capital letters)of \_\_\_\_\_  
(full address)

or failing him/her\*, the Chairman of the Meeting as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 1, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan on Friday, 6 December 2019 at 11.00 a.m. or immediately after the conclusion or adjournment of the Company's Fifteenth (15<sup>th</sup>) Annual General Meeting, to be held at the same venue and same date at 10.00 a.m., whichever is later or at any adjournment thereof.

Please indicate with "X" in the appropriate space how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

Resolution	Particular	FOR	AGAINST
Ordinary Resolution	Proposed Placement		

\* delete whichever not applicable

CDS Account No.	
No. of Shares Held	

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\*Signature/Common Seal of Member(s)

Percentage of shareholdings to be represented by the proxies:		
	No of Shares	%
Proxy 1		
Proxy 2		
<b>TOTAL</b>		

## Notes:

- (i) A member of the Company who is entitled to attend, participate, speak and vote at the EGM is entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the EGM in his/her stead. Where a member appoints more than (1) proxy, the member shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (ii) A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak and vote at the EGM shall have the same rights as the members to speak at the EGM.
- (iii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with TDEX Shares standing to the credit of the said securities account.
- (iv) Where a member of the Company is an exempt authorised nominee which holds TDEX Shares for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (v) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (vi) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time for holding the EGM or adjourned meeting.
- (vii) For the purpose of determining a member who shall be entitled to attend the EGM, TDEX will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of TDEX's Constitution to issue a General Meeting Record of Depositors as at 2 December 2019. Only members whose name appears in the Record of Depositors as at 2 December 2019 shall be entitled to attend the EGM and to participate, speak and vote thereat.
- (viii) The resolution set out in this Notice of EGM will be put to vote by poll.



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AFFIX  
STAMP

The Share Registrar  
**TECHNODEX BHD** (200301025214 (627634-A))  
Boardroom Share Registrars Sdn Bhd  
(Formerly known as Symphony Share Registrars Sdn Bhd)  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

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