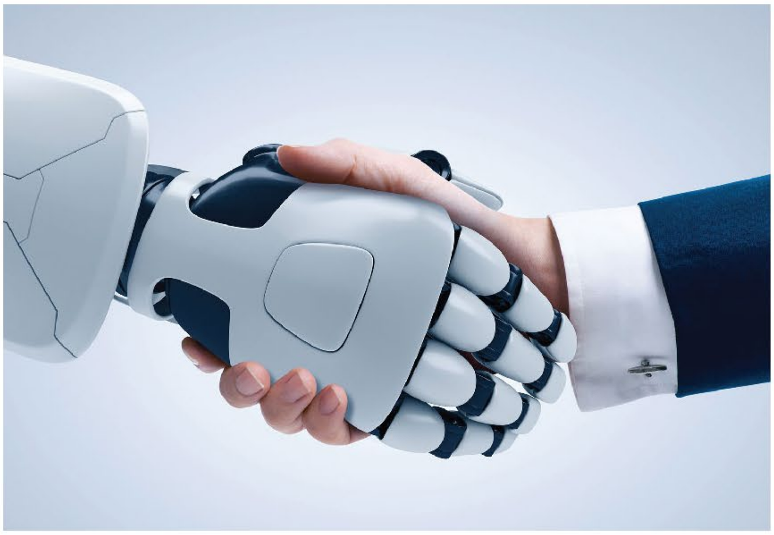
Annual Report 2018

TechnoDex

Innovating Possibilities



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CORPORATE PROFILE

TechnoDex Bhd ("TDEX" or "the Company"), a MSC-Status company, is a leading eBusiness Enabler through providing 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 Securities Malaysia Berhad, which is now the ACE Market of Bursa Securities Malaysia 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, IT hardware solution 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: -

1) Application Support & Services and Hardwares

ICT Professional Services that comprises of Application Development Service, Application Support and Maintenance Service, and vertical solutions and consultation.

Data Solutions & Services that comprises of Data Security, Data Cleansing and Migration Services, Data Warehouse and BI Solutions, Data Science Strategy Services and ISO Consulting.

Cyber Security Solutions & Services that comprises of services for Cyber Security, Penetration Testing, and PCI DSS Scanning and Certification.

IT Hardware Solution Development and Support and Maintenance that comprises of trading of desktop and laptop for consumer and commercial use, point of sales ("POS") computers and related peripherals. It also comprises the design and development of hardware components and circuits for the POS solution segment.

Smart Community Management System (SCMS) is a sophisticated, all-in-one strata and gated residences community management system equipped with latest technology packed in one mobile app and a browser. From property access system to facilities booking, resident can manage their residence system & security features seamlessly on cloud technology.

2) Manpower Outsourcing and Recruitment Services

ICT Recruitment and Outsourcing Services that focuses on sourcing, selecting, and outsourcing to fill for human resource needs.

3) E-Commerce and Specified Application Services

Property Data Sales & Consulting Services that aspires to provide value-added services and property information to the financial, real estate, and consumer industry.

SurfsTek GlobalLinQ System (SGLS)

SODD (SurfsTeK Online Distribution Database)
A state-of-the-art Hotel Distribution Database and a fully-fledged booking portal backend, hosting hundreds of thousands of Hotels worldwide today. HotelSurfs.com, an online booking portal, connected to the SurfsTeK's Online Distribution Database backend (SODD), allowing end users to seamlessly book hotel rooms worldwide at very competitive rates with 24/7 customer supports.

RoamSurfs
A free-of-charge International Mobile Roaming system. With this service, business and leisure travellers can receive and place calls maintaining their existing local mobile phone number without incurring into expensive roaming charges while traveling to destinations overseas. Users who made a hotel reservation overseas through Hotelsurfs.com, during their permanence abroad, benefit from the Free-Of-Charge mobile roaming service supported by SurfsTeK's RoamSurfs technology.

SurfsPay
A secure credit card payment gateway supporting major cards such as VISA, MasterCard and American Express.

SurfsTek rSupport Intelligent Solution (SrIs)
SrIS is a cloud based remote support solution based on IoT architecture. It facilitates support or helpdesk team to fix, solve and pre-empt issues and failures from intelligent data gathered from Cloud connected devices in their customers' premises, without the need for phone or on-site support.

CORPORATE STRUCTURE
AS AT 30 AUGUST 2018

TechnoDex Bhd (MSC)

- 100% **SurfsTek Resources (R&D) Sdn Bhd**
  (Incorporated in Malaysia)
  - SurfsTek GlobaLinQ System (SGLS)
  - SurfsTek rSupport Intelligent Solution (Srls)
  - 100% **SurfsTek Innovation Sdn Bhd**
    (Incorporated in Malaysia)
    - Point of Sales (POS) solution
    - Trading of IT Hardwares and Support & Maintenance
  - 100% **HotelSurfs Sdn Bhd**
    (Incorporated in Malaysia)
    - Online Hotel Platform
    - Online Hotel Services
- 50% **Myproperty Data Sdn Bhd**
  (Incorporated in Malaysia)
  - Property Data Analytics
- 97% **Idealseed Resources Sdn Bhd**
  (Incorporated in Malaysia)
  - Staffing & Outsourcing
  - Training Services
  - 51% **Idealseed Arrowhead Sdn Bhd**
    (Incorporated in Malaysia)
    - Headhunting Services
- 100% **EvoDex Solutions Sdn Bhd**
  (Incorporated in Malaysia)
  - Data Solutions & Services
  - Cybersecurity Consulting
- 100% **TechnoDex Solutions Sdn Bhd**
  (Incorporated in Malaysia)
  - Application Development
  - Business Continuity Service
  - Research & Development

CORPORATE INFORMATION

BOARD OF DIRECTORS

STEVEN WONG CHIN FUNG
Independent Non-Executive Chairman

TAN SZE CHONG
Group Managing Director

TAN BOON WOOI
Executive Director

DATUK ABD HAMID BIN ABU BAKAR
Non-Independent Non-Executive Director

CHANG CHOON MING
Non-Independent Non-Executive Director

SAIFULRIZAM BIN ZAINAL
Independent Non-Executive Director

AUDIT COMMITTEE

Saifulrizam Bin Zainal, Chairman
Steven Wong Chin Fung, Member
Datuk Abd Hamid Bin Abu Bakar, Member

NOMINATION COMMITTEE

Steven Wong Chin Fung, Chairman
Datuk Abd Hamid Bin Abu Bakar, Member
Saifulrizam Bin Zainal, Member

REMUNERATION COMMITTEE

Saifulrizam Bin Zainal, Chairman
Steven Wong Chin Fung, Member
Chang Choon Ming, 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 3, Tower 1, Avenue 3, The Horizon
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2240 1000
Fax : 603-2240 1001
E-mail : info@technodex.com
Website : www.technodex.com

AUDITORS

CAS MALAYSIA PLT
LLP0009918-LCA & AF 1476
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 : 603-7849 0777
Fax : 603-7841 8151/8152

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
AmBank (M) Berhad

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS

Technodex Bhd ("TDEX") is a MSC-status company. Through our subsidiaries, we offer a wide range of Information Communication Technology ("ICT") solutions and services to Government and private sectors, as well as to consumers. Our solutions and services are as listed below:-

1) Application Support & Services and Hardwares

i) **ICT Professional Services** that comprises of Application Development Service, Application Support and Maintenance Service, and vertical solutions and consultation.

ii) **Data Solutions & Services** that comprises of Data Security, Data Cleansing and Migration Services, Data Warehouse and BI Solutions, Data Science Strategy Services and ISO Consulting.

iii) **Cyber Security Solutions & Services** that comprises of services for Cyber Security, Penetration Testing, and PCI DSS Scanning and Certification.

iv) **IT Hardware Solution Development and Support and Maintenance** that comprises of trading of desktop and laptop for consumer and commercial use, point of sales ("POS") computers and related peripherals. It also comprises the design and development of hardware components and circuits for the POS solution segment.

v) **Smart Community Management System (SCMS)** is a sophisticated, all-in-one strata and gated residences community management system equipped with latest technology packed in one mobile app and a browser. From property access system to facilities booking, resident can manage their residence system & security features seamlessly on cloud technology.

2) Manpower Outsourcing and Recruitment Services

i) **ICT Recruitment and Outsourcing Services** that focuses on sourcing, selecting, and outsourcing to fill for human resource needs.

3) E-Commerce and Specified Application Services

i) **Property Data Sales & Consulting Services** that aspires to provide value-added services and property information to the financial, real estate, and consumer industry.

ii) **SurfsTek GlobalLinQ System (SGLS)**

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iii) **SurfsTek rSupport Intelligent Solution (Srls)**

SrIS is a cloud based remote support solution based on IoT architecture. It facilitates support or helpdesk team to fix, solve and pre-empt issues and failures from intelligent data gathered from Cloud connected devices in their customers' premises, without the need for phone or on-site support.

We aim to enhance profitability and strengthen our market presence in order to support our long-term sustainability and growth. Thus, we will remain committed in providing quality solutions and services, as well as continuously improve our solution and services in order to expand our customer base and grow our business locally.

FINANCIAL PERFORMANCE

Certain key financial and non-financial indicators pertaining to our financial performance for the financial year ended 30 April ("FYE") 2018 vis-à-vis the FYE 2017 are as follows:-

	FYE 2018 RM'000	FYE 2017 RM'000	Change 2018 vs 2017 RM'000
Our financial performance			
Revenue	56,411	53,494	2,917
Other operating income	218	47	171
Employment benefits	(6,498)	(4,804)	(1,694)
Depreciation and Amortisation	(2,834)	(2,459)	(375)
Other expenses	(16,057)	(17,931)	1,874
Finance costs	(220)	(67)	(153)
Profit/(Loss) after tax ("PAT"/ "LAT")	(1,735)	2,323	(4,058)

Revenue

In FYE 2018, the Group reported revenue increased from RM53.5 million in FYE 2017 to RM56.4 million in FYE 2018, increased by RM2.9 million representing an increase of 5.4%.

The increase in revenue was due primarily to the changes from the following revenue segments of our Group:-

		RM'million
i)	ICT Professional Services	(1.7)
ii)	ICT Recruitment and Outsourcing Services	(1.7)
iii)	SODD Online Hotel Reservation Platform & SurfsTeK rSupport Intelligent Solution	(0.5)
iv)	IT Hardware Solution Development and Support and Maintenance	6.8
	Nett Total Increase in Revenue	**2.9**

Other Operating Income

Other operating income increased from RM0.05 million in FYE 2017 to RM0.22 million in FYE 2018. This was mainly due to the increase of interest income by RM0.14 million from fixed deposits with licensed banks.

Employment Benefits

Employment benefits increased from RM4.8 million in FYE 2017 to RM6.5 million in FYE 2018. This was due primarily to the increase of staff costs in business development for the segment of ICT recruitment & outsourcing services, IT hardware solution development and support & maintenance, together staff costs increased for commercialisation for segment of property data sales & consulting services and data solutions & services.

Depreciation and Amortisation

Depreciation and amortisation in FYE 2018 increase by RM 0.375 million as compared to FYE 2017, due to increase in amortisation of intangible assets subsequent to the Group changed the estimated useful life of online booking platform ("SODD") from indefinite useful life to 3 years. The change in useful life is made based on management's best estimate on the current technological environment and product life cycle and is in accordance with accounting standard MFRS108 Accounting Policies, Changes in Accounting Estimates and Errors.

Other Expenses

Other expenses decreased by RM 1.9 million as compared to FYE 2017.

The decrease in other expenses was mainly due to the following major expenses changes of our Group:-

	FYE 2018 RM 'million	FYE 2017 RM 'million	Change 2018 vs 2017 RM 'million
Decrease of project expenses			
i) Project expenses including contractors salary, license and maintenance fee in relation to provide ICT professional services and ICT Recruitment and outsourcing services. The decrease in expenses is in tandem with the above segment decrease in revenue	9.7	12.2	(2.5)
ii) Other miscellaneous expenses	-	0.3	(0.3)
Partially offset by:-			
Increase of operating expenses			
i) Impairment loss on goodwill on consolidation	0.5	-	0.5
ii) Corporate exercise expenses	0.4	-	0.4
	10.6	**12.5**	**(1.9)**

Finance Costs

Finance costs increased from RM0.07 million in FYE 2017 to RM0.22 million in FYE 2018. This was mainly due to the increase of term loan and finance lease interest payments.

Profit / (Loss) After Tax

Despite the higher revenue recorded in FYE 2018, our PAT RM 2.3 million reported in FYE 2017 were reduced to FYE 2018 LAT of RM 1.7 million. This was mainly because the IT hardware solution development and support and maintenance segment (which was a key contributor to the increased revenue in FYE 2018) is a lower margin segment and the decreased revenue from ICT recruitment & outsourcing services and ICT Professional services are higher margin segment. Further, our Group also incurred higher operating costs as explained above.

OPERATING ACTIVITIES AND CORPORATE EXERCISE

Our business operations are financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while external source of funds comprises credit terms granted by our suppliers. Credit terms granted to us by our suppliers range from 30 to 60 days.

The Board of Directors of the Company had on 2 November 2016 announced that the Company proposed to undertake the following:-

(i) Proposed acquisition of an additional 42% equity interest in Idealseed Resources Sdn. Bhd. ("Idealseed") for a total purchase consideration of RM2,677,500 to be satisfied via the issuance of 13,387,500 ordinary shares of TDEX ("TDEX Share(s)") at an issue price of RM0.20 per TDEX Share; and

(ii) Proposed acquisition of the remaining 50% equity interest in SurfsTek Resources (R&D) Sdn. Bhd. ("SurfsTek R&D") for a total purchase consideration of RM13,455,000 to be satisfied via the issuance of 67,275,000 TDEX Shares at an issue price of RM0.20 per TDEX Share.

(collectively referred to as the "Acquisitions").

The Company has announced the listing of 80,662,500 TDEX Shares on the ACE Market of Bursa Securities on 8 December 2017, all terms and conditions of the Sale and Purchase of Shares Agreement ("SPA") of Idealseed and SPA of SurfsTek R&D have been fulfilled. As such, the Acquisitions were deemed completed on 8 December 2017.

Following the completion of the Acquisitions, Idealseed has become our 97%-owned subsidiary while SurfsTek R&D has become our wholly-owned subsidiary. This will enable us to consolidate a higher percentage of Idealseed and SurfsTek R&D's earnings. The Proposed Acquisitions represent a low risk investment to our Group in comparison to investing in a new business or company, as both Idealseed and SurfsTek R&D are already income generating.

The further acquisition of equity interest in Idealseed was undertaken as we foresee an opportunity in the recruitment and human resource management segment in view of uncertainty in the job markets whereby more companies will be opting for flexible outsourcing option instead of committing fixed hiring costs.

Meanwhile, with SurfsTek R&D expanding its online hotel reservation platform to markets such as China, Hong Kong and Taiwan, we foresee that the acquisition will improve the bottom line of our Group. The acquisition of the remaining equity interest in SurfsTek R&D will provide us with more flexibility in the management of SurfsTek R&D's operations.

The Company had on 19 December 2017 announced that the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of TDEX ("Private Placement").

The Company has announced the listing of 49,409,500 TDEX Shares on the ACE Market of Bursa Securities on 26 January 2018, all terms and conditions of the Private Placement has been fulfilled. As such, the Private Placement was deemed completed on 26 January 2018. The total proceeds of RM6.917 million raised from Private Placement were utilised as follows:-

(i) Working capital;
(ii) Fund Commercialisation expenses for the Group existing programmes and platform that have completed development.
(iii) Expenses in relation to Private Placement.

The Board is of the view that the Private Placement is the most appropriate avenue of fund raising as the Private Placement:

(i) is a more expeditious way of raising funds from the capital market as compared to rights issue;
(ii) provide an avenue to raise funds for the purposes as set out above without incurring interest cost as compared to bank borrowings; and
(iii) increase the size and strength of the Company's shareholders' funds and potentially improve the liquidity and marketability of the TDEX Shares.

The management believes that after taking into account our cash and bank balances as well as the funds envisaged to be generated from our business operations, we will have adequate working capital to meet our present and foreseeable day-to-day business operation requirements.

Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.

ANTICIPATED OR KNOWN RISKS

In line with Bursa's regulatory framework on the new disclosure requirements, we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:-

(i) Technological Obsolescence

We are subject to inherent risks associated with the rapid changes in customer requirements, constant technological development as well as evolving industry standards. Failure to manage and respond to these changes will render our solutions obsolete. Our existing market position may also be weakened by the introduction of new or enhanced solutions by competitors.

As such, we seek to limit such risks by actively engaging in research and development. Our Group constantly strives to upgrade our existing infrastructure and computing equipment to ensure that we are able to cater for rapid changing market demands.

The Group will place importance to constantly adapt to rapid changing market demands, and develop new business software solutions in a timely and cost effective manner.

(ii) Competition

The ICT solutions industry is highly competitive and fragmented as there are numerous industry players in Malaysia. Competitive pressures are expected to further increase in the future, and this could have an adverse effect on our pricing position and profitability.

Although our Group has established long-term relationships with key customers, there can be no assurance that the emergence of new competitors will not have an adverse impact on our Group's operations. Notwithstanding this, our Board is of the opinion that our new technology framework platform, coupled with our continuous emphasis on research and development, will enable us to remain relevant in the industry.

(iii) Credit and Liquidity Risk

The Group's exposure to credit risk mainly arises from its trade receivables. Credit risk is minimised by constantly monitoring the financial standing of the debtors on an ongoing concern basis to mitigate the risk of long outstanding debts. The Group do not have any major concentration of credit risks related to any individual customer and counterparty. For bank deposits, the Group minimise credit risk by dealing exclusively with reputable financial institution.

TREND AND OUTLOOK

Bank Negara Malaysia has imputed anticipated Gross Domestic Product ("GDP") growth of between 5.5% and 6.0% in 2018, supported by favourable earnings and employment conditions, as well as new and ongoing infrastructure projects and capital expenditure.

Meanwhile, GDP from the ICT sector in Malaysia has been growing historically, from RM154.6 billion in 2012 to RM224.0 billion in 2016. GDP from the ICT sector registered a Compound Annual Growth Rate ("CAGR") of 9.7% during the period. The ICT industry contributed 18.2% to the overall GDP in the country.

This sustained growth underpins our prospects for the coming years, and we aim to capture the opportunities in the local and regional markets. Our Group has taken various initiatives to improve our financial performance and we expect growth to stem from the following key areas:-

(i) Expansion of existing product segments within Malaysia and aboard

In addition to our existing product and service segments, the Group will continue to expand its presence within Malaysia and aboard. Priorities will be given to the following services: -

- Property Data Services and Consultation for financial institutions, developers, valuers, and consumers with needs on property information.
- Remote technical support and diagnosis services for Point Of Sales hardware
- Data and Cyber Security solutions and services
- Applications for SME that includes HR & Payroll, Rewards Solutions, and many more that are targeted to reach the small and medium enterprises.

(ii) Expansion of hotel reservation services into new markets

Our Group has finalised the licensing agreements of hotel reservation service platforms for new markets such as Thailand, Indonesia, Cambodia, Vietnam, France, Italy and Spain. Our Group also plans to expand into other markets such as Korea, Japan, India and United Arab Emirates.

The expansion of this solution / service into new markets will allow us to expand our reach to consumers, which will allow us to diversify our customer base.

(iii) Expansion of new product ranges

The Group will place emphasis in product commercialisation in coming financial years, in order to maximize the capital investment put forth in the past few years.

DIVIDEND POLICY

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board of Directors and any final dividend for the year is subject to shareholders' approval. 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 FYE 2018.

As our Company is an investment holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend on distributable profits, operating results, financial condition, capital expenditure plans and other factors that our Board of Directors deems relevant.

PROFILE OF **DIRECTORS**

STEVEN WONG CHIN FUNG

Independent Non-Executive Chairman

Malaysian, Aged 51, Male

Mr. Steven Wong Chin Fung was appointed to the Board on 11 May 2011 as an Independent Non-Executive Director of the Company and subsequently re-designated as the Senior Independent Non-Executive Director of the Company on 24 June 2013. On 20 September 2016, he was re-designated as the Independent Non-Executive Chairman of the Company. Mr. Steven Wong is the Chairman of Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company.

Mr. Steven Wong 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 27 years of experience in commercial and civil litigation.

TAN SZE CHONG

Group Managing Director and Key Senior Management

Malaysian, Aged 49, Male

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 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 25 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 ("IPO"). 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.

Mr. Tan currently also sits on the Board of AE Multi Holdings Berhad.

TAN BOON WOOI

Executive Director and Key Senior Management

Malaysian, Aged 45, Male

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 Bachelor of Business in Accountancy in 1994.

Mr. Tan, a trained accountant and entrepreneur, commences his career with an international accounting 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.

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

DATUK ABD HAMID BIN ABU BAKAR

Non-Independent Non-Executive Director

Malaysian, Aged 63, Male

Datuk Abd Hamid Bin Abu Bakar was appointed to the Board on 20 December 2016 as the Non-Independent Non-Executive Director. Datuk Abd Hamid is a member of the Nomination Committee and Audit Committee of the Company.

Datuk Abd Hamid graduated from the University of Technology Malaysia, with Bachelor of Surveying in Property Management in 1979. He started his career as a Valuation Officer on the same year at The Valuation and Property Services Department (JPPH), Ministry of Finance Malaysia. During Datuk's years of service, Datuk has completed his Post Graduate Diploma in Property Valuation and Management from Sheffield Hallam University, United Kingdom in 1997. He is a Registered Valuer certified by The Board of Valuers, Appraisers and Estate Agents Malaysia in 1982.

Since 1979, Datuk had held numerous designation while he was in JPPH, he was the District Valuer, State Valuer and the Deputy Director General of Valuation and Property Services (Operation). At the peak of Datuk's career, Datuk was appointed as the Director General of The Valuation and Property Services Department, Ministry of Finance Malaysia from November 2012 till March 2015. During the same period, Datuk was the President of The Board of Valuers, Appraisers and Estate Agents Malaysia.

Datuk has more than 35 years of experience in the Property Management industry and hence, Datuk was invited to be the Adjunct Professor for University of Technology Malaysia from 2013 to March 2015. Datuk is currently the acclaimed member of the Board of Directors of Syarikat Perumahan Negara Berhad (SPNB), a Board member of SPNB Idaman Sdn. Bhd., a subsidiary of SPNB.

CHANG CHOON MING

Non-Independent Non-Executive Director

Malaysian, Aged 41, Male

Mr. Chang Choon Ming was appointed to the Board on 2 February 2018 as a Non-Independent Non-Executive Director. He is a member of the Remuneration Committee of the Company.

Mr. Chang graduated from the Oxford Brookes University with Bachelor of Science in Computer Science. He commenced his career where he was tasked with the planning and implementation of sales and marketing strategies. Over the last 15 years, he has also accumulated experience in risk management and has a proven ability to successfully analyse an organisation's marketing requirements, identify potential opportunities, and develop innovative strategies.

Mr. Chang currently also sits on the Board of ConnectCounty Holdings Berhad and AE Multi Holdings Berhad.

SAIFULRIZAM BIN ZAINAL

Independent Non-Executive Director

Malaysian, Aged 42, Male

En. Saifulrizam Bin Zainal was appointed to the Board on 15 December 2017 as an Independent Non-Executive Director of the Company. He is the Chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company.

En. Saifulrizam holds a Master in Business Administration and Finance from International Islamic University of Malaysia and a Bachelor of Business Administration and Finance (Honour) from University Technology MARA both under Bank Negara Malaysia Scholarship.

En. Saifulrizam has more than 20 years of experience in the financial services industry, oil & gas and ICT industry. He started his working career with Bank Negara Malaysia as an Executive Officer since 1998. He spent stint number of years with Bank Negara Malaysia involving in various National Projects Committee such as Technology Taskforce Committee, Financial Stability Working Group, Financial Sectors Working Group and Malaysia Accounting Standard Board for GP-8 under FRS 139. Then in 2006, he was assigned to a new established organisation under BNM purview namely Perbadanan Insurans Deposit Malaysia or PIDM, setting up a new regulatory and supervisory framework under Deposit Insurance. After leaving PIDM in 2014, he served as a Chief Financial Officer with Basra Oil Sdn Bhd and become the first PETRONAS Premium Dealer for marine industry in Malaysia. He then joined BaseNET Technology Sdn. Bhd. as a Group Chief Financial Officer in 2015, overseeing the IT and Telecommunication industry and other subsidiaries of company until October 2017.

En. Saifulrizam currently sits in the Board of credit cooperative under Suruhanjaya Koperasi Malaysia known as Koperasi Maal Nizami Negeri Selangor Berhad and Petrowangsa Sdn. Bhd.

Notes

1. *None of the Directors have family relationships with any Director and/or major shareholder of the Company*
2. *None of the Directors have any conflict of interest with the Company.*
3. *None of the Directors have been convicted of any offence 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 2018, other than traffic offence (if any).*

PROFILE OF
KEY SENIOR MANAGEMENT

HENG LING JY

Chief Executive Officer

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

Malaysian, Aged 49, Female

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 Bhd 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 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.

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 Bhd's subsidiaries, i.e. 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.

PROFILE OF **KEY SENIOR MANAGEMENT**

TAN WAH CHOY

Chief Executive Officer

IdealSeed Resources Sdn. Bhd.

IdealSeed Arrowhead Sdn. Bhd.

Malaysian, Aged 50, Male

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 Arrowhead 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. Capitalised 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.

LEONG SENG KIN

Group Chief Executive Officer

Malaysian, Aged 44, Male

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 Officer of HotelSurfs Sdn. Bhd. and SurfsTek Innovation Sdn. Bhd. on 26 May 2016. He was promoted to Group Chief Executive Officer on 1 May 2018.

Mr. Leong graduated from AMSETT Business School in 1994, and Master of Business Administration from University of Ballarat, Australia in 2008.

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.

Notes

1. *None of the Key Senior Management have family relationships with any Director and/or major shareholder of the Company except for Ms. Heng Ling Jy is the spouse of Mr. Tan Sze Chong, the Group Managing Director and Key Senior Management of the Company.*
2. *None of the Key Senior Management have any conflict of interest with the Company.*
3. *None of the Key Senior Management have been convicted of any offence 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 2018, other than traffic offence (if any).*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("the Board") of Technodex Bhd ("TDex" or "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' value, consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code").

The Board is pleased to set out below the Corporate Governance Overview Statement which describes the manner in which the Group has applied the following principles of the Code during the financial year ended 30 April 2018 ("FYE 2018"):

A. Board leadership and effectiveness;
B. Effective audit and risk management; and
C. Integrity in corporate reporting and meaningful relationship with stakeholders.

This Corporate Governance Overview Statement should be read together with Corporate Governance Report for the FYE 2018 which is available on the Company's website at www.technodex.com as well as via an announcement on the website of Bursa Malaysia Securities Berhad ("Bursa Securities").

A. BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1. Board's Leadership on Objective and Goals

1.1 Strategic Aims, Values and Standards

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 increasing shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures 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
(collectively referred to as "Board Committees")

The Board Committees' Terms of Reference can be accessed via the Company's website, www.technodex.com.

Each committee operates in accordance with its respective Terms of Reference approved by the Board. The Board upon the recommendation of the Nomination Committee, appoints the members and chairman of each 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.

1.2 The Chairman and Group Managing Director ("Group MD")

The roles of the Chairman and the Group MD are distinct and separate to ensure that there is a balance of power and authority.

The Independent Non-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.

1.3 Qualified and Competent Company Secretary

The Board is supported by a qualified and competent Company Secretary. Our Company Secretary is a member of the Malaysian Association of Companies Secretaries and is holding a professional certificate as qualified Company Secretary under the Malaysian Companies Act 2016. She possesses over 25 years of experience in corporate secretarial practices.

The Board acknowledges that the Company Secretary plays an important role and will ensure that the Company Secretary fulfils the functions for which she has been appointed.

The Company Secretary manages the logistics of all Board, Board Committees and general meetings. She ensures minutes of all meetings are properly recorded and reflected the correct proceedings of the meetings, including whether any Director abstained from voting or deliberating on a particular matter.

The Company Secretary plays an advisory role in supporting the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company, particularly Companies Act 2016, ACE Market Listing Requirements of Bursa Securities, MCCG, Company's Constitution and Board Charter.

During the financial year under review, all Board and Board Committees meetings and Annual General Meeting ("AGM") were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the service and support rendered by our Company Secretary to the Board in the discharge of her functions.

1.4 Access to Information and Independent Advice

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.

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

The Directors receive notices of meetings, typically at least five (5) 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.

2. Demarcation of Responsibilities Between the Board, Board Committees and the Management

2.1 Board Charter

The Board has put in place a Board Charter. 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 Chairman and 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 www.technodex.com and will be reviewed from time to time to ensure the Board Charter remains consistent with the Board's objectives, current law and practices.

3. Good Business Conduct and Corporate Culture

3.1 Code of Ethics & Conduct

The Board has adopted a Code of Ethics and Conduct which was incorporated in the Board Charter of the Company.

The Board has also adopted a Whistle Blowing Policy to provide an avenue for all employees of the Group and members of the public to raise concerns and disclose any improper conduct within the Group so that it can take appropriate action to resolve them effectively.

A copy of the Whistle Blowing Policy is published in the corporate website of the Company at www.technodex.com.

PART II - BOARD COMPOSITION

4. Board's Objectivity

4 .1 Composition of the Board

The Board currently has six (6) members, comprising one (1) Independent Non-Executive Chairman, one (1) Group MD, One (1) Executive Director, one (1) Independent Non-Executive Director and two (2) Non-Independent Non-Executive Directors. This composition ensures that at least one-third (1/3) of the Board comprises Independent Directors in compliance with Rule 15.02 of the ACE Market Listing Requirements of Bursa Securities.

The presence of 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.

4.2 Tenure of Independent Director and Policy

The MCCG recommends that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years. The Company does not have tenure limits for Independent Directors and the Board is of the opinion that the ability of an Independent Director to exercise his independence and objective judgment in Board deliberations shall not be a function of his length of service as an Independent Director.

However, if the Board intends to retain a Director who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval at a general meeting.

During the financial year under review, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

4.3 Diverse Board and Senior Management Team

Appointment of Board and recruitment of Senior Management Team are based on objective criteria, merit and besides gender diversity, due regard are placed for required mix of skills, experience, independent, age, integrity, core competencies and cultural background.

4.4 Gender Diversity

The Board recognises that gender diversity and equitable representation at Board and senior management level are essential element of good governance, and is a critical attribute of a well-functioning board and maintaining a competitive advantage. It enhances decision-making capability and a diverse Board is more effective in dealing with organisational changes.

The Company takes cognisant of the best practices recommended under the Code to have at least 30% female Directors.

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 has established a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at Board level. The objectives/principles and measures as set out in our Gender Diversity policy are as summarised below:

Objectives/Principles

a. The Company acknowledges the importance to promote gender diversity at Board level and will actively work towards having more female Directors on the Board. To avoid any mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in this policy.

b. In assessing the Board composition and Board effectiveness, the Board shall accord due consideration to gender diversity, required mix of skills, experience, independence and other qualities, including core competencies, commitment, integrity and/or other commitments to the Board.

Measures

To pursue the objectives of gender diversity, the Board will take into consideration the following measures:

a. The Nomination Committee and the Board shall nominate or appoint a gender diverse Board with a broad spectrum of perspectives, including but not limited to education background, age, ethnicity, skills, knowledge, expertise, experience, competencies, integrity and/or other commitments that the candidate will bring to complement the Board.

b. The Nomination Committee is responsible in ensuring that gender diversity objective is adopted in the Board recruitment and succession planning processes.

c. The Company shall adopt a more accommodating boardroom culture and environment that is free from discriminations to attract and retain women participation at the Board level.

d. The Company will undertake the following strategies to promote its gender diversity at Board level:
   - recruiting from a diverse pool of candidates for female Directors;
   - reviewing succession plans to ensure an appropriate focus on gender diversity;
   - identifying specific factors to take into account the recruitment and selection processes to encourage gender diversity; and
   - any other strategies the Board may develop from time to time.

The Board will review the Gender Diversity Policy from time to time to ensure that the policy remains relevant and viable to meet its objectives.

4.5 New Candidates for Board Appointment

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.

In searching suitable candidates, the Nomination Committee may receive suggestions from existing Board Members, Management and major shareholders. The Nomination Committee is also open to referrals from external sources available or independent search firms.

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 Constitution, 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), shall retire at the 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 subject to re-election at the next AGM to be held following their appointment.

4.6 Nomination Committee

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

Name of Directors	Designation
Steven Wong Chin Fung (Chairman)	Independent Non-Executive Chairman
Datuk Abd Hamid Bin Abu Bakar (Member)	Non-Independent Non-Executive Director
Saifulrizam Bin Zainal (Member) *(appointed on 15.12.17)*	Independent Non-Executive Director
Tan Tian Wooi (Member) *(resigned on 20.11.17)*	Independent Non-Executive Director

The activities undertaken by the Nomination Committee during the FYE 2018 are as follows:-

(i) 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.

(ii) 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.

(iii) Evaluated the balance of skills, knowledge and experience of the Board and in the light of this evaluation, reviewed the role of the Independent Non-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.

(iv) Reviewed and confirmed the independence of the Independent Director.

(v) Considered and recommended to the Board for consideration, the re-election of Mr. Steven Wong Chin Fung and YBhg. Datuk Abd Hamid Bin Abu Bakar as Directors who were due to retire at the last Annual General Meeting held on 20 October 2017.

(vi) Considered and recommended to the Board for consideration, the appointments of En. Saifulrizam bin Zainal as an Independent Non-Executive Director and Mr. Chang Choon Ming as a Non-Independent Non-Executive Director.

(vii) Considered and recommended to the Board for consideration, the changes in the composition of Audit Committee, Nomination Committee and Remuneration Committee.

5. Overall Effectiveness of the Board and Individual Directors

5.1 Annual Assessment of Effectiveness of the Board, Board Committees and Individual Directors

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 individual Director's 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.

In evaluating performance of Non-Executive Directors, certain criteria were established and adopted, 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 Committee as a whole.

In evaluating performance of Executive Directors, assessment was carried out against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, product development, conformance and compliance, stakeholders' relation, employee training and development, succession planning and personal input to the role.

5.2 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2018, the Board met five (5) 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.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2018 are as follows:

Type of Meetings / Name of Directors	Board of Directors	Audit Committee ("AC")	Nomination Committee ("NC")	Remuneration Committee ("RC")
	No. of Meetings Attended			
Steven Wong Chin Fung	5/5	5/5	1/1	2/2
Tan Sze Chong (1)	5/5	N/A	N/A	2/2
Tan Boon Wooi	5/5	N/A	N/A	N/A
Datuk Abd Hamid bin Abu Bakar	5/5	5/5	1/1	N/A
Saifulrizam Bin Zainal (2)	2/2	2/2	N/A	N/A
Chang Choon Ming (3)	1/1	N/A	N/A	N/A
Tan Tian Wooi (4)	3/3	3/3	1/1	2/2

Notes:

(1) Mr. Tan Sze Chong ceased as member of RC on 29 March 2018.

(2) En. Saifulrizam Bin Zainal was appointed as an Independent Non-Executive Director, Chairman of AC and RC as well as a member of NC on 15 December 2017.

(3) Mr. Chang Choon Ming was appointed as a Non-Independent Non-Executive Director on 2 February 2018 and a member of RC on 29 March 2018.

(4) Mr. Tan Tian Wooi resigned as Independent Non-Executive Director, Chairman of AC and RC as well as a member of NC on 20 November 2017.

To facilitate the Directors' time planning, the meetings calendar was prepared in advance of each new year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the AGM. The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

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, individual 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.

5.3 Directors' Trainings

The Directors will continue to undergo annually other relevant training programmes, courses, talks, conferences and seminars to keep abreast of relevant changes in laws and regulations, development in the industry in order to further enhance their skills and knowledge.

During the FYE 2018, all Directors have attended an in-house training session conducted by the Company Secretary on the "The Malaysian Code on Corporate Governance 2017". The two new Directors namely En. Saifulrizam Bin Zainal and Mr. Chang Choon Ming, who were appointed during the FYE 2018 have attended the Mandatory Accreditation Programme as required by Bursa Securities.

Other seminars and conference attended by Directors during the FYE 2018 include the following:

Name of Directors	Programmes/Seminars attended
Steven Wong Chin Fung	• An overview on the Malaysian Code on Corporate Governance 2017
Tan Sze Chong	• An overview on the Malaysian Code on Corporate Governance 2017 • Program of Life Manual
Tan Boon Wooi	• An overview on the Malaysian Code on Corporate Governance 2017
Datuk Abd Hamid bin Abu Bakar	• CG Breakfast Series with Directors: Integrating an Innovation Mindset with Effective Governance • Securities Commission Malaysia's Conversation with Audit Committee • An overview on the Malaysian Code on Corporate Governance 2017
Saifulrizam Bin Zainal	• Mandatory Accreditation Programme for Directors of Public Listed Companies • An overview on the Malaysian Code on Corporate Governance 2017
Chang Choong Ming	• Mandatory Accreditation Programme for Directors of Public Listed Companies • An overview on the Malaysian Code on Corporate Governance 2017

PART III - REMUNERATION

6. Level and Composition of Remuneration

6 .1 Remuneration Committee

The Remuneration Committee is principally responsible for assessing and reviewing the remuneration policy and packages for the Directors of the Company. The Remuneration Committee also seeks to ensure that the remuneration packages commensurate with the expected responsibility and contribution by the Directors and subsequently recommending to the Board for adoption.

6.2 Remuneration policy

The Board through Remuneration Committee aims to set remuneration at levels which are sufficient to attract and retain Directors.

The Board had established a formal and transparent Remuneration Policy on 26 June 2018 as a guide for the Board and the Remuneration Committee to determine the remuneration of Directors and/or Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is made available for reference on the Company's website at www.technodex.com.

The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors with the quality required to manage the business of the Group.

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

The tables below set out the main components and operation of the remuneration structure packages of Directors and Senior Management of the Company: -

(I) Remuneration structure for the Senior Management and/or Directors who hold an Executive role in the Company

Component of pay	Particulars
Base Salary	A fixed salary will be paid for performing the scope of duties and responsibilities and will be reviewed based on the individual performance and achievements of the Company/the Group and comparable market rate within the industry.
Bonus/Incentive	Annual bonus will be paid to reward, retain and motivate the individual and will be depend on the performance of the Company/the Group and the personal contribution of the individual to the achievement of those results.
Other Benefits	Other benefits which include contribution of EPF, SOCSO, medical fees, medical or health insurance, company car, handphone, travelling and entertainment claims, amongst others, shall be provided based on the Group's human resource policy in the context of market practices from time to time.

(II) Remuneration structure for the Directors who hold a Non-Executive role in the Company

Component of pay	Particulars
Fees	A fixed retainer sum shall be paid for their contribution to the Board and the Company. The fixed fee is determined based on the following factors: • On par with the rest of the market; • Reflect the qualifications and contribution required in view of the Group's complexity; • The extent of the duty and responsibilities; and • The number of Board meetings and Board Committees' meetings
Meeting allowance and other benefits	A reasonable fixed meeting allowance will be paid on per trip basis with the condition that attendance is a prerequisite for such remittance. Other benefits which include flight tickets, accommodation, travelling expenses, amongst others, incurred in the course of performing his duties or other things required of him as a Director of the Company.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:

a. fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;
c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
d. salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

The Board will review the Remuneration Policy from time to time and make any necessary amendments to ensure that it remain consistent with the Board's objectives, current law and practices.

7. Remuneration of Directors and Senior Management

7.1 Details of Directors' Remuneration

The Directors' fees and benefits of the Company are subject to the approval of shareholders of the Company. The remuneration of the Directors of the Company and the Group for the FYE 2018 are as follows:-

The Company

Name of Directors	Fees RM'000	Salaries RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Other Emoluments RM'000	Total RM'000
Steven Wong Chin Fung	36	-	-	-	-	-	**36**
Tan Sze Chong	-	240	-	-	-	92	**332**
Tan Boon Wooi	-	120	-	-	-	-	**120**
Datuk Abd Hamid bin Abu Bakar	36	-	-	-	-	-	**36**
En. Saifulrizam Bin Zainal	14	-	-	-	-	-	**14**
Tan Tian Wooi	20	-	-	-	-	-	**20**
Chang Choon Ming	9	-	-	-	-	-	**9**
TOTAL	**115**	**360**	**-**	**-**	**-**	**92**	**567**

The Group

Name of Directors	Fees RM'000	Salaries RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Other Emoluments RM'000	Total RM'000
Steven Wong Chin Fung	36	-	-	-	-	-	**36**
Tan Sze Chong	-	240	-	-	-	92	**332**
Tan Boon Wooi	-	120	-	-	-	-	**120**
Datuk Abd Hamid bin Abu Bakar	36	-	-	-	-	-	**36**
En. Saifulrizam Bin Zainal	14	-	-	-	-	-	**14**
Tan Tian Wooi	20	-	-	-	-	-	**20**
Chang Choon Ming	9	-	-	-	-	-	**9**
TOTAL	**115**	**360**	**-**	**-**	**-**	**92**	**567**

The Board determines the fees and benefits of all Directors, including the Non-Executive Directors. The Director's fees are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in the decisions regarding their own fees, benefits and/or remuneration packages.

7 .2 Remuneration of Senior Management

The remuneration of the Senior Management of the Group is as follows: -

Range of Remuneration	No. of Senior Management Officer
RM50,001 to RM100,000	-
RM100,001 to RM150,000	-
RM150,001 to RM200,000	1
RM200,001 to RM250,000	-
RM250,001 to RM300,000	1

Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not disclose the Senior Management's remuneration components on named basis in the bands of RM50,000.00.

The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000.00 is adequate.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AUDIT COMMITTEE

8. Effective and Independent Audit Committee

The Audit Committee is chaired by an Independent Director who is distinct from the Chairman of the Board. All members of the Audit Committee are financially literate. The Audit Committee has full access to both the internal and external auditors, who, in turn, have access at all times to the Chairman of the Audit Committee.

The composition of the Audit Committee is set forth in the Audit Committee Report in this Annual Report.

The Board maintains a transparent and professional relationship with the Group's external auditors through the Audit Committee. The criteria for the external auditors assessment include quality of services, sufficiency of resources, communication and interaction, audit planning, independence, objectivity and professional scepticism. In determining the independence of the external auditors, the Audit Committee reviewed and assessed all aspects of their relationships with them including the processes, policies and safeguards adopted by the Group and the external auditors relating to audit independence. The Audit Committee also reviewed and assessed the external auditor's performance and independence.

The Audit Committee meets the external auditors to review the scope and adequacy of the audit process, updates on the financial reporting standards, the financial statements and their audit findings.

In addition, the external auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements.

The Audit Committee is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors.

The Audit Committee also reviewed and considered the proposed audit fees and recommended to the Board for approval.

The Audit Committee will observe a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a member of the Audit Committee was former key audit partner. None of the members of the Audit Committee is a former key audit partner.

PART II
- RISK MANAGEMENT AND INTERNAL CONTROL

9. Risk Management and Internal Control Framework

9.1 Effective Risk Management and Internal Control Framework

The Board acknowledges its overall responsibilities for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders' interest and the Company's assets. The Group's system of internal control is regularly reviewed to ensure its effectiveness. While acknowledging its responsibility for the system of internal control, the Board is aware that such a system cannot totally eliminate risks and thus can never be an absolute assurance against the Group failing to achieve its objectives. The Group's Statement on Risk Management and Internal Control for the FYE 2018 is as set out in this Annual Report.

10. Effective Governance, Risk Management and Internal Control Framework

10.1 Internal Audit Function

The internal audit function is outsourced to an independent professional consulting firm to carry out internal audit services for the Group.

The Internal Auditors ("IA") are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.

To ensure that the responsibilities of IA are fully discharged, the AC evaluated the performance of the IA for the financial year ended 30 April 2018 upon such evaluation criteria as set out in its Annual Assessment Form ("IA Annual Assessment Form"), amongst others, the following were some of the criteria reviewed by the AC:

a. Adequacy of resources and experience of the internal audit firm;
b. Quality processes of the internal audit firm;
c. Competency of the engagement team;
d. Governance and independence;
e. Internal audit fee, scope and planning; and
f. Internal audit reports and communications.

The AC concluded its assessment that the IA has sufficient experience and resources to satisfy their terms of reference and adequately deliver the quality services to the Company and its subsidiaries.

The details of the internal audit function and activities are set out in the Audit Committee Report of this Annual Report.

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I - COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between Company and Stakeholders

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. Shareholders will receive regular communication from the Company through the release of announcements, quarterly reports, annual reports and circular to Bursa Securities.

The Board has put in place a Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders.

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, events, announcements to Bursa Securities relating to the Group.

The Board has also created an investor relation section on the Company's website at www.technodex.com for information on corporate, financial, corporate governance and stock prices, which is accessible to public.

PART II - CONDUCT OF GENERAL MEETINGS

12. Shareholders' Participation at General Meetings

12.1 AGM

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

The AGM remains a principal forum used by the Group for communication with its shareholders. The Board will also ensure that each item of special business that is included in the notice of AGM is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

The notice of AGM is despatched to shareholders at least 28 days before the AGM, to allow shareholders additional time to go through the Annual Report and make the necessary attendance and voting arrangements. The Notice for the Fourteenth AGM of the Company which scheduled to be held on 9 October 2018 is issued on 30 August 2018.

12.2 Directors' Attendance at General Meetings

All the Directors who hold office for that time being attended the 13th AGM and Extraordinary General Meeting of the Company held on 20 October 2017 and 15 November 2017 respectively and engaged directly with the shareholders.

STATEMENT OF COMPLIANCE

The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

The Company has in all material aspects satisfactory complied with the principles and practices set out in the Code, except for the departures set out in the Corporate Governance Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors ("the Board") of Technodex Bhd ("TDex" or "the Company") is committed towards maintaining a sound system of internal control and risk management and is pleased to provide this Statement on Risk Management and Internal Control ("this Statement") which outlines the scope and nature of internal controls and risk management of TDex and its subsidiaries ("the Group") for the financial year ended 30 April 2018.

For the purpose of disclosure, this Statement is prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

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 Board has received assurance from the Group Managing Director that the Group's risk management and internal control have operated adequately and effectively in all material aspects, based on the risk management and internal control system of the Group during the financial year under review.

Risk Management Framework

The Board regards 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.

Internal Control System

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

a. Clearly defined Terms of Reference of the Board Committee, i.e. Audit Committee, Nomination Committee and Remuneration Committee.

b. Organisational structure with clearly defined lines of responsibility, authority and accountability.

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

d. Clearly defined procedures at appropriate levels are set out for controlling and approving capital expenditure and expenses.

e. Clearly defined Internal Policies, Standard Operating Procedures and Personnel Manual as the key framework for good internal control practices.

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

g. 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.

h. 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 internal audit plan as recommended and 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 subsidiary 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 RM13,000.00 for the financial year ended 30 April 2018.

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 and Internal Control System

The Board is of the view that the risk management and internal control system is sound and adequate to safeguard the Group's operations and assets at the existing level of operations of the Group. No material weakness and/or reported shortfall in the risk management 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 dated 28 August 2018.

AUDIT COMMITTEE REPORT

The principal objective of the Audit Committee is to assist the Board of Directors ("the Board") of Technodex Bhd ("TDex" or "the Company") 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:

Saifulrizam Bin Zainal
(Chairman, Independent Non-Executive Director)

Steven Wong Chin Fung
(Member, Independent Non-Executive Chairman)

Datuk Abd Hamid Bin Abu Bakar
(Member, Non-Independent Non-Executive Director)

The Terms of Reference of the Audit Committee is available at the corporate website of the Company at www.technodex.com.

SUMMARY OF WORKS DURING THE FINANCIAL YEAR

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

Committee Members	No. of Meetings Attended
Saifulrizam Bin Zainal, Chairman (appointed on 15 December 2017)	2/2
Steven Wong Chin Fung, Member	5/5
Datuk Abd Hamid bin Abu Bakar, Member	5/5
Tan Tian Wooi, Chairman (resigned on 20 November 2017)	3/3

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, the Audit Status Report upon completion of the annual audit, covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the Audit Committee.

iii. Considered and recommended the re-appointment of CAS Malaysia PLT as External Auditors of the Company at the 13th Annual General Meeting to the Board for consideration based on the competency, efficiency and independence of the External Auditors.

iv. Reviewed with the External Auditors, the audit plan and scope of the statutory audit of the Group's financial statements for financial year ended 30 April 2018 before the audit commences to ensure the scope of the external audit is comprehensive.

v. Considered and recommended the External Auditors' fee to the Board for approval.

vi. Reviewed the proposed Internal Audit Plan of the Group for the financial year ended 30 April 2018.

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

viii. Reviewed if there were 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.

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

x. Reviewed and assessed the performance of the Audit Committee collectively and table the Audit Committee self-evaluation form for Nomination Committee's evaluation.

INTERNAL CONTROL REVIEW AND INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to KL Ng & Associates, an independent professional services firm, to conduct an independent review of the Group's systems of internal control.

Mr. Alvin Ng Kit Loong, the Principal and founder of KL Ng & Associates, is responsible for the internal audit of the Group.

The internal audit assignment is led by Mr. Alvin Ng Kit Loong, the Principal and founder of KL Ng & Associates. The internal audit review is staffed by 3 internal audit personnel including the Senior individual. The Internal Auditors team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence.

The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.

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

i. Conducted internal audit on the adequacy and effectiveness of the internal control system in:
   - Revenue and account receivable of Surfstek Resources (R&D) Sdn. Bhd.; and
   - Revenue operation and trade receivable of Idealseed Resources Sdn. Bhd.

ii. Presentation of the internal audit findings at Audit Committee meeting. The results of the audit together with the 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 the Management, especially on areas where significant findings 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.

iv. Presentation of the Internal Audit Plan of the Group for the financial year ended 30 April 2018.

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

The Audit Committee was satisfied with the competency, experience and resources of the internal audit function for discharging its role and responsibilities.

The fees incurred during the financial year ended 30 April 2018 in relation to the internal audit function was RM13,000.00.

STATEMENT OF
DIRECTORS' RESPONSIBILITY

The Board of Directors ("the Board") is required by the Companies Act 2016 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 2016 and the requirements of ACE Market Listing Requirements 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 2016.

The Board is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 April 2018, 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 of the Company and to detect and prevent fraud and other irregularities.

This Statement was made in accordance a resolution of the Board dated 28 August 2018.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company had on 26 January 2018 completed the private placement exercise upon the listing of and quotation of 49,409,500 new ordinary shares at an issue price of RM0.14 per share on the ACE Market of Bursa Malaysia Securities Berhad ("Private Placement"). The utilisation of gross proceeds from the Private Placement as at 31 July 2018 was as follows:

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000
Commercialisation expenditure	5,000	853	4,147
Working capital	1,787	784	1,003
Expenses relating to the Private Placement	130	113	17
TOTAL	**6,917**	**1,750**	**5,167**

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 2018 are as follows:-

	Company RM	Group RM
Audit Fee	45,000	141,000
Non - Audit Fee	4,000	4,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interest during the financial year ended 30 April 2018.

4. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ("CSR") AND PRACTICES

The Board recognises the importance of being a responsible corporate citizen to enhance and positively contribute to society. 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. The Group will be looking at implementing the best practices of CSR in areas of environment, community, workplace and marketplace in the coming years.

FINANCIAL REPORT
for the financial year ended 30 APRIL 2018

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 2018.

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.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiary is as disclosed in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	The Group	The Company
	RM	RM
Loss for the financial year	(1,735,394)	(3,576,261)
Attributable to:		
Owners of the Company	(1,834,095)	(3,576,261)
Non-controlling interests	98,701	-
	(1,735,394)	(3,576,261)

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared during the financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid–up ordinary share capital by way of:

(a) issuance of 13,387,500 new ordinary shares at an issue price of RM0.20 per share for the purpose to acquire additional 42% equity interest in Idealseed Resources Sdn. Bhd.;

(b) issuance of 67,275,000 new ordinary shares at an issue price of RM0.20 per share for the purpose to acquire the remaining 50% equity interest in Surfstek Resources (R&D) Sdn. Bhd.;

(c) issuance of 49,409,500 new ordinary shares at RM0.14 per share for cash via private placement for the purpose of working capital; and

(d) issuance of 500,000 new ordinary shares through conversion of warrants into ordinary shares at an issue price of RM0.11 per share for cash.

All the new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing shares.

There were no debentures issued during the financial year.

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. The warrants will lapse on 21 September 2018.

During the financial year, 500,000 Warrants 2013/2018 were converted into ordinary shares. As at 30 April 2018, the total number of Warrants 2013/2018 which were unconverted amounted to 84,166,350 units. Details of the Warrants 2013/2018 are disclosed in Note 16 to the financial statements.

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

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Steven Wong Chin Fung

Tan Sze Chong

Tan Boon Wooi

Encik Saifulrizam bin Zainal (appointed on 15 December 2017)

Datuk Abd Hamid bin Abu Bakar

Chang Choon Ming (appointed on 2 February 2018)

Tan Tian Wooi (resigned on 20 November 2017)

The names of the directors of the subsidiaries of the Company since the date of the last report and at the date of this report, not including those directors listed above are:

Heng Ling Jy (f)

Kavin Ch'ng Kim Swee

Leong Seng Hong

Tan Chin Siong

Tan Wah Choy

Thor Joe Hock (appointed on 26 June 2018)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year were as follows:

	Number of Ordinary Shares			
Shareholdings in the name of directors	**As at 01.05.2017**	**Acquired**	**Sold**	**As at 30.04.2018**
Direct interest				
Tan Sze Chong	24,029,066	-	-	24,029,066
Tan Boon Wooi	33,065,000	-	-	33,065,000
Chang Choon Ming	22,549,500	-	(12,759,500)	9,790,000
Indirect interest				
Tan Sze Chong*	66,666	-	-	66,666

* Deemed interested by virtue of his spouse, Heng Ling Jy's shareholdings.

	Number of Warrants 2013/2018			
Warrants holdings in the name of director	**As at 01.05.2017**	**Acquired**	**Sold**	**As at 30.04.2018**
Indirect interest				
Tan Sze Chong*	16,666	-	-	16,666

* Deemed interested by virtue of his spouse, Heng Ling Jy's warrants holdings.

By virtue of their interest in the shares of the Company, the above directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, the other directors in office at the end of the financial year did not have any interest in the shares and warrants of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors or past directors of the Group and of the Company during the financial year are disclosed in Note 29 to the financial statements.

None of the directors or past directors of the Group and of the Company have received any other benefits otherwise than in cash from the Group and the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors or past directors of the Group and of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

Total amount of indemnity given to or insurance premium paid for the directors and officers of the Company is RM13,000.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 29 to the financial statements) 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.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

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

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

No contingent or other liability 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 its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year is disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 26 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 28 August 2018.

TAN SZE CHONG	**TAN BOON WOOI**
Director	Director

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, TAN SZE CHONG and TAN BOON WOOI, being the directors of TECHNODEX BHD., do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 47 to 104 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 28 August 2018.

TAN SZE CHONG
Director

TAN BOON WOOI
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, TAN SZE CHONG, being the director primarily responsible for the accounting records and financial management of TECHNODEX BHD., do solemnly and sincerely declare that the accompanying financial statements set out on pages 47 to 104 are in my opinion 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
TAN SZE CHONG,
at Puchong in the state of Selangor Darul Ehsan
on 28 August 2018.

TAN SZE CHONG

Before me,
KHOR HAN GHEE
COMMISSIONER FOR OATH

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNODEX BHD

(Incorporated in Malaysia)
Company No: 627634 - A

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Technodex Bhd., which comprise the statements of financial position as at 30 April 2018 of the Group and of the Company, and the 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 104.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2018, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment assessment of intangible assets

Refer to Note 3.7, 4.2.3 and 6 to the financial statements

As at 30 April 2018, the net carrying amount of intangible assets of the Group and of the Company amounted to RM17,007,142 and RM3,927,240 respectively, which representing for approximately 35% and 10% of the Group's and of the Company's total assets.

We focused on this area and considered intangible assets as key audit matter as the determination of recoverable amounts of cash-generating-units ("CGUs") based on value-in-use calculations by management involved a significant degree of judgements and assumptions.

KEY AUDIT MATTERS (continued)

Our audit procedures included:

i) enquiring management on latest development and status of the intangible assets;

ii) evaluating management's assessment on whether there were any indicators of impairment of intangible assets;

iii) evaluating the appropriateness of the Group's judgements regarding identification of CGUs for impairment assessment;

iv) assessing the appropriateness and reasonableness of cash flows forecast and projections by comparison to future outlook, reviewing business plans and through discussion with management;

v) assessing the management's determination of the discount rate by evaluating the appropriateness of the models used and the reasonableness of the inputs thereon;

vi) performing sensitivity analysis to assess the impact on the recoverable amount of the CGUs;

vii) assessing the appropriateness of the independent valuers' scope of work and evaluating the objectivity, independence and capabilities of the professional valuers to perform the valuation of certain CGUs; and

viii) reviewing the adequacy of disclosure in the financial statements.

(b) Impairment assessment of trade receivables

Refer to Note 3.11, 4.2.5 and 10 to the financial statements

Trade receivables are significant to the Group as these represent approximately 29% of the total assets. The key associated risk is the recoverability of the invoiced trade receivables as the recoverability of trade receivables required management judgement in determining the adequacy of the impairment loss associated with each individual trade receivable.

Our audit procedures included:

i) circularisation of receivables for confirmation of balances;

ii) reviewing aging of trade receivables and check for adequacy of allowance for doubtful debts;

iii) reviewing for procedures performed over the past due receivables; and

iv) assessing cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period and recoverability of outstanding trade receivables.

We have evaluated the adequacy of the Group's disclosure for trade receivables.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, which we obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CAS MALAYSIA PLT
[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN
[No. 2453/07/19(J)]
Chartered Accountant

Date: 28 August 2018

Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
ASSETS EMPLOYED					
NON-CURRENT ASSETS					
Property, plant and equipment	5	1,207,986	1,378,129	163,175	194,305
Intangible assets	6	17,007,142	14,416,502	3,927,240	4,849,468
Investment in subsidiary companies	7	-	-	23,051,226	7,438,476
Goodwill on consolidation	8	2,193,792	2,713,542	-	-
		20,408,920	18,508,173	27,141,641	12,482,249
CURRENT ASSETS					
Inventories	9	1,138,774	1,032,902	-	-
Trade receivables	10	13,867,533	15,835,655	1,895,183	2,284,495
Other receivables	11	2,443,149	4,239,638	71,460	55,722
Amount due from subsidiary companies	12	-	-	5,426,981	4,644,981
Tax recoverable		150,934	239,022	42,912	46,820
Fixed deposits with licensed banks	13	5,428,584	2,307,067	3,551,731	4,410
Cash and bank balances		4,594,713	2,205,235	1,272,709	189,130
		27,623,687	25,859,519	12,260,976	7,225,558
TOTAL ASSETS		**48,032,607**	**44,367,692**	**39,402,617**	**19,707,807**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **FINANCIAL POSITION**

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	65,702,078	41,293,329	65,702,078	41,293,329
Share premium	15	-	1,303,919	-	1,303,919
Accumulated losses	18	(24,670,753)	(13,146,147)	(26,976,680)	(23,400,419)
Total equity attributable to owners of the Company		41,031,325	29,451,101	38,725,398	19,196,829
Non-controlling interest	7	13,473	6,356,858	-	-
TOTAL EQUITY		**41,044,798**	**35,807,959**	**38,725,398**	**19,196,829**
NON-CURRENT LIABILITIES					
Loan and borrowings	19	576,171	1,774,124	-	-
Deferred taxation	20	23,721	62,630	-	-
		599,892	1,836,754	-	-
CURRENT LIABILITIES					
Trade payables	21	1,157,087	902,222	-	-
Other payables	21	2,029,438	4,135,412	653,173	510,978
Amount due to directors	22	33,382	7,399	24,046	-
Loan and borrowings	19	3,081,291	1,475,520	-	-
Provision for taxation		86,719	202,426	-	-
		6,387,917	6,722,979	677,219	510,978
TOTAL LIABILITIES		6,987,809	8,559,733	677,219	510,978
TOTAL EQUITY AND LIABILITIES		**48,032,607**	**44,367,692**	**39,402,617**	**19,707,807**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Revenue	24	56,411,041	53,493,846	14,000	1,204,038
Less: Cost of sales		(32,354,046)	(25,648,754)	-	-
GROSS PROFIT		24,056,995	27,845,092	14,000	1,204,038
Add: Other operating income		218,895	47,808	138,030	67,691
Less: Employment benefits		(6,498,056)	(4,804,859)	(520,052)	(497,703)
Less: Depreciation and amortisation		(2,834,086)	(2,459,930)	(975,132)	(1,407,242)
Less: Other expenses		(16,057,728)	(17,931,963)	(2,233,107)	(2,327,641)
(LOSS)/PROFIT FROM OPERATIONS		(1,113,980)	2,696,148	(3,576,261)	(2,960,857)
Less: Finance costs	25	(220,240)	(67,434)	-	-
(LOSS)/PROFIT BEFORE TAXATION	26	(1,334,220)	2,628,714	(3,576,261)	(2,960,857)
Less: Taxation	27	(401,174)	(305,688)	-	-
(LOSS)/PROFIT AFTER TAXATION		(1,735,394)	2,323,026	(3,576,261)	(2,960,857)
Other comprehensive income:					
Reversal of adjustment of exchange reserve	17	-	675,705	-	-
Other comprehensive income for the financial year, net of tax		-	675,705	-	-
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE FINANCIAL YEAR, NET OF TAX		(1,735,394)	2,998,731	(3,576,261)	(2,960,857)
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Equity holders of the Company		(1,834,095)	429,628		
Non-controlling interest		98,701	1,893,398		
		(1,735,394)	2,323,026		
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE FINANCIAL YEAR, NET OF TAX ATTRIBUTABLE TO:					
Equity holders of the Company		(1,834,095)	1,105,333		
Non-controlling interest		98,701	1,893,398		
		(1,735,394)	2,998,731		
Basic (loss)/profit per share attributable to equity holders of the Company (sen)	28	(0.34)	0.10		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

Group	Note	Share Capital RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
		Attributable to equity holders of the Company						
		Non-distributable						
2018								
Balance as at 1 May 2017		41,293,329	1,303,919	-	(13,146,147)	29,451,101	6,356,858	35,807,959
Contribution by Owners of the Company								
- Issuance of shares	14	23,049,830	-	-	-	23,049,830	-	23,049,830
- Conversion of warrant	14	55,000	-	-	-	55,000	-	55,000
Transfer to no-par value regime	15	1,303,919	(1,303,919)	-	-	-	-	-
Acquisition of non-controlling interest		-	-	-	(9,690,511)	(9,690,511)	(6,442,086)	(16,132,597)
Loss and total comprehensive expense for the financial year		-	-	-	(1,834,095)	(1,834,095)	98,701	(1,735,394)
Balance as at 30 April 2018		**65,702,078**	**-**	**-**	**(24,670,753)**	**41,031,325**	**13,473**	**41,044,798**
2017								
Balance as at 1 May 2016		37,539,390	1,853,040	675,705	(14,251,480)	25,816,655	4,484,537	30,301,192
Contribution by and distributions to Owners of the Company								
- Issuance of shares	14	3,753,939	(132,018)	-	-	3,621,921	-	3,621,921
- Writing off of preliminary expenses		-	(417,103)	-	-	(417,103)	-	(417,103)
Profit for the financial year		-	-	-	429,628	429,628	1,893,398	2,323,026
Effect of disposal of a subsidiary company		-	-	-	-	-	(21,077)	(21,077)
Other comprehensive expense for the financial year	17	-	-	(675,705)	675,705	-	-	-
Balance as at 30 April 2017		**41,293,329**	**1,303,919**	**-**	**(13,146,147)**	**29,451,101**	**6,356,858**	**35,807,959**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

Company	Note	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total Equity RM
		Attributable to equity holders of the Company			
		Non-distributable			
2018					
Balance as at 1 May 2017		41,293,329	1,303,919	(23,400,419)	19,196,829
Contribution by Owners of the Company					
- Issuance of shares	14	23,049,830	-	-	23,049,830
- Conversion of warrant	14	55,000	-	-	55,000
Transfer to no-par value regime	15	1,303,919	(1,303,919)	-	-
Loss and total comprehensive expense for the financial year		-	-	(3,576,261)	(3,576,261)
Balance as at 30 April 2018		**65,702,078**	**-**	**(26,976,680)**	**38,725,398**
2017					
Balance as at 1 May 2016		37,539,390	1,853,040	(20,439,562)	18,952,868
Contribution by and distributions to Owners of the Company					
- Issuance of shares	14	3,753,939	(132,018)	-	3,621,921
- Writing off of preliminary expenses		-	(417,103)	-	(417,103)
Loss and total comprehensive expense for the financial year		-	-	(2,960,857)	(2,960,857)
Balance as at 30 April 2017		**41,293,329**	**1,303,919**	**(23,400,419)**	**19,196,829**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before taxation		(1,334,220)	2,628,714	(3,576,261)	(2,960,857)
Adjustments for:					
Amortisation					
Intangible assets	6	2,508,740	2,211,163	922,228	1,360,281
Bad debts written off	26	171,079	-	-	-
Depreciation					
Property, plant and equipment	5	325,346	248,767	52,904	46,961
Gain on disposal of a subsidiary company	7	-	(3,609)	-	-
Impairment loss					
Goodwill on consolidation	8	519,750	-	-	-
Investment in a subsidiary company	7	-	-	519,750	-
Property, plant and equipment	5	117,417	-	-	-
Trade receivables	10	62,328	180,000	-	-
Other receivables	11	105,560	-	-	-
Intangible assets written off	6	13,044	-	-	-
Interest expenses	25	220,240	67,434	-	-
Interest income	26	(176,432)	(38,843)	(138,030)	(67,691)
Property, plant and equipment written off	26	19,012	35,325	-	-
Operating profit/(loss) before working capital changes		2,551,864	5,328,951	(2,219,409)	(1,621,306)
Increase in inventories		(105,872)	(1,032,902)	-	-
Decrease/(increase) in receivables		3,763,144	(6,380,574)	(408,426)	(1,379,398)
(Decrease)/increase in payables		(1,851,109)	3,044,597	142,195	113,414
Cash generated from/(used in) operations		4,358,027	960,072	(2,485,640)	(2,887,290)
Interest received		176,432	38,843	138,030	67,691
Interest paid		(220,240)	(67,434)	-	-
Income tax refund		26,600	581	26,600	581
Income tax paid		(494,302)	(450,608)	(22,692)	(25,241)
Net cash generated from/(used in) operating activities		**3,846,517**	**481,454**	**(2,343,702)**	**(2,844,259)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in fixed deposits with maturity of more than 3 months		(1,943,096)	(2,100,000)	(3,043,096)	-
Fixed deposit placed as security value		(875,853)	-	-	-
Proceed from sale of property, plant and equipment		37,500	-	-	-
Purchase of intangible assets	6	(5,112,424)	(6,580,839)	-	(243,990)
Purchase of property, plant and equipment	5	(666,632)	(581,531)	(21,774)	(123,305)
Proceeds from disposal of a subsidiary company	7	-	29,051	-	-
Net cash used in investing activities		**(8,560,505)**	**(9,233,319)**	**(3,064,870)**	**(367,295)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Expenses on issuance of shares		-	(736,818)	-	(549,121)
Proceeds from decrease in stake		-	(17,468)	-	-
Proceeds from issuance of shares		6,917,330	3,941,636	6,917,330	3,753,939
Conversion of warrant		55,000	-	55,000	-
Proceeds from loan and borrowings, net of repayment		(1,098,434)	3,075,889	-	-
Repayment from directors		25,983	7,399	24,046	-
Net cash generated from financing activities		5,899,879	6,270,638	6,996,376	3,204,818
Net increase/(decrease) in cash and cash equivalents		1,185,891	(2,481,227)	1,587,804	(6,736)
Cash and cash equivalents as at beginning of the financial year		2,412,302	4,893,529	193,540	200,276
Cash and cash equivalents as at end of the financial year		**3,598,193**	**2,412,302**	**1,781,344**	**193,540**
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks	13	5,428,584	2,307,067	3,551,731	4,410
Cash and bank balances		4,594,713	2,205,235	1,272,709	189,130
		10,023,297	4,512,302	4,824,440	193,540
Fixed deposits with maturity of more than 3 months	13	(3,043,096)	(2,100,000)	(3,043,096)	-
Bank overdraft	19	(1,506,155)	-	-	-
Deposits held as security value*	13	(1,875,853)	-	-	-
		3,598,193	**2,412,302**	**1,781,344**	**193,540**

* Included in deposits held as security value, there is fixed deposits with maturity of more than 3 months amounted to RM1,000,000.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Level 3, Tower 1, Avenue 3, The Horizon, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 30 April 2018 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 30 April 2018 do not include other entities.

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.

The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 August 2018.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2017:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014–2016 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group and of the Company.

2. *BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)*

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)
MFRS 15	Revenue from Contracts with Customers
MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Annual Improvements to MFRS Standards 2014–2016 Cycle

Effective for financial periods beginning on or after 1 January 2019

Amendments to MFRS 9	Prepayment Features with Negative Compensation
MFRS 16	Leases
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015–2017 Cycle

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Share-based Payment
Amendment to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible assets

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts

Effective date to be determined by MASB

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.3 Standards issued but not yet effective (continued)

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the above pronouncements other than the three Standards described below:

2.3.1 MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and established a five-step model that will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

The Group and the Company are currently assessing the impact of adopting MFRS 15.

2.3.2 MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This Standard makes changes to the requirements for classification and measurement, impairment and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Group's and of the Company's financial assets, but no impact on the classification and measurement of the Group's and of the Company's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

The Group and the Company are currently assessing the impact of adopting MFRS 9.

2.3.3 MFRS 16 Leases

MFRS 16 will replace the existing standard on Leases, MFRS 117 when it becomes effective.

Currently under MFRS 117, a lease is classified either as a finance lease or an operating lease based on the extent to which risks and rewards incidental to ownership of the leased asset lie with the lessor or the lessee. A lessee recognises the asset and liability arising from a finance lease but not an operating lease. MFRS 16 eliminates the distinction between finance leases and operating leases for lessees.

Under the new standard, a lessee is required to recognise the assets and liabilities in respect of all leases, except for short-term leases of 12 months or less and leases of low value assets. At the commencement of a lease, a lessee recognises a right-of-use asset and a corresponding lease liability. The lessee will be required to separately recognise the depreciation on the right-of-use asset and interest expense on the lease liability. Lessor accounting remained substantially unchanged from the current accounting under MFRS 117.

The Group and the Company are currently assessing the impact of adopting MFRS 16.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 April 2018.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

All intercompany balances, income and expenses and unrealized gain or loss transactions between Group and subsidiary companies are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

The accounting policies for business combination and goodwill are disclosed in Note 3.3.

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Acquisition of NCI are accounted for using the parent entity extension method, whereby the difference between the consideration and the fair value of the share of the net assets acquired is recognized equity.

3.2 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statements of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

All other business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Depreciation on the property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Building	2%
Computer and software	20% - 40%
Furniture and fittings	10% - 20%
Machineries	14%
Motor vehicles	20%
Office equipment	10% - 20%
Tele-communication equipment	15%
Renovation	10% - 20%

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.7 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

3.5 Research and development expenditure

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

Development expenditure is recognised as an expense except that expenditure incurred on development projects relating to the design and testing of new or improved products or process are recognised as intangible assets if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the assets under development;
(ii) the product or process is technically and commercially feasible;
(iii) its future economic benefits are probable;
(iv) its ability to use or sell the developed asset; and
(v) the availability of adequate technical, financial and other resources to complete the assets under development.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Research and development expenditure (continued)

Capitalised development expenditures are measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3.7 on impairment of non-financial assets.

3.6 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 commencing 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.

3.7 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill, property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or CGUs.

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment of non-financial assets (continued)

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are determined on the first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an integral part of the Group's cash management.

3.10 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

A financial asset is recognised initially, at its fair value plus, in the case of a financial instrument not at Fair Value Through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset.

The Group and the Company determine the classification of financial assets upon initial recognition. The categories include financial assets at FVTPL, loans and receivables, Held-To-Maturity ("HTM") investments and Available-For-Sale ("AFS") financial assets.

3.10.1 Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other income or other losses.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current, whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company do not have any financial assets at FVTPL at the current and previous financial year end.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial assets (continued)

3.10.2 HTM investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group and the Company has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the Effective Interest Rate ("EIR"), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statements of profit or loss. The losses arising from impairment are recognised in the statements of profit or loss as finance costs.

The Group and the Company do not have any HTM investments at the current and previous financial year end.

3.10.3 Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the loans and receivables are impaired or derecognised.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the financial year end, these are classified as non-current.

3.10.4 AFS financial assets

AFS financial assets are financial assets that are designated as such or are not classified in any of the three preceding categories.

After initial recognition, AFS financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an AFS equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

AFS financial assets which are not expected to be realised within 12 months after the financial year end are classified as non-current assets.

The Group and the Company do not have any AFS financial assets at the current and previous financial year end.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

3.11 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of financial assets (continued)

An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default, significant delay in payments or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.11.1 Financial assets carried at amortised cost

For financial assets carried at amortised cost, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss 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. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3.11.2 AFS financial assets

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market.

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation or accretion) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on AFS equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For AFS debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

3.12 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The measurement of financial liabilities depends on their classification as described below:

3.13.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in MFRS 139 are satisfied. The Group and the Company do not have any financial liabilities at FVTPL at the current and previous financial year end.

3.13.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

3.13.3 Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Leases

3.14.1 Finance lease

Leases in terms of which the Group and the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.14.2 Operating lease

Leases, where the Group and the Company do not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Income tax

3.16.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.16.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

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 transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measure at the fair value of consideration received or receivable.

3.18.1 Sale of goods

Revenue from sales of goods is recognised when the significant risks and rewards of ownerships of the goods have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

3.18.2 Services

Revenue is recognised upon the rendering 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.

3.18.3 Management fees

Management fee is recognised on an accrual basis when service is rendered.

3.18.4 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

3.18.5 Rental income

Rental income is recognised on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

3.19 Employee benefits

3.19.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.19.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the Statements of Financial Position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year end.

3.21 Foreign currency

3.21.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

3.21.2 Foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services and the geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

3.23 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

3.24 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-

- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associated of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a closed member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

3.25 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, there were no critical judgements made by management on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group and the Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group and of the Company. Such changes are reflected in the assumptions when they occur.

4.2.1 Depreciation

The costs of property, plant and equipment are depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within a range of 2.5 to 10 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment at the reporting date are disclosed in Note 5 to the financial statements.

4.2.2 Amortisation of intangible assets

The costs of intangible assets are amortised on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these intangible assets to be not exceeding 5 years begin from the period when the intangible assets are available for use. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future amortisation charges could be revised. The carrying amounts of the Group's and of the Company's intangible assets at the reporting date are disclosed in Note 6 to the financial statements.

4.2.3 Impairment of non-financial assets

When 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.2 Key sources of estimation uncertainty (continued)

4.2.4 Impairment of goodwill

The Group and the Company perform an annual assessment of the carrying value of its goodwill against the recoverable amount of the CGUs to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

4.2.5 Impairment of trade and other receivables

The Group and the Company make impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

4.2.6 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and of the Company are disclosed in Note 20.

4.2.7 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised 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.

5. PROPERTY, PLANT AND EQUIPMENT

The Group	Building RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment RM	Tele-communication equipment RM	Renovation RM	Total RM
2018									
At cost									
Balance as at 1 May 2017	450,000	472,408	610,859	350,500	341,244	199,577	30,049	362,414	2,817,051
Additions	-	633,735	9,191	-	-	7,045	-	16,661	666,632
Disposal/written off	(450,000)	-	(42,686)	-	-	(7,000)	-	-	(499,686)
Reclassification	-	1,866	(4,519)	-	-	2,653	-	-	-
Balance as at 30 April 2018	-	1,108,009	572,845	350,500	341,244	202,275	30,049	379,075	2,983,997
Less: Accumulated depreciation									
Balance as at 1 May 2017	66,000	341,545	419,279	184,013	145,379	161,541	29,657	91,508	1,438,922
Charge for the financial year	9,000	111,959	41,484	49,070	48,249	8,610	343	56,631	325,346
Disposal/written off	(75,000)	-	(27,057)	-	-	(3,617)	-	-	(105,674)
Reclassification	-	1,012	612	-	-	(1,624)	-	-	-
Balance as at 30 April 2018	-	454,516	434,318	233,083	193,628	164,910	30,000	148,139	1,658,594
Less: Accumulated impairment losses									
Balance as at 1 May 2017	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	-	-	117,417	-	-	-	-	117,417
Balance as at 30 April 2018	-	-	-	117,417	-	-	-	-	117,417
Net carrying amount									
Balance as at 30 April 2018	**-**	**653,493**	**138,527**	**-**	**147,616**	**37,365**	**49**	**230,936**	**1,207,986**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group	Building RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment RM	Tele-communication equipment RM	Renovation RM	Total RM
2017									
At cost									
Balance as at 1 May 2016	450,000	461,742	569,283	350,500	112,750	185,008	34,292	145,356	2,308,931
Additions	-	30,963	46,055	-	241,244	17,563	-	245,706	581,531
Disposal of a subsidiary company	-	(20,297)	(2,288)	-	(12,750)	(2,994)	(4,243)	(3,800)	(46,372)
Written off	-	-	(2,191)	-	-	-	-	(24,848)	(27,039)
Balance as at 30 April 2017	450,000	472,408	610,859	350,500	341,244	199,577	30,049	362,414	2,817,051
Less: Accumulated depreciation									
Balance as at 1 May 2016	57,000	302,090	370,095	134,943	111,049	149,540	30,436	73,088	1,228,241
Charge for the financial year	9,000	58,931	50,154	49,070	45,380	13,155	1,218	21,859	248,767
Disposal of a subsidiary company	-	(19,476)	(897)	-	(11,050)	(1,154)	(1,997)	(1,647)	(36,221)
Written off	-	-	(73)	-	-	-	-	(1,792)	(1,865)
Balance as at 30 April 2017	66,000	341,545	419,279	184,013	145,379	161,541	29,657	91,508	1,438,922
Net carrying amount									
Balance as at 30 April 2017	**384,000**	**130,863**	**191,580**	**166,487**	**195,865**	**38,036**	**392**	**270,906**	**1,378,129**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company	Computer and software RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
2018					
At cost					
Balance as at 1 May 2017	20,632	238,022	105,482	171,794	535,930
Additions	-	3,647	1,466	16,661	21,774
Disposal/written off	-	-	-	-	-
Balance as at 30 April 2018	**20,632**	**241,669**	**106,948**	**188,455**	**557,704**
Less: Accumulated depreciation					
Balance as at 1 May 2017	15,981	208,325	83,848	33,471	341,625
Charge for the financial year	2,008	8,656	5,020	37,220	52,904
Disposal/written off	-	-	-	-	-
Balance as at 30 April 2018	17,989	216,981	88,868	70,691	394,529
Net carrying amount					
Balance as at 30 April 2018	2,643	24,688	18,080	117,764	163,175
2017					
At cost					
Balance as at 1 May 2016	20,632	217,441	93,432	81,120	412,625
Additions	-	20,581	12,050	90,674	123,305
Disposal/written off	-	-	-	-	-
Balance as at 30 April 2017	**20,632**	**238,022**	**105,482**	**171,794**	**535,930**
Less: Accumulated depreciation					
Balance as at 1 May 2016	13,973	189,453	74,052	17,186	294,664
Charge for the financial year	2,008	18,872	9,796	16,285	46,961
Disposal/written off	-	-	-	-	-
Balance as at 30 April 2017	15,981	208,325	83,848	33,471	341,625
Net carrying amount					
Balance as at 30 April 2017	**4,651**	**29,697**	**21,634**	**138,323**	**194,305**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(i) The cost of fully depreciated property, plant and equipment that are still in used are as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Computer and software	180,291	176,069	10,594	10,594
Furniture and fittings	264,792	74,847	211,707	37,970
Motor vehicles	99,999	99,999	-	-
Office equipment	137,718	84,999	68,840	-
Tele-communication equipment	23,201	23,178	-	-
Renovation	54,008	54,002	-	-
	760,009	**513,094**	**291,141**	**48,564**

(ii) The carrying amount of the Group's property, plant and equipment held in trust by a Director of a subsidiary company are as follows:

	The Group	
	2018	2017
	RM	RM
Building	**-**	**384,000**

(iii) The carrying amount of the Group's property, plant and equipment under finance lease are as follows:

	The Group	
	2018	2017
	RM	RM
Computer and software	393,328	-
Motor vehicles	147,616	195,865
	540,944	**195,865**

(iv) Purchase of property, plant and equipment

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	666,632	581,531	21,774	123,305
Less: Amount financed through loan and borrowings	(437,032)	(203,800)	-	-
Cash disbursed for purchase of property, plant and equipment	**229,600**	**377,731**	**21,774**	**123,305**

6. INTANGIBLE ASSETS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
At cost				
Balance as at beginning of the financial year	39,775,575	33,194,736	21,147,337	20,903,347
Additions	5,112,424	6,580,839	-	243,990
Disposal/written off	(13,044)	-	-	-
Balance as at end of the financial year	44,874,955	39,775,575	21,147,337	21,147,337
Less: Accumulated amortisation				
Balance as at beginning of the financial year	25,359,073	23,147,910	16,297,869	14,937,588
Charge for the financial year	2,508,740	2,211,163	922,228	1,360,281
Balance as at end of the financial year	27,867,813	25,359,073	17,220,097	16,297,869
Net carrying amount				
Balance as at end of the financial year	**17,007,142**	**14,416,502**	**3,927,240**	**4,849,468**

Intangible assets of the Group and of the Company relate to the SurfsTeK rSupport Intelligent Solutions, SurfsTeK GlobaLinQ System, Property Advisor, e-Lending, eHR, Do Not Call List and others.

Included in the intangible assets of the Group and of the Company at the end of the reporting period were staff costs amounting to RM2,364,311 (2017: RM2,255,240) and RM Nil (2017: RM243,990) respectively.

During the financial year, the Group revised the estimated useful life of its online hotel booking platform ("SODD") from indefinite useful life to 3 years. The impact arising from this revision is that the current and subsequent years amortisation of SODD will be RM425,000 and RM850,000 respectively. The revision in useful life is made based on management's best estimate on the current technological environment and product life cycle. This change in estimate is reflected prospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

During the financial year, the Group has assessed the recoverable amounts of the intangible assets and determined that no impairment is required. Their recoverable amounts are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the customised software and hardware systems business computed based on the projections of financial budgets covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

(i)	Budgeted gross margin	Gross margin is the forecasted margin as a percentage of revenue over the five-year projection periods which were determined based on the expectations of market development and, adjusted for market and economic conditions, internal resource efficiency, where applicable.
(ii)	Growth rate	Based on the expected projection of the customised software and hardware systems business.
(iii)	Discount rate (pre-tax)	Reflects specific risks relating to the relevant CGUs.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2018 RM	The Company 2017 RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	7,438,476	7,438,476
Additions	16,132,500	-
Balance as at end of the financial year	23,570,976	7,438,476
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	-	-
Impairment losses recognised during the financial year	519,750	-
Balance as at end of the financial year	519,750	-
Net carrying amount		
Balance as at end of the financial year	**23,051,226**	**7,438,476**

Company

The subsidiary companies, which are incorporated in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest		Principal activities
	2018	2017	
Technodex Solutions Sdn. Bhd.^	100%	100%	Providing information technology products and related services, and carrying out relevant research and development activities.
Evodex Solutions Sdn. Bhd.^	100%	100%	Providing human resource solutions and other related products.
MyProperty Data Sdn. Bhd.^	50%	50%	Testing, inspection and consultancy services to the property and other industries.
Surfstek Resources (R&D) Sdn. Bhd.^	100%	50%	Providing information technology products and related services, and carrying out relevant research and development activities.
Idealseed Resources Sdn. Bhd.^	97%	55%	Provision of employment, consultancy and management services.

Subsidiary company of Idealseed Resources Sdn. Bhd.

Name of subsidiary	Effective equity interest		Principal activities
	2018	2017	
Idealseed Arrowhead Sdn. Bhd. ^	51%	51%	IT outsourcing, IT projects and provision of recruitment and employment services.

7. *INVESTMENT IN SUBSIDIARY COMPANIES (continued)*

Subsidiary companies of Surfstek Resources (R&D) Sdn. Bhd.

Name of subsidiaries	Effective equity interest		Principal activities
	2018	2017	
Surfstek Innovation Sdn. Bhd. ^	100%	100%	Supply computer hardware components and all kind of computer related products.
Hotelsurfs Sdn. Bhd. ^	100%	100%	Online hotel booking.

^ Audited by CAS Malaysia PLT.

Acquisitions of non-controlling interest in 2018

During the financial year, the Company has acquired the following equity interest:

(i) On 8 December 2017, a total of 1,500,000 ordinary shares in Surfstek Resources (R&D) Sdn. Bhd. representing 50% of the issued and paid-up share capital for a total consideration of RM13,455,000 by issuance of Company's shares; and

(ii) On 8 December 2017, a total of 210,000 ordinary shares in Idealseed Resources Sdn. Bhd. representing 42% of the issued and paid-up share capital for a total consideration of RM2,677,500 by issuance of Company's shares.

Acquisitions in 2017

During the previous financial year, Surfstek Resources (R&D) Sdn. Bhd. has acquired the following subsidiary companies:

(i) On 12 May 2016, a total of 2 ordinary shares of RM1 each in Hotelsurfs Sdn. Bhd. representing 100% of the enlarged issued and paid-up share capital for a total cash consideration of RM2. Subsequently, on 08 August 2016, the Company has further increased paid-up share capital from 2 to 1,000,000 for a total consideration of RM999,998. Total cash consideration for this investment is amounting to RM1,000,000; and

(ii) On 26 May 2016, a total of 2 ordinary shares of RM1 each in Surfstek Innovation Sdn. Bhd. representing 100% of the enlarged issued and paid-up share capital for a total cash consideration of RM2. Subsequently, on 08 August 2016, the Company has further increased paid-up share capital from 2 to 1,000,000 for a total consideration of RM999,998. Total cash consideration for this investment is amounting to RM1,000,000.

Strike off in 2017

Tdex Global Limited and Suzhou Technodex Co., Ltd. have been striken off.

Disposal in 2017

On 12 August 2016, Idealseed Resources Sdn. Bhd. has disposed 5,100 ordinary shares of RM1.00 each in Idealseed Talent Tactics Sdn. Bhd. ("ITT"), representing 51% of the issued and paid-up share capital of ITT for a total consideration of RM30,000.

7. *INVESTMENT IN SUBSIDIARY COMPANIES (continued)*

Disposal in 2017 (continued)

Details of the assets, liabilities and net cash inflow arising from the disposal of ITT in previous financial year are as follows:

	2017 RM
Property, plant and equipment	5,177
Trade receivables	83,159
Other receivables and deposits	911
Cash and bank balances	949
Current tax assets	424
Other payables and accruals	(46,175)
Amount due to holding company	(20,236)
Non-controlling interest	2,182
Net assets disposed	26,391
Gain on disposal of a subsidiary company	3,609
Proceeds from disposal, net of transaction costs	30,000
Less: Cash and cash equivalent in subsidiary company disposed	(949)
Net cash inflow from disposal of a subsidiary company in previous financial year	**29,051**

The audited financial statements for ITT as at 30 April 2016 has been used for the purpose of disposal of the subsidiary company as there is no material transaction from 1 May 2016 until the date of disposal.

Non-controlling interest

The non-controlling interests at the end of the reporting year comprise the following:

	2018 RM	2017 RM
Idealseed Resources Sdn. Bhd. ("IRSB")	163,718	2,056,967
MyProperty Data Sdn. Bhd. ("MDSB")	(141,752)	(17,731)
Surfstek Resources (R&D) Sdn. Bhd. ("SRSB")	-	4,294,647
Idealseed Arrowhead Sdn. Bhd. ("IASB")	(8,493)	22,975
	13,473	**6,356,858**

The summarised financial information for each subsidiary that has non-controlling interest are material to the Group is as follows:-

	IRSB RM	MDSB RM	SRSB RM	Total RM
2018				
Non-current assets	2,352,358	1,254,275	-	3,606,633
Current assets	5,079,747	143,686	-	5,223,433
Non-current liabilities	(3,719)	-	-	(3,719)
Current liabilities	(1,963,786)	(1,681,464)	-	(3,645,250)
Net assets	5,464,600	(283,503)	-	5,181,097

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Non-controlling interest (continued)

	IRSB RM	MDSB RM	SRSB RM	Total RM
2017				
Non-current assets	1,367,307	674,105	3,217,015	5,258,427
Current assets	6,348,921	265,686	7,642,305	14,256,912
Current liabilities	(3,109,174)	(975,252)	(2,127,164)	(6,211,590)
Net assets	4,607,054	(35,461)	8,732,156	13,303,749
2018				
Revenue	10,587,540	49,144	-	10,636,684
Profit/(loss) for the financial year	861,264	(248,043)	-	613,221
Total comprehensive income/(loss)	861,264	(248,043)	-	613,221
Dividends paid to non-controlling interests	-	-	-	-
2017				
Revenue	12,437,414	7,956	30,362,308	42,807,678
Profit/(loss) for the financial year	1,037,282	(26,235)	2,898,123	3,909,170
Total comprehensive income/(loss)	1,037,282	(26,235)	2,898,123	3,909,170
Dividends paid to non-controlling interests	-	-	-	-
2018				
Net cash flows from operating activities	2,022,638	118,514	-	2,141,152
Net cash flows for investing activities	(1,006,360)	(657,402)	-	(1,663,762)
Net cash flows (for)/from financing activities	(165,116)	363,588	-	198,472
2017				
Net cash flows from/(for) operating activities	31,029	625,787	(553,514)	103,302
Net cash flows for investing activities	(943,445)	(423,933)	(1,809,668)	(3,177,046)
Net cash flows from financing activities	776,255	-	176,410	952,665

8. GOODWILL ON CONSOLIDATION

	The Group 2018 RM	The Group 2017 RM
At cost		
Balance as at beginning and end of the financial year	2,713,542	2,713,542
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	-	-
Impairment losses recognised during the financial year	519,750	-
Balance as at end of the financial year	519,750	-
Net carrying amount		
Balance as at end of the financial year	**2,193,792**	**2,713,542**

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiary companies.

The recoverable amounts of a CGU is determined based on the value-in-use calculation. The key assumptions used in the computation of value in use are gross margin, discount rates, growth rates, projected cash flows from use and disposal at the end of the useful life.

The projected cash flows from use are derived from the most recent financial budgets approved by Board for the next five years and extrapolated cash flows for the following years based on estimated growth rates. The growth rate used is based on the expected projection of the information technology products and related services.

The estimate of net cash flows for the disposal of the asset at the end of its useful life is the present value of the amount that the Group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

The gross margin used is based on past performance and the expectation of market development.

The value-in-use calculation is determined using discounted cash flow projection discounted at rates which reflects current market assessment of the time value of money and risks relating to the relevant CGU.

The key assumptions used for determining value in use are as follows:

	2018 %	2017 %
Gross margin	18 - 29	16 - 42
Growth rate	(11) - 58	16 - 36
Discount rate	10.36 - 13.38	10.56 - 13.53

The management carried out an annual review of the recoverable amounts of its goodwill at each financial year. The impairment loss provided was attributable to one of the subsidiary companies that was suffering significant loss in current financial year.

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

9. INVENTORIES

	The Group	
	2018	2017
	RM	RM
At cost		
Trading stocks	1,138,774	1,032,902
Recognised in profit or loss		
Inventories recognised as cost of sales	32,022,163	25,647,215

10. TRADE RECEIVABLES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade receivables				
- third parties	14,109,861	16,015,655	-	-
- subsidiary companies	-	-	1,895,183	2,284,495
Trade receivables - gross	14,109,861	16,015,655	1,895,183	2,284,495
Less: Allowance for impairment losses	(242,328)	(180,000)	-	-
Trade receivables - net	13,867,533	15,835,655	1,895,183	2,284,495

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other expenses' in the profit or loss. Unless the Group and the Company are satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

	The Group	
	2018	2017
	RM	RM
Balance as at beginning of the financial year	180,000	-
Impairment losses recognised during the financial year	62,328	180,000
Balance as at end of the financial year	242,328	180,000

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

Based on the Group's and the Company's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

10. TRADE RECEIVABLES (continued)

The ageing analysis of the Group's and of the Company's trade receivables are as follow:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Neither past due nor impaired	3,619,319	5,134,530	-	53,774
Past due 1 - 30 days	2,080,500	3,473,552	-	40,281
Past due 31 - 60 days	1,840,797	265,466	-	-
Past due 61 - 90 days	1,231,151	58,873	-	116,856
Past due more than 90 days	5,338,094	7,083,234	1,895,183	2,073,584
	10,490,542	10,881,125	1,895,183	2,230,721
Impaired	(242,328)	(180,000)	-	-
Past due but not impaired	10,248,214	10,701,125	1,895,183	2,230,721
	13,867,533	15,835,655	1,895,183	2,284,495

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired relate to customers for whom there are no default and considered to be creditworthy and able to settle their debts. None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

As at 30 April 2018, the Group and the Company have trade receivables that are past due at the reporting date but not impaired amounting to RM10,248,214 (2017: RM10,701,125) and RM1,895,183 (2017: RM2,230,721) respectively. Trade receivables that are past due but not impaired relate to customers that have no expectation of default based on historical dealings with the Group and the Company. Based on past experience and no adverse information to date, the Directors of the Group and of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered to be fully recoverable.

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group and the Company do not hold any collateral as security.

The Group's and the Company's normal trade credit term range from 30 to 60 days (2017: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

11. OTHER RECEIVABLES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deposits	193,205	2,005,309	9,500	23,371
GST receivables	1,015,388	480,765	25,910	10,887
Other receivables	1,039,385	292,920	-	-
Prepayments	300,731	1,460,644	36,050	21,464
	2,548,709	4,239,638	71,460	55,722
Less: Allowance for impairment losses	(105,560)	-	-	-
	2,443,149	4,239,638	71,460	55,722

Other receivables represented non-trade transactions which are unsecured, interest free and repayable on demand.

Included in the deposits, there is an amount of RM Nil (2017: RM1,448,250) paid to secure projects.

The movement in the allowance for impairment losses of other receivables during the financial year are as follows:

	The Group	
	2018	2017
	RM	RM
Balance as at beginning of the financial year	-	1,257,242
Impairment losses recognised during the financial year	105,560	-
Written off	-	(1,257,242)
Balance as at end of the financial year	105,560	-

12. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	The Company	
	2018	2017
	RM	RM
Amount due from subsidiary companies	12,669,863	11,887,863
Less: Allowance for impairment losses	(7,242,882)	(7,242,882)
Amount due from subsidiary companies - net	5,426,981	4,644,981

The amount due from subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial year are as follows:

	2018	2017
	RM	RM
Balance as at beginning and end of the financial year	7,242,882	7,242,882

13. FIXED DEPOSITS WITH LICENSED BANKS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
With maturity of 1 to 3 months	1,385,488	207,067	508,635	4,410
With maturity of more than 3 months	4,043,096	2,100,000	3,043,096	-
	5,428,584	2,307,067	3,551,731	4,410

Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM1,875,853 (2017: RM802,657) which has been pledged to licensed banks as security for banking facilities of the Group.

The effective interest rates and maturity period of the fixed deposits with licensed banks at the reporting date are as follows:

	The Group	
	2018	2017
Effective interest rates	2.90% - 3.50%	2.65% - 3.50%
Maturity period	one to one year	one to six months

	The Company	
	2018	2017
Effective interest rates	3.30% - 3.50%	-
Maturity period	one to six months	-

14. SHARE CAPITAL

	Group/Company			
	2018	2017	2018	2017
	Number of shares (units)		RM	RM
Issued and fully paid up:				
Balance as at beginning of the financial year	412,933,290	375,393,900	41,293,329	37,539,390
Issued during the financial year	130,072,000	37,539,390	23,049,830	3,753,939
Conversion of warrant	500,000	-	55,000	-
Transition to no-par value regime^	-	-	1,303,919	-
Balance as at end of the financial year	543,505,290	412,933,290	65,702,078	41,293,329

^ *In accordance with the transitional provision set out in Section 618 of the CA 2016 the credit standing in the share premium was transferred to the share capital account. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.*

The holders of fully paid ordinary shares, which have no par value are entitled to receive dividends as and when declared by the Company. All fully paid ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

14 SHARE CAPITAL (continued)

During the financial year, the Company increased its issued and paid up share capital by the followings issuance:

(i) issuance of 13,387,500 new ordinary shares at an issue price of RM0.20 per share to acquire additional 42% equity interest in Idealseed Resources Sdn. Bhd.;

(ii) issuance of 67,275,000 new ordinary shares at an issue price of RM0.20 per share to acquire the remaining 50% equity interest in Surfstek Resources (R&D) Sdn. Bhd.;

(iii) issuance of 49,409,500 new ordinary shares at RM0.14 per share for cash via private placement; and

(iv) issuance of 500,000 new ordinary shares through conversion of warrants into ordinary shares at an issue price of RM0.11 per share for cash.

15. SHARE PREMIUM

	Group/Company	
	2018	2017
	RM	RM
Balance as at beginning of the financial year	1,303,919	1,853,040
Share issuance expenses	-	(132,018)
Writing off of preliminary expenses	-	(417,103)
Transition to no-par value regime	(1,303,919)	-
Balance as at end of the financial year	-	1,303,919

CA 2016 has come into effect on 31 January 2017. Following the enforcement of CA 2016, the share premium account shall be merged with the Company's share capital. Notwithstanding that, Section 618 of CA 2016 provides a transitional period of twenty four (24) months to utilise the amounts in the share premium account. Therefore, the Company has not consolidated the share premium into share capital in previous financial year.

The Board of Directors has decided to consolidate the share premium into share capital during the financial year.

16. WARRANTS 2013/2018

	Group/Company	
	2018	2017
	RM	RM
No. of outstanding warrants		
Balance as at beginning of the financial year	84,666,350	84,666,350
Exercised during the financial year	(500,000)	-
Balance as at end of the financial year	84,166,350	84,666,350

17. FOREIGN EXCHANGE TRANSLATION RESERVE

The reversal adjustment of foreign exchange translation reserve was due to the strike off of two foreign subsidiary companies, Tdex Global Limited and Suzhou Technodex Co., Ltd. during the previous financial year.

18. ACCUMULATED LOSSES

The Group and the Company are in an accumulated losses position as at reporting date.

Included in accumulated lossed is the difference between the consideration paid by the Company and the below equity interest in certain subsidiary companies acquired during the financial year:

(i) additional 42% equity interest in Idealseed Resources Sdn. Bhd.; and

(ii) the remaining 50% equity interest in Surfstek Resources (R&D) Sdn. Bhd..

19. LOAN AND BORROWINGS

	The Group	
	2018	2017
	RM	RM
Current liabilities		
Secured		
Bank overdraft	1,506,155	-
Finance lease liabilities	179,845	37,750
Term loan	1,395,291	1,437,770
	3,081,291	1,475,520
Non-current liabilities		
Secured		
Finance lease liabilities	330,526	138,660
Term loan	245,645	1,635,464
	576,171	1,774,124
Total loan and borrowings		
Secured		
Bank overdraft	1,506,155	-
Finance lease liabilities	510,371	176,410
Term loan	1,640,936	3,073,234
	3,657,462	3,249,644

Rates of interest charged per annum:

	The Group	
	2018	2017
	%	%
Bank overdraft	BLR + 1.25	-
Finance lease liabilities	5.10 - 7.95	5.10 - 6.63
Term loan	5.00	5.00

19. LOAN AND BORROWINGS (continued)

(a) Bank overdraft

Bank overdraft is secured by the following:

(i) Open All Monies Facilities Agreement to be entered into between one of the subsidiary companies and the bank;

(ii) First party pledge of fixed deposit of RM1,000,000 to be created by one of the subsidiary companies by way of an Open All Monies memorandum of deposit. The interest earned shall be capitalised and retained as security; and

(iii) Open All Monies corporate guarantee by the Company.

(b) Finance lease liabilities

	The Group	
	2018	**2017**
	RM	**RM**
Minimum lease payment		
Not later than one year	211,176	46,956
Later than one year and not later than five years	351,167	151,792
	562,343	198,748
Future finance charges on finance lease	(51,972)	(22,338)
Present value of finance lease liabilities	510,371	176,410
Present value of finance lease is analysed as follows:		
Current liabilities		
Not later than one year	179,845	37,750
Non-current liabilities		
Later than one year and not later than five years	330,526	138,660
	510,371	176,410

(c) Term loan

	The Group	
	2018	**2017**
	RM	**RM**
Repayable:		
Not later than one year	1,395,291	1,437,770
Later than one year and not later than five years	245,645	1,635,464
More than five years	-	-
	1,640,936	3,073,234

The repayment term are as follows:

Number of installment	Commencement of installment	Monthly installment amount (RM)
30	2017	123,088.66

19. LOAN AND BORROWINGS (continued)

(c) Term loan (continued)

Term loan is secured by the following:

(i) An irrevocable and unconditional letter of instruction and authorisation from the Company to Jabatan Penilaian Dan Perkhidmatan Harta ("JPPH") in the format as advised by Malaysian Industrial Development Finance Berhad ("MIDF")'s solicitors, instructing and authorising JPPH to pay MIDF all proceeds of sale made due to payable under the invoice(s) by JPPH to the Company for the commissioning of the Perisian Property Information System Malaysia project in the manner as stipulated by MIDF in the invoice(s). The letter of authorisation shall not be varied or amended without MIDF's prior written consent;

(ii) Pledge RM600,000 as General Investment Account in favour of MIDF with the right to set off; and

(iii) Corporate guarantee amounting to RM3,400,000 from the Company.

20. DEFERRED TAXATION

The following are the movements of deferred tax liabilities:

	The Group	
	2018	2017
	RM	RM
Balance as at beginning of the financial year	62,630	61,032
Recognised in profit or loss (Note 27)	(38,909)	1,598
Balance as at end of the financial year	23,721	62,630

The components of the deferred tax liabilities at the end of the financial year comprise tax effects of:

	2018	2017
	RM	RM
Excess of capital allowances over corresponding depreciation	23,721	62,630

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Unabsorbed capital allowances	513,135	479,759	484,931	478,079
Unutilised tax losses	13,927,891	7,116,238	8,336,802	1,515,656
	14,441,026	7,595,997	8,821,733	1,993,735
Unrecognised deferred tax assets at 24% (2017: 24%)	3,465,846	1,823,039	2,117,216	478,496

The unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The unabsorbed capital allowances and unutilised tax losses are subject to the agreement of the tax authorities.

21. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade payables	1,157,087	902,222	-	-
Add:				
Accruals	905,909	1,935,192	281,167	297,276
Deposits received	5,000	918,354	-	-
Due to subsidiaries	-	-	-	17,339
GST payables	108,795	11,800	-	-
Other payables	1,009,734	1,270,066	372,006	196,363
	2,029,438	4,135,412	653,173	510,978
Total financial liabilities carrying at amortised costs	3,186,525	5,037,634	653,173	510,978

Included in accruals is an amount of RM192,538 (2017: RM219,600) due to directors and former directors in respect of outstanding remuneration and fees of the Group and of the Company.

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 60 days (2017: 30 to 60 days).

22. AMOUNT DUE TO DIRECTORS

The amount due to directors represented non-trade transactions which are unsecured, interest free and repayable on demand.

23. NET ASSETS PER SHARE

	The Group	
	2018	2017
	RM	RM
Net assets (RM)	41,044,798	35,807,959
Number of issued ordinary shares as at 30 April (units)	543,505,290	412,933,290
Net assets per share (RM)	0.08	0.09

24. REVENUE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Sales of goods, license fee and invoiced value of services provided	56,411,041	53,493,846	14,000	4,038
Management fee income	-	-	-	1,200,000
	56,411,041	53,493,846	14,000	1,204,038

25. FINANCE COSTS

	The Group	
	2018	2017
	RM	RM
Bank overdraft interest	7,932	-
Term loan interest	186,313	58,866
Finance lease interest	25,995	8,568
	220,240	67,434

26. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
(Loss)/profit before taxation is arrived at:				
after charging				
Amortisation of intangible assets	2,508,740	2,211,163	922,228	1,360,281
Auditors' remuneration:				
Statutory audit	141,000	106,000	45,000	40,000
Bad debts written off	171,079	-	-	-
Depreciation:				
Property, plant and equipment	325,346	248,767	52,904	46,961
Directors' remuneration:				
Fees	114,538	155,600	114,538	155,600
Other emoluments	941,905	1,641,971	451,932	1,211,240
Finance costs	220,240	67,434	-	-
Impairment loss on:				
Goodwill on consolidation	519,750	-	-	-
Investment in a subsidiary company	-	-	519,750	-
Property, plant and equipment	117,417	-	-	-
Trade receivables	62,328	180,000	-	-
Other receivables	105,560	-	-	-
Preliminary expenses written off	-	4,243	-	-
Property, plant and equipment written off	19,012	35,325	-	-
Loss on foreign exchange:				
Realised	4,069	7,364	-	-
Rental of computer equipments	86,773	84,198	-	4,520
Rental of premises	493,791	334,656	141,678	112,020
Rental of warehouse	72,000	-	-	-
Staff costs:				
Salaries and other benefits	11,555,139	4,294,910	466,221	447,836
Employee's provident fund	923,509	509,949	53,831	49,867

26. (LOSS)/PROFIT BEFORE TAXATION (continued)

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
after crediting				
Gain on derecognition of a foreign subsidiary company	-	2,100	-	-
Gain on disposal of subsidiaries	-	3,609	-	-
Gain on foreign exchange:				
Realised	-	256	-	-
Unrealised	42,463	-	-	-
Interest income	176,432	38,843	138,030	67,691
Management fee	-	-	-	1,200,000

27. TAXATION

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Current				
Provision for current financial year	457,917	236,446	-	-
(Over)/underprovision in previous financial year	(17,834)	67,644	-	-
	440,083	304,090	-	-
Deferred taxation (Note 20)				
Recognised in the income statement	(6,626)	(8,659)	-	-
(Over)/underprovision in previous financial year	(32,283)	10,257	-	-
	(38,909)	1,598	-	-
Tax expenses for current financial year	401,174	305,688	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable (loss)/profit for the financial year.

A subsidiary company, Surfstek Resources (R&D) Sdn. Bhd. ("SRSB") has received approval from Malaysia Digital Economy Corporation Sdn. Bhd. for the MSC status for its new product. SRSB has applied for inclusive of its new product into the new Pioneer Status Certificate. The application is pending relevant authority's approval.

27. TAXATION (continued)

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

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
(Loss)/profit before taxation	(1,334,220)	2,628,714	(3,576,261)	(2,960,857)
Tax at the statutory tax rate of 24% (2017: 24%)	(320,213)	630,891	(858,303)	(710,606)
Deferred tax assets not recognised during the financial year	578,450	379,118	354,327	295,374
Effect of temporary differences not recognised	-	(5,861)	-	-
Non-deductible expenses	907,091	683,189	503,976	415,265
Non-taxable income	(714,037)	(1,169,268)	-	(33)
(Over)/underprovision of taxation in previous financial year	(17,834)	67,644	-	-
(Over)/underprovision of deferred taxation in previous financial year	(32,283)	10,257	-	-
Utilisation of previously unrecognised deferred tax assets	-	(290,282)	-	-
Tax expenses for the current financial year	401,174	305,688	-	-

28. (LOSS)/PROFIT PER SHARE

(a) Basic (loss)/profit per ordinary share

The calculation of basic (loss)/profit per ordinary share at 30 April 2018 is based on the (loss)/profit attributable to ordinary shareholders and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	The Group	
	2018	**2017**
	RM	**RM**
(Loss)/profit attributable to ordinary shareholders (RM)	(1,834,095)	429,628
Weighted average number of ordinary shares	543,505,290	412,933,290
Basic (loss)/profit per ordinary share attributable to equity holders of the Company (sen)	(0.34)	0.10

(b) Diluted (loss)/profit per ordinary share

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

Diluted earning per share not disclosed in the notes to the account as the Company having antidilutive for the year presented.

29. DIRECTORS' REMUNERATION

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Executive directors:				
fees	-	18,667	-	18,667
non-fee emoluments	941,905	1,634,471	451,932	1,203,740
	941,905	1,653,138	451,932	1,222,407
Non-executive directors:				
fees	114,538	136,933	114,538	136,933
non-fee emoluments	-	7,500	-	7,500
	114,538	144,433	114,538	144,433

30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Subsidiary companies				
Management fee	-	-	-	(1,200,000)

(c) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 29.

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

31. CONTINGENT LIABILITIES

	The Company	
	2018	2017
	RM	RM
Corporate guarantee - unsecured		
Issued to third parties for supplies of good and services to a subsidiary company	2,000,000	2,000,000
Banking facilities granted to certain subsidiary companies	8,892,660	6,003,000

As at the end of the reporting period, there was no indication that any subsidiary company would default on repayment.

The corporate guarantee have not been recognised since the fair value on initial recognition was not material as the repayment is on schedule.

32. OPERATING LEASE COMMITMENTS

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

	The Group			
	2018	2017	2018	2017
	RM	RM	RM	RM
Not later than one year	407,560	451,835	5,100	141,678
Later than one year and not later than five years	5,585	300,776	4,085	102,659
	413,145	752,611	9,185	244,337

33. SEGMENT INFORMATION

33.1 Business segment

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group's chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services, which comprises the following:

(i)	Application support & services and hardwares	Application development service, application support and maintenance service, data solutions and services, trading of desktop and laptop for consumer and commercial use, point of sales computers and related peripherals.
(ii)	Manpower outsourcing	Sourcing, selecting and outsourcing to fill for human resource needs.
(iii)	E-Commerce	Property data sales and consulting services, online hotel reservation services and online payment gateway services.
(iv)	Others	Provide Group level corporate services and treasury functions and investments.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

33. SEGMENT INFORMATION (continued)

33.1 Business segment (continued)

Group

	Application support & services and hardware RM	Manpower outsourcing RM	E-Commerce RM	Others RM	Eliminations RM	Total as per consolidated financial statements RM
2018						
Revenue						
External revenue	37,363,129	15,887,443	3,146,469	14,000	-	56,411,041
Inter-segment revenue	182,883	307,257	-	-	(490,140)	-
	37,546,012	16,194,700	3,146,469	14,000	(490,140)	56,411,041
Results						
Segment results (external)	183,668	1,592,629	2,499,536	(2,212,409)	-	2,063,424
Interest income	98,425	39,591	3,627	138,030	(103,241)	176,432
Finance costs	(210,495)	(108,141)	(4,845)	-	103,241	(220,240)
Depreciation and amortisation	(1,130,967)	(21,309)	(706,678)	(975,132)	-	(2,834,086)
Impairment of goodwill	-	-	-	(519,750)	-	(519,750)
Loss before taxation	(1,059,369)	1,502,770	1,791,640	(3,569,261)	-	(1,334,220)
Tax expense						(401,174)
Loss after taxation						(1,735,394)
Non-controlling interests						(98,701)
Net loss attributable to equity holders of the Company						(1,834,095)
2017						
Revenue						
External revenue	32,246,679	17,635,173	3,607,956	4,038	-	53,493,846
Inter-segment revenue	-	1,346,626	-	1,200,000	(2,546,626)	-
	32,246,679	18,981,799	3,607,956	1,204,038	(2,546,626)	53,493,846
Results						
Segment results (external)	2,792,849	1,788,527	3,343,932	(2,810,173)	2,100	5,117,235
Interest income	38,953	55,816	1,137	67,691	(124,754)	38,843
Finance costs	(62,398)	(124,754)	(5,036)	-	124,754	(67,434)
Depreciation and amortisation	(996,673)	(18,635)	(37,380)	(1,407,242)	-	(2,459,930)
Profit before taxation	1,772,731	1,700,954	3,302,653	(4,149,724)	2,100	2,628,714
Tax expense						(305,688)
Profit after taxation						2,323,026
Non-controlling interests						(1,893,398)
Net profit attributable to equity holders of the Company						429,628

33. SEGMENT INFORMATION (continued)

33.2 Geographical information

Segmental reporting by geographical regions has only been prepared for revenue as the Group's assets are located in Malaysia. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

	The Group	
	2018	**2017**
	RM	**RM**
Revenue		
Malaysia	25,203,492	26,022,635
Dubai	1,819,136	4,904,803
England, U.K	-	2,000,000
Hong Kong	6,016,560	2,000,000
Indonesia	13,216,591	17,926,305
Singapore	5,949,126	91,767
Others	4,206,136	548,336
	56,411,041	53,493,846

33.3 Major customers

None of the customers (2017: one customer), with revenue equal to or more than 10% of the Group's revenue, amounted to RM Nil (2017: RM6,544,385) arising from the manpower outsourcing segment.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

34.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities includes bank overdraft, finance lease liabilities and term loan.

The bank overdraft at floating rate exposes the Group to cash flow interest rate risk whilst finance lease liabilities and term loan at fixed rates expose the Group to fair value interest rate risk.

The interest rates per annum on the financial liabilities are disclosed in Note 19.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Company also reviews its debt portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's (loss)/profit before taxation would change by approximately RM15,062 (2017: RM Nil) as a result of exposure to floating rate borrowings.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

34.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables below. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The Group and the Company do not have any major concentration of credit risks related to any individual customer and counterparty. The maximum exposure to credit risk is disclosed in Note 10 to the financial statements, representing the carrying amount of the trade receivables recognised on the statements of financial position.

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

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Malaysia	8,114,971	11,476,289	1,895,183	2,284,495
Cambodia	1,000,000	-	-	-
China	470,322	-	-	-
Dubai	100,383	-	-	-
England, U.K	1,254,465	2,304,465	-	-
Hong Kong	2,027,300	2,000,000	-	-
India	340,000	-	-	-
Japan	3,036	-	-	-
Philippines	233,408	-	-	-
Thailand	-	54,901	-	-
United States	323,648	-	-	-
	13,867,533	15,835,655	1,895,183	2,284,495

(b) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the subsidiary companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 30 April 2018, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies.

(c) Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiary companies and the default is remote. The exposure to credit risk is disclosed in Note 31 and Note 34.4 to the financial statements, representing the total banking facilities granted to the subsidiary companies as at the reporting date.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

34.3 Foreign currency risk

The Group and the Company are not significantly exposed to foreign currency risk as the majority of the Group's and of the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro Dollar ("EURO").

The Group may use forward exchange contracts to hedge its foreign currency risk where necessary. Most of the forward exchange contracts have maturity of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group

	USD RM	EURO RM	Other RM	Total RM
2018				
Cash and bank balances	329,861	4,236	900	334,997
Trade and other receivables	579,844	-	-	579,844
Trade payables	(136,620)	-	-	(136,620)
	773,085	4,236	900	778,221
2017				
Cash and bank balances	50,064	4,236	-	54,300
Trade receivables	54,901	-	-	54,901
Trade payables	(21,600)	-	-	(21,600)
	83,365	4,236	-	87,601

Sensitivity analysis for foreign currency risk

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's (loss)/profit before taxation would change by approximately RM77,822 (2017: RM8,760).

34.4 Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates). The effective interest rates of these financial liabilities are disclosed in the respective notes to the financial statements.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

34.4 Liquidity and cash flow risk (continued)

	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM	Total RM
Group				
2018				
Trade and other payables	3,186,525	-	-	3,186,525
Amount due to directors	33,382	-	-	33,382
Loan and borrowings	3,194,395	602,816	-	3,797,211
	6,414,302	602,816	-	7,017,118
2017				
Trade and other payables	5,037,634	-	-	5,037,634
Amount due to directors	7,399	-	-	7,399
Loan and borrowings	1,647,109	1,875,033	-	3,522,142
	6,692,142	1,875,033	-	8,567,175
Company				
2018				
Other payables	653,173	-	-	653,173
Amount due to directors	24,046	-	-	24,046
Financial guarantee contracts	10,892,660	-	-	10,892,660
	11,569,879	-	-	11,569,879
2017				
Other payables	510,978	-	-	510,978
Financial guarantee contracts	8,003,000	-	-	8,003,000
	8,513,978	-	-	8,513,978

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

34.5 Classification of financial instruments

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Financial assets				
Loans and receivables				
Trade receivables	13,867,533	15,835,655	1,895,183	2,284,495
Other receivables	1,127,030	2,298,229	9,500	23,371
Amount due from subsidiary companies	-	-	5,426,981	4,644,981
Fixed deposits with licensed banks	5,428,584	2,307,067	3,551,731	4,410
Cash and bank balances	4,594,713	2,205,235	1,272,709	189,130
	25,017,860	22,646,186	12,156,104	7,146,387
Financial liabilities				
Amortised costs				
Trade payables	1,157,087	902,222	-	-
Other payables	1,920,643	4,123,612	653,173	510,978
Amount due to directors	33,382	7,399	24,046	-
Loan and borrowings	3,657,462	3,249,644	-	-
	6,768,574	8,282,877	677,219	510,978

34.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value.

		Financial instruments that are carried at fair value			
		Level 1	**Level 2**	**Level 3**	**Total**
		RM	**RM**	**RM**	**RM**
Group					
Financial liabilities					
Loan and	2018	-	-	3,657,462	3,657,462
borrowings	2017	-	-	3,249,644	3,249,644
Amount due to	2018	-	-	33,382	33,382
directors	2017	-	-	7,399	7,399
Company					
Financial asset					
Amount due from					
subsidiary	2018	-	-	5,426,981	5,426,981
companies	2017	-	-	4,644,981	4,644,981
Financial liability					
Amount due to	2018	-	-	24,046	24,046
directors	2017	-	-	-	-

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

34.6 Fair value of financial instruments (continued)

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2017: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Amount due from subsidiary companies, amount due to directors, loan and borrowings

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2018 %	2017 %
Bank overdraft	BLR + 1.25	-
Finance lease liabilities	5.10 - 7.95	5.10 - 6.63
Term loan	5	5

The responsibility for managing the above risks is vested in the directors.

35. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 30 April 2018.

The Group and the Company monitor capital using a net debt equity ratio, which is net debts divided by total capital. The Group's and the Company's net debts include total liabilities less total provision for taxation, deferred tax liabilities, fixed deposits with licensed banks, cash and bank balances. Total capital comprises share capital and reserves attributable to equity holders of the Group and of the Company. The Group and the Company are not subject to externally imposed capital requirements.

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Net (cash)/debt	(3,145,928)	3,782,375	(4,147,221)	317,438
Total equity	41,044,798	35,807,959	38,725,398	19,196,829
Net debt against equity ratio	N/A	0.11	N/A	0.02

N/A - Not applicable as net cash position

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 8 December 2017, the Company has completed the following acquisitions:

(i) additional 42% equity interest in Idealseed Resources Sdn. Bhd. ("Idealseed") by the Company for a total purchase consideration of RM2,677,500 which satisfied by the issuance and allotment of 13,387,500 new ordinary shares at an issue price of RM0.20 per share to Tan Wah Choy and Wong Siam Hong; and

(ii) the remaining 50% equity interest in Surfstek Resources (R&D) Sdn. Bhd. ("Surfstek") by the Company for a total purchase consideration of RM13,455,000 which satisfied by the issuance and allotment of 67,275,000 new ordinary shares at an issue price of RM0.20 per share to Surfstek Resources (M) Sdn. Bhd.

Idealseed's and Surfstek's previous shareholders shall be liable to pay the shortfall amount of the guaranteed profit after taxation to the Company within seven (7) days of the receipt of notice from the Company.

37. COMPARATIVE FIGURES

The presentation and classification of items in current year's financial statements are consistent with the previous financial year and the following comparative figures which have been reclassified to conform with current year's presentation and to reflect appropriately the nature of the transactions:

Group

	As previously classified RM	Reclassifi-cation RM	As reclassified RM
Non-current liabilities			
Finance lease payables	138,660	(138,660)	-
Bank borrowings	1,635,464	(1,635,464)	-
Loan and borrowings	-	1,774,124	1,774,124
Current liabilities			
Finance lease payables	37,750	(37,750)	-
Bank borrowings	1,437,770	(1,437,770)	-
Loan and borrowings	-	1,475,520	1,475,520
Non-current asset			
Intangible assets	13,754,502	662,000	14,416,502
Current asset			
Trade receivables	16,497,655	(662,000)	15,835,655

ANALYSIS OF SHAREHOLDINGS
AS AT 1 AUGUST 2018

Total number of Issued Shares	:	543,505,290 Ordinary Shares
Class of Equity Securities	:	Ordinary shares ("shares")
Voting Rights	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	92	6.06	4,097	*
100 – 1,000 shares	68	4.48	27,491	0.01
1,001 – 10,000 shares	264	17.38	1,881,924	0.34
10,001 – 100,000 shares	736	48.45	33,376,054	6.14
100,001 – less than 5% of issued shares	355	23.37	345,402,938	63.55
5% and above of issued shares	4	0.26	162,812,786	29.96
Total	**1,519**	**100.00**	**543,505,290**	**100.00**

* Negligible

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 1 AUGUST 2018
(As per the Register of Substantial Shareholders)

	Direct		Indirect	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Surfstek Resources (M) Sdn. Bhd.	67,275,000	12.38	-	-
ACE Credit (M) Sdn. Bhd.	57,741,700	10.62	-	-
Tan Boon Wooi	33,065,000	6.08	-	-
Kerk Han Meng	31,731,086	5.84	-	-

DIRECTORS' SHAREHOLDING AS AT 1 AUGUST 2018
(As per the Register of Directors' Shareholdings)

Technodex Bhd.

	Direct		Indirect	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Tan Sze Chong	24,029,066	4.42	66,666 (1)	0.01
Tan Boon Wooi	33,065,000	6.08	-	-
Chang Choon Ming	9,790,000	1.80	-	-

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

30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 AUGUST 2018

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

No.	Name	No. of Shares Held	%
1.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for ACE Credit (M) Sdn. Bhd. (STA1)	57,741,700	10.62
2.	Surfstek Resources (M) Sdn. Bhd.	40,275,000	7.41
3.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Boon Wooi	33,065,000	6.08
4.	Kerk Han Meng	31,731,086	5.84
5.	Malaysian Trustees Berhad - Surfstek Resources (M) Sdn. Bhd.	27,000,000	4.97
6.	Tew Ah Keng	25,000,000	4.60
7.	Chin Sin Oon	24,409,500	4.49
8.	Tan Sze Chong	24,029,066	4.42
9.	Tee Yok Lan @ Tay Eng Lun	10,818,900	1.99
10.	Sim Guat Keow @ Sim Han Che	10,314,300	1.90
11.	Chin Sin Hong	10,000,000	1.84
12.	M&A Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Chang Choon Ming (M&A)	9,790,000	1.80
13.	Pang Ee Liang	8,328,900	1.53
14.	Wang Han Lin	7,000,000	1.29
15.	Low Fui Teck	6,217,900	1.14
16.	Liu Yuen Qiu	5,600,000	1.03
17.	Koo Teck Seong	4,855,000	0.89
18.	Chee Kin @ Chen Hun Ken	4,427,300	0.81
19.	Tai Hong Chuan	4,319,700	0.79
20.	Malaysian Trustees Berhad - Tan Wah Choy	3,827,250	0.70
21.	Raja Aznin bin Raja Ahmad	3,802,600	0.70
22.	Low Fui Teck	3,800,966	0.70
23.	Tan Kian Seng	3,500,000	0.64
24.	Tan Wah Choy	3,500,000	0.64
25.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Raja Aznin bin Raja Ahmad (CEB)	3,167,700	0.58
26.	Lai Sook Fun	3,150,000	0.58
27.	Chua Ah Choo	3,000,000	0.55
28.	Wong Siam Hong	2,752,250	0.51
29.	Liew Sze Fook	2,750,000	0.51
30.	Kerk Su Chuin	2,722,266	0.50

ANALYSIS OF **WARRANTHOLDINGS**
AS AT 1 AUGUST 2018

Type of Convertible Securities	:	Warrants 2013/2018
No. of Warrants Issued	:	84,166,350
Exercise Price	:	RM0.11
Exercise Period	:	23 September 2013 to 22 September 2018

DISTRIBUTION SCHEDULE OF 2013/2018 WARRANTHOLDINGS

Size of Holdings	No. of Holders	No. of Warrants	%
Less than 100	38	1,705	*
100 – 1,000	20	10,526	0.01
1,001 – 10,000	74	483,121	0.57
10,001 – 100,000	258	13,571,565	16.13
100,001 – less than 5% of issued warrants	152	70,099,433	83.29
5% and above of issued warrants	-	-	-
Total	**542**	**84,166,350**	**100.00**

* Negligible

DIRECTORS' WARRANTHOLDINGS AS AT 1 AUGUST 2018
(As per the Register of Directors' Warrantholdings)

	Direct		Indirect	
Name of Director	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 Bhd.

ANALYSIS OF **WARRANTHOLDINGS**

30 LARGEST 2013/2018 WARRANTHOLDERS AS AT 1 AUGUST 2018

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

No.	Name	No. of Warrants Held	%
1.	Syed Hasnul Hafiz bin Syed Mahamud	3,950,000	4.69
2.	Chua Ming Shen	2,168,000	2.58
3.	Tey Kim Hwa	2,050,000	2.44
4.	Pee Kar Sein	2,000,000	2.38
5.	Wan Sau Leong	1,763,900	2.10
6.	Tan Chi Boon	1,750,000	2.08
7.	Mohd Riffi bin Adnan	1,500,200	1.78
8.	Chong Siew Mee	1,500,000	1.78
9.	Raja Muhammad bin Raja Omar	1,461,000	1.74
10.	Tan Kar Bin	1,300,000	1.54
11.	Oh Chiow Suan	1,180,000	1.40
12.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Vincent Phua Chee Ee	1,106,600	1.31
13.	Tea Kiat @ Cheng Shiaw Swie	1,055,000	1.25
14.	Aw Guan Sin	1,000,000	1.19
15.	Boey Ak Poo	1,000,000	1.19
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Heng Yong Kang @ Wang Yong Kang (08HE101Q1-008)	1,000,000	1.19
17.	Lui Yuen Qiu	1,000,000	1.19
18.	Michelle Tee Wan Yee	1,000,000	1.19
19.	Tey Chin Eng	982,000	1.17
20.	Hee Kok Ngee	949,500	1.13
21.	Ang Geok Meng	848,000	1.01
22.	Ong Keat Peng	824,000	0.98
23.	Loh Sai Eng	820,700	0.98
24.	Toh Wei Xiang	795,000	0.94
25.	Ong Khim Chuan	785,300	0.93
26.	Lye Ming Zh	774,900	0.92
27.	Gibson Chin Chee Sern	714,700	0.85
28.	Yip Chan Leng	660,000	0.78
29.	Tan Chiek Shong	650,000	0.77
30.	Gan Hui Mei Ivoire	620,300	0.74

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting ("AGM" or "Meeting") of TECHNODEX BHD ("the Company") will be held at Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 10, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Tuesday, 9 October 2018 at 11.00 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 2018 together with the reports of the Directors and Auditors thereon. **Please refer to Note (a)**

2. To approve the payment of Directors' fees and benefits of up to RM180,000 for the financial year ending 30 April 2019. **Ordinary Resolution 1**

3. To re-elect Mr. Tan Sze Chong as Director who retires by rotation in accordance with Clause 93 of the Company's Constitution. **Ordinary Resolution 2**

4. To re-elect the following Directors who retire in accordance with Clause 99 of the Company's Constitution:

   (i) En. Saifulrizam Bin Zainal **Ordinary Resolution 3**

   (ii) Mr. Chang Choon Ming **Ordinary Resolution 4**

5. To re-appoint CAS Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business:

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

6. GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, 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 total number of issued shares 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."

7. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** — **Special Resolution**

   "THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in "Appendix A" with immediate effect AND THAT the Directors and/or the Secretary of the Company be authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

8. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
30 August 2018

Notes:

(a) The Agenda No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from members for the Audited Financial Statements. Hence, Agenda No. 1 is not put forward for voting.

(b) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented 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.

(c) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(d) 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.

(e) 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.

(f) 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.

(g) The instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote.

(h) 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 Clause 58(2) of the Company's Constitution to issue a General Meeting Record of Depositors as at 2 October 2018. Only members whose names appear in the General Meeting Record of Depositors as at 2 October 2018 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(i) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. Item 6 of the Agenda

   The Ordinary Resolution 6 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. 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 total number of issued shares 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, 49,409,500 new ordinary shares were issued by the Company via a private placement exercise at an issue price of RM0.14 per share pursuant to the general mandate granted to the Directors at the last Annual General Meeting held on 20 October 2017.

   The status of utilisation of gross proceeds of RM6,917,330 raised from the private placement exercise by the Company as at 31 July 2018 were as follows:-

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000
Commercialisation expenditure	5,000	853	4,147
Working capital	1,787	784	1,003
Expenses relating to the Private Placement	130	113	17
TOTAL	**6,917**	**1,750**	**5,167**

2. Item 7 of the Agenda

   The Special Resolution proposed under item 7 of the Agenda is the proposed amendments to the existing Constitution of the Company, which are made mainly for the following purposes:-

   (a) To ensure compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad; and

   (b) To provide clarity and consistency with the amendments that arise from the Companies Act 2016 and other relevant regulatory provisions.

   The shareholders' approval is sought for the Company to alter or amend the whole of the existing Constitution by the replacement with the proposed New Constitution as per "Appendix A" in accordance with the Section 36(1) of the Companies Act 2016. The "Appendix A" on the proposed New Constitution of the Company, which is circulated together with the Notice of AGM dated 30 August 2018, shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the AGM.

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PROXY FORM

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

I/We * ______________________________ NRIC/Company No. * ______________________
[full name in capital letters]

of ____
[full address]

being (a) member(s) of TECHNODEX BHD ("the Company") hereby appoint

______________________________ NRIC No. ______________________
[full name in capital letters]

of ____
[full address]

and/or * ______________________________ NRIC No. ______________________
[full name in capital letters]

of ____
[full address]

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fourteenth Annual General Meeting of the Company ("AGM" or "the Meeting") to be held at Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 10, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Tuesday, 9 October 2018 at 11.00 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.

Resolutions	Particulars	For	Against
Ordinary Resolution 1	To approve the payment of Directors' fees and benefits of up to RM180,000 for the financial year ending 30 April 2019.		
Ordinary Resolution 2	To re-elect Mr. Tan Sze Chong as Director.		
Ordinary Resolution 3	To re-elect En. Saifulrizam Bin Zainal as Director.		
Ordinary Resolution 4	To re-elect Mr. Chang Choon Ming as Director.		
Ordinary Resolution 5	To re-appoint CAS Malaysia PLT as Auditors of the Company.		
Ordinary Resolution 6	To approve the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Special Resolution	To approve the proposed amendments to the Constitution of the Company.		

** delete whichever not applicable.*

Dated this ____________ day of ____________, 2018

____
Signature/Common Seal of Member(s)

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

NOTES:

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(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

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AFFIX
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The Share Registrar of

TechnoDex Bhd (627634-A)
Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan

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