TECHNODEX
(627634-A)

EVOLVING *AND* TRANSFORMING...

2016 ANNUAL REPORT

CONTENTS

CORPORATE PROFILE

TechnoDex Berhad. ("TDEX" or "the Company"), a MSC-Status company, is a leading eBusiness Enabler through providing Open Source technology, and transforming into eBusiness Service Provider in the region. The Company was established on 10 September 2003 and it then converted into a public limited company on 7 April 2005. TDEX was listed on 23 August 2006 on the MESDAQ Market of Bursa Malaysia Securities Berhad, which is now the ACE Market of Bursa Malaysia Securities Berhad (ACE: TDEX 0132).

Traditional business models have changed over time, and they require injection of new technological capabilities into innovative business delivery. With the ICT foundation of the Company and its subsidiaries ("the Group"), the Group is determined to incubate and transform bricks-and-mortar businesses into eBusiness in order to create synergistic values and profits.

The Group is led by a group of professionals and businessmen from cross industries, and instilling vast knowledge and values to evolve and transform the Group into eBusiness service provider. The Group's business expanded from traditional ICT solutions and services to recruitment & outsourcing services, eCommerce, and content businesses across government and private sector to consumer marketspace.

OUR VALUES

For Our Clients:

Our mission is to create values through our eBusiness solutions and services. We strive to excel excellence over and beyond the normal standards. We constantly challenge ourselves if the solution and/or services can be taken to the next level. By doing so, we bring synergistic values and profits to both the Clients and the Group.

For Shareholders and Employees:

We believe the people makes up the key element of a successful corporation. We believe true relationship is nurtured through sharing and growing together. Our mission is to become established among the Malaysian business community for our innovative eBusiness services and our rich knowledge to match the business. Through our innovation, we will create values and growth for our shareholders and employees.

OUR BUSINESSES

The Group offers vast selection of value-added services through technological capabilities. Amongst them are: -

- *ICT Professional Services* that comprises of Application Development Service, Application Support and Maintenance Service, and vertical solutions and consultation.
- *ICT Recruitment and Outsourcing Services* that focuses on sourcing, selecting, and outsourcing to fill for human resource needs.
- *Property Data Sales & Consulting Services* that aspires to provide value-added services and property information to the financial, real estate, and consumer industry.
- *Online Hotel Reservation Service* providing online hotel platforms worldwide, listing hundreds of thousands of hotels and providing services in the Region. Employing world-class technology to offer instant confirmation for the listed hotels with 24/7 customer supports.
- *Budget International Roaming Services* provides innovative and budget services to the business and leisure travelers in the region.
- *Online Payment Gateway Services*, empowered by Malaysia's Payment System Act and also PCI Data Security Standard (DSS), offers Online Payment Services to regional eCommerce retailer and merchants.
- *Data Solutions & Services*
- *Cybersecurity Consulting*

CORPORATE STRUCTURE AS AT 30 AUGUST 2016

TechnodeX Berhad (MSC)

- 100% — **TechnoDex Solutions Sdn Bhd**
  (Incorporated in Malaysia)
  - Application Development
  - Business Continuity Service
  - Research & Development
- 100% — **EvoDex Solutions Sdn Bhd**
  (Incorporated in Malaysia)
  - Data Solutions & Services
  - Cybersecurity Consulting
- 100% — **TDex Global Limited**
  (Incorporated in Hong Kong)
  - Dormant
  - 100% — **Suzhou TechnoDex Co. Ltd**
    (Incorporated in China)
    - Dormant
- 55% — **Idealseed Resources Sdn Bhd**
  (Incorporated in Malaysia)
  - Staffing & Outsourcing
  - Training Services
  - 51% — **Idealseed Arrow Head Sdn Bhd**
    (Incorporated in Malaysia)
    - Headhunting Services
- 50% — **Myproperty Data Sdn Bhd**
  (Incorporated in Malaysia)
  - Property Data Analytics
- 50% — **SurfsTek Resources (R&D) Sdn Bhd**
  (Incorporated in Malaysia)
  - Payment Gateway Platform
  - Payment Gateway Services
  - 100% — **HotelSurfs Sdn Bhd**
    (Incorporated in Malaysia)
    - Online Hotel Platform
    - Online Hotel Services
  - 100% — **SurfsTek Innovation Sdn Bhd**
    (Incorporated in Malaysia)
    - Point of Sales (POS) solution
    - Support & Maintenance

CORPORATE INFORMATION

BOARD OF DIRECTORS

KERK HAN MENG
Executive Chairman

TAN SZE CHONG
Group Managing Director

TAN BOON WOOI
Executive Director

STEVEN WONG CHIN FUNG
Senior Independent Non-Executive Director

TAN TIAN WOOI
Independent Non-Executive Director

KOO TECK SEONG
Independent Non-Executive Director

AUDIT COMMITTEE

TAN TIAN WOOI, Chairman

STEVEN WONG CHIN FUNG, Member

KOO TECK SEONG, Member

NOMINATION COMMITTEE

STEVEN WONG CHIN FUNG, Chairman

TAN TIAN WOOI, Member

KOO TECK SEONG, Member

REMUNERATION COMMITTEE

KOO TECK SEONG, Chairman

KERK HAN MENG, Member

TAN TIAN WOOI, Member

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : TDEX
Stock Code : 0132

REGISTERED OFFICE

Third Floor, No. 79 (Room A)
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7725 1777
Fax : 603-7722 3668

HEAD OFFICE

Level 6, Block B-6-6
Pusat Komersial Southgate
No. 2, Jalan Dua, Off Jalan Chan Sow Lin
55200 Kuala Lumpur
Tel : 603-9223 6699
Fax : 603-9223 6688
E-mail : info@technodex.com
Website : www.technodex.com

AUDITORS

CHI-LLTC (AF1114)
Chartered Accountants

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7841 8000
Fax : 603-7841 8008

COMPANY SECRETARIES

TEA SOR HUA (MACS 01324)

YONG YEN LING (MAICSA 7044771)

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad

Hong Leong Bank Berhad

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors ("Board") of TechnoDex Berhad ("TDEX" or "the Company"), I am pleased to present to you the 2016 Annual Report incorporating the Consolidated Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 30 April 2016 ("FYE 2016")

PERFORMANCE REVIEW

The Group continued to perform commendably and maintained its position as one of the leading player in application development service, support & maintenance service, manpower outsourcing service, and technology licensing (eCommerce) amid continuing uncertainties surrounding the economic environment. Despite the challenging business environment in FYE 2016, the Group has achieved revenue of RM 23.973 million, representing a 19% growth as compared to RM 20.164 million in the previous financial year ended 30 April 2015 ("FYE 2015").

The increase in revenue was attributed to the consolidation of revenues generated from support & maintenance service, manpower outsourcing service, and technology licensing (eCommerce) segments, which remained as the key revenue contributors to the Group.

Following the growth in revenue, the Group's Profit Before Tax ("PBT") for the financial year surged by 202% to RM 2.324 million as compared to RM 0.770 million in the FYE 2015. The improvement in the PBT was attributed to the addition of new revenue portfolio that brought higher profit margin and the improvement of operation efficiency.

I look forward to achieving greater success together over the coming years as we chart the Group's course for new development.

OPERATIONAL REVIEW

The financial performance achieved in FYE 2016 was primarily driven by the addition of new income streams via new business ventures. Among the new income streams, they are manpower outsourcing and eCommerce technology licensing, totaling up to 64.6% of total revenue.

In the manpower sourcing segment, the increased spending in existing clients that contributed 50% of the total revenue valued at RM 12.048 million. The team managed to achieve cost advantage in source of manpower supply via locally trained resources.

Whilst in the Hotel Reservation Platform licensing segment, the new venture has brought about 14.6% of the total revenue valued at RM 3.5 million, which associated with a 50% in gross profits for the Group.

The balance of the 34.4% in revenue valued at RM 8.176 million came from the traditional application support & maintenance services. However, the Group anticipates organic growth within this revenue segment as the contraction Government spending.

The Group achieved cost efficiency in the overall operation control, coupled with the introduction of technological advancement in the operation structure has improved operation efficiency.

In short, the Group will continue to maximize the technological advancement to further improve the financial performance of the Group.

CHAIRMAN'S STATEMENT (continued)

FUTURE OUTLOOK

The Malaysian economy remains resilient despite a more challenging external environment, including moderate global growth, declining commodity prices and volatility in financial markets. The Group remains prudent on the near term outlook of the ICT industry, but continues to be positive in the longer term. Whilst the global economic environment is expected to be affected by economic slowdown, the Malaysian economy is expected to grow at a moderate pace.

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. In anticipation the slowdown, the Group will engage in development of new ICT products (vertical solutions) and services, targeting at the government sector, financial institutions and property industries. The new products and services will allow the Group to penetrate into new marketspace that in turns will bring forth new income streams to the Group.

Manpower outsourcing service will remain as one of the key focus segments. The Group foresees increase in revenue in this segment especially due to market uncertainty in the job markets, more companies will be opting for flexible outsourcing option instead of committing fixed hiring costs. The Group foresees the manpower outsourcing a growing revenue contributing segment, and will continue to expand market condition prevails.

Payment Gateway licensing segment sets the future growth potential for the Group and is expected to generate higher revenue in the coming years. The Hotel Reservation Platform licensing agreements have also been completed for markets like China, Hong Kong and Taiwan. Concurrently, discussions are ongoing for other markets inclusive of Thailand, Indonesia, Cambodia, Vietnam, France, Italy, and Spain. Further to this, the Group will be operating in five (5) countries inclusive of Malaysia, Singapore, Australia, USA, and United Kingdom using the Hotel Reservation Platform. This operation will allow the Group to go into consumers market, and in turns improve the variety of the Group's revenue portfolio. The Group forecasts that this segment will contribute with increased percentage in the total revenue portfolio in the upcoming financial year.

Property data content service segment will continue to focus on property related data and consulting service to both Business to Business and Business to Customer marketspaces. The Group will target audiences from financial institutions, estate agencies, and consumer market.

The Group foresees an organic and moderate growth in the application development, support & maintenance services segment. The revenue shall come from the existing customers' base, particularly from the Government sector.

In addition, the Group will focus on expanding its existing businesses both locally and globally. The strategy aims to diversify the revenue dependency on the local markets.

In summary, the Group is confident to perform satisfactorily amidst of the economic uncertainty by taking pragmatic and well strategized action plans towards maintaining financial performance of the Group.

CHAIRMAN'S STATEMENT (continued)

CORPORATE DEVELOPMENTS

In FYE 2016, the Company completed two (2) joint ventures with SurfsTek Resources (R&D) Sdn Bhd ("SurfsTek") and MyProperty Data Sdn Bhd ("MyProperty"). SurfsTek is involved in payment gateway licensing, hotel reservation platform, and Internet Data & Voice Roaming service. MyProperty, on the other hand, is involved in property data consultancy services.

On 4 July 2016, the Company has completed a private placement exercise to raise proceeds of RM 3.94 million by issuance a total of 37,539,390 new ordinary shares of RM0.10 each. The proceeds will be utilised for working capital and business development of the Company.

The Group is continuously looking into business ventures that can add values to the Group, particularly of cyber and data security segment. The business idea is to offer end-to-end services that include data storage, data security, data warehousing, data analytics, data cleansing to data deletion that complied with world data management standards, and related services. The Group will share more information with the Shareholders when more information becomes available.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I wish to express my gratitude to the Board, management and employees of the Group for their dedication, commitment and contributions in past years. I applaud to the team for their efforts and achievement in maintaining growth in revenue and profit over the past three years. The commitment and innovation of the team is the nucleus of the financial success of the Group. We will continue to provide a conducive working environment to foster creative and vitality culture among the team.

I also wish to express my deepest appreciation to our shareholders, customers, business associates and relevant authorities for their continuous support and cooperation.

Last but not least, to my fellow colleagues on the Board, I wish to thank you for your continuous guidance and support, and I look forward to your continuous participation.

KERK HAN MENG
Chairman

PROFILE OF DIRECTORS

KERK HAN MENG

Malaysian, Aged 43, Male
Executive Chairman

Mr. Kerk Han Meng was appointed to the Board on 12 January 2009 as an Independent Non-Executive Director. On 11 May 2011, he was re-designated as the Executive Chairman of the Company. He is a member of the Remuneration Committee of the Company. He is also a substantial shareholder of the Company.

Mr. Kerk graduated from the University of Southern Queensland, Australia with a Bachelor of Business in Marketing in 1994. Upon graduation, he joined one of the largest polymer and textile manufacturer in South East Asia and assumed a leading role in the international sales division. Based in Europe for more than 10 years, he was responsible for expansion of the business in United Kingdom, Spain, Netherlands, Italy and other areas in the region before his return to Malaysia.

Mr. Kerk has extensive corporate, management, business development, marketing and international trading knowledge. He is also a director of several private limited companies involved in various industries such as polymers, petrochemicals, textile, property development and related activities.

TAN SZE CHONG

Malaysian, Aged 47, Male
Group Managing Director

Mr. Tan Sze Chong was appointed to the Board on 22 December 2011 as the Non-Independent Non-Executive Director. On 20 September 2013, he was re-designated as the Executive Director and assumed the position as the Group Managing Director. Mr. Tan is also a substantial shareholder of the Company.

Mr. Tan graduated from University of North Florida, USA with Bachelor of Business, majoring in Marketing and Business Management, and Master of Business Administration in 1991 and 1992 respectively.

Mr. Tan has more than 23 years of experience in credit information and market research industries. He commenced his career in 1993 with New Strait Times Technology as Research Analyst. He furthered his career with Taylor Nelson Sofres as Research Manager in 1994. In 1997, Mr. Tan founded InfoCredit International Sdn. Bhd., a company involved in the provision of credit research, information and ratings. In 2000, InfoCredit joint venture with Dun & Bradstreet USA, where Mr. Tan was appointed as Managing Director and continued to lead growth and success of Dun & Bradstreet Malaysia.

During his tenure with Dun & Bradstreet, Mr. Tan successfully introduced credit training modules and framework for the industry. In 2003, Mr. Tan brought the Company into Independent Market Research for companies going for Initial Public Offerings. Mr. Tan also led the Company into a joint venture with Credit Guarantee Corporation and Association of Banks Malaysia, namely Credit Bureau Malaysia, where Mr. Tan was seconded as Chief Executive Officer between 2011 and 2013.

During his tenure as Group Managing Director, Mr. Tan successfully entered into numerous joint ventures and diversified revenue portfolio for the Group. He is responsible for charting the strategic directions and focus of the Group.

PROFILE OF DIRECTORS (continued)

TAN BOON WOOI

Malaysian, Aged 43, Male
Executive Director

Mr. Tan Boon Wooi was appointed to the Board on 8 January 2014 as the Non-Independent Non-Executive Director. On 29 June 2016, he was re-designated as the Executive Director. Mr. Tan is also a substantial shareholder of the Company.

Mr. Tan graduated from the University of Southern Queensland, Australia with a Bachelor of Business in Accountancy in 1994.

Mr. Tan, a trained accountant and entrepreneur in the logistics industry, commenced his career with an international audit firm. He is currently a member of the Malaysian Institute of Accountants (MIA) and directors of several private companies in logistics, property development and business advisory businesses.

Currently, Mr. Tan plays an executive role in the Board facilitating to chart strategic directions and focus for the Group.

STEVEN WONG CHIN FUNG

Malaysian, Aged 49, Male
Senior Independent Non-Executive Director

Mr. Steven Wong Chin Fung was appointed to the Board on 11 May 2011 as an Independent Non-Executive Director of the Company. On 24 June 2013, he was re-designated as the Senior Independent Non-Executive Director of the Company. Mr. Steven Wong is the Chairman of Nomination Committee and a member of the Audit Committee of the Company.

He graduated from University of Melbourne, Australia with a Bachelor of Law degree in 1990. Upon graduation, he did his pupillage in an established law firm and was admitted to the Malaysian Bar in February 1991 and has been in private legal practice since then. He has more than 20 years of experience in commercial and civil litigation.

TAN TIAN WOOI

Malaysian, Aged 46, Male
Independent Non-Executive Director

Mr. Tan Tian Wooi was appointed to the Board on 4 August 2011 as an Independent Non-Executive Director of the Company. He is the Chairman of the Audit Committee and a member of both Nomination and Remuneration Committees of the Company.

Mr. Tan is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). Currently, he is the Executive Director of Messrs. UHY and previously worked with other international accounting firms in Malaysia. He has 16 years of experience in audit and business advisory.

PROFILE OF DIRECTORS (continued)

KOO TECK SEONG

Malaysian, Aged 43, Male

Independent Non-Executive Director

Mr. Koo Teck Seong was appointed to the Board on 11 May 2011 as an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee and a member of both the Audit and Nomination Committees of the Company.

He graduated from the Wichita State University, Kansas, United States of America (USA) with First Honor Degree in Industrial Engineering in 1996. He then joined his family business, Ah Luck Tiling Sdn. Bhd., which has business activities involved in various areas such as tiling and property construction, and has since been serving in various capacities. He is also a director of several private limited companies involving in amongst others, media and information technology, aquaculture, construction and financial consultancy, management and project management.

Notes :

1. *None of the Directors have family relationships with any Directors and/or major shareholders of the Company.*
2. *None of the Directors have any personal interest in any business arrangement involving our group.*
3. *None of the Directors have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 April 2016, other than traffic offence.*

PROFILE OF KEY SENIOR MANAGEMENT

HENG LING JY

Malaysian, Aged 47, Female

Chief Executive Officer

TechnoDex Solutions Sdn. Bhd.
EvoDex Solutions Sdn. Bhd.
MyProperty Data Sdn. Bhd.

Ms. Heng Ling Jy founded the TechnoDex group of companies in 2001 and successfully brought the Group to be listed in ACE Market, Bursa Malaysia Securities Berhad in 2006. Ms. Heng was appointed to the Board of Technodex Berhad as Executive Director between 2001 and 2013. She also served as the Group Chief Operations Officer since 2001, and assumed the position as the Group Managing Director of Technodex Berhad between 2010 and 2013. She moved on to focus on key revenue contributing entities of the Group namely TechnoDex Solutions Sdn. Bhd., EvoDex Solutions Sdn. Bhd. and MyProperty Data Sdn. Bhd. She is a substantial shareholder of the Company.

Ms. Heng graduated from University of North Florida, USA with Bachelor of Science in Computers and Information Sciences, and Master of Business Administration in 1992 and 1994 respectively.

Ms. Heng commenced her career in Information Technology with BTI Services Inc. in Florida since 1991. She continued her career with Solsisnet Sdn. Bhd. (member of Dataprep Berhad) as Business Consultant between 1995 and 1999. In 2000, she moved on to join IP Technology Sdn. Bhd. (associated company of iProperty Sdn. Bhd.) where she helped drive technology strategy for the company. Subsequently in 2001, Ms. Heng founded TechnoDex group of companies.

During her tenure as Chief Operations Officer and Group Managing Director, Ms. Heng successfully developed and stabilised the Group's business and operations. Currently, she is responsible for managing the operations of Technodex Berhad's subsidiaries in TechnoDex Solutions Sdn. Bhd., EvoDex Solutions Sdn. Bhd. and MyProperty Data Sdn. Bhd. She also facilitates in corporate strategic planning, technology development and business support for the Group and other subsidiaries.

TAN WAH CHOY

Malaysian, Aged 48, Male

Chief Executive Officer

IdealSeed Resources Sdn. Bhd.
IdealSeed ArrowHead Sdn. Bhd.

Mr. Tan Wah Choy, a veteran and entrepreneur in manpower and executive search services, founded IdealSeed Resources Sdn. Bhd. in 2004. In 2014, when the Group acquired IdealSeed Resources Sdn. Bhd., Mr. Tan was appointed as Chief Executive Officer to Idealseed Resources Sdn. Bhd. and Idealseed Arrow Head Sdn. Bhd. on 31 October 2014.

Mr. Tan graduated from University of Minnesota with Bachelor of Art majoring in Economics in 1992.

Mr. Tan began his career with Delta Finance Bhd as Credit Officer in 1994. He moved on to start up his own business in 1999 in executive search, namely Hasper Consulting Sdn. Bhd. Subsequently, he founded IdealSeed Resources Sdn. Bhd. in 2004. Capitalized the advantage of being an early-moved in the IT manpower and executive search segment, Mr. Tan successfully built up IdealSeed a reputable name in the industry based on quality service and professionalism.

Currently, Mr. Tan is responsible for managing the operations of IdealSeed Resources Sdn. Bhd. focusing on manpower related services, such as IT executive search, staffing, outsourcing and training solutions in Malaysia, Hong Kong and China.

PROFILE OF KEY SENIOR MANAGEMENT (continued)

LEONG SENG KIN

Malaysian, Aged 42, Male

Chief Executive Officer

SurfsTek Resources (R&D) Sdn. Bhd.
HotelSurfs Sdn. Bhd.
SurfsTek Innovation Sdn. Bhd.

Mr. Leong Seng Kin, a self-made entrepreneur, founded SurfsTek Resources Sdn. Bhd. in 2005. The company specialised in providing technology services in payment gateway, hotel reservation platform, and voice over IP systems. In 2015, when the Group went into joint venture with SurfsTek Resources Sdn. Bhd., Mr. Leong was appointed as Chief Executive Officer on 3 July 2015 in SurfsTek Resources (R&D) Sdn. Bhd. He was subsequently appointed as Chief Executive Office of HotelSurfs Sdn. Bhd. and SurfsTek Innovation Sdn. Bhd. on 26 May 2016.

Mr. Leong graduated from AMSETT Business School in 1994 and Master of Business Administration from University of Ballarat, Australia in 2008. He is currently pursing Dortoral degree in Business Studies.

Mr. Leong, mostly involved in entrepreneurial activities throughout his career, established businesses in the areas of semiconductor and electronic components distributions, computer peripheral manufacturing, research and development of LCD displays and software development. Mr. Leong successfully built up business networks throughout Asia Pacific and Europe.

Currently, Mr. Leong is responsible for managing the operations of SurfsTek Resources (R&D) Sdn. Bhd.'s payment gateway, hotel reservation platform, voice over IP systems and related services.

ALESSANDRO BRAZZONI

Italian, Aged 51, Male

Chief Operations Officer

SurfsTek Resources (R&D) Sdn. Bhd.
HotelSurfs Sdn. Bhd.
SurfsTek Innovation Sdn. Bhd.

Mr. Alessandro Brazzoni was appointed to SurfsTek Resources (R&D) Sdn. Bhd. on 18 April 2016 as Chief Operations Officer.

Mr. Brazzoni graduated from IT IS A. Volta in Trieste, Italy in 1984 with Diploma in Electronics and Telecommunication Engineering. He served in the Italian Navy after completing the Officer Course at the Naval Academy in Leghorn, Italy from 1986 to 1990. He then attended Master in Electronic Engineering at the University of Trieste, Italy between 1990 and 1992.

Mr. Brazzoni, a veteran in electronic engineering industry, has more than 24 years of experience in hardware and software research, development and management. He commenced his career with Breand Telecommunications S.p.A in year 1992 as R&D Electronics Engineer where he served till 1996 in Italy and Malaysia. He held technical and management roles between Europe and South East Asia including his tenure with AVNET EMEA for 8 years as South Europe Director. In 2008, he founded European Marketing Director with AVNET Embedded EMEA.

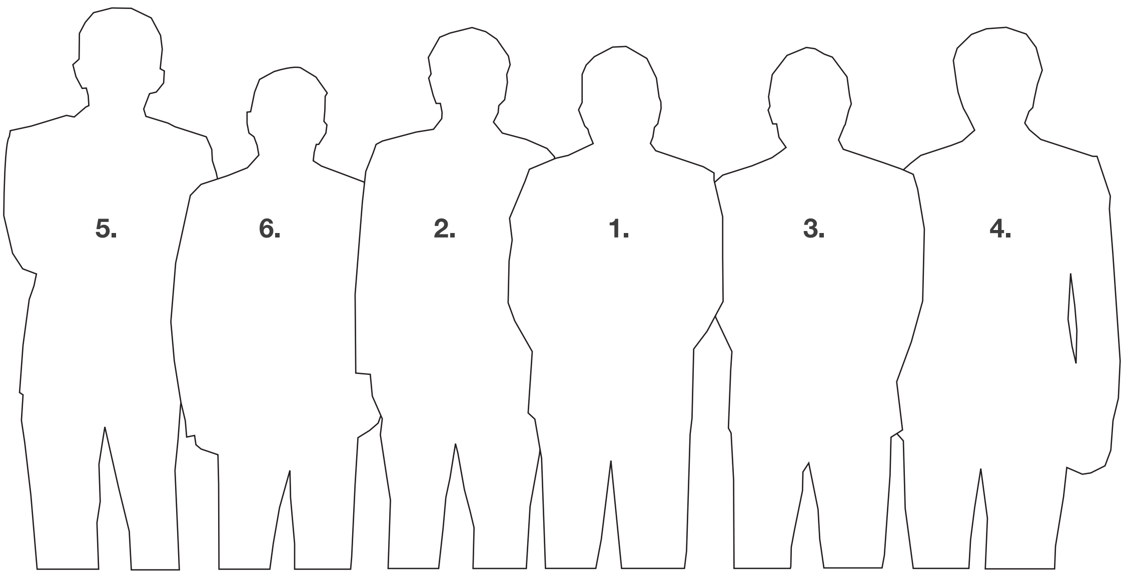
Currently, Mr. Brazzoni is leading and managing the operations of SurfsTek Resources (R&D) Sdn. Bhd. focusing on payment gateway, hotel reservation platform, and Voice Over IP systems, Point-of-Sales equipment and related software solutions.

Notes :

1. *None of the Key Senior Management have family relationships with any Directors and/or major shareholders of the Company except for Ms. Heng Ling Jy is the spouse of Mr. Tan Sze Chong, the Group Managing Director of the Company.*
2. *None of the Key Senior Management have any personal interest in any business arrangement involving our group.*
3. *None of the Key Senior Management have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 April 2016, other than traffic offence.*

THE BOARD OF DIRECTORS

1. KERK HAN MENG
2. TAN SZE CHONG
3. STEVEN WONG CHIN FUNG
4. TAN TIAN WOOI
5. KOO TECK SEONG
6. TAN BOON WOOI



CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors ("Board") of Technodex Bhd. ("the Company") is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its duties to enhance shareholders' values consistent with the principles and best practices set out in the Malaysian Code on Corporate Governance 2012 ("the Code").

The Board is pleased to set out below the Corporate Governance Statement which describes the manner in which the Group has applied the Principles of the Code and its corresponding recommendations during the financial year ended 30 April 2016.

A. THE BOARD

i. Composition and Balance

The Board currently has six (6) members, comprising three (3) Executive Directors and three (3) Independent Non-Executive Directors. This composition ensures that at least one-third (1/3) of the Board comprises of Independent Directors in compliance with Rule 15.02 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board is aware that it is not in compliance with the best practices of the Code as the Chairman of the Board is an Executive member and being a Non-Independent Director. However, the Board is satisfied that the presence of the three (3) Independent Directors, though not forming a majority of the Board members, is sufficient to provide the necessary checks and balances on the decision making process of the Board. This is evidenced by their participation as members of the various committees of the Board.

The presence of one (1) Senior Independent Non-Executive Director and two (2) Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

There is a clear separation of functions between the Board and Management. The Board has full control of the Group and oversees its business affairs while the Management is responsible for implementing the Board's corporate objective, policies and procedures on risk and internal control.

The roles of the Executive Chairman and the Group Managing Director ("Group MD") are distinct and separate to ensure that there is balance of power and authority. The Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Group MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Group MD is accountable to the Board for the overall organisation, management and staffing of the Company and/or Group and for the procedures in financial and other matters, including conduct and discipline.

The Board does not have any gender diversity policies and targets and no measures have been taken to meet the targets as both genders are given fair and equal treatment. The Board believes that candidature to the Board should be based on a candidate's merits, capability, experience, skill-sets and integrity but in line with the Code, the Board will consider more females onto the Board in due course to bring about a more diverse perspective.

In line with the Code and in view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Board shall also accord due consideration to inculcate diversity policy in the boardroom and workplace which encapsulates not only to gender, but also age and ethnicity.

ii. Board Responsibilities

The Board collectively leads and is responsible for the performance and affairs of the Group, including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility in leading and directing the Group towards realising long term objectives and shareholders' value. The Board retains full and effective control of the Group's strategic plans, implementing an appropriate system of risk management and ensuring the adequacy and integrity of the Group's system of internal control.

Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and adopting a strategic plan for the Group, including addressing the Group's business strategies on promoting sustainability;
- Overseeing the conduct of the Group's business and evaluating whether or not its businesses are being properly managed;
- Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- Ensuring that all candidates appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of the members of the Board;
- Overseeing the development and implementation of an investor relations programme and stakeholder communications policy; and
- Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has also delegated certain responsibilities to the following Committees to assist in the execution of its responsibilities:

a. Audit Committee
b. Nomination Committee
c. Remuneration Committee

The role of the Board Committees is to advise and make recommendations to the Board. However, the ultimate responsibility for the final decision on all matters lies with the Board. The Chairman of various Committees provide a verbal report on the outcome of their Committee meetings to the Board, and any further deliberation is made at the Board level, if required.

Each Committee operates in accordance with respective terms of reference approved by the Board. The Board appoints the members and Chairman of each Committee.

iii. Board Charter

A Board Charter was formalised on 30 May 2013. The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity for Directors and Management with regard to the roles of the Board and its Committees, the role of the Group MD, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.

A copy of the Board Charter is published in the corporate website of the Company at http://technodex.listedcompany.com/misc/board_charter.pdf

The Board has also adopted a whistle blowing policy to provide avenue for all employees of the Group and members of the public to raise concerns and disclose any improper conduct within the Group and to take appropriate actions to resolve them effectively. The Board has also adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company.

iv. Board Meetings and Supply of Information

The Board schedules at least four (4) meetings in a year with additional meetings to be convened where necessary. During the financial year ended 30 April 2016, the Board met six (6) times where they deliberated and approved various reports and issues, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as discussed on the business plans and strategies, major investments, strategic decisions as well as the Group's financial performance.

Details of the Directors' attendance at Board meetings during the financial year ended 30 April 2016 are set out as follows:

Name of Directors	Attendance
Kerk Han Meng (Chairman)	6 of 6
Tan Sze Chong	6 of 6
Koo Teck Seong	6 of 6
Tan Tian Wooi	6 of 6
Steven Wong Chin Fung	6 of 6
Tan Boon Wooi	6 of 6

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

The Directors receive notices of meetings, typically at least three (3) working days prior to the date of the meeting, setting out the agenda for the meetings, complete with a full set of Board Papers. The Board Papers provide sufficient details of matters to be deliberated during the meeting and the information provided therein is not confined to financial data but includes also non-financial information, both quantitative and qualitative, which is deemed critical for the Directors' knowledge and information in arriving at a sound and informed decision.

Where necessary, senior management and/or external professionals may be invited to attend these meetings to clarify and/or explain matters being tabled.

In the event a potential conflict of interest situation arises, the Director concerned is to declare his interest and shall abstain from any deliberation and participation in respect of such resolution pertaining to the transaction.

Minutes of Board meetings together with decisions made by way of circular resolution are duly recorded and properly kept by the Company Secretaries.

The Board appoints the Company Secretaries, who play an important advisory role, and ensures that the Company Secretaries fulfil the functions for which they have been appointed. The Company Secretaries advise the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretaries to the Board in the discharge of their functions.

v. Access to Information and Independent Advice

All Board members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Directors also have access to the Internal and External Auditors of the Group, with or without Management presence to seek explanations or additional information.

The Directors, collectively or individually, may seek independent professional advice and information in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

vi. Appointment to the Board and Re-election of Directors

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination Committee scrutinises the candidates and recommend the same for the Board's approval. In discharging this duty, the Nomination Committee will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate shall bring to complement the Board.

All Board members shall notify the Chairman of the Board before accepting any new directorships in other companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorships or significant commitments outside the Company.

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors for the time being, or if their number is not multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1) shall retire at the Annual General Meeting ("AGM"), and be eligible for re-election provided that all Directors shall retire at least once in every three (3) years.

Directors who are appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following their appointment.

Directors who are over seventy (70) years of age are required to submit themselves for annual re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

vii. Tenure of Independent Director

The Board is aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a yearly basis.

viii. **Evaluation of the performance of the Directors and the Board as a whole**

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Board Committees. The Nomination Committee is entrusted the task to review and evaluate the Directors' performance and the effectiveness of the Board and the Board Committees on an annual basis.

The Nomination Committee is required to report annually to the Board an assessment of the performance of the Board and the Board Committees. This will be discussed with the Board. The Nomination Committee will also evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board Committees.

ix. **Annual Assessment of Independence**

The Board had through the Nomination Committee of the Company, conducted an evaluation of level of independence of the three (3) Independent Directors of the Company against the criteria as set out in the annual assessment form, amongst others, the Independent Director's background, economic and family relationships and consider whether the Independent Director can continue to bring independent and objective judgment to Board deliberations.

The Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company and/or the Group.

x. **Directors' Training**

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory update and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities.

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, Directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry which the Group operates.

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programmes.

Programmes and seminars attended by Directors during the financial year ended 30 April 2016 include the following:

Name of Directors	Programmes / Seminars Attended
Tan Sze Chong	• The Program of Life Manual
Koo Teck Seong	• How to Help SMEs Reduce Business Risk • Financing Channel for SMEs • How MIDA Assist in Your Business Development
Steven Wong Chin Fung	• Arbitrator in the Novice Arbitration Mooting Competition
Tan Tian Wooi	• MIA International Accountants Conference 2015 • Changing Scope of Capital Market Regulations CMAC Outreach Kuala Lumpur
Tan Boon Wooi	• The 2016 Budget Seminar

Save as disclosed above, other Director was not able to attend any Directors' training during the financial year due to time constraint and a tigh work schedule. However, the Directors have kept themselves abreast of the financial and business matters through readings to enable them to contribute to the Board.

xi. Directors' Remuneration

The Board through Remuneration Committee establishes formal and transparent remuneration policies and procedures to attract and retain Directors. The Directors' remuneration is structured so as to link rewards to their corporate and individual performance. The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors of the quality required to manage the business of the Group and to align the interest of the Directors with those of the shareholders.

The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the Remuneration Committee for the Executive Chairman, Group MD and the Executive Director.

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission or percentage of profits or turnover.

Each individual Director shall abstain from the deliberation and voting on all matters pertaining to their own remuneration.

The Board is of the view that the disclosure of remuneration by appropriate components and bands are sufficient to meet the objectives set out in the ACE Market Listing Requirements of Bursa Securities.

The remuneration of the Directors for the financial year under review for the Company and the Group are as follows:

The Company	**Fees** (RM)	**Salaries & Benefits in Kind** (RM)	**Meeting allowance** (RM)	**Total** (RM)
Executive Directors	-	538,840	-	538,840
Non-Executive Directors	204,000	-	21,000	225,000
TOTAL	**204,000**	**538,840**	**21,000**	**763,840**

Range of Remuneration	**Executive**	**Non-Executive**
RM50,001 - RM100,000	-	4
RM200,001 – RM250,000	-	-
RM250,001 - RM300,000	2	-

The Group	Fees (RM)	Salaries & Benefits in Kind (RM)	Meeting allowance (RM)	Total (RM)
Executive Directors	-	538,840	-	538,840
Non-Executive Directors	204,000	-	21,000	225,000
TOTAL	**204,000**	**538,840**	**21,000**	**763,840**

Range of Remuneration	Executive	Non-Executive
RM50,001 – RM100,000	-	4
RM200,001 – RM250,000	-	-
RM250,001 - RM300,000	2	-

xii. Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

A Corporate Disclosure Policy was formalised on 20 June 2014 to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and stakeholders.

B. BOARD COMMITTEES

The Board has delegated certain responsibilities to the Board Committees that operates within clearly defined terms of reference. These Committees are:

i. Audit Committee

The Audit Committee's objectives are, among others, providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures and establishing and maintaining internal controls

The members of Audit Committee and the works carried out during the financial year ended 30 April 2016 are set forth in the Audit Committee Report in this Annual Report.

The term of office and performance of the Audit Committee and its members should be reviewed by the Nomination Committee annually to determine whether such Audit Committee and members have carried out their duties in accordance with the terms of reference.

ii. Nomination Committee

The Nomination Committee of the Company is responsible to oversee the selection and assessment of Directors. The Nomination Committee will assess the candidates and recommend to the Board who will thereon assess the shortlisted candidates and arrive at a decision on the appointment of the Director.

The Nomination Committee of the Company comprises the following members, all being Independent Non-Executive Directors with the Chairman being the Senior Independent Director identified by the Board:-

Name of Committee Members	Designation
Steven Wong Chin Fung, Chairman	Senior Independent Non-Executive Director
Koo Teck Seong, Member	Independent Non-Executive Director
Tan Tian Wooi, Member	Independent Non-Executive Director

The Nomination Committee meets as and when required. The Nomination Committee met once in the financial year ended 30 April 2016 and the activities undertaken by the Committee were as follows:

a. Carried out the assessment and rating of the performance of each Non-Executive Directors against the criteria as set out in the annual assessment form, amongst others, attendance at Board or Committee meetings, adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committees as a whole.

b. Carried out the assessment and rating of the performance of the Executive Directors against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, product development, conformance and compliance, shareholders'/investors' relations, employee training and development, succession planning and personal input to the role.

c. Evaluated the balance of skills, knowledge and experience of the Board and in the light of this evaluation, reviewed the role of the Executive Chairman and Group MD respectively, to ensure balance of power and authority, and a clear division of responsibilities as the head of the Company.

d. Assessed and confirmed the independence of the Independent Director.

e. Identified and recommended to the Board the re-election of Mr. Kerk Han Meng and Mr. Tan Tian Wooi as Directors in the last Annual General Meeting held on 30 October 2015.

iii. Remuneration Committee

The Remuneration Committee is principally responsible for assessing and reviewing the remuneration packages of the Executive Directors namely the Executive Chairman and Group MD and subsequently furnishes their recommendations to the Board for adoption. The Board had also through the Remuneration Committee, established formal and transparent remuneration policies and procedures to attract and retain Directors.

The Remuneration Committee comprises the following members:-

Name of Committee Members	Designation
Koo Teck Seong, Chairman	Independent Non-Executive Director
Kerk Han Meng, Member	Executive Chairman
Tan Tian Wooi, Member	Independent Non-Executive Director

C. THE SHAREHOLDERS

i. Dialogue between the Company and Investors

The Board values the importance of dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner. Quarterly results, announcements, annual reports and circulars serve as the primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and development. The Company's corporate website at www.technodex.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.

ii. Annual General Meetings ("AGM")

The AGM remains as a principal forum used by the Group for communication with its shareholders. During the AGM, shareholders are accorded time and opportunity to query the Board on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

Shareholders are also invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

All resolutions set out in the Notice of the AGM were put to vote by show of hands. In future, the Company shall put to vote the resolutions at the AGM by poll. A summary of the key matters discussed at the AGM will be published on the Company's website for shareholders' information.

D. ACCOUNTABILITY AND AUDIT

i. Financial reporting

The Board has overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance to the applicable financial reporting standards.

The Audit Committee plays a crucial role in assisting the Board to scrutinise the information to be in compliance with applicable financial reporting standards for disclosure to shareholders to ensure material accuracy, adequacy, validity and timelines of the financial statements.

ii. Internal Control and Risk Management

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets and for reviewing the adequacy and integrity of the system.

Risk management is an integral part of the Group's business operations and it is subject to periodic reviews by the Board. The Group adopted a structured risk management framework with discussions involving different levels of managements to identify and address risks faced by the Group.

As guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board performs reviews on an annual basis covering not only financial, but operational and compliance controls and risk management systems, in all material aspects. Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out.

The Audit Committee has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The Board is provided with reasonable assurance from the various reports submitted by Management and the Audit Committee on risk management and internal control system. Details on the Statement on Risk Management and Internal Control are furnished in this Annual Report.

The Board recognises that identification, evaluation and management of significant risks faced by the Company are an on-going process. The improvement of the system of internal controls is also an on-going process and the Board maintains continuing commitment to strengthen the Company's internal control environment and processes.

iii. Relationship with Auditors

The Group has established a transparent and appropriate relationship with the Internal Auditors and External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party who reports direct and regularly to the Audit Committee of the Company. Similar to the External Auditors, Internal Auditors too have direct reporting access to the Audit Committee to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

The Audit Committee undertakes an annual review of the suitability and independence of the External Auditors. Having assessed their performance, the Audit Committee will make its recommendation to the Board for reappointment, upon which the shareholders' approval will be sought at the AGM of the Company.

E. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Company and the Group and highest level of integrity and ethical standards in all of its business dealings.

The Board will continue to strive for the full compliance with the Code in the coming financial year.

This statement is made in accordance with a resolution of the Board dated 11 August 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 requires listed companies to maintain a sound system risk management and internal control to safeguard shareholders' investments and the Company's assets. Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors ("the Board") to include a statement on the state of internal control as a group in its annual report.

The Board recognises the importance of good corporate governance practices and is committed to maintaining a sound system risk management and internal control to safeguard shareholders' investments and the Company and its subsidiaries ("the Group")'s assets. The Board is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group for the financial year ended 30 April 2016.

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises the importance of risk management and risk-based internal audit to establish and maintain a sound system risk management and internal control. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any systems of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

The regular reviews and evaluations of internal control systems, are ongoing processes for identifying, evaluating and managing significant risks faced or potentially exposed to, by the Group in pursuing its business objectives. These processes have been in place throughout the financial year under review and up to the date of approval of the annual report.

The Board has received assurance from the Managing Director that the Group's risk management and internal control is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT FRAMEWORK

The Board resolves that the management of core risks is an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

INTERNAL CONTROL SYSTEM

The Key Elements of the Group's Internal Control System includes:

a. Organisational structure with clearly defined lines of responsibility, authority and accountability. These delegations of responsibilities and authority limits are subjected to periodic review throughout the year as to their implementation and for continuing suitability.

b. Policies and procedures for key business processes are formalised and documented for implementation and continuous improvements.

c. Clearly defined authorisation limits at appropriate levels are set out for controlling and approving capital expenditure and expenses.

d. Clearly defined Internal Policies, Standard Operating Procedures and Personnel Manual as the key framework for good internal control practices. These policy manuals are subject to regular reviews to meet new and changing business requirements.

e. Regular Management and Operation meetings were conducted to ensure activities and risk mitigation actions were executed as proposed.

f. Key information covering financial performance and key business aspects are provided to the Senior Management and Board of Directors on a regular and timely basis.

g. There has been active participation by the Executive Directors in the day-to-day running of business operations and regular dialogue and reporting to the Board of Directors.

INTERNAL AUDIT FUNCTIONS

The Board acknowledges the importance of the internal audit function. The Board has outsourced its internal audit function to an independent professional consulting firm as part of its efforts to provide adequate and effective internal control systems. The internal audit function is carried out in accordance with the annual internal audit plan as approved by the Audit Committee. The internal audit function adopts accepted auditing practices in addition to an independent and objective reporting on the state of the Group's internal control system.

During the financial year under review, the outsourced Internal Auditors reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the key subsidiaries and recommended possible improvements to the internal control systems. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group. The Board continuously takes measures to strengthen the control environment.

In the financial year under review, there were no material losses, incurred as a result of weaknesses in the internal control system that would require disclosure in this Annual Report. The Board will continue to improve and enhance the existing system risk management and internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets. This statement was approved by the Board.

The total cost incurred for the internal audit function was RM24,000 for the financial year ended 30 April 2016.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

The Board has received assurance from the Managing Director that the Group's risk management framework and internal control system are operating adequately and effectively in all material aspects in relation to the subsidiaries disclosed in the financial statements of the Company and the Group for the financial year ended 30 April 2016.

Pursuant to the above, the Board is of the view that the risk management framework and internal control system are satisfactory and no material weakness and/or reported shortfall in the risk management framework and internal control system has resulted and/or give rise to any material loss, contingency and/or uncertainty during the financial year under review.

This Statement is made in accordance with the resolution of the Board of Directors dated 11 August 2016.

REPORT OF THE AUDIT COMMITTEE

The principal objective of the Audit Committee is to assist the Board of Directors ("the Board") in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, risk management framework, management and financial reporting practices of the Company and its subsidiaries ("the Group") and to ensure proper disclosure to the shareholders of the Company.

MEMBERS

The current members of the Audit Committee are as follows:

Mr. Tan Tian Wooi *(Chairman, Independent Non-Executive Director)*

Mr. Steven Wong Chin Fung *(Member, Senior Independent Non-Executive Director)*

Mr. Koo Teck Seong *(Member, Independent Non-Executive Director)*

The Terms of Reference of the Audit Committee can be accessed from the corporate website of the Company at *http://technodex.listedcompany.com/misc/AC_terms_of_reference.pdf*

SUMMARY OF WORKS DURING THE FINANCIAL YEAR

During the financial year under review, the Audit Committee convened five (5) meetings. Details of attendance of the members of the Audit Committee at those meetings are as follows:

Committee Members	No. of meetings attended
Mr. Tan Tian Wooi	5 of 5
Mr. Steven Wong Chin Fung	5 of 5
Mr. Koo Teck Seong	5 of 5

The following is a summary of the main works carried out by the Audit Committee during the financial year under review:

i. In overseeing the Company's financial reporting, reviewed the four (4) quarterly financial results and annual audited financial statements of the Group and the Company including the announcements pertaining thereto. Discussion focused particularly on any change in accounting policies and practices, significant adjustments arising from the audit and compliance with accounting standards and other legal requirements before recommending to the Board for approval and release of the Group's results to Bursa Securities.

ii. Reviewed with External Auditors on the results and issues arising from their audit of the financial year end statements and their resolutions of such issues highlighted in their report to the Audit Committee.

iii. Considered and recommended the re-appointment of Messrs. CHI-LLTC as the External Auditors and their audit fee to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the Auditors during their audit for financial year 30 April 2015;

iv. To ensure that the scope of external audit is comprehensive, reviewed the Audit Planning Memorandum for financial year ended 30 April 2016 with the External Auditors before the audit commences.

v. Reviewed with the Internal Auditor, the internal audit plan to ensure the adequacy of the scope, functions and resources and that it has the necessary authority to carry out its work.

vi. Reviewed the reports for the internal audit function and considered the findings of internal audit investigations and management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors.

REPORT OF THE AUDIT COMMITTEE (continued)

vii. Reviewed if there is any related party transactions and/or recurrent related party transactions that transpired within the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

viii. Reviewed the Corporate Governance Statement, Audit Committee Report and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirement before recommending to the Board for approval for inclusion in the Company's Annual Report.

INTERNAL CONTROL REVIEW AND INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional services firm to conduct an independent review of the Group's systems of internal control. The firm appointed is independent of the activities carried out by them.

Internal audit reports are presented, together with the Management's response and proposed action plans to the Audit Committee on a quarterly basis.

The Internal Auditors undertake internal audit functions based on the operational, compliance and risk based audit plan that is reviewed by the Audit Committee and approved by the Board. This audit plan covers the review of the key operational and financial activities including the efficacy of risk management practices, efficiency and effectiveness of operational controls and compliance with relevant laws and regulations.

The works carried out by the Internal Auditors of the Group during the financial year under review were as summarised below:-

i. Conducted various internal audit engagements in accordance with the audit plan for the Company and the Group. The Audit covers the areas on the internal control environment of the recruitment of foreign worker functions and on the adequacy and effectiveness of the internal control system in revenue operation control, trade receivable control and process flow on standard operating procedures of its subsidiaries.

ii. Presentation of the internal audit findings at the quarterly Audit Committee meetings. The results of the audit together with Management's response and proposed action plans were reviewed by the Audit Committee.

iii. Conducted follow up reviews and reported to the Audit Committee on the status of implementation to ensure proposed action plans were properly and appropriately implemented by Management, especially on areas where material internal control deficiencies or lapses have been noted. The relevant Management members were made responsible for ensuring that agreed audit recommendations and/or corrective actions on reported weaknesses have been appropriately addressed within the required timeframes.

The internal audits reviews did not reveal any weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report.

The fees incurred during the financial year ended 30 April 2016 in relation to the internal audit function is RM24,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors ("the Board") is required by the Companies Act, 1965 to ensure that the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards, the provisions of the Companies Act, 1965 and the requirements of ACE Market Listing Requirement of Bursa Malaysia Securities Berhad and give a true and fair view of the state of affairs of the Company and its subsidiaries ("the Group") at the end of the financial year and to the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors are responsible for ensuring that the Group and the Company have maintained accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Board is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 April 2016, the Group and the Company have used the appropriate accounting policies and consistently applied and supported by reasonable prudent judgement and estimates, that measures have been taken to ensure that accounting records are properly kept in accordance with the law and that the preparation of the financial statements is on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

The Board has also taken all such necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

This Statement was made in accordance a resolution of the Board dated 11 August 2016.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company had on 4 July 2016 completed the private placement exercise upon the listing of and quotation of 37,539,390 new ordinary shares of RM0.10 each at an issue price of RM0.105 per share on ACE Market of Bursa Malaysia Securities Berhad ("Private Placement"). The utilisation of gross proceeds from the Private Placement as at 31 July 2016 was as follows:

Details of Utilisation	Proposed utilisation RM'000	Amount utilised RM'000	Unutilised proceeds RM'000
Working capital	2,188	-	2,188
Business development	1,554	-	1,554
Expenses relating to the Private Placement	200	117	83
Total	**3,942**	**117**	**3,825**

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group for the financial year ended 30 April 2016 are as follows:-

	Company RM	Group RM
Audit Fee	40,000	98,000
Non-Audit Fee	24,000	24,000

3. MATERIAL CONTRACTS

There were no material contracts entered by the Company and its subsidiaries involving Directors and major shareholders' interest during the financial year ended 30 April 2016.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

There were no recurrent related party transactions transpired during the financial year under review.

5. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES AND PRACTICES

The Company did not undertake any corporate responsibility activities during the year under review as the Board focuses on capturing market opportunities to sustain its business growth.

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and providing information technology products and related services, and carrying out relevant research and development activities whilst the principal activities of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group	The Company
	RM	RM
Net profit/(loss) attributable to:		
Owners of the parent	289,863	(1,912,991)
Non-controlling interests	1,782,828	-
Net profit for the year	2,072,691	(1,912,991)

There were no material transfers to or from reserves or provision during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividends were paid, declared or proposed by the Company since the end of the previous financial year. The directors also do not recommend any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

WARRANTS 2013/2018

The Company had on 23 September 2013 issued 85,196,350 new Warrants 2013/2018 to all entitled shareholders of the Company on the basis of one (1) free detachable warrant for every three (3) existing ordinary shares of RM0.10 each held in the Company.

Each warrant carried the entitlement to subscribe for one (1) new ordinary share of RM0.10 each in the Company at the exercise price of RM0.11 which shall be satisfied in cash and at any time during the exercise period as indicated above ("Exercise Period") subject to the adjustments in accordance with the provisions of the deed poll dated 6 August 2013. Any warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

WARRANTS 2013/2018 (continued)

During the last financial year, 530,000 Warrants 2013/2018 were converted into ordinary shares. As at 30 April 2016, the total number of Warrants 2013/2018 which were unconverted amounted to 84,666,350 units. Details of the Warrants 2013/2018 are disclosed in Note 16 to the financial statements.

There were no exercise of warrant during the current financial year end and since the end of the financial year.

The ordinary shares issued from the exercise of Warrants 2013/2018 shall rank pari passu in all respects with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any dividends, rights, allotment, and/or other distributions that may be declared, made or paid prior to the date of allotment and issue of the new shares arising from the exercise of Warrants 2013/2018.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or further allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 33 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (continued)

CONTINGENT AND OTHER LIABILITIES (continued)

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

KERK HAN MENG
TAN SZE CHONG
STEVEN WONG CHIN FUNG
KOO TECK SEONG
TAN TIAN WOOI
TAN BOON WOOI

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares and options over shares of the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			
	At 1.5.2015	Bought	Sold	At 30.4.2016
DIRECT INTERESTS				
KERK HAN MENG	31,731,086	-	-	31,731,086
TAN SZE CHONG	24,029,066	-	-	24,029,066
KOO TECK SEONG	12,176,000	-	-	12,176,000
TAN BOON WOOI	17,500,000	8,000,000	-	25,500,000
INDIRECT INTEREST				
TAN SZE CHONG *	66,666	-	-	66,666

** Deemed interest by virtue of his spouse's shareholdings in Technodex Berhad.*

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (continued)

	Number of Warrants 2013/2018			
	At 1.5.2015	Bought	Sold	At 30.4.2016
INDIRECT INTEREST				
TAN SZE CHONG *	16,666	-	-	16,666

** Deemed interest by virtue of his spouse's warrants holdings in Technodex Berhad.*

The other directors holding office at the end of the financial year had no interest in shares and options over shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 30 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 35 to the financial statements.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

The subsequent events after the balance sheet date are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Messrs. CHI-LLTC, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors,

TAN SZE CHONG
Director

KERK HAN MENG
Director

Kuala Lumpur

Dated : 11 August 2016

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sze Chong and Kerk Han Meng, being two of the directors of Technodex Berhad, state that, in the opinion of the directors, the financial statements set out on pages 39 to 85 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and of their financial performance and cash flows for the financial year ended.

The supplementary information set out in Note 38, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors,

TAN SZE CHONG
Director

KERK HAN MENG
Director

Kuala Lumpur

Dated : 11 August 2016

STATUTORY DECLARATION
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

I, Tan Sze Chong, I/C No. 690206-01-5891, being the director primarily responsible for the financial management of Technodex Berhad, do solemnly and sincerely declare that the financial statements set out on pages 39 to 86 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
abovementionerd, Tan Sze Chong, I/C No. 690206-01-5891,
at Kuala Lumpur, Wilayah Persekutuan
on 11 August 2016

TAN SZE CHONG

Before me,
Palaniappan A/L Sellappan
License No : W 586
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNODEX BERHAD

(Incorporated in Malaysia)
Company No: 627634 - A

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Technodex Berhad, which comprise statements of financial position as at 30 April 2016 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 85.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 April 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNODEX BERHAD (continued)

(Incorporated in Malaysia)
Company No: 627634 - A

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHI-LLTC
Firm No: AF 1114
Chartered Accountants

CHONG SAI SIN
Partner – 2398/06/17(J)
Chartered Accountant

Kuala Lumpur

Dated : 11 August 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 APRIL 2016

The Group	Note	2016 RM	2015 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,080,690	1,238,565
Intangible assets	6	10,046,826	9,671,694
Other investment	8	-	-
Goodwill on consolidation	9	2,713,542	2,713,542
		13,841,058	13,623,801
CURRENT ASSETS			
Trade receivables	10	11,647,251	8,465,497
Other receivables, deposits and prepayments	11	2,256,519	1,452,852
Fixed deposits with licensed banks	13	600,000	4,324,366
Cash and bank balances		4,293,529	1,984,167
		18,797,299	16,226,882
TOTAL ASSETS		**32,638,357**	**29,850,683**
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share Capital	14	37,539,390	37,539,390
Share Premium	15	1,853,040	1,853,040
Foreign Exchange Translation Reserve	17	675,705	674,635
Accumulated Losses		(14,251,480)	(14,541,343)
		25,816,655	25,525,722
NON-CONTROLLING INTERESTS		4,484,537	1,201,659
TOTAL EQUITY		30,301,192	26,727,381
LIABILITIES			
NON-CURRENT LIABILITIES			
Hire purchase payables	18	-	173,755
Deferred tax liabilities	19	61,032	75,624
		61,032	249,379
CURRENT LIABILITIES			
Trade payables	20	186,701	373,288
Other payables and accruals	21	1,806,336	1,633,305
Hire purchase payables	18	173,755	691,482
Provision for taxation		109,341	175,848
		2,276,133	2,873,923
TOTAL LIABILITIES		2,337,165	3,123,302
TOTAL EQUITY AND LIABILITIES		**32,638,357**	**29,850,683**
NET ASSETS PER SHARE (RM)	22	**0.08**	**0.07**

The annexed notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AT 30 APRIL 2016

The Company	Note	2016 RM	2015 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	117,961	145,103
Intangible assets	6	5,965,759	6,970,466
Investment in subsidiaries	7	7,438,476	5,938,426
		13,522,196	13,053,995
CURRENT ASSETS			
Other receivables, deposits and prepayments	11	235,227	54,415
Amount owing by subsidiaries	12	5,370,573	3,327,875
Tax recoverable		22,160	22,048
Fixed deposits with licensed banks	13	-	4,024,366
Cash and bank balances		200,276	878,390
		5,828,236	8,307,094
TOTAL ASSETS		**19,350,432**	**21,361,089**
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share Capital	14	37,539,390	37,539,390
Share Premium	15	1,853,040	1,853,040
Accumulated Losses		(20,439,562)	(18,526,571)
TOTAL EQUITY		18,952,868	20,865,859
LIABILITIES			
CURRENT LIABILITY			
Other payables and accruals	21	397,564	495,230
		397,564	495,230
TOTAL LIABILITIES		397,564	495,230
TOTAL EQUITY AND LIABILITIES		**19,350,432**	**21,361,089**

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
Revenue	23	23,972,637	20,163,766	1,956,210	3,152,316
Add: Other income		91,457	1,782,988	82,404	1,287,767
Less: Employment Benefits		(4,478,588)	(3,961,682)	(495,192)	(484,597)
Less: Depreciation and amortisation		(2,917,097)	(3,604,796)	(1,899,370)	(2,519,751)
Less: Other expenses		(14,319,719)	(13,433,156)	(1,531,276)	(1,654,386)
Profit/(Loss) from operations		2,348,690	947,120	(1,887,224)	(218,651)
Less: Finance costs		(24,970)	(177,099)	-	-
Profit/(Loss) before taxation	24	2,323,720	770,021	(1,887,224)	(218,651)
Less: Income tax expense	25	(251,029)	(442,062)	(25,767)	(301)
Profit/(Loss) after taxation		2,072,691	327,959	(1,912,991)	(218,952)
Other comprehensive income:					
Foreign currency translation		1,070	-	-	-
Total other comprehensive income for the year, net of tax		1,070	-	-	-
Total comprehensive income/(loss) for the year, net of tax		2,073,761	327,959	(1,912,991)	(218,952)
Profit/(Loss) attributable to:					
Owners of the parent		289,863	(251,531)	(1,912,991)	(218,952)
Non-controling interests		1,782,828	579,490	-	-
		2,072,691	327,959	(1,912,991)	(218,952)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		290,933	(251,531)	(1,912,991)	(218,952)
Non-controling interests		1,782,828	579,490	-	-
		2,073,761	327,959	(1,912,991)	(218,952)
Basic Earnings/(Loss) Per Share (Sen)	26	**0.08**	**(0.07)**		

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	Non-Distributable			Distributable			
The Group	Share Capital RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Accumulated Losses RM	Attributable to owners of the Company RM	Non-Controlling Interests RM	Total RM
At 1 May 2014	34,078,540	694,989	674,635	(14,289,812)	21,158,352	-	21,158,352
Contributions by and distributions to Owners of the Company							
- Acquisition of a subsidiary	-	-	-	-	-	622,169	622,169
- Issuance of shares	3,407,850	-	-	-	3,407,850	-	3,407,850
- Conversion of warrants	53,000	1,158,051	-	-	1,211,051	-	1,211,051
Profit/(Loss) and total comprehensive income/(loss) for the year	-	-	-	(251,531)	(251,531)	579,490	327,959
At 30 April 2015	37,539,390	1,853,040	674,635	(14,541,343)	25,525,722	1,201,659	26,727,381
Contributions by and distributions to Owners of the Company							
- Acquisition of a subsidiary	-	-	-	-	-	1,500,050	1,500,050
Profit after taxation for the year	-	-	-	289,863	289,863	1,782,828	2,072,691
Other comprehensive income for the year, net of tax	-	-	1,070	-	1,070	-	1,070
	-	-	1,070	289,863	290,933	1,782,828	2,073,761
At 30 April 2016	37,539,390	1,853,040	675,705	(14,251,480)	25,816,655	4,484,537	30,301,192

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	Non-Distributable		Distributable	
The Company	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total RM
At 1 May 2014	34,078,540	694,989	(18,307,619)	16,465,910
Contributions by and distributions to Owners of the Company				
- Issuance of shares	3,407,850	-	-	3,407,850
- Conversion of warrants	53,000	1,158,051	-	1,211,051
Loss and total comprehensive loss for the year	-	-	(218,952)	(218,952)
At 30 April 2015	37,539,390	1,853,040	(18,526,571)	20,865,859
Loss and total comprehensive loss for the year	-	-	(1,912,991)	(1,912,991)
At 30 April 2016	37,539,390	1,853,040	(20,439,562)	18,952,868

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	2,323,720	770,021	(1,887,224)	(218,651)
Adjustments for:-				
Allowance for impairment losses on trade receivables	-	22,158	-	-
Amortisation of intangible assets	2,935,630	3,359,097	1,856,638	2,478,479
Depreciation of property, plant and equipment	202,110	245,699	42,732	41,272
Interest expense	24,970	177,099	-	-
Bad debts written off	-	13,200	-	-
Plant and equipment written off	10	86,814	-	13,519
Interest income	(62,047)	(134,115)	(82,404)	(103,190)
Waiver of debts	-	-	-	(1,184,577)
Operating profit/(loss) before working capital changes	5,424,393	4,539,973	(70,258)	1,026,852
Increase in receivables	(3,985,421)	(1,281,203)	(2,223,510)	(1,050,206)
Increase/(Decrease) in payables	(13,556)	(1,430,379)	(97,666)	127,739
Cash generated from/(used in) operations	1,425,416	1,828,391	(2,391,434)	104,385
Interest received	62,047	134,115	82,404	103,190
Interest paid	(24,970)	(177,099)	-	-
Tax paid	(359,305)	(231,610)	(26,712)	(35,296)
Tax refund	27,177	32,836	833	-
Net cash generated from /(used in) operating activities	1,130,365	1,586,633	(2,334,909)	172,279

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (continued)

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(2,063,453)	(1,500,050)	(2,200,000)
Purchase of property, plant and equipment	(44,245)	(284,160)	(15,590)	(69,112)
Purchase of intangible assets	(3,310,762)	(3,350,009)	(851,931)	(3,350,007)
Net cash used in investing activities	(3,355,007)	(5,697,622)	(2,367,571)	(5,619,119)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	-	4,618,901	-	4,618,901
Proceeds from issuance of shares to non-controlling interests in subsidiaries	1,500,050	-	-	-
Repayment of hire purchase	(691,482)	(966,928)	-	-
Repayment of term loans	-	(2,115,690)	-	-
Net cash generated from financing activities	808,568	1,536,283	-	4,618,901
Net decrease in cash and cash equivalents	(1,416,074)	(2,574,706)	(4,702,480)	(827,939)
Effects of foreign exchange rate changes	1,070	-	-	-
Cash and cash equivalents brought forward	6,308,533	8,883,239	4,902,756	5,730,695
Cash and cash equivalents carried forward	**4,893,529**	**6,308,533**	**200,276**	**4,902,756**
Cash and cash equivalents comprise of :				
Fixed deposits with licensed banks	600,000	4,324,366	-	4,024,366
Cash and bank balances	4,293,529	1,984,167	200,276	878,390
	4,893,529	**6,308,533**	**200,276**	**4,902,756**

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

1. GENERAL INFORMATION

The Company is a public limited company and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.
Principal place of business	:	Level 6, Block B-6-6, Pusat Komersial Southgate, No 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated on 11 August 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and providing information technology products and related services, and carrying out relevant research and development activities whilst the principal activities of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

(i) During the current financial year, the Group and the Company has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 14: Regulatory Deferral Accounts

Amendments to MFRS 5: Annual Improvements to MFRSs 2012 – 2014 Cycle

Amendments to MFRS 7: Annual Improvements to MFRSs 2012 – 2014 Cycle

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101: Disclosure Initiative

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's and the Company's financial statements.

3. BASIS OF PREPARATION (continued)

(ii) The Group and the Company has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 107 Disclosure Initiative (Amendments to MFRS 107)	1 January 2017
MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 102)	1 January 2017
MFRS 9 (2014) Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 15 Revenue from Contracts with Customers: Clarifications to MFRS 15	1 January 2018
MFRS 16 Leases	1 January 2019

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's and the Company's operations except as follows:-

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group/Company anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group/Company performs a detailed review.

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Amortisation of Intangible Assets

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(e) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(f) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.1 *CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)*

(g) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 April 2016.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 BASIS OF CONSOLIDATION (continued)

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (continued)

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition (1 January 2011) which are treated as assets and liabilities of the Company and are not retranslated.

4.5 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.5 *FINANCIAL INSTRUMENTS (continued)*

(a) *Financial Assets (continued)*

(i) *Financial Assets at Fair Value through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iv) *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

As at the end of the reporting period, there were no financial assets classified under this category.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 FINANCIAL INSTRUMENTS (continued)

(b) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or losscategory comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) Equity Instruments

Ordinary shares classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecongised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation is charged to profit or loss on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Freehold land is not depreciated. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Air conditioners	15%
Computer and software	20% - 40%
Furniture and fittings	10% - 15%
Machineries	14%
Motor vehicle	20%
Office equipment	10% - 15%
Telecommunication equipment	15%
Renovation	15% - 20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.8 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;

(b) the product or process is technically and commercially feasible;

(c) its future economic benefits are probable;

(d) its ability to use or sell the developed asset; and

(e) the availability of adequate technical, financial and other resources to complete the asset under development.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 INTANGIBLE ASSETS

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years begin from the period when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

4.10 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 IMPAIRMENT (continued)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.11 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.12 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 INCOME TAXES (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturities period three months or less.

4.14 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a) above.

(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.17 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.18 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 FAIR VALUE MEASUREMENTS (continued)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.19 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Rental Income

Rental income is recognised on an accrual basis.

4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.21 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

5. PROPERTY, PLANT AND EQUIPMENT

The Group	Building RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicle RM	Office equipment RM	Tele-communication equipment RM	Renovation RM	Total RM
Cost:									
At 1 May 2015	450,000	446,552	567,408	630,500	112,750	175,016	34,292	128,168	2,544,686
Additions	-	15,190	1,875	-	-	9,992	-	17,188	44,245
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Written off	-	-	-	(280,000)	-	-	-	-	(280,000)
At 30 April 2016	**450,000**	**461,742**	**569,283**	**350,500**	**112,750**	**185,008**	**34,292**	**145,356**	**2,308,931**
Accumulated depreciation:									
At 1 May 2015	48,000	241,148	320,053	365,863	108,499	135,686	28,149	58,723	1,306,121
Additions	9,000	60,942	50,042	49,070	2,550	13,854	2,287	14,365	202,110
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Written off	-	-	-	(279,990)	-	-	-	-	(279,990)
At 30 April 2016	**57,000**	**302,090**	**370,095**	**134,943**	**111,049**	**149,540**	**30,436**	**73,088**	**1,228,241**
Net carrying amount	**393,000**	**159,652**	**199,188**	**215,557**	**1,701**	**35,468**	**3,856**	**72,268**	**1,080,690**

5. *PROPERTY, PLANT AND EQUIPMENT (continued)*

The Group	Building RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicle RM	Office equipment RM	Tele-communication equipment RM	Renovation RM	Total RM
Cost:									
At 1 May 2014	-	2,598,115	543,064	630,500	-	218,274	-	98,150	4,088,103
Additions	-	220,163	10,657	-	-	420	-	52,920	284,160
Arising from acquisition of subsidiary	450,000	72,159	60,216	-	112,750	36,296	34,292	57,808	823,521
Written off	-	(2,443,885)	(46,529)	-	-	(79,974)	-	(80,710)	(2,651,098)
At 30 April 2015	**450,000**	**446,552**	**567,408**	**630,500**	**112,750**	**175,016**	**34,292**	**128,168**	**2,544,686**
Accumulated depreciation:									
At 1 May 2014	-	2,563,646	253,418	304,670	-	143,499	-	11,328	3,276,561
Additions	12,000	66,649	57,073	61,193	3,400	21,265	3,379	20,740	245,699
Arising from acquisition of subsidiary	36,000	54,555	51,195	-	105,099	25,658	24,770	50,868	348,145
Written off	-	(2,443,702)	(41,633)	-	-	(54,736)	-	(24,213)	(2,564,284)
At 30 April 2015	**48,000**	**241,148**	**320,053**	**365,863**	**108,499**	**135,686**	**28,149**	**58,723**	**1,306,121**
Net carrying amount	**402,000**	**205,404**	**247,355**	**264,637**	**4,251**	**39,330**	**6,143**	**69,445**	**1,238,565**

5. *PROPERTY, PLANT AND EQUIPMENT (continued)*

The Company	Computer and software RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Cost:					
At 1 May 2015	20,632	217,441	88,602	70,360	397,035
Additions	-	-	4,830	10,760	15,590
Written off	-	-	-	-	-
At 30 April 2016	**20,632**	**217,441**	**93,432**	**81,120**	**412,625**
Accumulated depreciation:					
At 1 May 2015	11,966	169,817	64,749	5,400	251,932
Additions	2,007	19,636	9,303	11,786	42,732
Written off	-	-	-	-	-
At 30 April 2016	**13,973**	**189,453**	**74,052**	**17,186**	**294,664**
Net carrying amount	**6,659**	**27,988**	**19,380**	**63,934**	**117,961**
Cost:					
At 1 May 2014	126,809	222,198	129,656	17,440	496,103
Additions	10,038	5,734	420	52,920	69,112
Written off	(116,215)	(10,491)	(41,474)	-	(168,180)
At 30 April 2015	**20,632**	**217,441**	**88,602**	**70,360**	**397,035**
Accumulated depreciation:					
At 1 May 2014	125,170	154,330	83,909	1,912	365,321
Additions	2,981	22,180	12,623	3,488	41,272
Written off	(116,185)	(6,693)	(31,783)	-	(154,661)
At 30 April 2015	**11,966**	**169,817**	**64,749**	**5,400**	**251,932**
Net carrying amount	**8,666**	**47,624**	**23,853**	**64,960**	**145,103**

As at 30 April 2016, the net carrying amount of the Group's building held in trust by a director was RM 393,000 (RM 402,000 in 2015).

6. INTANGIBLE ASSETS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cost:				
At 1 May 2015/2014	29,883,974	26,533,967	20,051,416	16,701,409
Additional during the financial year	3,310,762	3,350,007	851,931	3,350,007
At 30 April 2016/2015	33,194,736	29,883,974	20,903,347	20,051,416
Accumulated amortisation:				
At 1 May 2015/2014	20,212,280	16,853,183	13,080,950	10,602,471
Amortisation during the financial year	2,935,630	3,359,097	1,856,638	2,478,479
At 30 April 2016/2015	23,147,910	20,212,280	14,937,588	13,080,950
Net carrying amount	**10,046,826**	**9,671,694**	**5,965,759**	**6,970,466**

Intangible assets of the Group and of the Company relate to the Technodex Platform Software, Comprehensive Reporting System, Tailoring Production MS, E-Document, Property MS, Warehouse Management, Telematics Platform and ThinkHR System.

Included in the intangible assets of the Group and the Company at the end of the reporting period were staff costs amounting to RM 1,497,016 (RM 4,869,012 in 2015) and RM 1,147,980 (RM 3,513,450 in 2015) respectively.

Included in the intangible assets of the Group at the end of the reporting period were software licence with a carrying amount of RM 555,311 (RM 1,283,959 in 2015) which were acquired under hire purchase.

7. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2016	2015
	RM	RM
Unquoted shares, at cost:		
- in Malaysia	7,438,476	5,938,426
- outside Malaysia	888,800	888,800
	8,327,276	6,827,226
Less: Accumulated impairment losses	(888,800)	(888,800)
	7,438,476	5,938,426

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. *INVESTMENTS IN SUBSIDIARIES (continued)*

The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2016	Effective Equity Interest 2015	Principal Activity
Technodex Solutions Sdn. Bhd.	Malaysia	100%	100%	Providing information technology products and related services, and carrying out relevant research and development activities.
Evodex Solutions Sdn. Bhd.	Malaysia	100%	100%	Providing human resource solutions and other related products.
MyProperty Data Sdn. Bhd.	Malaysia	50%	-	Dormant.
SursfTek Resources (R&D) Sdn. Bhd.	Malaysia	50%	-	Providing information technology products and related services, and carrying out relevant research and development activities.
Tdex Global Limited	Hong Kong SAR	100%	100%	Investment holding.
Suzhou Technodex Co., Ltd.^1	The People's Republic of China.	100%	100%	Dormant.
Idealseed Resources Sdn. Bhd.	Malaysia	55%	55%	Provision of employment, consultancy and management services.
Idealseed Talent Tactics Sdn. Bhd.^2	Malaysia	51%	51%	Provision of consultancy and supply of human resources.
Idealseed Arrowhead Sdn. Bhd.^2	Malaysia	51%	51%	IT outsourcing, IT projects and provision of recruitment and employment services.
Idealseed Creation Sdn. Bhd.^3	Malaysia	51%	51%	Dormant.

^1 Interest held by Tdex Global Limited
^2 Interest held by Idealseed Resources Sdn. Bhd.
^3 Interest held by Idealseed Talent Tactics Sdn. Bhd.

7. INVESTMENTS IN SUBSIDIARIES (continued)

On 1 July 2015, the Company acquired and subscribed a total of 50 ordinary shares of RM 1 each in MyProperty Data Sdn. Bhd. representing 50% of the enlarged issued and paid-up share capital for a total cash consideration of RM 50 as disclosed in Note 34.

On 3 July 2015, the Company acquired and subscribed a total of 1 ordinary shares of RM 1 each in SurfsTek Resources (R&D) Sdn. Bhd. representing 50% of the enlarged issued and paid-up share capital for a total cash consideration of RM 1. On 28 December 2015, the Company had entered into an Shareholders' Agreement between the Company and SursfTek Resources (M) Sdn. Bhd. to increase SurfsTek Resources (R&D) Sdn. Bhd. paid-up share capital from 2 to 3,000,000 for a total cash consideration of RM 2,999,998 as disclosed in Note 35 which the Company has further acquired and subscribed additional of 1,499,999 for a total consideration of RM 1,499,999. Total cash consideration for this investment is amounting to RM 1,500,000.

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	2016 RM	2015 RM
Idealseed Resources Sdn. Bhd. (IRSB)	1,590,190	1,114,091
MyProperty Data Sdn. Bhd. (MDSB)	(4,613)	-
SurfsTek Resources (R&D) Sdn. Bhd. (SRSB)	2,845,585	-
Idealseed Talent Tactics Sdn. Bhd. (ITTSB)	25,356	25,716
Idealseed Arrowhead Sdn. Bhd. (IASB)	32,298	64,855
Other individually immaterial subsidiary	(4,279)	(3,003)
	4,484,537	1,201,659

(b) TheThe summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	IRSB RM	MDSB RM	SRSB RM	ITTSB RM	IASB RM	Total RM
2016						
At 30 April						
Non-current assets	424,510	250,172	1,487,409	10,151	2,599	2,174,841
Current assets	4,850,847	60,129	4,436,613	167,535	190,869	9,705,993
Current liabilities	(1,688,227)	(319,527)	(232,852)	(130,219)	(127,554)	(2,498,379)
Net assets	3,587,130	(9,226)	5,691,170	47,467	65,914	9,382,455
2015						
At 30 April						
Non-current assets	472,307	-	-	17,529	4,746	494,582
Current assets	2,674,080	-	-	118,275	245,801	3,038,156
Current liabilities	(670,629)	-	-	(83,322)	(118,189)	(872,140)
Net assets	2,475,758	-	-	52,482	132,358	2,660,598

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. *INVESTMENTS IN SUBSIDIARIES (continued)*

(b) *The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-(continued)*

	IRSB RM	MDSB RM	SRSB RM	ITTSB RM	IASB RM	Total RM
Financial year ended 30 April						
2016						
Revenue	11,814,217	-	3,500,000	456,257	250,253	16,020,727
Profit/(Loss) for the financial year	980,777	(9,326)	2,691,170	1,166	(66,444)	3,597,343
Total comprehensive income/(loss)	980,777	(9,326)	2,691,170	1,166	(66,444)	3,597,343
Dividends paid to non-controlling interests	-	-	-	-	-	-
2015						
Revenue	7,695,919	-	-	705,014	302,150	8,703,083
Profit/(Loss) for the financial year	925,602	-	-	(11,999)	30,961	944,564
Total comprehensive income/(loss)	925,602	-	-	(11,999)	30,961	944,564
Dividends paid to non-controlling interests	189,000	-	-	-	-	189,000
2016						
Net cash flows from operating activities	248,107	308,986	1,980,863	1,159	58,208	2,597,323
Net cash flows for investing activities	(13,360)	(250,172)	(1,713,052)	-	-	(1,976,584)
Net cash flows from investing activities	-	100	3,000,000	-	-	3,000,100
2015						
Net cash flows from operating activities	(468,234)	-	-	(23,867)	(162,696)	(654,797)
Net cash flows for investing activities	(3,014)	-	-	(14,061)	(6,535)	(23,610)
Net cash flows from/(for) investing activities	904,992	-	-	(7,379)	69,074	966,687

8. OTHER INVESTMENT

	The Group 2016 RM	2015 RM
Unquoted shares, at cost - outside Malaysia	6,030,000	6,030,000
Less: Accumulated impairment losses	(6,030,000)	(6,030,000)
	-	-

9. GOODWILL ON CONSOLIDATION

	The Group 2016 RM	2015 RM
At Cost:-		
Goodwill on consolidation	2,713,542	2,713,542

Goodwill on consolidation arose from the acquisition of subsidiaries in the financial year ended 30 June 2005 and is stated at cost.

Addition of goodwill on consolidation in last financial year arose from the acquisition of subsidiaries in the financial year ended 31 October 2014 and is stated at cost.

The Group has assessed the recoverable amounts of goodwill and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the information technology segment computed based on the projections of financial budgets approved by management covering a period of 3 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

Gross margin	40%
Growth rate	40%
Discount rate	7%

(i) Budgeted gross margin
The basis used to determine the budgeted gross margin is based on past performance and the expectation of market development.

(ii) Growth rate
The growth rates used are based on the expected projection of the information technology products and related services.

(iii) Discount rate
The discount rates used are weighted average cost of capital.

10. TRADE RECEIVABLES

	The Group 2016 RM	The Group 2015 RM
Trade receivables	11,647,251	8,487,655
Less: Allowance for impairment loss	-	(22,158)
	11,647,251	8,465,497
Allowance for impairment losses:-		
At 1 May 2015/2014	22,158	-
Addition during the financial year	-	22,158
Reversal of impairment no longer required	(1,254)	-
Bad debts written off	(20,904)	-
At 30 April 2016/2015	-	22,158

(a) The Group's normal trade credit terms range from 30 to 60 (30 to 60 in 2015) days.

(b) The allowance for impairment losses is made mainly on those trade receivables in significant financial difficulties and have defaulted on payments.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Other receivables	2,386,172	1,601,976	33,695	3,409
Deposits	832,271	569,084	11,100	18,600
Prepayments	295,318	539,034	190,432	32,406
	3,513,761	2,710,094	235,227	54,415
Less: Allowance for doubtful debts	(1,257,242)	(1,257,242)	-	-
	2,256,519	1,452,852	235,227	54,415
Allowance for doubtful debts:-				
At 1 May 2015/2014	1,257,242	1,257,242	-	-
Addition during the financial year	-	-	-	-
Bad debts written off	-	-	-	-
At 30 April 2016/2015	1,257,242	1,257,242	-	-

12. AMOUNT OWING BY SUBSIDIARIES

	The Company 2016 RM	The Company 2015 RM
Current		
Trade balances	4,308,526	3,152,316
Non-trade balances	8,304,929	7,418,441
	12,613,455	10,570,757
Allowance for impairment losses	(7,242,882)	(7,242,882)
	5,370,573	3,327,875
Allowance for impairment losses:-		
Balance at 30 April 2016/2015	7,242,882	7,242,882

The amount owing by subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

13. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates of 3.20% and Nil (2.75% to 3.20% in 2015) per annum. The fixed deposits have an average maturity period of 3 months (12 months in 2015).

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM 600,000 (RM 300,000 in 2015) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

14. SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Group/the Company are as follows:-

	The Group/The Company			
	Number of ordinary shares of RM0.10 each		*Amount*	
	2016	2015	2016 RM	2015 RM
Authorised:-				
At 1 May 2015/2014	500,000,000	500,000,000	50,000,000	50,000,000
Issued during the year	-	-	-	-
At 30 April 2016/2015	500,000,000	500,000,000	50,000,000	50,000,000
Issued and fully paid:-				
At 1 May 2015/2014	375,393,900	340,785,400	37,539,390	34,078,540
Issued during the year	-	34,078,500	-	3,407,850
Conversion of warrants	-	530,000	-	53,000
At 30 April 2016/2015	375,393,900	375,393,900	37,539,390	37,539,390

15. SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:

	The Group/The Company	
	2016	2015
	RM	RM
At 1 May 2015/2014	1,853,040	694,989
Share issurance expenses	-	(210,389)
Conversion of warrants	-	1,368,440
At 30 April 2016/2015	1,853,040	1,853,040

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965 in Malaysia.

16. WARRANTS 2013/2018

	The Group/The Company	
	2016	2015
	RM	RM
No. of outstanding warrants		
At 1 May 2015/2014	84,666,350	85,196,350
Exercised	-	(530,000)
At 30 April 2016/2015	84,666,350	84,666,350

On 23 September 2013, the Company had issued 85,196,350 new Warrants 2013/2018 to all entitled shareholders of the Company on the basis of one (1) free detachable warrant for every three (3) existing ordinary shares of RM0.10 each held in the Company.

Each warrant carries the entitlement to subscribe for one (1) new ordinary share of RM0.10 each in the Company at the exercise price of RM0.11 which shall be satisfied in cash and at any time during the exercise period as indicated above ("Exercise Period") subject to the adjustments in accordance with the provisions of the deed poll dated 6 August 2013. Any warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

During the last financial year, 530,000 Warrants 2013/2018 were converted into ordinary shares. As at 30 April 2016, the total number of Warrants 2013/2018 which remains unconverted amounted to 84,666,350 units.

The ordinary shares from the exercise of Warrants 2013/2018 shall rank pari passu in all respects with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any dividends rights, allotment, and/or other distributions that may be declared, made or paid prior to the date of allotment and issue of the new shares arising from the exercise of Warrants 2013/2018.

17. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

18. HIRE PURCHASE PAYABLES

	The Group	
	2016	2015
	RM	RM
Minimum hire purchase payments:		
- not later than one year	175,954	716,452
- later than one year and not later than five year	-	175,954
	175,954	892,406
Less: Future finance charges	(2,199)	(27,169)
Present value of hire purchase payables	173,755	865,237
Current		
Not later than one year	173,755	691,482
Non-Current		
Later than one year and not later than five years	-	173,755

The hire purchase payables bore an effective interest rates of 5.00% (3.90% to 5.00% in 2015) per annum at the end of the reporting year.

19. DEFERRED TAX LIABILITIES

	The Group	
	2016	2015
	RM	RM
At 1 May	75,624	-
Recognised in/(from) profit or loss (Note 25)	(14,592)	75,624
At 30 April	61,032	75,624

The deferred tax liabilities are attributable to the following:-

	The Group	
	2016	2015
	RM	RM
Taxable temporary difference between net carrying amount and tax written down value of plant and equipment	61,032	75,624

20. TRADE PAYABLES

The normal trade credit terms granted to the Group are 30 to 60 days.

21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other payables	289,546	779,115	69,983	82,780
Deposits received	76,665	-	-	-
Accruals	1,440,125	854,190	327,581	412,450
	1,806,336	1,633,305	397,564	495,230

Included in accruals is an amount of RM 225,000 (RM 327,500) owing to directors and a former director in respect of outstanding remuneration and fees of the Group and the Company.

22. NET ASSETS PER SHARE

	The Group	
	2016	2015
	RM	RM
Net assets	30,301,192	26,727,381
Number of issued ordinary shares as at 30 April	375,393,900	375,393,900
Net assets per share (RM)	0.08	0.07

23. REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Sales of goods and services	23,972,637	20,163,766	-	-
License fees	-	-	1,156,210	-
Management fees	-	-	800,000	3,152,316
	23,972,637	20,163,766	1,956,210	3,152,316

24. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
(a) After charging/(crediting):				
Allowance for impairment on trade receivables	-	22,158	-	-
Amortisation of intangible assets	2,935,630	3,359,097	1,856,638	2,478,479
Audit fee - current year	98,000	79,195	40,000	37,195
- under provision in prior year	2,602	-	5,000	-
Bad debts written off	-	13,200	-	-
Bank overdrafts interest	-	19,842	-	-
Depreciation of property, plant and equipment	202,110	245,699	42,732	41,272
Directors' fees - current year	205,000	292,000	204,000	276,000
- over provision in prior years	(32,000)	-	(32,000)	-
Directors' other emoluments	1,219,882	1,127,234	559,840	558,340
Foreign exchange loss - realised	4,931	912	-	-
Hire purchase interest	24,970	78,876	-	-
Plant and equipment written off	10	86,814	-	13,519
Preliminary expenses written off	6,940	2,500	-	-
Rental of computer equipment	280	53,038	280	-
Rental of office equipment	52,827	-	-	-
Rental of premises	203,664	300,588	87,600	87,600
Rental of safe	267	317	-	-
Staff costs	11,673,756	11,200,259	457,724	411,842
Term loan interest	-	78,381	-	-
Impairment for trade debtors no longer requried	(1,254)	-	-	-
Interest income	(62,047)	(134,115)	(82,404)	(103,190)
Rental income	(15,900)	(9,600)	-	-
Waiver of debts	-	(1,506,613)	-	(1,184,577)
(b) Employee information				
Staff costs (excluding directors' emoluments):				
Salaries and other benefits	10,724,170	10,299,081	409,316	367,970
Defined contribution benefit	949,586	901,178	48,408	43,872
	11,673,756	**11,200,259**	**457,724**	**411,842**

25. INCOME TAX EXPENSE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Malaysian taxation based on the results for the year:				
- Current	397,402	406,803	25,767	-
- Under/(Over) provision in prior year	(131,781)	(40,365)	-	301
Deferred tax (Note 19)	(14,592)	75,624	-	-
	251,029	442,062	25,767	301

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit/(loss) before taxation	2,323,720	770,021	(1,887,224)	(218,651)
Taxation at the staturoty tax rate of 24% (2015: 25%)	557,693	192,505	(452,934)	(54,663)
Effect of expenses not deductible for tax purposes	575,956	1,479,894	456,025	721,494
Income not subject to tax	(716,442)	-	-	-
Effect of temporary differences not recognised	(34,397)	(1,189,972)	22,676	(666,831)
Under/(Over) provision for tax expenses in prior year	(131,781)	(40,365)	-	301
	251,029	442,062	25,767	301

One of the Group's subsidiary has been granted Pioneer Status under the Promotion of Investments Act, 1986 as a MSC Malaysia Status Company for a period of five year from 10 March 2016 to 9 March 2021 and enjoy 100% tax exemption on the approved pioneer activities during the said period.

No deferred tax assets are recognised in the statements of financial position for the following items:

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Unabsorbed capital allowances	82,000	-	82,000	-
Unutilised tax losses	6,400,000	8,877,000	-	-
	6,482,000	8,877,000	82,000	-

26. EARNINGS/(LOSS) PER SHARE

The basic profit/(loss) per share is arrived at by dividing the Group's profit/(loss) attributable to owners of the Company of RM 289,863 (RM 251,531 in 2014) by the following weighted average number of ordinary shares in issue during the financial year.

	2016 RM	2015 RM
Profit/(Loss) attributable to owners of the Company (RM)	289,863	(251,531)
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 May 2015/2014	375,393,900	306,034,913
Effect of new ordinary shares issued	-	8,704,119
Weighted average number of ordinary shares at 30 April 2016/2015	375,393,900	314,739,032
Basic earnings/(loss) per share (Sen)	0.08	(0.07)

The diluted loss per share was not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting year.

Diluted earnings/(loss) per share not disclosed in the notes to account as the Company having antidilutive for the year presented.

27. ACQUISITION OF A SUBSIDIARY, NET OF CASH AND CASH EQUIVALENTS ACQUIRED

In the previous financial year, the Group acquired 55% equity interest in Idealseed Resources Sdn. Bhd.

During the financial year, the Group acquired 50% equity interest in SursfTek Resources (R&D) Sdn. Bhd. and MyProperty Data Sdn. Bhd.

The fair values of the identifiable assets and liabilities of the acquired subsidiaries at the date of acquisition were:-

	The Group *At Date Of Acquisition* *Carrying Amount/Fair Value*	
	2016 RM	2015 RM
Property, plant and equipment	-	475,376
Trade and other receivables	-	1,285,196
Tax recoverable	-	6,615
Cash and bank balances	-	136,547
Trade and other payables	-	(167,256)
Term loans	-	(68,458)
Minority interest	-	(659,285)
Share of net assets acquired	-	1,008,735
Goodwill on acquisition	-	1,191,265
Total purchase consideration	-	2,200,000
Cash and cash equivalents of subsidiary acquired	-	(136,547)
	-	2,063,453

27. ACQUISITION OF A SUBSIDIARY, NET OF CASH AND CASH EQUIVALENTS ACQUIRED (continued)

The non-controlling interests are measured at fair value.

The acquired subsidiary has contributed the following results to the Group:-

	2016 RM	2015 RM
Revenue	3,500,000	8,679,400
Profit after taxation	2,681,844	938,334

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit after taxation from operations would have been RM 3,500,000 and RM 2,681,844 (RM19,275,378 and RM53,667 in 2015) respectively.

28. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cost of plant and equipment purchased via cash	44,245	284,160	15,590	69,112

29. DIRECTORS' REMUNERATION

(a) The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive directors:				
- fees	1,000	88,000	-	72,000
- non-fee emoluments	1,198,882	1,112,734	538,840	543,840
	1,199,882	1,200,734	538,840	615,840
Non-executive directors:				
- fees	204,000	204,000	204,000	204,000
- non-fee emoluments	21,000	14,500	21,000	14,500
	225,000	218,500	225,000	218,500

29. DIRECTORS' REMUNERATION (continued)

(b) Details of directors' emoluments of the Group and the Company received/receivable for the financial year/period in bands of RM50,000 are as follows:-

	The Group		The Company	
	2016	2015	2016	2015
Executive directors:				
RM 50,001 - RM 100,000	3	-	-	-
RM 200,001 - RM 250,000	1	-	-	-
RM 250,001 - RM 300,000	1	5	2	2
RM 300,001 - RM 350,000	1	-	-	-
RM 450,001 - RM 500,000	1	-	-	-
Non-executive directors:				
RM 50,001 - RM 100,000	4	4	4	4

30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Key management personnel compensation:				
- short-term employee benefits	863,840	114,177	731,840	834,340
Management fee	-	-	(600,000)	3,152,316
License fee	-	-	(1,156,210)	-

31. OPERATING SEGMENTS

The operating segments reporting are not presented as the Group is principally involved in the information technology industry.

Geographical Information

In presenting the information on the basis of geographical segments, segment revenue is based on the geographical location of customers. The carrying values of segment assets are based on the geographical location of the assets.

	Revenue		Non-current Assets	
	2016	2015	2016	2015
	RM	RM	RM	RM
Malaysia	23,972,637	20,163,766	13,841,058	13,623,801

31. OPERATING SEGMENTS (continued)

Major Customers

Revenue from one major customer, with revenue equal to or more than 10% of the Group's revenue, amounted to RM 1,472,829 (RM 6,701,486 in 2015) arising from the information technology services.

32. OPERATING LEASE COMMITMENTS

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Not more than one year	183,200	260,318	87,600	87,600
Later than one year and not later than five years	10,800	219,580	-	87,600
	194,000	479,898	87,600	175,200

33. CONTINGENT LIABILITY

	The Company	
	2016	**2015**
	RM	**RM**
Unsecured		
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	2,000,000	2,000,000

34. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group incurs foreign currency risk on transactions that are denominated in a currency other than the functional currency of the operations to which they relate. Exposure to foreign currency risks are monitored on an on-going basis. The currencies giving rise to this risk are primarily the United States Dollar ("USD") and Euro ("EUR").

The Company's policy is to minimise the exposure of overseas operating activities to transaction risks by matching local currency income against local currency cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

34. FINANCIAL INSTRUMENTS (continued)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(a) Market Risk (continued)

(i) Foreign Currency Risk (continued)

	EUR RM	USD RM	Total RM
At 30 April 2016			
Cash and bank balances	4,235	76,611	80,846
Trade payables	-	8,719	8,719
At 30 April 2015			
Cash and bank balances	4,219	-	4,219

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonable possible change in the USD and EUR exchange rates against the respective functional currencies of the Group entities, will all other variables held constant.

	Effect on profit net of tax/equity net of tax	
	2016 **RM**	**2015** **RM**
USD/RM - strengthened 10%	5,160	-
- weakened 10%	(5,160)	-
EUR/RM - strengthened 10%	321	321
- weakened 10%	(321)	(321)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 34.1(c) to the financial statements.

Interest rate risk sensitivity analysis

The Group is not exposed to interest rate risk as the interest-bearing financial instruments carry fixed interest rates and are measured at amortised costs. As such, sensitivity analysis is not disclosed.

(iii) Equity Price Risk

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in China are listed on Shanghai Stock Exchange (SSE).

34. FINANCIAL INSTRUMENTS (continued)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	2016	2015
	RM	RM
Malaysia	11,647,251	8,465,497

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables (including amount owing by related parties) at the end of the reporting period are as follows:-

	The Group	
	2016	2015
	RM	RM
Neither past due nor impaired	6,332,746	5,516,189
1 to 30 days past due but not impaired	2,470,534	1,838,523
31 to 60 days past due but not impaired	519,309	494,763
61 to 90 days past due but not impaired	657,067	616,022
91 to 120 days past due but not impaired	1,524,485	-
More than 121 days past due but not impaired	143,110	-
	5,314,505	2,949,308
Impaired	-	22,158
	11,647,251	**8,487,655**

NOTES TO THE FINANCIAL STATEMENTS (continued)

34. FINANCIAL INSTRUMENTS (continued)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(b) Credit Risk (continued)

(iii) Ageing analysis (continued)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	On demand or within one year RM	Two to five years RM	Total RM
2016			
Hire purchase payables	175,954	-	175,954
Trade payables	186,701	-	186,701
Other payables and accruals	1,806,336	-	1,806,336
Total undiscounted financial liabilities	2,168,991	-	2,168,991
2015			
Hire purchase payables	716,452	175,954	892,406
Trade payables	373,288	-	373,288
Other payables and accruals	1,633,305	-	1,633,305
Total undiscounted financial liabilities	2,723,045	175,954	2,898,999

34. *FINANCIAL INSTRUMENTS (continued)*

34.1 *FINANCIAL RISK MANAGEMENT POLICIES (continued)*

(c) *Liquidity Risk (continued)*

The Company	On demand or within one year RM	Two to five years RM	Total RM
2016			
Other payables and accruals	397,564	-	397,564
Total undiscounted financial liabilities	397,564	-	397,564
2015			
Other payables and accruals	495,230	-	495,230
Total undiscounted financial liabilities	495,230	-	495,230

34.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group 2016 RM	2015 RM
Trade payables	186,701	373,288
Other payables and accruals	1,806,336	1,633,305
Hire purchase payables	173,755	865,237
	2,166,792	2,871,830
Less: Fixed deposits with licensed banks	(600,000)	(4,324,366)
Less: Cash and bank balances	(4,293,529)	(1,984,167)
Net debt	(2,726,737)	(3,436,703)
Total equity	30,301,192	26,727,381
Debt-to-equity ratio	(0.09)	(0.13)

34. FINANCIAL INSTRUMENTS (continued)

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Financial assets				
Loans and receivables financial assets				
Trade receivables	11,647,251	8,465,497	-	-
Other receivables, deposits and prepayments	2,256,519	1,452,852	235,227	54,415
Amount owing by subsidiaries	-	-	5,370,573	3,327,875
Fixed deposits with licensed banks	600,000	4,324,366	-	4,024,366
Cash and bank balances	4,293,529	1,984,167	200,276	878,390
	18,797,299	16,226,882	5,806,076	8,285,046
Financial liabilities				
Other financial liabilities				
Trade payables	186,701	373,288	-	-
Other payables and accruals	1,806,336	1,633,305	397,564	495,230
Hire purchase payables	173,755	865,237	-	-
	2,166,792	2,871,830	397,564	495,230

34.4 FAIR VALUE MEASUREMENTS

At the end of the reporting period, there were no financial instruments carried at fair values.

The fair values of the financial assets and financial liabilities approximated their carrying amounts due to the relatively short-term maturity of the financial instruments (maturing within the next 12 months). The fair values are included in level 2 of the fair value hierarchy.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 1 July 2015, the Company acquired and subscribed a total of 50 ordinary shares of RM 1 each in MyProperty Data Sdn. Bhd. representing 50% of the enlarged issued and paid-up share capital for a total cash consideration of RM 50. Subsequently, the Company had entered into an Shareholders' Agreement between the Company and Epilog Tenggara Sdn. Bhd. to increase MyProperty Data Sdn. Bhd. paid-up share capital from 100 to 3,000,000 for a total cash consideration of RM 2,999,900. The Shareholders' Agreement still in progress.

(b) On 3 July 2015, the Company acquired and subscribed a total of 1 ordinary shares of RM 1 each in SurfsTek Resources (R&D) Sdn. Bhd. representing 50% of the enlarged issued and paid-up share capital for a total cash consideration of RM 1. On 28 December 2015, the Company had entered into an Shareholders' Agreement between the Company and SursfTek Resources (M) Sdn. Bhd. to increase SurfsTek Resources (R&D) Sdn. Bhd. paid-up share capital from 2 to 3,000,000 for a total cash consideration of RM 2,999,998 which the Company has further acquired and subscribed additional of 1,499,999 for a total consideration of RM 1,499,999. Total cash consideration for this investment is amounting to RM 1,500,000.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(c) On 1 October 2015, Idealseed Resources Sdn. Bhd. ("IRSB") entered into a short-term loan facility with Technodex Berhad ("TB") to provide finance of RM 400,000 to IRSB. This loan facility bore interest rate of 6% per annum on the first 3 months from the effective date and subsequently 2% per month on the outstanding balances.

(d) On 1 October 2015, Idealseed Resources Sdn. Bhd. ("IRSB") entered into a short-term loan facility with Technodex Solutions Sdn. Bhd. ("TSSB") to provide finance of RM 700,000 to IRSB. This loan facility bore interest rate of 24% per annum on the first 4 months from the effective date and subsequently 2% per month on the outstanding balances.

36. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

(a) On 12 May 2016, the Group acquired and subscribed a total of 2 ordinary shares of RM 1 each in Hotelsurfs Sdn. Bhd. representing 100% of the enlarged issued and paid-up share capital for a total cash consideration of RM 2.

(b) On 26 May 2016, the Group acquired and subscribed a total of 2 ordinary shares of RM 1 each in Surfstek Innovation Sdn. Bhd. representing 100% of the enlarged issued and paid-up share capital for a total cash consideration of RM 2.

(c) On 29 June 2016, the Company announced the issue price for shares to be issued for the private placement of up to 10% of the issued and paid-up share capital of the Company. The issue price to be fixed at RM 0.105 per placement share, representing a premium of 5% or RM 0.005 of the par value of the ordinary shares of the Company of RM 0.10 each and a discount of approximately 8.7% over five day volume weighted average market price of Company's shares up to and including 28 June 2016 of RM 0.115 per company's share.

(d) On 1 July 2016, The Company increased its paid up capital from RM 37,539,390 to RM 41,293,329 by an allotment of 37,539,390 ordinary shares of RM 0.10 each pursuant to the private placement at an exercise price of RM 0.105 per share.

The new ordinary shares issue rank pari passu in all respects with the existing shares of the Company.

37. RECLASSIFICATION FOR PRESENTATION PURPOSE

	The Group	
	As restated RM	As previously reported RM
30 April 2015		
Consolidated Statement of Financial Position		
Current Assets		
Trade receivables	8,465,497	4,210,537
Other receivables, deposits and prepayments	1,452,852	5,707,812
Non-Current Liabilities		
Hire purchase payables	173,755	-
Current Liabilities		
Hire purchase payables	691,482	865,237

The above accounts have been reclassified to be consistent with current year's presentation.

38. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/ (LOSSES)

The breakdown of the accumulated loss of the Group and of the Company at the end of the reporting period into realised and unrealised losses are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiaries:				
- realised	(27,659,945)	(29,831,209)	(20,439,562)	(18,526,571)
- unrealised	(61,032)	(75,624)	-	-
	(27,720,977)	(29,906,833)	(20,439,562)	(18,526,571)
Less: Consolidation adjustments	13,469,497	15,365,490	-	-
At 30 April 2016/2015	(14,251,480)	(14,541,343)	(20,439,562)	(18,526,571)

ANALYSIS OF SHAREHOLDINGS

AS AT 1 AUGUST 2016

Authorised capital	:	RM 50,000,000.00
Issued and Fully Paid-up Capital	:	RM 41,293,329.00
Class of shares	:	Ordinary shares of RM0.10 each
Voting rights by show of hand	:	One vote for every member
Voting rights by poll	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of holdings	No. of holders	No. of shares	%
Less than 100 shares	85	3,938	*
100 – 1,000 shares	48	19,165	*
1,001 – 10,000 shares	236	1,628,824	0.40
10,001 – 100,000 shares	636	28,632,444	6.94
100,001 – Less than 5% of issued shares	326	304,388,767	73.71
5% and above of issued shares	3	78,260,152	18.95
Total	**1,334**	**412,933,290**	**100.00**

* Negligible

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 1 AUGUST 2016

(As per the Register of Substantial Shareholders)

	Direct		Indirect	
Name of Substantial Shareholders	**No. of shares**	**%**	**No. of shares**	**%**
Kerk Han Meng	31,731,086	7.68	-	-
Tan Sze Chong	24,029,066	5.82	66,666 (1)	0.02
Tan Boon Wooi	25,500,000	6.18	-	-
Heng Ling Jy	66,666	0.02	24,029,066 (1)	5.82

Note : -

(1) Deemed interested by virtue of his/her spouse's interest in Technodex Berhad.

DIRECTORS' SHAREHOLDINGS AS AT 1 AUGUST 2016

(As per the Register of Directors' Shareholdings)

	Direct		Indirect	
Name of Directors	**No. of shares**	**%**	**No. of shares**	**%**
Kerk Han Meng	31,731,086	7.68	-	-
Tan Sze Chong	24,029,066	5.82	66,666 (1)	0.02
Tan Boon Wooi	25,500,000	6.18	-	-
Koo Teck Seong	12,176,000	2.95	-	-

Note : -

(1) Deemed interested by virtue of his spouse's interest in Technodex Berhad.

ANALYSIS OF SHAREHOLDINGS (continued)

30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 AUGUST 2016

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1.	Kerk Han Meng	31,731,086	7.68
2.	Tan Sze Chong	24,029,066	5.82
3.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Boon Wooi	22,500,000	5.45
4.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tai Hong Chuan	18,769,695	4.55
5.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tew Ah Keng	18,769,695	4.55
6.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Heng Ah Moi	14,000,000	3.39
7.	Low Fui Teck	13,193,966	3.20
8.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Chang Choon Ming	13,000,000	3.15
9.	Koo Teck Seong	12,176,000	2.95
10.	Tee Yok Lan @ Tay Eng Lun	10,858,900	2.63
11.	Sim Guat Keow @ Sim Han Che	10,314,300	2.50
12.	Lui Yuen Qiu	9,348,600	2.26
13.	Chan Kean Han	7,333,800	1.78
14.	Wang Han Lin	7,000,000	1.70
15.	Choo Ai Lee	6,766,666	1.64
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Gan Boon Guat	4,708,700	1.14
17.	Lai Sook Fun	4,555,000	1.10
18.	Chee Kin @ Chen Hun Ken	4,377,300	1.06
19.	Tan Juat Lai	4,244,900	1.03
20.	Low Fui Teck	3,800,966	0.92
21.	Chen Chii Sy	3,258,600	0.79
22.	Kerk Su Chyi	3,168,266	0.77
23.	Lim Ah Lik	3,072,000	0.74
24.	Tan Boon Wooi	3,000,000	0.73
25.	Kerk Su Chuin	2,924,266	0.71
26.	Liew Sze Fook	2,750,000	0.67
27.	Yeo Ann Tin @ Tan Boot Lian	2,684,000	0.65
28.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Chee Meng	2,540,000	0.62
29.	Hin Juat Chin	2,000,000	0.48
30.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kwei Eng An	1,750,000	0.42

ANALYSIS OF WARRANT HOLDINGS

AS AT 1 AUGUST 2016

Type of Securities	:	Warrants 2013/2018
No. of Warrants Issued	:	85,196,350
Exercise Price	:	RM 0.11
Exercise Period	:	23 September 2013 to 22 September 2018

DISTRIBUTION SCHEDULE OF 2013/2018 WARRANT HOLDINGS

Size of holdings	No. of Holders	No. of Warrants Held	%
Less than 100	34	1,506	*
100 – 1,000	12	5,398	0.01
1,001 – 10,000	50	288,936	0.34
10,001 – 100,000	160	8,738,961	10.32
100,001 – Less than 5% of issued warrants	138	75,631,549	89.33
5% and above of issued warrants	-	-	-
Total	**394**	**84,666,350**	**100.00**

* Negligible

DIRECTORS' WARRANT HOLDINGS AS AT 1 AUGUST 2016

(As per the Register of Directors' Warrant Holdings)

	Direct		Indirect	
Name of Directors	No. of Warrants	%	No. of Warrants	%
Tan Sze Chong	-	-	16,666 (1)	0.02

Note : -

(1) Deemed interested by virtue of his spouse's interest in Technodex Berhad.

ANALYSIS OF WARRANT HOLDINGS (continued)

30 LARGEST 2013/2018 WARRANT HOLDERS AS AT 1 AUGUST 2016

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrants Held	%
1.	Tan Boon Hwee	3,865,000	4.56
2.	Toh Yan Lin	2,973,100	3.51
3.	Tan Jia Sen Jason	2,857,000	3.37
4.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lai Siew Leong	2,260,000	2.67
5.	Chua Ming Shen	2,168,000	2.56
6.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Gan Boon Guat	2,100,000	2.48
7.	Tey Kim Hwa	2,050,000	2.42
8.	Pee Kar Sein	2,000,000	2.36
9.	Te Kok Sai @ Tay Pae Seng	1,988,700	2.35
10.	Low Chee Keong	1,826,000	2.16
11.	Boey Ak Poo	1,800,000	2.13
12.	Moo Tek	1,675,400	1.98
13.	Chong Siew Mee	1,500,000	1.77
14.	Hew Yat Yin	1,500,000	1.77
15.	Low Kok Yong	1,300,000	1.54
16.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Low Kok Yong	1,300,000	1.54
17.	Loo Eng Hwa	1,266,200	1.50
18.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Leong Yuet Mooi	1,100,000	1.30
19.	Aw Guah Sin	1,000,000	1.18
20.	Low Hock Sin	1,000,000	1.18
21.	RHB Nominees (Tempatan) Sdn. Bhd. – Exempt An for RHB Securities Singapore Pte. Ltd.	1,000,000	1.18
22.	Wang Han Lin	1,000,000	1.18
23.	Ang Geok Meng	848,000	1.00
24.	Chua Ming Shen	800,000	0.94
25.	Ooi Sing Hwat	800,000	0.94
26.	Koh Eng Soon	763,700	0.90
27.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Young Ah Nyen	756,000	0.89
28.	Sim Lee Fung	750,500	0.89
29.	Soong Meng Choo	700,000	0.83
30.	Yeoh Song Mein	700,000	0.83

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of TECHNODEX BERHAD ("the Company") will be held at Tioman Room, First Floor, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Friday, 23 September 2016 at 10.30 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 April 2016 together with the reports of the Directors and Auditors thereon. ***Please refer to Note i***
2. To approve the payment of Directors' fees for the financial year ended 30 April 2016. ***Resolution 1***
3. To re-elect the following Directors who retire in accordance with Article 93 of the Company's Articles of Association:
   i. Mr. Tan Sze Chong ***Resolution 2***
   ii. Mr. Tan Boon Wooi ***Resolution 3***
4. To appoint Messrs. CAS & Associates as Auditors in place of the existing Auditors, Messrs. CHI-LLTC, who shall hold office until the conclusion of the Twelfth Annual General Meeting. ***Resolution 4***

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed in the Annual Report, has been received by the Company for the nomination of Messrs. CAS & Associates, for appointment as Auditors and of the intention to propose the following ordinary resolution:-

   "THAT Messrs. CAS & Associates, be and are hereby appointed as Auditors of the Company in place of the existing Auditors, Messrs. CHI-LLTC, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

As Special Business:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

5. **ORDINARY RESOLUTION 1** ***Resolution 5***

   GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

6. **ORDINARY RESOLUTION 2** ***Resolution 6***

   PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM50,000,000 COMPRISING 500,000,000 ORDINARY SHARES OF RM0.10 EACH TO RM100,000,000 COMPRISING 1,000,000,000 ORDINARY SHARES OF RM0.10 EACH ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

   "THAT the authorised share capital of the Company be and is hereby increased from RM50,000,000 comprising 500,000,000 ordinary shares of RM0.10 each to RM100,000,000 comprising 1,000,000,000 ordinary shares of RM0.10 each, by the creation of an additional

500,000,000 ordinary shares of RM0.10 each and such additional ordinary shares when issued shall rank pari passu in all respects with the existing ordinary shares of RM0.10 each.

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary to give full effect to the Proposed Increase in Authorised Share Capital with full power to assent to any conditions, modifications, variations and/ or amendments as may be required and/ or as the Directors deem fit, appropriate and in the best interest of the Company."

7. **SPECIAL RESOLUTION** ***Resolution 7***

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENT")

"THAT subject to the passing of Ordinary Resolution 2, approval be and is hereby given to the Company to amend its Memorandum of Association by deleting the existing Clause 6 in its entirety and substitute in place thereof the following new Clause 6:-

Existing Clause 6 of the Memorandum of Association	New Clause 6 of the Memorandum of Association
The capital of the Company is RM50,000,000.00 divided into 500,000,000 ordinary shares of RM0.10 each.	The authorised capital of the Company is RM100,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.10 each

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary to give full effect to the Proposed Amendment with full power to assent to any conditions, modifications, variations and/ or amendments as may be required and/ or as the Directors deem fit, appropriate and in the best interests of the Company."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By order of the Board

TEA SOR HUA (MACS 01324)
YONG YEN LING (MAICSA 7044771)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 August 2016

NOTICE OF ANNUAL GENERAL MEETING (continued)

Notes:

i. The Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders and hence, is not put forward for voting.

ii. A member entitled to attend and vote at the meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be presented by each proxy and only one (1) proxy specifically nominated by the member, and if no such nomination is made, the proxy whose name is ranked first in the alphabetical order shall be allowed to vote on a show of hands.

iii. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.

iv. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

v. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company 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.

vi. The instrument appointing a proxy shall be in writing under the hand of the appointor or 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.

vii. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

viii. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 58(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 15 September 2016. Only members whose names appear in the General Meeting Record of Depositors as at 15 September 2016 shall be regarded as members and entitled to attend, speak and vote at the Twelfth Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING (continued)

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. The Ordinary Resolution 1 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. This Ordinary Resolution, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve such an issue of shares. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier.

   This general mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

   As at the date of this Notice, 37,539,390 new ordinary shares of RM0.10 each were issued by the Company via a private placement exercise at an issue price of RM0.105 per share pursuant to the general mandate granted to the Directors at the last Annual General Meeting held on 30 October 2015.

   The status of utilisation of gross proceeds of RM3,941,635.95 raised from the private placement exercise by the Company as at 31 July 2016 were as follows:-

Details of utilisation	Proposed utilisation RM'000	Amount utilised RM'000	Unutilised proceeds RM'000
Working capital	2,188	-	2,188
Business development	1,554	-	1,554
Expenses relating to the Proposed Private Placement	200	117	83
Total	**3,942**	**117**	**3,825**

2. The Ordinary Resolution 2 proposed under item 6 of the Agenda is to accommodate any new shares to be issued by the Company arising from any future corporate exercises.

3. The Special Resolution proposed under item 7 of the Agenda is to facilitate the Proposed Increase in Authorised Capital and entails the deletion of existing Clause 6 of the Company's Memorandum of Association and substitution in place thereof a new Clause 6.

NOTICE OF NOMINATION OF AUDITORS

TAN BOON WOOI
No. 1, Jalan Sutera Pulai 2/6
Taman Sutera Utama
81300 Skudai, Johor

Date: 25 August 2016

The Board of Directors
TECHNODEX BERHAD
Third Floor, No. 79 (Room A)
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya, Selangor

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a substantial shareholder of the Company hereby give notice of my intention to nominate Messrs. CAS & Associates (AF 1476) for appointment as new Auditors of the Company and to propose the following to be tabled as an ordinary resolution at the forthcoming Annual General Meeting:

"THAT Messrs. CAS & Associates, be and are hereby appointed as Auditors of the Company in place of the existing Auditors, Messrs. CHI-LLTC, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

Yours faithfully,

TAN BOON WOOI

This page is intentionally left blank

PROXY FORM

TechnoDex Berhad 627634-A
(Incorporated in Malaysia)

I/We (full name in capital letters)________________________________ NRIC/Company No.________________________________

of (full address)____

being (a) member(s) of TECHNODEX BERHAD hereby appoint (full name in capital letters)________________________________

NRIC No.________________________________of (full address)____

____

or failing him/her,____NRIC No.____

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 Twelfth Annual General Meeting of the Company to be held at Tioman Room, First Floor, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Friday, 23 September 2016 at 10.30 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces 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.

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees for the financial year ended 30 April 2016.		
2.	To re-elect Mr. Tan Sze Chong as Director who retires in accordance with Article 93 of the Company's Articles of Association.		
3.	To re-elect Mr. Tan Boon Wooi as Director who retires in accordance with Article 93 of the Company's Articles of Association.		
4.	To appoint Messrs. CAS & Associates as Auditors.		
5.	To approve the authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
6.	To approve the Proposed Increase in Authorised Share Capital.		
7.	To approve the Proposed Amendment.		

Dated this__________________day of__________________2016

NO. OF SHARES HELD	
CDS ACCOUNT NO.	

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
TOTAL		100

____

Signature of Member(s)/Common Seal

NOTES:

i. A member entitled to attend and vote at the meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be presented by each proxy and only one (1) proxy specifically nominated by the member, and if no such nomination is made, the proxy whose name is ranked first in the alphabetical order shall be allowed to vote on a show of hands.

ii. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.

iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

iv. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company 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 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. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

vii. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 58(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 15 September 2016. Only members whose names appear in the General Meeting Record of Depositors as at 15 September 2016 shall be regarded as members and entitled to attend, speak and vote at the Twelfth Annual General Meeting.

PLEASE FOLD HERE

STAMP

The Company Secretary

TechnoDex Berhad 627634-A

C/O Cospec Management Services Sdn. Bhd.

Third Floor, No. 79 (Room A),
Jalan SS21/60, Damansara Utama,
47400 Petaling Jaya, Selangor Darul Ehsan.

PLEASE FOLD HERE

www.technodex.com

TechnoDex Berhad (627634-A)
Level 6, Block B-6-6, Pusat Komersial Southgate,
No. 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur.
T : + (603) 9223 6699 **F** : + (603) 9223 6688