Annual Report 2019

TechnoDex

Delivering Possibilities

CONTENTS

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 solutions 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) Hardware, Software and Professional Services

    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.

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

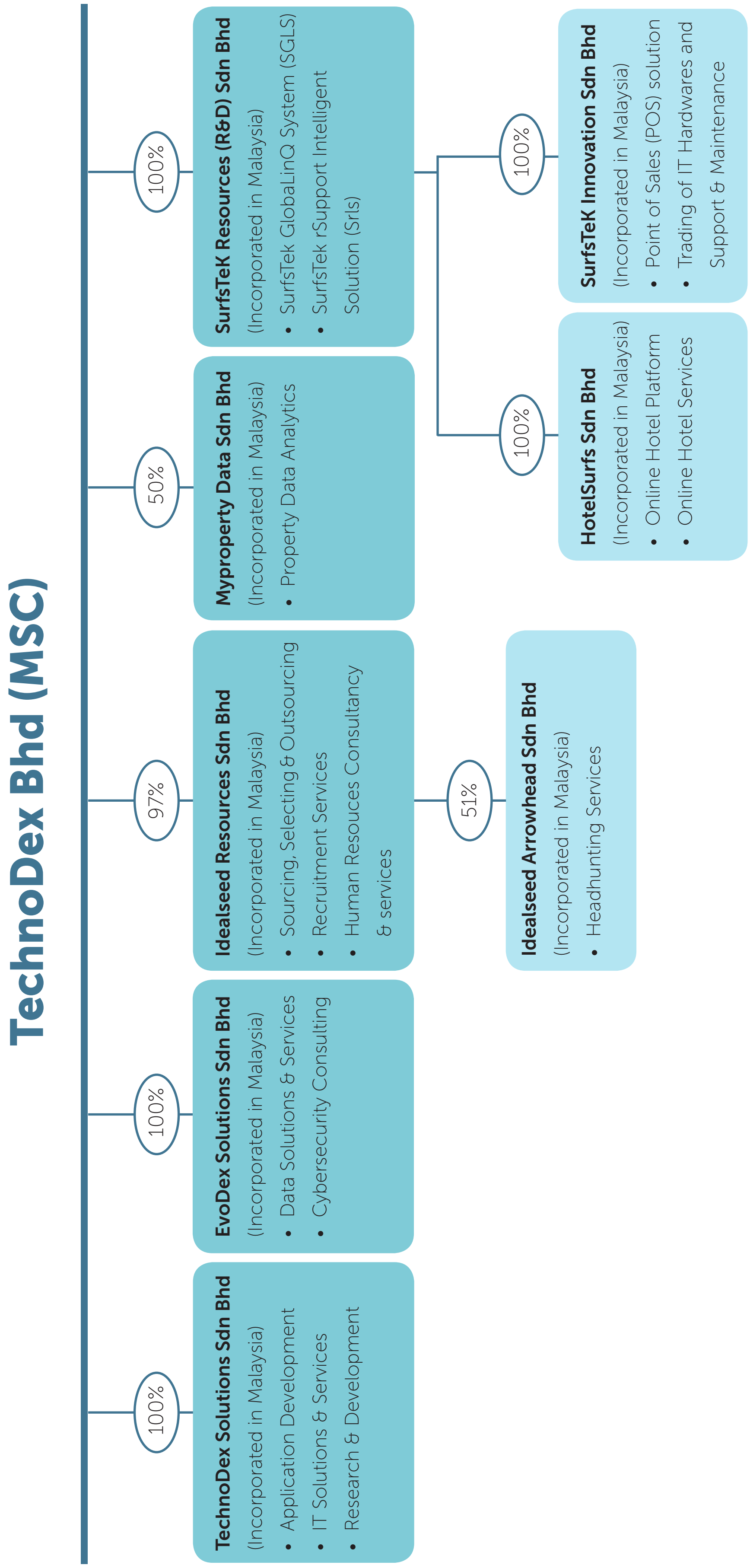
    i) Property Data Sales & Consulting Services that aspires to provide value-added services and property information to the financial, real estate, and consumer industry.

    ii) SurfsTek GlobalLinQ System (SGLS)

    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.

    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.

CORPORATE STRUCTURE AS AT 30 SEPTEMBER 2019



CORPORATE INFORMATION

BOARD OF DIRECTORS

STEVEN WONG CHIN FUNG
Independent Non-Executive Chairman

TAN SZE CHONG
Group Managing Director

TAN BOON WOOI
Executive Director

HENG LING JY (F)
Executive Director cum Chief Operating Officer
(Appointed on 27 June 2019)

DATUK ABD HAMID BIN ABU BAKAR
Independent Non-Executive Director
(Re-designated to Independent Non-Executive Director on 27 June 2019)

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 AND REMUNERATION COMMITTEE

Datuk Abd Hamid Bin Abu Bakar, Chairman
(Appointed on 27 June 2019)
Steven Wong Chin Fung, Member
Saifulrizam Bin Zainal, Member

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan
Tel : 603-7725 1777
Fax : 603-7722 3668

HEAD OFFICE

Unit E-07-03, Menara Suezcap 2, KL Gateway
No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari
59200 Kuala Lumpur
Tel : 603-7932 0111
Fax : 603-7932 0222
E-mail : info@technodex.com
Website : www.technodex.com

AUDITORS

CAS MALAYSIA PLT
LLP0009918-LCA & AF 1476
Chartered Accountants

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn. Bhd.)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7890 4700
Fax : 603 -7890 4670

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
AmBank (M) Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

1. OVERVIEW OF THE GROUP'S BUSINESS

Technodex Bhd ("TDEX" or "the Company") 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:-

1.1 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 Cybersecurity, 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.

1.2 Manpower Outsourcing and Recruitment Services

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

1.3 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)**

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.

iii) **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.

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 in the local and regional markets.

2. FINANCIAL PERFORMANCE

Certain key financial and non-financial indicators pertaining to our financial performance for the financial period ended ("FPE") 30 June 2019 vis-à-vis the financial year ended ("FYE") 30 April 2018 are as follows:-

	FPE2019 RM'000	FYE 2018 RM'000	Change 2019 vs 2018 RM'000
Our financial performance			
Revenue	63,053	56,411	6,642
(Loss) before tax ("LBT")	(12,593)	(1,334)	(11,259)
(Loss) after tax ("LAT")	(12,637)	(1,735)	(10,902)
(Loss) after tax and minority interest	(11,779)	(1,834)	(9,945)
Basic Loss per share attributable to owners of the Company (sen)	(2.05)	(0.40)	(1.65)

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

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

(i) lower revenue of RM11.5 million generated from the manpower outsourcing and recruitment services segment due to softening orders from certain key customers (FYE 30 April 2018: RM15.9 million); and

(ii) lower revenue of RM1.0 million generated from the e-commerce and specified application services segment due to lesser contracts awarded by strategic clientele (FYE 30 April 2018: RM3.1 million).

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

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

(i) higher revenue from the IT hardware, support and managed maintenance services segment which earned lower profit margins as compared to other segments of our Group;

(ii) impairment losses and written off of intangible assets, property, plant and equipment as well as trade and other receivables totalling RM2.4 million (FYE 30 April 2018: RM0.8 million); and

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

3. STRATEGIES AND PROSPECTS

Against the backdrop of a softening global and local economic, the past 2 years was not favourable to many businesses, an uncertainties have given impact on businesses from operational issues of impairment, higher operating costs, reduction in revenue and margin to corporate strategic issues.

With challenging economic environment, our Group has been incurring losses for the FYE 30 April 2018 and the 14-month FPE 30 June 2019.

Our Group will continue to focus on the development and future growth of our existing businesses and we aim to capture the opportunities in the local and regional markets, including new IT contracts/orders. Our Group has taken various initiatives to improve our financial performance and we expect growth to stem from the following key areas:-

(i) Tender for more IT contracts

As at 16 October 2019, our Group has secured 2 IT contracts for the provision of computer hardware leasing service, development of software application and supply of computer hardware amounting to approximately RM18.7 million and is awaiting the results of another 21 tenders for IT contracts. Through tendering and securing more IT contracts, our Group's financial performance is expected to be improved by the positive return to be generated from these IT contracts.

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

In addition, our Group has also secured an order to supply computer and point of sales hardware of up to RM24.0 million for a duration of 12 months from 5 July 2019 to 4 July 2020. Further, our Group has been appointed by 5 international principals, including BIXOLON Co., Ltd,Qingdao Hisense Intelligent Commercial System Co., Ltd, Intermec Technologies (S) Pte Ltd (a wholly owned subsidiary of Honeywell International Inc.) and Xiamen Maken Tech Co., Ltd to distribute their computer and point of sales hardware as well as related accessories and peripherals within the South East Asia region that is, Malaysia, Thailand, Singapore, Philippines, Vietnam, Indonesia and/or Cambodia. Our Group is also in discussions with other prospective principals to secure additional distributorships to expand our product range to our customers. In view of the regional distributorships, our Group plans to expand our presence by setting up regional office(s) and/or collaborate with business partner(s) in the other countries in the South East Asia region in the next 2 years to capture the demand for computer and point of sales hardware in the region and enable our Group to better serve our existing customers and secure new customers in the region.

(iii) Expand our range of IT solutions and services

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

Premised on the above and coupled with the positive outlook of the IT industry in the Asia Pacific region and outsourcing and recruitment industry in Malaysia as set out in section 5 of this report, our Board is positive that will allow us to weather oncoming challenges and to continue gaining traction in the local and oversea ICT markets. By continuing to focus on market expansion and product development, our Group is best positioned to enhance our financial performance and shareholders' value.

4. CORPORATE EXERCISE

In view of the above, our Board proposes to undertake a Proposed Placement to raise the required funds in order to facilitate the delivery of the secured and/or potential IT contracts/orders as well as to tender for other IT contracts and our expansion strategy to grow our IT businesses by increasing the marketing activities and expanding our presence in the South East Asia region.

Our Board had on 4 October 2019 announced that the Company proposes to undertake a Proposed Placement of up to 30% of the total number of issued shares of TDEX ("Proposed Placement") and the listing application in relation to the Proposed Placement has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 October 2019 for approval.

As of 16 October 2019, the Proposed Placement is subject to approvals being obtained from the following:

(i) Bursa Securities for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities;

(ii) TDEX's shareholders at the extraordinary general meeting to be convened; and

(iii) any other relevant authorities, if required.

You may refer to our announcements made on 4 October 2019 and 16 October 2019 for further information on the Proposed Placement.

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

The actual proceeds to be raised from the Proposed Placement are dependent on the issue price and number of new ordinary shares successfully placed out to third party investor(s). For illustrative purposes, the Proposed Placement is expected to raise gross proceeds of up to RM7.1 million based on the indicative issue price of RM0.04 per ordinary share, which are intended to be utilised to facilitate the delivery of the secured and/or potential IT contracts/orders as well as to tender for other IT contracts, our Group intends to utilise up to approximately RM5.2 million of the proceeds to fund the IT contracts.

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

Lastly, our Group intends to utilise approximately RM0.4 million for estimated expenses in relation to the Proposed Placement.

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

(i) allows TDEX to raise funds in cost effective and expeditious manner;

(ii) provides an avenue for TDEX to raise funds without having to incur interest cost as compared to bank borrowings or other interest-bearing debt instruments; and

(iii) upon completion, TDEX's enlarged capital base is expected to strengthen our Group's financial position and widen our shareholders' base.

Premised on the above and the efforts to improve the financial performance of our Group, our Board is of the view that the Proposed Placement is currently adequate to address the immediate financial concerns of our Group.

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

5. OVERVIEW AND OUTLOOK

5.1 Malaysia And Global Economy Outlook

Bank Negara Malaysia has imputed anticipated Gross Domestic Product ("GDP") growth of between 4.3% and 4.8% in 2019. Domestic demand will remain the anchor of growth, underpinned by continued expansion in private sector activity. Private consumption growth is expected to moderate, but remain firm supported by stable labour market conditions and continued wage growth, while investment activity will be supported by capacity expansion in key sectors such as manufacturing and services. The projected contraction in public investment will be due mainly to lower investment by public corporations following the completion of large-scale projects, while the expectations for a moderate growth in public consumption reflect the continued reprioritisation of Government spending.

The global economy is expected to grow at a moderate pace in 2019 compared to 2018. The IMF revised downward its 2019 global growth forecast, by 0.1 percentage point to 3.2%. Risks to the outlook remain tilted to the downside, emanating from a potential escalation of trade disputes, continued uncertainties in Brexit negotiations, and excessive financial market volatility.

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

5.2 Overview and Outlook of the IT Industry in the Asia Pacific Region

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

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

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

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

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

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

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

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

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

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

(Source: Independent Market Research Report by Providence Strategic Partners Sdn Bhd "PROVIDENCE")

In particular, the labour force in the ICT sector constituted 1.5% of the overall labour force in Malaysia. The number of employed persons in the ICT sector grew from 213,200 persons in 2014 to 220,000 in 2017 at a CAGR of 1.1%.

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

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

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

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

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

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

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

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

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

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

(Source: Independent Market Research Report by PROVIDENCE)

Against the backdrop of a challenging global environment, the Malaysian economy is expected to sustain its growth momentum. Private sector activity will remain the anchor of growth amid continued rationalisation in the public sector. Companies are taking this time to re-evaluate their long-term growth strategies and workforce composition by starting their digital transformation journey, digitally-adept candidates who have niche technical skills will be highly sought after by employers who are looking to advance their technological capabilities. Labour force in the ICT sector in Malaysia are expected to remain supportive of growth.

6. ANTICIPATED OR KNOWN RISKS

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.

Our 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

Our 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.

7. DIVIDEND POLICY

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board 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. Our Board also does not recommend any final dividend in respect of the FPE 2019.

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 deems relevant.

STEVEN WONG CHIN FUNG

Independent Non-Executive Chairman

Malaysian, Aged 52, 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 a member of the Audit Committee and Nomination 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 28 years of experience in commercial and civil litigation.

Mr. Steven Wong currently sits on the Board of Plastrade Technology Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad.

He attended all six (6) Board Meetings held during the financial period ended 30 June 2019.

TAN SZE CHONG

Group Managing Director and Key Senior Management

Malaysian, Aged 50, Male

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

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 26 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 the 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 the Chief Executive Officer between 2011 and 2013.

During his tenure as the Group Managing Director of the Company, 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.

He does not hold directorship in other public companies and listed corporation but holds directorship in several private limited companies.

He attended all six (6) Board Meetings held during the financial period ended 30 June 2019.

TAN BOON WOOI

Executive Director and Key Senior Management

Malaysian, Aged 46, Male

Mr. Tan Boon Wooi was appointed to the Board on 8 January 2014 as a Non-Independent Non-Executive Director. He was re-designated as the Executive Director on 29 June 2016. 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, commenced 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.

He does not hold directorship in other public companies and listed corporation but holds directorship in several private limited companies.

He attended five (5) out of six (6) Board Meetings held during the financial period ended 30 June 2019.

HENG LING JY

Executive Director cum Chief Operating Officer and Key Senior Management

Malaysian, Aged 50, Female

Ms. Heng Ling Jy was appointed to the Board on 27 June 2019 as the Executive Director cum Chief Operating Officer.

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.

In 2006, Ms. Heng and team successfully brought the TechnoDex Group to be listed on the ACE Market, Bursa Malaysia. She was appointed to the Board as Executive Director between 2001 and 2013. She also served as the Group Chief Operating Officer between 2001 and 2009. In 2010, Ms. Heng assumed the position as the Group Managing Director until 2013. During her tenure as the Managing Director, Ms. Heng successfully developed and stabilized the Group's business and operations.

In 2013, Ms. Heng retired from the Board and focuses on managing the operations of the subsidiaries of the Company, i.e. TechnoDex Solutions Sdn. Bhd., EvoDex Solution Sdn. Bhd., and MyProperty Data Sdn. Bhd. She also facilitates in corporate strategic planning and business support to the Group.

She does not hold directorship in other public companies and listed corporation but holds directorship in several private limited companies.

She attended all six (6) Board Meetings held during the financial period ended 30 June 2019 as a key senior management of our Group.

DATUK ABD HAMID BIN ABU BAKAR

Independent Non-Executive Director

Malaysian, Aged 64, Male

Datuk Abd Hamid Bin Abu Bakar was appointed to the Board on 20 December 2016 as a Non-Independent Non-Executive Director and re-designated as an Independent Non-Executive Director on 27 June 2019. Datuk Abd Hamid is a member of the Audit Committee and the Chairman of the Nomination and Remuneration 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.

He attended all six (6) Board Meetings held during the financial period ended 30 June 2019.

SAIFULRIZAM BIN ZAINAL

Independent Non-Executive Director

Malaysian, Aged 43, 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 a member of the Nomination and Remuneration 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 21 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 on the Board of credit cooperative under Suruhanjaya Koperasi Malaysia known as Koperasi Maal Nizami Negeri Selangor Berhad and Petrowangsa Sdn. Bhd.

He attended all six (6) Board Meetings held during the financial period ended 30 June 2019.

Notes

1. *None of the Directors have family relationships with any Director and/or major shareholder of the Company expect for the following:-*
   a) *Mr. Tan Sze Chong is the spouse of Ms. Heng Ling Jy, a Director of the Company.*
   b) *Ms. Heng Ling Jy is the spouse of Mr. Tan Sze Chong, a Director 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 period ended 30 June 2019.*

CHUA KEONG LOONG

Malaysian, Aged 42, Male

Chief Executive Officer

SurfsTeK Resources (R&D) Sdn. Bhd.
SurfsTeK Innovation Sdn. Bhd.

Mr. Chua was appointed as the Chief Executive Officer on 1 January 2019, overseeing SurfsTek Resources (R&D) Sdn. Bhd. and SurfsTek Innovation Sdn. Bhd. He is also managing TechnoDex Solutions Sdn. Bhd. as complementary business entity to SurfsTek Resources (R&D) Sdn. Bhd.

Mr. Chua started his career in the IT industry in 1997, he progressively covered Sales and Technical-Marketing roles obtaining outstanding results. His commendable Sales abilities in the Technology sector allowed him to achieve ambitious results in the industry that induced him to start and successfully grow his own IT Distribution Company in 2003. In 2015, upon merger with TechnoDex Group, Mr. Chua was appointed as the General Manager to SurfsTek Innovations Sdn. Bhd.

Mr. Chua mostly involved in entrepreneurial activities throughout his career and always receive unanimous consensus and admiration for his achievements from the market, including the most prestigious 2010 Golden Bull business award and in the same year, the "Best top-100 of SMEs" in Malaysia. In 2011, he was confirmed through the SME Golden Bull as a recognition for his great Sales performances. In the same year, Mr. Chua received the Top SME Young Entrepreneur 2011 award and two years later he achieved the best top 100 of SMEs prize and the SME Excellent Eagles – Golden Eagle.

Currently, Mr. Chua is responsible for managing the operations of SurfsTek Resources (R&D) Sdn. Bhd., SurfsTek Innovation Sdn. Bhd. and TechnoDex Solutions Sdn. Bhd.

LEE SOH HAN

Malaysian, Aged 40, Female

Chief Executive Officer

TechnoDex Solutions Sdn. Bhd.

Ms. Lee was appointed as the Chief Executive Officer of TechnoDex Solutions Sdn. Bhd. on May 2018 overseeing IT professional service division.

Ms. Lee graduated from University Tenaga National (UNITEN). She was the pioneer batch of Bachelor of Information Technology (Hons) in 2001.

Ms. Lee commenced her career as an analyst programmer in 2001 at Commerce Dot Com Sdn. Bhd. She left the company 6 years later to join TechnoDex Solutions Sdn. Bhd. in 2006 as Project Leader. During her tenure, she took part in system design, analysis, technology direction, and project management. She was involved in the flagship projects such as ePerolehan for the Ministry of Finance and PRISM for Jabatan Perkhimatan dan Pernilaian Harta. Her foundation in technology and software development life cycles staged her competencies in managing large scale projects.

Ms. Lee, subsequently, was promoted to manage the IT Professional service division in the Group, where she is overseeing IT solutions consultation, resource planning, service engagement, and support & maintenance services.

THOR JOE HOCK

Malaysian, Aged 32, Male

Chief Executive Officer

MyProperty Data Sdn. Bhd.

Mr. Thor, a property professional and entrepreneur founded Real Estate Solutions Sdn. Bhd., a data, analytics and solution provider to the property sector in 2015. In 2018, when the Group went into a joint venture with Real Estate Solutions Sdn. Bhd., Mr. Thor was appointed as the Chief Executive Officer of MyProperty Data Sdn. Bhd. on 15 January 2018.

Mr. Thor graduated from Curtin University, Australia with a Bachelor of Commerce (Property) in 2008. He is a Certified Practicing Valuer, an Associate of the Australian Property Institute (AAPI) and also a Licensed Valuer in the State of Western Australia.

Mr. Thor commenced his career in 2007 with CBRE, an international real estate consultancy at their Perth, Western Australia office before moving on the following year to join Herron Todd White. Based out of their Perth, Western Australia office, he was involved in the valuation and advisory of various commercial, industrial and residential projects and assets. In 2015, he returned to Malaysia as a consultant and has been involved in tenancy management, strategy and valuation of airports across the country as well as Litigation and Compulsory Land Acquisition work.

Currently, Mr. Thor is responsible for managing the overall operations of MyProperty Data Sdn. Bhd.

JOHN LIM TIONG GEH

Malaysian, Aged 38, Male

General Manager

SurfsTeK Innovation Sdn. Bhd.

Mr. John Lim was appointed as the General Manager of SurfsTek Innovation Sdn. Bhd. on January 2019.

Mr. John Lim graduated with a Higher Education Diploma from SEGi University and College in 2001.

He started his career as a Data Analytic Engineer in RHB Bank. He later joined as a System Consultant Manager in one of the well-known Point-of-Sales software company in Malaysia, achieved million sales, to company such as MST Golf, Braun Buffel, Faber Castell Malaysia chain stores etc. Subsequently in 2013, Mr. John Lim was appointed as Business Development Manager Ingram Micro, and helped to developed new product and branding for the company selling more than 10 million new business sales. In 2017, Mr. John Lim joined SurfsTek's Group in providing technology distribution and services sales to the Group.

Mr. John Lim, with his 17 years in the industry, has involved mostly in Business consultation and development activities. His specialization in specialist in POS (point-of-sales), AIDC (Auto-ID data capture) and Vendor Management related to IT products.

Currently, Mr. John Lim is responsible for managing the sales & operations of Surfstek Innovation Sdn. Bhd. distribution channel products and services.

CHONG POH LEE

Malaysian, Aged 45, Female

Project Director

SurfsTeK Resources (R&D) Sdn. Bhd.

Ms. Chong began her career with TechnoDex Solution Sdn. Bhd., where she managed projects outsourcing to remote development centre in Suzhou. She has been exposed to various software solution industries such as production, multi-level marketing, logistic, e-commerce, and data quality management inclusive data migration & cleansing and data analytic with BI tool. Ms. Chong was promoted to Senior Project Manager in 2014. She has been transferred to SurfsTeK Resources (R&D) Sdn. Bhd. in 2017 and subsequently promoted to Project Director in 2018.

Ms Chong graduated from Tunku Abdul Rahman University College (TARC) with Bachelor of Science Degree of Campbell University USA in 1998.

Ms. Chong commenced her career in Information Technology with Infortech Alliance Bhd. In 1998. In 2004, she continued her career with Computer Infobase System Sdn. Bhd. as System Analyst and promoted to Project Manager. Subsequently in 2007, she joined TechnoDex Solutions Sdn. Bhd. as Project Manager.

Currently, Ms. Chong is the Project Director in SurfsTeK Resources (R&D) Sdn. Bhd., managing product development on SurfsTeK Online Distribution Database (SODD) platform, SurfsTeK rSupport Intelligence Solution (SrIS), and Customer Support / Helpdesk team.

FADLI EZZATI BIN SALLEH

Malaysian, Aged 36, Male

General Manager

TechnoDex Solutions Sdn. Bhd.

En. Fadli Ezzati Bin Salleh, who was appointed on January 2019 as the General Manager of TechnoDex Solutions Sdn. Bhd. He began his career in 2009 and possesses a strong 12 years of experience across various industry verticals like utilities, transport, banking, asset management as well as the government sector. These have given him a multitude of insights and exposure into key industries that contribute greatly to his most recent successes.

En. Fadli graduated with a BSc (Hons) in Information Technology in 2008. En. Fadli is an expert in solutions architecture in the areas of Cybersecurity and Middleware. Apart from that, he is also a strong program & project management professional – thanks to his active involvements in multiple projects and industrial executions.

His professional specialties, practiced across his years of experience include Business Development, Consultancy, Program Development, Hardware & Software and Cybersecurity.

Currently, En. Fadli is responsible for managing and finding new business for EvoDex Solutions Sdn. Bhd.

WONG SIAM HONG

Malaysian, Aged 50, Female

Group Admin and HR Manager

TechnoDex Bhd.

Ms. Wong Siam Hong, was appointed as the Group Admin and HR Manager for Technodex Group in 2018 and is responsible for overseeing the human resources needs of the Group. With over 13 years of HR experience, she has a proven track record in employee engagement and stakeholder management.

Ms. Wong graduated in 1991 from Rima College with a Diploma in Executive Secretaryship. At the same year she landed the Label Chief Position in Polygram Records Sdn. Bhd., where she spent 7 years playing a leading role in promoting the company regional products.

In 2004, she helped co-found Idealseed Resources Sdn. Bhd. and subsequently took up as a Director of the company. During her time as Director she has resided over Idealseed's growth into an established company in the IT recruitment industry.

TAM YUN KIAM

Malaysian, Aged 46, Male

Group Financial Controller

TechnoDex Bhd.

Mr. Tam was appointed as the Group Financial Controller in July 2019. He is responsible for the financial management, human resources and administration management of the Company and its subsidiaries ("the Group").

Mr. Tam is a qualified Chartered Accountant and Chartered Management Accountant. He is a member of Malaysian Institute of Accountants and of The Chartered Institute of Management Accountant, England.

Mr. Tam joined the Group since 5 June 2017 and has more than 20 years working experience cover auditing, taxation, business advisory, corporate finance, human resource management, financial and management accountancy. He had work exposure in the sectors of chartered accountants and consultancy firms, professionally manage medium enterprises and public listed company covering the Fast Moving Consumer Goods, manufacturing, trading, retailing, system integration, project management and consultancy businesses.

He has been working closely with the Executive Management Committee and the Group Managing Director. Mr. Tam has successfully and effectively implemented various corporate exercises inclusive of fund raising and merger & acquisitions. Mr. Tam also participated in the Group strategic planning and execution.

Mr. Tam attended every Board meeting and assisted the Board of Directors to implement its policies and decisions 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 Group in compliance with corporate directive and the statutory and legal requirements for public announcements to the stock exchange.

Notes

1. *None of the Key Senior Management hold any directorship in public companies and listed issuers.*
2. *None of the Key Senior Management have family relationships with any Director and/or major shareholder of the Company.*
3. *None of the Key Senior Management have any conflict of interest with the Company.*
4. *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 period ended 30 June 2019, other than traffic offence (if any).*

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 ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Corporate Governance Guide.

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 period ended 30 June 2019 ("FPE 2019"):

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 FPE 2019 which is available on the Company's website at www.technodex.com as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1.1 Board and Board Committee

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.
- 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 and Remuneration Committee
(collectively referred to as "Board Committees")

The Nomination Committee and Remuneration Committee have been merged as a single committee and is known as the Nomination and Remuneration Committee ("NRC") with effect from 27 June 2019 which aimed to improve its efficiency and effectiveness in discharging its duties.

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 NRC, 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

The Chairman of the Board, Mr. Steven Wong Chin Fung, holds an Independent Non-Executive position and is primarily responsible for the leadership, effectiveness, conduct and governance of the Board. The roles of the Chairman are set out in the Board Charter.

1.3 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 Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Group MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Group MD is accountable to the Board for the overall organisation, management, and staffing of the Company and/or Group and for the procedures in financial and other matters, including conduct and discipline.

The roles of the Group MD is set out in the Board Charter.

1.4 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 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, Listing Requirements, MCCG, Company's Constitution and Board Charter.

During the FPE 2019, all Board and Board Committees meetings 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.

1.5 Meeting of Board and Board Committees

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.

2.1 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.

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.

3.1 Code of Ethics and Conduct

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

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board from time to time to ensure that it continues to remain relevant and appropriate.

3.2 Whistle Blowing Policy

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.

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

PART II - COMPOSITION OF THE BOARD

4.1 Composition and Board Balance

The Board currently has six (6) members, comprising the following:-

- one (1) Independent Non-Executive Chairman;
- one (1) Group Managing Director;

- one (1) Executive Director cum Chief Operating Officer;
- one (1) Executive Director; and
- two (2) Independent Non-Executive Directors.

This composition is in line with Practice 4.1 of the MCCG that at least half of the Board comprises independent directors.

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

4.2 Tenure of Independent Directors

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 period 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 Appointment of Board and Senior Management

Appointment of Board and recruitment of Senior Management 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.

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The NRC scrutinises the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC 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 NRC may receive suggestions from existing Board Members, Management and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

4.4 Gender Diversity

In line with the MCCG 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 Board currently has one (1) female Board member, Ms. Heng Ling Jy, who was appointed to the Board on 27 June 2019.

4.5 NRC

The NRC comprises the following members, all being Independent Non-Executive Directors:

Name of Directors	Designation
Datuk Abd Hamid Bin Abu Bakar (Chairman) *(appointed on 27 June 2019)*	Independent Non-Executive Director
Steven Wong Chin Fung (Member)	Independent Non-Executive Chairman
Saifulrizam Bin Zainal (Member)	Independent Non-Executive Director

The main activities carried out by the NRC during the FPE 2019 are as follows:-

(i) Reviewed and assessed the Executive Directors and Non-Executive Directors' Annual Performance Evaluation Forms.

(ii) 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.

(iii) Reviewed and assessed the performance of the Audit Committee.

(iv) Reviewed the independence of the Independent Directors.

(v) Considered and recommended to the Board for consideration, the re-election of Mr. Tan Sze Chong, En. Saifulrizam Bin Zainal and Mr. Chang Choon Ming as Directors who were due to retire at the Fourteenth Annual General Meeting held on 9 October 2018.

(vi) Considered and recommended to the Board for consideration, the appointment of Ms. Heng Ling Jy as the Executive Director cum Chief Operating Officer of the Company.

(vii) Considered and recommended to the Board for consideration, the Merger of the Nomination Committee and the Remuneration Committee into NRC.

5.1 Annual Assessment of Effectiveness of the Board and Board Committees as whole

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Board Committees. The NRC 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 NRC 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 NRC 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 was established and adopted, amongst others, attendance at Board and/or Board Committee meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committee as a whole.

In evaluating performance of Executive Directors, assessment was carried out against diverse key performance indicators, amongst others, financial performance, 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 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 FPE 2019, the Board met six (6) times where they deliberated and approved various reports and issues, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as discussed on the business plans and strategies, major investments, strategic decisions as well as the Group's financial performance.

The number of meetings held and attended by each member of the Board and Board Committees during the FPE 2019 are as follows:

Type of Meetings / Name of Directors	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
	No. of Meetings Attended			
Steven Wong Chin Fung	6/6	6/6	2/2	2/2
Tan Sze Chong	6/6	N/A	N/A	N/A
Tan Boon Wooi	5/6	N/A	N/A	N/A
Datuk Abd Hamid Bin Abu Bakar	6/6	6/6	2/2	N/A
Saifulrizam Bin Zainal	6/6	6/6	2/2	2/2
Heng Ling Jy [(1)]	N/A	N/A	N/A	N/A
Chang Choon Ming [(2)]	3/6	N/A	1/2	1/2

Notes:

(1) Ms. Heng Ling Jy was appointed as the Executive Director cum Chief Operating Officer on 27 June 2019.

(2) Mr. Chang Choon Ming resigned as the Non-Independent Non-Executive Director and ceased as a member of Remuneration Committee on 27 June 2019.

To facilitate the Directors' time planning, the meetings calendar was prepared in advance for 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 Annual General Meeting.

5.3 Directors' Trainings

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.

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.

The Directors have attended the following training during the FPE 2019:

Name of Directors	Programmes/Seminars attended
Steven Wong Chin Fung	• Key Amendments to the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad relating to Continuing Disclosure Obligations and Other Amendments • Handling Financial Experts in Court • Briefing on the New Constitution under the Companies Act 2016
Tan Sze Chong	• Key Amendments to the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad relating to Continuing Disclosure Obligations and Other Amendments • Briefing on the New Constitution under the Companies Act 2016
Tan Boon Wooi	• Key Amendments to the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad relating to Continuing Disclosure Obligations and Other Amendments • Briefing on the New Constitution under the Companies Act 2016
Heng Ling Jy	• Key Amendments to the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad relating to Continuing Disclosure Obligations and Other Amendments • Briefing on the New Constitution under the Companies Act 2016
Datuk Abd Hamid Bin Abu Bakar	• Key Amendments to the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad relating to Continuing Disclosure Obligations and Other Amendments • Briefing on the New Constitution under the Companies Act 2016
Saifulrizam Bin Zainal	• Key Amendments to the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad relating to Continuing Disclosure Obligations and Other Amendments • Briefing on the New Constitution under the Companies Act 2016

PART III - REMUNERATION

6.1 Remuneration policy

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

The Board has 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 available at the Company's website at www.technodex.com.

6.2 NRC

The NRC is principally responsible for assessing and reviewing the remuneration policy and packages for the Directors of the Company. The NRC 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.

The composition of the NRC is set forth in the Section 4.5 of Corporate Governance Overview Statement in this Annual Report.

The Terms of Reference of the NRC is published on the corporate website of the Company at www.technodex.com.

7 .1 Remuneration of Directors

The remuneration of the Directors of the Company and the Group for the FPE 2019 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	42	-	-	-	-	-	42
Tan Sze Chong	-	140	-	-	-	-	140
Heng Ling Jy	-	-	-	-	-	-	-
Tan Boon Wooi	-	140	-	-	-	-	140
Datuk Abd Hamid bin Abu Bakar	42	-	-	-	-	-	42
Saifulrizam Bin Zainal	42	-	-	-	-	-	42
TOTAL	126	280	-	-	-	-	406

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	42	-	-	-	-	-	42
Tan Sze Chong	-	140	-	-	-	-	140
Heng Ling Jy	-	-	-	-	-	-	-
Tan Boon Wooi	-	140	-	-	-	-	140
Datuk Abd Hamid bin Abu Bakar	42	-	-	-	-	-	42
Saifulrizam Bin Zainal	42	-	-	-	-	-	42
TOTAL	126	280	-	-	-	-	406

7.2 Remuneration of Senior Management

Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board views that the disclosure of the remuneration of Senior Management would be not be in the best interest of the Company given the competitive human resources environment and may give rise to recruitment and talent retention issues.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AUDIT COMMITTEE

8.1 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 Annual General Meeting 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 a 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 FRAMEWORK

9.1 Risk Management and Internal Control

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 FPE 2019 is as set out in this Annual Report.

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 period ended 30 June 2019. 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.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I - COMMUNICATION WITH STAKEHOLDERS

11.1 Continuous Communication with 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 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 the public.

11.2 Corporate Disclosure Policy

The Board has formalised and adopted a Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group to regulators, shareholders and stakeholders.

PART II - CONDUCT OF GENERAL MEETINGS

12.1 Annual General Meeting ("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 as 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 sufficient time to go through the Annual Report and make the necessary attendance and voting arrangements. The Notice for the Fifteenth AGM of the Company which scheduled to be held on 6 December 2019 was sent to the shareholders on 31 October 2019, which is more than 28 days before the date of AGM.

12.2 Directors' Attendance at General Meetings

All the Directors attended the Fourteenth AGM and Extraordinary General Meeting of the Company held on 9 October 2018 and 7 January 2019 respectively and engaged directly with the shareholders.

STATEMENT BY THE BOARD ON CORPORATE GOVERANCE OVERVIEW STATEMENT

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 period ended 30 June 2019.

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 period 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 period 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 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 authorisation limits 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 Function

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 reviewed 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 period 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 period 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.

The total cost incurred for the internal audit function was RM14,000 for the financial period ended 30 June 2019.

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 period under review.

This statement is made in accordance with the resolution of the Board dated 22 October 2019.

OBJECTIVE OF THE AUDIT COMMITTEE

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.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises three (3) members, all of them being Independent Non-Executive Directors:-

Name	Designation
Saifulrizam Bin Zainal, Chairman	Independent Non-Executive Director
Steven Wong Chin Fung, Member	Independent Non-Executive Chairman
Datuk Abd Hamid Bin Abu Bakar, Member	Independent Non-Executive Director

The authorities and duties of the Audit Committee are clearly governed by its Terms of Reference. The Terms of Reference of the Audit Committee is available at the corporate website of the Company at www.technodex.com.

During the financial period under review, the Audit Committee convened six (6) meetings and attendance of each Audit Committee member is as follows:

Name	Attendance
Saifulrizam Bin Zainal, Chairman	6/6
Steven Wong Chin Fung, Member	6/6
Datuk Abd Hamid Bin Abu Bakar, Member	6/6

SUMMARY OF WORKS DURING THE FINANCIAL PERIOD

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

i. In overseeing the Company's financial reporting, reviewed the unaudited quarterly financial results and annual audited financial statements of the Group and the Company including the announcements pertaining thereto before recommending to the Board for approval and release of the Group's results to Bursa Securities.

ii. Reviewed with the External Auditors, the audit plan and scope of the statutory audit of the Group's financial statements for financial period ended 30 June 2019 before the audit commences to ensure the scope of the external audit is comprehensive.

iii. 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.

iv. Considered and recommended the re-appointment of CAS Malaysia PLT as External Auditors of the Company at the 14th Annual General Meeting to the Board for consideration based on the competency, efficiency and independence of the External Auditors.

v. Evaluated the performance of the External Auditors and made recommendation to the Board on their re-appointment and fees/remuneration.

vi. Reviewed the proposed Internal Audit Plan of the Group for the financial period ended 30 June 2019.

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. Evaluated the performance of the Internal Auditors.

ix. 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.

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

xi. Reviewed and assessed the performance of the Audit Committee collectively and table the Audit Committee self-evaluation form for Nomination and Remuneration 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.

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 period under review are summarised as below:

i. Conducted internal audit on the adequacy and effectiveness of the internal control system in:
   - Business processes of Surfstek Innovation Sdn. Bhd.; and
   - Purchases and payment of Surfstek Innovation 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. Presentation of the Internal Audit Plan of the Group for the financial year ending 30 June 2020.

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 period ended 30 June 2019 in relation to the internal audit function was RM14,000.

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 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 period ended 30 June 2019, the Group and the Company have used the appropriate accounting policies and consistently applied and supported by reasonable prudent judgement and estimates, that measures have been taken to ensure that accounting records are properly kept in accordance with the law and that the preparation of the financial statements is on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

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

SUSTAINABILITY STATEMENT

Technodex Bhd. ("TDex" or "Company") is committed in delivering long-term sustainable values with a view to develop and maintain a successful business for all stakeholders, including shareholders, employees and among others, our customers and suppliers.

Aside from ensuring the long-term profitability of our core business, our sustainability initiatives are focused on the workplace, marketplace, environment and the community.

Marketplace – Customers' Satisfaction

The Company and its subsidiaries ("Group") are committed to see that not only our shareholders' interests are taken care of but also our stakeholders who are customers and suppliers. It is fundamental to our Group that all products and services are delivered to customers with required quality that meets or exceeds the customers' expectations. The Group also gathers customers' feedbacks during the course of conducting our business operations. These also promote a culture of open communication, trust and reliability.

Environment

The Group does not operate in an environmentally sensitive business, but we recognise our duty to be mindful of the environment we live in and minimize our carbon footprint to the environment.

We have identified opportunities to reduce or reuse the resources we consume as we believe that efficiency of reuse of resources. These steps including reducing our energy consumption through switching off unused lights and air conditioning and our paper management initiative to print only when necessary and where possible, recycling of used printed paper. Instead of discarding unwanted documents, we sent these documents for secure shredding after which the shredder papers are sent to be recycled into other paper-based products.

Community care

The Group understands that a responsible organization should not neglect its social obligation towards the community that the well-being of the community has significant bearing on the long-term sustainability and progression to our business. We have constant engagement with universities by providing internship for university students in our Group. We will convey a long-term value to the community by being the region's most impactful corporate citizen.

Workplace

Our dedicated employees are important to the effective functioning of all the departments within the Group as human capital is pivotal to the Group's continuing success. The safety and well-being of our employees remain an important aspect of our overall strategy. We encourage internal activities for the employees to ensure that our working place is a happy place and employees' motivation is consistently high and well maintained.

We strive to upgrade our employees' skills and knowledge by conducting training sessions, both internally and externally. The training programs aim to equip our employees with key skills to support their career goals and improving work productivity.

1. UTILISATION OF PROCEEDS

There were no proceeds raised by the Company from any corporate proposal during the financial period ended 30 June 2019.

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 period ended 30 June 2019 are as follows:-

	Company RM	Group RM
Audit Fee	45,000	143,000
Non - Audit Fee	5,000	5,000

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 period ended 30 June 2019.

4. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

There were no RRPT of a revenue and/or trading nature between the Company and its related parties during the financial period under review.

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended 30 June 2019.

CHANGE OF FINANCIAL YEAR END

The Group and the Company changed its accounting period end from 30 April to 30 June. Therefore, the financial period covered in these financial statements is for a period of 14 months from 1 May 2018 to 30 June 2019. Thereafter, the financial year of the Company shall revert to twelve (12) months ending 30 June, for each subsequent year. The comparatives are for the financial year from 1 May 2017 to 30 April 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the investment holding and provision of 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 effective equity interest held by the Company in each subsidiary 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 period.

FINANCIAL RESULTS

	Group 01.05.2018 to 30.06.2019 RM	Company 01.05.2018 to 30.06.2019 RM
Loss for the financial period	(12,637,346)	(1,684,233)
Attributable to:		
Owners of the Company	(11,779,001)	(1,684,233)
Non-controlling interests	(858,345)	-
	(12,637,346)	(1,684,233)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period 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 period except as disclosed in the financial statements.

DIVIDENDS

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

SHARES AND DEBENTURES

During the financial period, the Company increased its issued and paid–up ordinary share capital by way of issuance of 46,915,833 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 period ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing shares.

SHARES AND DEBENTURES (continued)

During the financial period, the High Court of Malaya had on 13 February 2019 granted the order confirming the Company to reduce its issued share capital from RM70,862,819.43 (which is inclusive of the Company's share premium account of RM1,303,918.80) to RM40,862,819.43 by RM30,000,000.00 ("Share Capital Reduction"). The sealed order of the High Court of Malaya confirming the Share Capital Reduction has been lodged with the Companies Commission of Malaysia on 18 February 2019. Pursuant thereto, the Share Capital Reduction has been completed on 18 February 2019.

There were no debentures issued during the financial period.

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 have lapsed on 21 September 2018.

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 period.

DIRECTORS

The directors of the Company in office during the financial period until the date of this report are:

Steven Wong Chin Fung

Tan Sze Chong

Tan Boon Wooi

Encik Saifulrizam bin Zainal

Datuk Abd Hamid bin Abu Bakar

Chang Choon Ming (resigned on 27 June 2019)

Heng Ling Jy (f) (appointed on 27 June 2019)

The names of the directors of the subsidiaries of the Company during the financial period until the date of this report, not including those directors listed above are:

Kavin Ch'ng Kim Swee

Leong Seng Hong (resigned on 15 August 2019)

Tan Chin Siong

Tan Wah Choy

Thor Joe Hock

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
Shareholdings in the name of directors	As at 01.05.2018/ Date of appointment	Acquired	Sold	As at 30.06.2019
Direct interest				
Tan Sze Chong	24,029,066	-	-	24,029,066
Tan Boon Wooi	33,065,000	-	-	33,065,000
Heng Ling Jy (appointed on 27 June 2019)	66,666	-	-	66,666
Indirect interest				
Tan Sze Chong#	66,666	-	-	66,666
Heng Ling Jy*	24,029,066	-	-	24,029,066

 # Deemed interested by virtue of his spouse, Heng Ling Jy's shareholdings in the Company.

** Deemed interested by virtue of her spouse, Tan Sze Chong's shareholdings in the Company.*

	Number of Warrants 2013/2018			
Warrants holdings in the name of director	As at 01.05.2018/ Date of appointment	Acquired	Sold	As at 30.06.2019
Direct Interest				
Heng Ling Jy (appointed on 27 June 2019)	16,666	-	(16,666)	-
Indirect interest				
Tan Sze Chong#	16,666	-	(16,666)	-

 # Deemed interested by virtue of his spouse, Heng Ling Jy's warrants holdings in the Company.

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 period did not have any interest in the shares and warrants of the Company or its related corporations during the financial period.

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 period are disclosed in Note 27 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 period.

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 period.

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 per annum.

DIRECTORS' BENEFITS

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the 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 27 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 period 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 period.

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 period 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 period 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 period in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

There is no significant event during the financial period.

AUDITORS

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

The auditors' remuneration is disclosed in Note 24 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 22 October 2019.

TAN SZE CHONG
Director

TAN BOON WOOI
Director

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, TAN SZE CHONG and TAN BOON WOOI, being two of the directors of TECHNODEX BHD., do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 48 to 108 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 June 2019 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 22 October 2019.

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 48 to 108 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 22 October 2019

TAN SZE CHONG

Before me,
KHOR HAN GHEE
COMMISSIONER FOR OATH

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHNODEX BHD.

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 June 2019 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 period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 108.

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 June 2019, and of their financial performance and their cash flows for the period 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 period. 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.

Key audit matters	How our audit addressed the key audit matters
(a) Impairment assessment of intangible assets	
Refer to Note 3.7, 4.2.3 and 6 to the financial statements. As at 30 June 2019, the net carrying amount of intangible assets of the Group and of the Company amounted to RM13,813,400 and RM2,889,856 respectively, which representing for approximately 32% and 7% 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.	We performed the following audit procedures on the value in use ("VIU") calculation which was based on the approved financial budget for 2020 and cash flow projections for the next 5 years with terminal values at the end of year 5. (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;

(a) Impairment assessment of intangible assets (continued)	
	(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) reviewing the adequacy of disclosure in the financial statements. Based on the procedures performed above, we did not find any material exceptions to the directors' conclusion that no impairment is required for intangible assets as at 30 June 2019.

(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 26% 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) reviewed aging of trade receivables and check for adequacy of allowance for doubtful debts; (iii) evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; (iv) assessed 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; (v) assessed the reasonableness of the Group's expected credit loss (ECL) model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the group; (vi) identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; (vii) made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses. 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 period 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. 02453/07/2021(J)]
Chartered Accountant

Date: 22 October 2019

Puchong

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

		Group		Company	
		As at	As at	As at	As at
		30.06.2019	30.04.2018	30.06.2019	30.04.2018
	Note	RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	1,660,240	1,207,986	890,215	163,175
Intangible assets	6	13,813,400	17,007,142	2,889,856	3,927,240
Investment in subsidiary companies	7	-	-	27,301,176	23,051,226
Goodwill on consolidation	8	2,193,792	2,193,792	-	-
		17,667,432	20,408,920	31,081,247	27,141,641
CURRENT ASSETS					
Inventories	9	2,271,120	1,138,774	-	-
Trade receivables	10	10,944,101	13,867,533	759,080	1,895,183
Other receivables	11	2,587,187	2,443,149	131,546	71,460
Amount due from subsidiary companies	12	-	-	5,497,640	5,426,981
Tax recoverable		211,311	150,934	7,454	42,912
Fixed deposits with licensed banks	13	7,739,660	5,428,584	5,456,333	3,551,731
Cash and bank balances		1,222,425	4,594,713	273,388	1,272,709
		24,975,804	27,623,687	12,125,441	12,260,976
TOTAL ASSETS		**42,643,236**	**48,032,607**	**43,206,688**	**39,402,617**

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

	Note	Group As at 30.06.2019 RM	Group As at 30.04.2018 RM	Company As at 30.06.2019 RM	Company As at 30.04.2018 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital and reserves	14	40,862,820	65,702,078	40,862,820	65,702,078
Capital reserves	14	1,339,087	-	1,339,087	-
Accumulated losses	16	(7,788,841)	(24,670,753)	-	(26,976,680)
Total equity attributable to owners of the Company		34,413,066	41,031,325	42,201,907	38,725,398
Non-controlling interest		(594,922)	13,473	-	-
TOTAL EQUITY		**33,818,144**	**41,044,798**	**42,201,907**	**38,725,398**
NON-CURRENT LIABILITIES					
Loan and borrowings	17	364,635	576,171	264,422	-
Deferred taxation	18	-	23,721	-	-
		364,635	599,892	264,422	-
CURRENT LIABILITIES					
Trade payables	19	1,650,047	1,157,087	-	-
Other payables	19	2,100,891	2,029,438	497,013	653,173
Amount due to directors	20	9,336	33,382	-	24,046
Amount due to subsidiary companies	12	-	-	180,082	-
Loan and borrowings	17	4,700,175	3,081,291	63,264	-
Provision for taxation		8	86,719	-	-
		8,460,457	6,387,917	740,359	677,219
TOTAL LIABILITIES		8,825,092	6,987,809	1,004,781	677,219
TOTAL EQUITY AND LIABILITIES		**42,643,236**	**48,032,607**	**43,206,688**	**39,402,617**

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 PERIOD ENDED 30 JUNE 2019

		Group		Company	
		01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018 Restated	01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018
	Note	RM	RM	RM	RM
Revenue	22	63,053,132	56,411,041	1,618,800	14,000
Less: Cost of sales		(46,030,024)	(32,354,046)	-	-
GROSS PROFIT		17,023,108	24,056,995	1,618,800	14,000
Add: Other operating income		763,934	218,895	770,139	138,030
Less: Employment benefits		(6,028,081)	(3,715,140)	(1,329,910)	(520,052)
Less: Depreciation and amortisation		(4,458,061)	(2,834,086)	(1,109,322)	(975,132)
Less: Other expenses		(19,511,194)	(18,840,644)	(1,631,984)	(2,233,107)
LOSS FROM OPERATIONS		(12,210,294)	(1,113,980)	(1,682,277)	(3,576,261)
Less: Finance costs	23	(383,439)	(220,240)	(1,956)	-
LOSS BEFORE TAXATION	24	(12,593,733)	(1,334,220)	(1,684,233)	(3,576,261)
Less: Taxation	25	(43,613)	(401,174)	-	-
LOSS AFTER TAXATION		(12,637,346)	(1,735,394)	(1,684,233)	(3,576,261)
Other comprehensive income:					
Reversal of adjustment of exchange reserve		-	-	-	-
Other comprehensive income for the financial period, net of tax		-	-	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL PERIOD, NET OF TAX		(12,637,346)	(1,735,394)	(1,684,233)	(3,576,261)
LOSS AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		(11,779,001)	(1,834,095)		
Non-controlling interest		(858,345)	98,701		
		(12,637,346)	(1,735,394)		
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL PERIOD, NET OF TAX ATTRIBUTABLE TO:					
Owners of the Company		(11,779,001)	(1,834,095)		
Non-controlling interest		(858,345)	98,701		
		(12,637,346)	(1,735,394)		
Basic loss per share attributable to owners of the Company (sen)	26	(2.05)	(0.40)		

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Note	Group 01.05.2018 to 30.06.2019 RM	Group 01.05.2017 to 30.04.2018 RM	Company 01.05.2018 to 30.06.2019 RM	Company 01.05.2017 to 30.04.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(12,593,733)	(1,334,220)	(1,684,233)	(3,576,261)
Adjustments for:					
Amortisation					
Intangible assets	6	4,086,684	2,508,740	1,037,384	922,228
Depreciation					
Property, plant and equipment	5	371,377	325,346	71,938	52,904
Impairment loss					
Goodwill on consolidation	8	-	519,750	-	-
Investment in a subsidiary company	7	-	-	-	519,750
Intangibles assets	6	1,719,126	-	-	-
Property, plant and equipment	5	-	117,417	-	-
Trade receivables	10	429,506	62,328	-	-
Other receivables	11	-	105,560	-	-
Bad debts written off	11	403,515	171,079	-	-
Intangible assets written off	6	-	13,044	-	-
Interest expenses	23	383,439	220,240	1,956	-
Interest income	24	(281,955)	(176,432)	(292,103)	(138,030)
Property, plant and equipment written off	5	294,817	19,012	98,807	-
Operating (loss)/profit before working capital changes		(5,187.224)	2,551,864	(766,251)	(2,219,409)
Increase in inventories		(1,114,902)	(105,872)	-	-
Decrease/(increase) in receivables		2,031,373	3,763,144	1,076,017	(408,426)
Increase/(decrease) in payables		627,848	(1,851,109)	(136,160)	142,195
Cash (used in)/generate from operations		(3,642,905)	4,358,027	173,606	(2,485,640)
Interest received		281,955	176,432	292,103	138,030
Interest paid		(383,439)	(220,240)	(1,956)	-
Income tax refund		140,837	26,600	45,392	26,600
Income tax paid		(355,259)	(494,302)	(9,934)	(22,692)
Net cash (used in)/generated from operating activities		**(3,958,811)**	**3,846,517**	**499,211**	**(2,343,702)**

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

		Group		Company	
		01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018	01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018
	Note	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in fixed deposits with maturity of more than 3 months		(2,163,310)	(1,943,096)	(1,096,310)	(3,043,096)
Fixed deposit placed as security value		659,526	(875,853)	-	-
Proceed from sale of property, plant and equipment		13,000	37,500	13,000	-
Addition of intangible assets	6	(2,740,503)	(5,112,424)	-	-
Purchase of property, plant and equipment	5	(1,168,892)	(666,632)	(930,002)	(21,774)
Net cash (used in)/generate from investing activities		**(5,400,179)**	**(8,560,505)**	**(2,013,312)**	**(3,064,870)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		249,950	6,917,330	-	6,917,330
Proceeds from conversion of warrants		5,160,742	55,000	5,160,742	55,000
Proceeds from loan and borrowings, net of repayment		(1,526,585)	(1,098,434)	327,686	-
Repayment to subsidiary companies		-	-	(4,141,310)	-
(Repayment to)/ advance from directors		(24,046)	25,983	(24,046)	24,046
Net cash generated from financing activities		3,860,061	5,899,879	1,323,072	6,996,376
Net (decrease)/increase in cash and cash equivalents		(5,498,929)	1,185,891	(191,029)	1,587,804
Cash and cash equivalents as at beginning of the financial period		3,598,193	2,412,302	1,781,344	193,540
Cash and cash equivalents as at end of the financial period		**(1,900,736)**	**3,598,193**	**1,590,315**	**1,781,344**
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks	13	7,739,660	5,428,584	5,456,333	3,551,731
Cash and bank balances		1,222,425	4,594,713	273,388	1,272,709
		8,962,085	10,023,297	5,729,721	4,824,440
Fixed deposits with maturity of more than 3 months	13	(4,139,406)	(3,043,096)	(4,139,406)	(3,043,096)
Bank overdraft	17	(4,440,088)	(1,506,155)	-	-
Deposits held as security value*	13	(2,283,327)	(1,875,853)	-	-
		(1,900,736)	**3,598,193**	**1,590,315**	**1,781,344**

* Included in deposits held as security value, there is fixed deposits with maturity of more than 3 months amounted to RM2,067,000 (30.04.2018: RM1,000,000).

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

		Attributable to owners of the Company						
		Non-distributable						
Group	Note	Share Capital RM	Share Premium RM	Capital Reduction Reserves RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Balance as at 1 May 2018		65,702,078	-	-	(24,670,753)	41,031,325	13,473	41,044,798
Contribution by Owners of the Company								
- Conversion of warrant	14	5,160,742	-	-	-	5,160,742	-	5,160,742
Acquisition of non-controlling interest		-	-	-	-	-	249,950	249,950
Capital reduction	14	(30,000,000)	-	30,000,000	-	-	-	-
Utilisation of capital reduction credit:								
- to write off accumulated losses		-	-	(26,976,680)	26,976,680	-	-	-
- to write off current financial period loss		-	-	(1,684,233)	1,684,233	-	-	-
Loss and total comprehensive expense for the financial period	16	-	-	-	(11,779,001)	(11,779,001)	(858,345)	(12,637,346)
Balance as at 30 June 2019		**40,862,820**	**-**	**1,339,087**	**(7,788,841)**	**34,413,066**	**(594,922)**	**33,818,144**
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 and distributions to 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		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	16	-	-	-	(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**

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

Company	Note	Share Capital RM	Share Premium RM	Capital Reduction Reserves RM	Accumulated Losses RM	Total Equity RM
		Attributable to owners of the Company				
		Non-distributable				
Balance as at 1 May 2018		65,702,078	-	-	(26,976,680)	38,725,398
Contribution by Owners of the Company						
- Issuance of shares	14	-	-	-	-	-
- Conversion of warrant	14	5,160,742	-	-	-	5,160,742
Capital reduction		(30,000,000)	-	30,000,000	-	-
Utilisation of capital reduction credit:						
- to write off accumulated losses		-	-	(26,976,680)	26,976,680	-
- to write off current financial period loss		-	-	(1,684,233)	1,684,233	-
Loss and total comprehensive expense for the financial period	16	-	-	-	(1,684,233)	(1,684,233)
Balance as at 30 June 2019		**40,862,820**	**-**	**1,339,087**	**-**	**42,201,907**
Balance as at 1 May 2017		41,293,329	1,303,919	-	(23,400,419)	19,196,829
Contribution by and distributions to 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		1,303,919	(1,303,919)	-	-	-
Loss and total comprehensive expense for the financial year	16	-	-	-	(3,576,261)	(3,576,261)
Balance as at 30 April 2018		**65,702,078**	**-**	**-**	**(26,976,680)**	**38,725,398**

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

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. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Unit E-07-03, Menara Suezcap 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.

The Group and the Company changed its accounting period end from 30 April to 30 June. Therefore, the financial period covered in these financial statements is for a period of 14 months from 1 May 2018 to 30 June 2019. Thereafter, the financial year of the Company shall revert to twelve (12) months ending 30 June, for each subsequent year. The comparatives are for the financial year from 1 May 2017 to 30 April 2018.

The consolidated financial statements of the Company as at and for the financial period ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial period ended 30 June 2019 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 period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 October 2019.

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 except for the changes stated in Note 2.4.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial period, 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 2018:

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
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

The adoption of the above pronouncements did not have any material 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 2019

Amendments to MFRS 9	Prepayment Features with Negative Compensation
MFRS 16	Leases
Amendments to MFRS 112	Income Taxes
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs
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
Amendments to IC Interpretation 12	Service Concession Arrangements
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible assets - Website Costs

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	Consolidated Financial Statements

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 Standards described below:

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.3 Standards issued but not yet effective (continued)

2.3.1 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.

2.4 Changes in accounting policies and disclosures

In the current period, the Group and the Company have applied MFRS 15 and MFRS 9 which are effective for an annual period that begins on or after 1 May 2018. As the Group and the Company financial statements commenced on 1 May 2018, the initial date of application is therefore 1 May 2018. Several other amendment and interpretations are also applied for the first time in 2018, but do not have a material effect on the financial statements of the Group and the Company. The Group and the Company have not early adopted any standards, interpretations or amendments that have been issued but not yet effective.

The changes of the new standards are described below:

2.4.1 MFRS 9 Financial Instruments

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

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

Hedge accounting is not applicable to the Group.

The Group and the Company applied MFRS 9 prospectively, with an initial application of 1 May 2018. As permitted by the standard, the Group and the Company have elected not to restate the comparative information, which continues to be reported under MFRS 139. Under this method, any differences arising fromthe adoption ofMFRS 9, are recognised directly in retained earnings and other components of equity as at 1 May 2018.

(a) Classification and measurement

Under MFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income (OCI). The classification is based on two criteria, which are the Group's and the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.4 Changes in accounting policies and disclosures (continued)

2.4.1 MFRS 9 Financial Instruments (continued)

(a) Classification and measurement (continued)

The assessment of the Group's and the Company's business model were made as of the date of initial application, 1 May 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of MFRS 9 did not have a significant impact on the Group and the Company as at 1 May 2018 and as at reporting date 30 June 2019. The Group and the Company continued measuring at fair value all financial assets previously held at fair value under MFRS 139. The following are the changes in the classification of the Group's and the Company's financial assets:

(i) Trade receivables and other current financial assets previously classified as Loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as financial assets measured at amortised cost beginning 1 May 2018.

(ii) The Group's investments in equity instruments (not held for trading) that were previously classified as Available for sale financial assets and were measured at fair value at each reporting date under MFRS 139 have been designated as at fair value through OCI. The change in fair value on these equity instruments continues to be accumulated in the fair value reserve.

The Group and the Company have not designated any financial liabilities at fair value through profit or loss. There are no changes in classification and measurement for the Group's and the Company's financial liabilities.

(b) Impairment

The adoption of MFRS 9 has fundamentally changed the Group's and the Company's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. MFRS 9 requires the Group and the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Based on the assessment performed, the impairment requirements of MFRS 9 did not have a significant impact on the Group and the Company as at 1 May 2018 and as at reporting date 30 June 2019.

2.4.2 Revenue from contracts with customers

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

The 5-step approach to revenue recognition:

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

MFRS 15 requires the Group and the Company to exercise judgement, taking into consideration all by the relevant facts and circumstances when applying each of the above steps to the contracts with their customers.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.4 Changes in accounting policies and disclosures (continued)

2.4.2 Revenue from contracts with customers (continued)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The standard also specifies the accounting for the incremental costs of obtaining and costs directly related to fulfilling a contract.

The Group and the Company adopted MFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 May 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group and the Company elected to apply the standard to all contracts as at 1 May 2018. The comparative information was not restated.

The details of the significant changes and impact of the changes are set out below.

2.4.2.1 Sales of Computer hardware and Peripheral

Previously, the Group and the Company recognised revenue for all computer hardware and peripheral products when the 'significant risks and rewards' of ownerships of the goods have been transferred to the buyer.

Under MFRS 15, revenue is recognised at the point in time when the customer 'obtains control' of goods, which is generally at the time of delivery.

There is no material impact arising from the adoption of MFRS 15.

2.4.2.2 Sales of Services

Previously, the Group and the Company recognised revenue for all services when the 'significant risks and rewards' of ownerships of the services have been transferred to the buyer.

Under MFRS 15, revenue is recognised at the point in time upon the customer acceptance of the services or period of time as per stated in contract with customer, which is generally at the time of delivery.

There is no material impact arising from the adoption of MFRS 15.

2.5 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.

2.6 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 June 2019.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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.

3.3 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

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.

3.4 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 period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

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%
Electrical and equipment	20%
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.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Current financial period

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company have applied the practical expedient, the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Comparing to MFRS 139, financial assets were previously classified in one of four measurement models such as fair value through profit or loss (FVTPL), loans and receivables, Held-To-Maturity ("HTM") investments and Available-For-Sale ("AFS") financial assets.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.10.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade receivables, cash and bank, fixed deposits and amount owing from subsidiaries and amount owing from related parties.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial assets (continued)

3.10.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company do not hold any debt instruments at FVOCI in the current and previous financial period.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company do not hold any equity instruments at FVOCI in the current and previous financial period.

3.10.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets categorised as fair value through profit or loss are measured in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial assets (continued)

3.10.3 Financial assets at FVTPL (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

(a) the economic characteristics and risks are not closely related to the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

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

Previous financial year

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.

In the previous financial year, financial assets of the Group and the Company were classified and measured under MFRS 139, Financial Instruments: Recognition and Measurement as follows:

3.10.4 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 previous financial year end.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial assets (continued)

3.10.5 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 previous financial year end.

3.10.6 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.

3.10.7 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 fromequity 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 previous financial year end.

Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to other party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of financial assets

The Group and the Company have applied MFRS 9 – Financial Instruments prospectively, with an initial application date of 1 May 2018. As permitted by MFRS 9, the Group and the Company have elected not to restate comparatives.

Current Financial Period

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset,while the 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(a) Simplified approach for trade receivables, and amounts due from related parties

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and amount due from related parties.

Note 10 set out the measurement details of ECL.

(b) General 3-stage approach for other receivables and loans to subsidiaries

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Note 10 set out the measurement details of ECL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of financial assets (continued)

Previous Financial Year

(i) 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.

(ii) AFS financial assets

In the case of equity investments classified as AFS, objective evidencewould 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.

3.13 Financial liabilities

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

Current Financial Period

The categories of financial liabilities at an initial recognition are as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial liabilities (continued)

3.13.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to bemeasured at amortised cost at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or

(c) if a contract contains one or moreembedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company do not have financial liabilities at FVTPL in the current and previous financial period.

3.13.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

3.13.3 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.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

(a) the amount of the loss allowance; and

(b) the amount initially recognised less,when appropriate, the cumulativeamount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

Derecognition

A financial liability or a part of it is derecognisedwhen, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

3.13 Financial liabilities (continued)

Previous financial year

Financial labilities

In the previous financial year, financial liabilities of the Group and the Company were subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

FVTPL category comprised financial liabilities that were derivatives or financial liabilities that were specifically designated into this category upon initial recognition.

Derivatives that were linked to and must be settled by delivery of unquoted equity instruments that did not have a quoted price in an active market for identical instruments whose fair values otherwise could not be reliably measured were measured at cost.

Financial liabilities categorised as FVTPL were subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Financial guarantee contracts

In the previous financial year, 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.

3.14 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 the 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 termso 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 straightline 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 prepayment for liquidity services and amortised over the period of the facility to which it relates.

3.16 Income tax

3.16.1 Current tax

Current tax assets and liabilities are measured at theamount expected to be recovered fromor 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 fromthe 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Income tax (continued)

3.16.2 Deferred tax (continued)

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.

3.18 Revenue and other income

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 at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivables, net of discounts and taxes applicable to the revenue.

In the comparative period, revenue from sale of goods was recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

3.18.2 Services

Revenue from services is recognised at the point in time when the customer acceptance of the services or period of time as per stated in contract with customer which is generally at the time of delivery.

In the comparative period, 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 period 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 periods. The contributions are charged as an expense in the financial period 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").

3.20 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 aremeasured 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 determinewhether 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amaterial 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 Provision for expected credit losses of trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 10.

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 18.

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	Electrical and equipment RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment RM	Tele-communication equipment RM	Renovation RM	Total RM
As at 30.06.2019										
At cost										
Balance as at 1 May 2018	-	1,108,009	-	572,845	350,500	341,244	202,275	30,049	379,075	2,983,997
Additions	-	36,170	51,695	277,535	-	365,142	95,626	-	342,724	1,168,892
Disposal/written off	-	(31,970)	-	(486,853)	-	-	(61,941)	-	(333,355)	(914,119)
Transfer	-	(16,661)	-	-	-	-	(783)	-	-	(17,444)
Balance as at 30 June 2019	-	1,095,548	51,695	363,527	350,500	706,386	235,177	30,049	388,444	3,221,326
Less: Accumulated depreciation										
Balance as at 1 May 2018	-	454,516	-	434,318	233,083	193,628	164,910	30,000	148,139	1,658,594
Charge for the financial period		206,338	862	25,910	-	80,633	7,865	9	49,760	371,377
Disposal/written off		(20,430)	-	(387,940)	-	-	(38,619)	-	(139,313)	(586,302)
Transfer	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	-	640,424	862	72,288	233,083	274,261	134,156	30,009	58,586	1,443,669
Less: Accumulated impairment losses										
Balance as at 1 May 2018	-	-	-	-	117,417	-	-	-	-	117,417
Charge for the financial period	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	-	-	-	-	117,417	-	-	-	-	117,417
Net carrying amount										
Balance as at 30 June 2019	**-**	**455,124**	**50,833**	**291,239**	**-**	**432,125**	**101,021**	**40**	**329,858**	**1,660,240**

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

The Group	Building RM	Computer and software RM	Electrical and equipment RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment RM	Telecommunication equipment RM	Renovation RM	Total RM
As at 30.04.2018										
At cost										
BBalance 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 Company	Computer and software RM	Electrical and equipment RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
As at 30.06.2019							
At cost							
Balance as at 1 May 2018	20,632	-	241,669	-	106,948	188,455	557,704
Additions	-	51,695	255,998	365,142	33,078	224,089	930,002
Disposal/written off	-	-	(236,301)	-	(27,371)	(196,743)	(460,415)
Transfer	783	-	-	-	-	-	783
Balance as at 30 June 2019	21,415	51,695	261,366	365,142	112,655	215,801	1,028,074
Less: Accumulated depreciation							
Balance as at 1 May 2018	17,989	-	216,981	-	88,868	70,691	394,529
Charge for the financial period	2,301	862	5,240	24,343	4,106	35,086	71,938
Disposal/written off	-	-	(215,873)	-	(10,554)	(102,181)	(328,608)
Balance as at 30 June 2019	20,290	862	6,348	24,343	82,420	3,596	137,859
Net carrying amount							
Balance as at 30 June 2019	**1,125**	**50,833**	**255,018**	**340,799**	**30,235**	**212,205**	**890,215**
As at 30.04.2018							
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
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
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**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Computer and software	421,893	180,291	12,832	10,594
Furniture and fittings	40,682	264,792	3,750	211,707
Motor vehicles	100,000	99,999	-	-
Office equipment	135,542	137,718	72,167	68,840
Tele-communication equipment	29,999	23,201	-	-
Renovation	54,008	54,008	-	-
	782,124	**760,009**	**88,749**	**291,141**

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

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Computer and software	291,354	393,328	-	-
Motor vehicles	432,125	147,616	340,779	-
	723,479	**540,944**	**340,779**	**-**

(iii) Purchase of property, plant and equipment

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Cost of property, plant and equipment purchased	1,168,892	666,632	930,002	21,774
Less: Amount financed through loan and borrowings	(365,142)	(437,032)	(365,142)	-
Cash disbursed for purchase of property, plant and equipment	**803,750**	**229,600**	**564,860**	**21,774**

6. INTANGIBLE ASSETS

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
At cost				
Balance as at beginning of the financial period/year	44,874,955	39,775,575	21,147,337	21,147,337
Additions	2,740,503	5,112,424	-	-
Disposal/written off	(128,435)	(13,044)	-	-
Balance as at end of the financial period/year	47,487,023	44,874,955	21,147,337	21,147,337
Less: Accumulated amortisation				
Balance as at beginning of the financial period/year	27,867,813	25,359,073	17,220,097	16,297,869
Charge for the financial period/year	4,086,684	2,508,740	1,037,384	922,228
Balance as at end of the financial period/year	31,954,497	27,867,813	18,257,481	17,220,097
Less: Accumulated impairment loss				
Balance as at beginning of the financial period/year	-	-	-	-
Charge for the financial period/year	1,719,126	-	-	-
Balance as at end of the financial period/year	1,719,126	-	-	-
Net carrying amount				
Balance as at end of the financial period/year	**13,813,400**	**17,007,142**	**2,889,856**	**3,927,240**

Intangible assets of the Group and of the Company relate to the SurfsTeK rSupport Intelligent Solutions, SurfsTeK GlobaLinQ System, Property Advisor, and e-HR.

During the financial period, the Company has impaired intangible assets such as Technodex Platform, Do Not Call List, E-HR Mymedical, E-HR Foodhandler and E-lending.

Included in the intangible assets of the Group and of the Company at the end of the reporting period were staff costs amounting to RM600,419 (30.04.2018: RM2,364,311) and RM Nil (30.04.2018: RM Nil) respectively.

During the financial period, the Group has assessed the recoverableamounts of the intangible assets and determined that no impairment is required. Their recoverableamounts are determined using the value-in-use approach, and this is derived from the present value of the future cash flows fromthe 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)	Risks adjusted discount rate relating to the relevant CGUs.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company As at 30.06.2019 RM	Company As at 30.04.2018 RM
Unquoted shares, at cost		
Balance as at beginning of the financial period/year	23,570,976	7,438,476
Additions	4,249,950	16,132,500
Balance as at end of the financial period/year	27,820,926	23,570,976
Less: Accumulated impairment losses		
Balance as at beginning of the financial period/year	519,750	-
Impairment losses recognised during the financial period/year	-	519,750
Balance as at end of the financial period/year	519,750	519,750
Net carrying amount		
Balance as at end of the financial period/year	**27,301,176**	**23,051,226**

Company

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

Name of subsidiaries	Effective equity interest		Principal activities
	As at 30.06.2019	As at 30.04.2018	
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%	100%	Providing information technology products and related services, and carrying out relevant research and development activities.
Idealseed Resources Sdn. Bhd.^	97%	97%	Provision of employment, consultancy and management services.

Subsidiary company of Idealseed Resources Sdn. Bhd.

Name of subsidiary	Effective equity interest		Principal activities
	As at 30.06.2019	As at 30.04.2018	
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
	As at 30.06.2019	As at 30.04.2018	
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.

During the financial period:-

(i) On 01 November 2018, the Company acquired and subscribed an additional of 4,000,000 ordinary shares of RM1 each in Technodex Solutions Sdn. Bhd. via capitalisation of amount owing by Technodex Solutions Sdn. Bhd. for a total consideration of RM4,000,000.

(ii) On 12 June 2019, the Company acquired and subscribed an additional of 249,950 ordinary shares of RM1 each in MyProperty Data Sdn. Bhd. via capitalisation of amount owing by MyProperty Data Sdn. Bhd. for a total consideration of RM249,950.

8. GOODWILL ON CONSOLIDATION

	Group	
	As at 30.06.2019 RM	As at 30.04.2018 RM
At cost		
Balance as at beginning and end of the financial period/year	2,713,542	2,713,542
Less: Accumulated impairment losses		
Balance as at beginning of the financial period/year	519,750	-
Impairment losses recognised during the financial period/year	-	519,750
Balance as at end of the financial period/year	519,750	519,750
Net carrying amount		
Balance as at end of the financial period/year	**2,193,792**	**2,193,792**

The Group considers each subsidiary company as a single CGU and the carryingamount 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.

8. GOODWILL ON CONSOLIDATION (continued)

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

	As at 30.06.2019 %	As at 30.04.2018 %
Gross margin	17 - 47	18 - 29
Growth rate	(10) - 49	(11) - 58
Discount rate	7.30	10.36 - 13.38

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

	Group	
	As at 30.06.2019 RM	As at 30.04.2018 RM
At cost		
Trading stocks	2,271,120	1,138,774
Recognised in profit or loss		
Inventories recognised as cost of sales	45,494,723	32,022,163

10. TRADE RECEIVABLES

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Trade receivables				
- third parties	11,615,935	14,109,861	-	-
- subsidiary companies	-	-	759,080	1,895,183
Trade receivables - gross	11,615,935	14,109,861	759,080	1,895,183
Less: Allowance for impairment losses	(671,834)	(242,328)	-	-
Trade receivables - net	10,944,101	13,867,533	759,080	1,895,183

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.

10. TRADE RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Group

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

As at 30.06.2019	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial period	-	242,328	242,328
Provision for impairment losses	-	429,506	429,506
Balance as at end of the financial period	-	671,834	671,834

As at 30.04.2018	RM
Balance as at beginning of the financial year	180,000
Provision for impairment losses	62,328
Balance as at end of the financial year	242,328

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 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 theamounts provided for collection losses is inherent in the net trade receivables.

Group

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

		Provision for impairment loss		
As at 30.06.2019	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	1,992,787	-	-	1,992,787
Past due 1 - 30 days	1,959,127	-	-	1,959,127
Past due 31 - 60 days	2,198,750	-	-	2,198,750
Past due 61 - 90 days	254,008	-	-	254,008
More than 90 days past due	4,539,429	-	-	4,539,429
Impaired	10,944,101	-	-	10,944,101
Credit Impaired				
Neither past due	-	-	-	-
Past due 1 - 30 days	-	-	-	-
Past due 31 - 60 days	-	-	-	-
More than 90 days past due	671,834	-	(671,834)	-
	11,615,935	-	(671,834)	10,944,101

10. TRADE RECEIVABLES (continued)

As at 30.04.2018	Gross carrying amount RM	Provision for impairment loss RM	Net balance RM
Neither past due	3,619,319	-	3,619,319
Past due 1 - 30 days	2,080,500	-	2,080,500
Past due 31 - 60 days	1,840,797	-	1,840,797
Past due 61 - 90 days	1,231,151	-	1,231,151
	8,771,767	-	8,771,767
Credit Impaired			
More than 90 days past due	5,338,094	(242,328)	5,095,766
	14,109,861	(242,328)	13,867,533

Company

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

		Provision for impairment loss		
As at 30.06.2019	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	114,400	-	-	114,400
Past due 1 - 30 days	95,880	-	-	95,880
Past due 31 - 60 days	84,600	-	-	84,600
Past due 61 - 90 days	56,400	-	-	56,400
More than 90 days past due	407,800	-	-	407,800
	759,080	-	-	759,080
Credit Impaired				
Neither past due	-	-	-	-
Past due 1 - 30 days	-	-	-	-
Past due 31 - 60 days	-	-	-	-
More than 90 days past due	-	-	-	-
	759,080	-	-	759,080

As at 30.04.2018	Gross carrying amount RM	Provision for impairment loss RM	Net balance RM
Neither past due	-	-	-
Past due 1 - 30 days	-	-	-
Past due 31 - 60 days	-	-	-
Past due 61 - 90 days	1,895,183	-	1,895,183
	1,895,183	-	1,895,183
Credit Impaired			
More than 90 days past due	-	-	-
	1,895,183	-	1,895,183

10. TRADE RECEIVABLES (continued)

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

The Group's normal trade credit term range from 30 to 60 days (30.04.2018: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

There was no material impact on the classification and measurement recognised in relation to these financial assets and financial liabilities from the adoption of MFRS 9.

11. OTHER RECEIVABLES

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Deposits	229,657	193,205	88,280	9,500
GST receivables	199,813	1,015,388	3,141	25,910
Other receivables	1,041,064	1,039,385	-	-
Less: Written off	(403,515)	-	-	-
	837,362	2,054,773	3,141	25,910
Prepayments	1,625,728	300,731	40,125	36,050
	2,692,747	2,548,709	131,546	71,460
Less: Allowance for impairment losses	(105,560)	(105,560)	-	-
	2,587,187	2,443,149	131,546	71,460

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

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

	Group	
	As at 30.06.2019 RM	As at 30.04.2018 RM
Balance as at beginning of the financial period/year	105,560	-
Impairment losses recognised during the financial period/year	-	105,560
Balance as at end of the financial period/year	105,560	105,560

12. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

	Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM
Amount due from subsidiary companies	12,740,522	12,669,863
Less: Allowance for impairment losses	(7,242,882)	(7,242,882)
Amount due from subsidiary companies - net	5,497,640	5,426,981
Amount due to subsidiary companies	180,082	-

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 period are as follows:

	As at 30.06.2019 RM	As at 30.04.2018 RM
Balance as at beginning and end of the financial period/year	7,242,882	7,242,882

13. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
With maturity of 1 to 3 months	1,533,254	1,385,488	1,316,927	508,635
With maturity of more than 3 months	6,206,406	4,043,096	4,139,406	3,043,096
	7,739,660	5,428,584	5,456,333	3,551,731

Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM2,283,327 (30.04.2018: RM1,875,853) 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:

	Group	
	As at 30.06.2019	As at 30.04.2018
Effective interest rates	2.65% - 3.8%	2.90% - 3.50%
Maturity period	one month to one year	one month to one year

	Company	
	As at 30.06.2019	As at 30.04.2018
Effective interest rates	3.30% - 3.80%	3.30% - 3.50%
Maturity period	one to seven months	one to six months

14. SHARE CAPITAL

	Group/Company			
	As at 30.06.2019	As at 30.04.2018	As at 30.06.2019	As at 30.04.2018
	Number of shares (units)		RM	RM
Issued and fully paid up:				
Balance as at beginning of the financial period/year	543,505,290	412,933,290	65,702,078	41,293,329
Issued during the financial period/year	-	130,072,000	-	23,049,830
Conversion of warrant	46,915,833	500,000	5,160,742	55,000
Reduction in share capital	-	-	(30,000,000)	-
Transition to no-par value regime	-	-	-	1,303,919
Balance as at end of the financial period/year	590,421,123	543,505,290	40,862,820	65,702,078

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.

During the financial period, the Company increased its issued and paid up share capital by issuance of 46,915,833 new ordinary shares through conversion of warrants into ordinary shares at an issue price of RM0.11 per share for cash.

During the financial period, the High Court of Malaya had on 13 February 2019 granted the order confirming the Company to reduce its issued share capital from RM70,862,819.43 (which is inclusive of the Company's share premium account of RM1,303,918.80) to RM40,862,819.43 by RM30,000,000.00 ("Share Capital Reduction"). The sealed order of the High Court of Malaya confirming the Share Capital Reduction has been lodged with the Companies Commission of Malaysia on 18 February 2019. Pursuant thereto, the Share Capital Reduction has been completed on 18 February 2019.

15. WARRANTS 2013/2018

	Group/Company	
	As at 30.06.2019	As at 30.04.2018
	RM	RM
No. of outstanding warrants		
Balance as at beginning of the financial period/year	84,166,350	84,666,350
Exercised during the financial period/year	(46,915,833)	(500,000)
Warrant lapsed during the financial period	(37,250,517)	-
Balance as at end of the financial period/year	-	84,166,350

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 have lapsed on 21 September 2018.

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.

16. ACCUMULATED LOSSES

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

17. LOAN AND BORROWINGS

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Current liabilities				
Secured				
Bank overdraft	4,440,088	1,506,155	-	-
Finance lease	260,087	179,845	63,264	-
Term loan	-	1,395,291	-	-
	4,700,175	3,081,291	63,264	-
Non-current liabilities				
Secured				
Finance lease	364,635	330,526	264,422	-
Term loan	-	245,645	-	-
	364,635	576,171	264,422	-
Total loan and borrowings				
Secured				
Bank overdraft	4,440,088	1,506,155	-	-
Finance lease	624,722	510,371	327,686	-
Term loan	-	1,640,936	-	-
	5,064,810	3,657,462	327,686	-

	Group		Company	
	As at 30.06.2019 %	As at 30.04.2018 %	As at 30.06.2019 %	As at 30.04.2018 %
Rates of interest charged per annum:				
Bank overdraft	BLR + 1.25	BLR + 1.25	-	-
Finance lease	5.10 - 7.95	5.10 - 7.95	1.78	-
Term loan	-	5.00	-	-

(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.

17. LOAN AND BORROWINGS (continued)

(b) Finance lease liabilities

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Minimum lease payment				
Not later than one year	284,796	211,176	73,620	-
Later than one year and not later than five years	384,660	351,167	282,192	-
	669,456	562,343	355,812	-
Future finance charges on finance lease	(44,734)	(51,972)	(28,126)	-
Present value of finance lease liabilities	624,722	510,371	327,686	-
Present value of finance lease is analysed as follows:				
Current liabilities				
Not later than one year	260,087	179,845	63,264	-
Non-current liabilities				
Later than one year and not later than five years	364,635	330,526	264,422	-
	624,722	510,371	327,686	-

(c) Term loan

	Group	
	As at 30.06.2019 RM	As at 30.04.2018 RM
Repayable:		
Not later than one year	-	1,395,291
Later than one year and not later than five years	-	245,645
More than five years	-	-
	-	1,640,936

The repayment term are as follows:

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

Term loan is secured by the following:

(i) The term loan has been fully repaid during the financial period.

18. DEFERRED TAXATION

The following are the movements of deferred tax liabilities:

	Group	
	As at 30.06.2019 RM	As at 30.04.2018 RM
Balance as at beginning of the financial period/year	23,721	62,630
Recognised in profit or loss (Note 25)	(23,721)	(38,909)
Balance as at end of the financial period/year	-	23,721

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

	Group	
	As at 30.06.2019 RM	As at 30.04.2018 RM
Excess of capital allowances over corresponding depreciation	-	23,721

Unrecognised deferred tax assets

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

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Unabsorbed capital allowances	1,175,564	667,481	1,080,530	663,842
Unutilised tax losses	19,111,496	14,596,836	8,783,472	8,394,990
Other temporary differences	(565,693)	(501,611)	(549,673)	(472,650)
	19,721,367	14,762,706	9,314,329	8,586,182
Unrecognised deferred tax assets at 24% (30.04.2018: 24%)	4,733,128	3,543,049	2,235,439	2,060,684

The unabsorbed capital allowances can be carried forward indefinitely and unutilised tax losses can be carried forward for a maximum seven (7) consecutive years of assessment effective from year 2019 and it can only be utilised against income from the same business source. 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.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Trade payables	1,650,047	1,157,087	-	-
Add:				
Accruals	1,156,616	905,909	328,599	281,167
Deposits received	15,126	5,000	-	-
Due to subsidiaries	-	-	-	-
GST payables	-	108,795	-	-
Other payables	929,149	1,009,734	168,414	372,006
	2,100,891	2,029,438	497,013	653,173
Total financial liabilities carrying at amortised costs	3,750,938	3,186,525	497,013	653,173

Included in accruals is an amount of RM235,700 (30.04.2018: RM192,538) 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 (30.04.2018: 30 to 60 days).

20. AMOUNT DUE TO DIRECTORS

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

21. NET ASSETS PER SHARE

	Group	
	As at 30.06.2019 RM	As at 30.04.2018 RM
Net assets (RM)	33,818,144	41,044,798
Number of issued ordinary shares as at 30 June/April (units)	590,421,123	543,505,290
Net assets per share (RM)	0.06	0.08

22. REVENUE

	Group		Company	
	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM
Sales of goods, license fee and invoiced value of services provided	63,053,132	56,411,041	-	14,000
Management fee income	-	-	1,618,800	-
	63,053,132	56,411,041	1,618,800	14,000

23. FINANCE COSTS

	Group	
	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM
Bank overdraft interest	249,618	7,932
Term loan interest	-	186,313
Finance lease interest	133,821	25,995
	383,439	220,240

24. LOSS BEFORE TAXATION

		Group		Company	
	Note	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM
Loss before taxation is arrived at:					
after charging					
Amortisation of intangible assets	6	4,086,684	2,508,740	1,037,384	922,228
Auditors' remuneration:					
Statutory audit		143,000	141,000	45,000	45,000
Non-statutory audit					
- current year		4,000	-	4,000	-
- previous year		4,000	-	4,000	-
Bad debts written off	11	403,515	171,079	-	-
Depreciation:					
Property, plant and equipment	5	371,377	325,346	71,938	52,904
Directors' remuneration:					
Fees	27	167,700	114,538	167,700	114,538
Other emoluments	27	800,626	941,905	280,000	451,932
Finance costs	23	383,439	220,240	1,956	-
Impairment loss on:					
Intangible assets	6	1,719,126	-	-	-
Goodwill on consolidation	7	-	519,750	-	-
Investment in a subsidiary company	7	-	-	-	519,750
Property, plant and equipment	5	-	117,417	-	-
Trade receivables	10	429,506	62,328	-	-
Other receivables	11	-	105,560	-	-
Property, plant and equipment written off	5	294,817	19,012	98,807	-
Loss on foreign exchange:					
Realised		27,932	4,069	-	-
Loss on fraudulent booking		8,638	-	-	-
Rental of computer equipments		55,588	86,773	-	-

24. LOSS BEFORE TAXATION (continued)

		Group		Company	
		01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018	01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018
	Note	RM	RM	RM	RM
Rental of premises		391,099	493,791	137,376	141,678
Rental of warehouse		118,795	72,000	-	-
Research cost expensed off		1,298,500	-	-	-
Staff costs:					
Salaries and other benefits		5,431,303	3,332,385	1,193,822	466,221
Employee's provident fund		596,778	382,755	136,088	53,831
Contractor costs:					
Salaries and other benefits		8,454,730	8,336,183	-	-
Employee's provident fund		441,020	542,446	-	-
after crediting					
Gain on foreign exchange:					
Realised		-	-	-	-
Unrealised		3,765	42,463	-	-
Interest income		281,955	176,432	292,103	138,030
Management fee	22	-	-	1,618,800	-

25. TAXATION

	Group		Company	
	01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018	01.05.2018 to 30.06.2019	01.05.2017 to 30.04.2018
	RM	RM	RM	RM
Current				
Provision for current financial period	-	457,917	-	-
Under/(over) provision in previous financial year	67,334	(17,834)	-	-
	67,334	440,083	-	-
Deferred taxation (Note 18)				
Recognised in the income statement	(639,570)	(6,626)	-	-
Under/(over) provision in previous financial year	615,849	(32,283)	-	-
	(23,721)	(38,909)	-	-
Tax expenses for current financial period	43,613	401,174	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (30.04.2018: 24%) of the estimated assessable (loss)/profit for the financial period.

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 and My Property Data Sdn. Bhd. has applied for inclusive of its new product into the new Pioneer Status Certificate. The application is pending relevant authority's approval.

25. 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:

	Group		Company	
	01.05.2018 to 30.06.2019	**01.05.2017 to 30.04.2018**	**01.05.2018 to 30.06.2019**	**01.05.2017 to 30.04.2018**
	RM	**RM**	**RM**	**RM**
Loss before taxation	(12,593,733)	(1,334,220)	(1,684,233)	(3,576,261)
Tax at the statutory tax rate of 24% (30.04.2018: 24%)	(3,022,496)	(320,213)	(404,216)	(858,303)
Deferred tax assets not recognised during the financial period	1,194,364	578,450	179,052	354,327
Non-deductible expenses	1,293,979	907,091	225,164	503,976
Non-taxable income	(105,417)	(714,037)	-	-
Under/(Over) provision of taxation in previous financial year	67,334	(17,834)	-	-
Under/(Over) provision of deferred taxation in previous financial year	615,849	(32,283)	-	-
Utilisation of previously unrecognised deferred tax assets	-	-	-	-
Tax expenses for the current financial period	43,613	401,174	-	-

26. LOSS PER SHARE

(a) Basic loss per ordinary share

The calculation of basic loss per ordinary share at 30 June 2019 is based on the loss attributable to ordinary shareholders and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	01.05.2018 to 30.06.2019	**01.05.2017 to 30.04.2018**
Loss attributable to ordinary shareholders (RM)	(11,779,001)	(1,834,095)
Weighted average number of ordinary shares	574,411,651	453,418,320
Basic loss per ordinary share attributable to equity holders of the Company (sen)	(2.05)	(0.40)

(b) Diluted loss per ordinary share

The group does not have any potential dilutive ordinary shares, thus, diluted loss per ordinary share is not presented.

27. DIRECTORS' REMUNERATION

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

	Group		Company	
	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM
Executive directors:				
non-fee emoluments	800,626	941,905	280,000	451,932
	800,626	941,905	280,000	451,932
Non-executive directors:				
fees	167,700	114,538	167,700	114,538
	167,700	114,538	167,700	114,538

28. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

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 period:

	Group		Company	
	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM
Subsidiary companies				
Management fee	-	-	(1,618,800)	-

(c) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the period are disclosed in Note 27.

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 been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

29. CONTINGENT LIABILITIES

	Company	
	As at 30.06.2019 RM	As at 30.04.2018 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	5,492,660	8,892,660

29. CONTINGENT LIABILITIES (continued)

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 and no liability.

30. COMMITMENTS

(a) Operating lease commitment

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

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Not later than one year	73,949	407,560	30,771	5,100
Later than one year and not later than five years	72,544	5,585	53,950	4,085
	146,493	413,145	84,721	9,185

31. SEGMENT INFORMATION

31.1 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 hardware	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.

31. SEGMENT INFORMATION (continued)

31.1 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
01.05.2018 to 30.06.2019						
Revenue						
External revenue	48,449,886	13,427,636	1,175,610	-	-	63,053,132
Inter-segment revenue	175,320	105,349	-	1,618,800	(1,899,469)	-
	48,625,206	13,532,985	1,175,610	1,618,800	(1,899,469)	63,053,132
Results						
Segment results (external)	(559,895)	(35,823)	(4,836,264)	(2,602,206)	-	(8,034,188)
Interest income	80,754	46,734	743	292,103	(138,379)	281,955
Finance costs	(308,517)	(206,438)	(4,907)	(1,956)	138,379	(383,439)
Depreciation and amortisation	(204,997)	(44,089)	(4,137,036)	(71,939)	-	(4,458,061)
Impairment of goodwill	-	-	-	-	-	-
Loss before taxation	(992,656)	(239,615)	(8,977,465)	(2,383,998)	-	(12,593,733)
Tax expense						(43,613)
Loss after taxation						(12,637,346)
Non-controlling interests						858,345
Net loss attributable to owners of the Company						(11,779,001)
01.05.2017 to 30.04.2018						
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	(207,282)	(21,309)	(2,552,591)	(52,904)	-	(2,834,086)
Impairment of goodwill	-	-	-	(519,750)	-	(519,750)
Loss before taxation	(135,684)	1,502,770	(54,273)	(2,647,033)	-	(1,334,220)
Tax expense						(401,174)
Loss after taxation						(1,735,394)
Non-controlling interests						(98,701)
Net loss attributable to owners of the Company						(1,834,095)

31. SEGMENT INFORMATION (continued)

31.2 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.

	Group	
	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM
Revenue		
Malaysia	28,006,747	25,203,492
Dubai	6,681,517	1,819,136
England, U.K	500,000	-
Hong Kong	15,895,605	6,016,560
Indonesia	4,614,791	13,216,591
Singapore	5,398,946	5,949,126
Australia	1,059,975	-
Others	895,551	4,206,136
	63,053,132	56,411,041

31.3 Major customers

During the financial period, major customer with revenue equal to or more than 10% of the Group revenue are as follows:

	Group	
	01.05.2018 to 30.06.2019 RM	01.05.2017 to 30.04.2018 RM
All common control companies of Customer A	9,952,878	-

32. 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.

Themain 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:

32.1 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.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.1 Interest rate risk (continued)

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 17.

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 RM44,401 (30.04.2018: RM15,062) as a result of exposure to floating rate borrowings.

32.2 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:

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Malaysia	4,515,486	8,114,971	759,080	1,895,183
Cambodia	-	1,000,000	-	-
China	-	470,322	-	-
Dubai	-	100,383	-	-
England, U.K	1,146,395	1,254,465	-	-
Hong Kong	3,639,808	2,027,300	-	-
Thailand	(7,221)	-	-	-
India	300,000	340,000	-	-
Indonesia	499,858	-	-	-
Japan	-	3,036	-	-
Philippines	154,800	233,408	-	-
Australia	694,975	-	-	-
United States	-	323,648	-	-
	10,944,101	13,867,533	759,080	1,895,183

(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 June 2019, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.2 Credit risk (continued)

(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 29 and Note 32.4 to the financial statements, representing the total banking facilities granted to the subsidiary companies as at the reporting date.

32.3 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 period end that are not denominated in Ringgit Malaysia are as follows:

Group

	USD RM	EURO RM	Other RM	Total RM
As at 30.06.2019				
Cash and bank balances	14,268	17	-	14,285
Trade and other receivables	3,145,187	-	-	3,145,187
Trade payables	(468,325)	-	-	(468,325)
	2,691,130	17	-	2,691,147
As at 30.04.2018				
Cash and bank balances	329,861	4,236	900	334,997
Trade receivables	579,844	-	-	579,844
Trade payables	(136,620)	-	-	(136,620)
	773,085	4,236	900	778,221

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 RM269,115 (30.04.2018: RM77,822).

32.4 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.

32. *FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)*

32.4 *Liquidity and cash flow risk (continued)*

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows.

	Carrying amount RM	Contractual interest rate RM	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not more than 5 years RM	More than 5 years RM
Group						
As at 30.06.2019						
Trade and other payables	3,750,938	-	3,750,938	3,750,938	-	-
Amount due to directors	9,336	-	9,336	9,336	-	-
Bank overdraft	4,440,088	BLR + 1.25	4,440,088	-	-	-
Finance lease	624,722	5.10 - 7.95	669,456	284,796	384,660	-
	8,825,084		8,869,818	4,045,070	384,660	-
As at 30.06.2018						
Trade and other payables	3,186,525	-	3,186,525	3,186,525	-	-
Amount due to directors	33,382	-	33,382	33,382	-	-
Bank overdraft	1,506,155	BLR + 1.25	1,506,155	1,506,155	-	-
Finance lease	510,371	5.10 - 7.95	562,343	211,176	351,167	-
Term loan	1,640,936	5.00	1,728,713	1,477,064	251,649	-
	6,877,369		7,017,118	6,414,302	602,816	-
Company						
As at 30.06.2019						
Other payables	497,013	-	497,013	497,013	-	-
Finance lease	327,686	1.78	355,812	73,620	282,192	-
Financial Guarantee contracts	7,492,660	-	7,492,660	7,492,660	-	-
	8,317,359		8,345,485	8,063,293	282,192	-
As at 30.06.2018						
Other payables	653,173	-	653,173	653,173	-	-
Amount due to directors	24,046	-	24,046	24,046	-	-
Financial Guarantee contracts	10,892,660	-	10,892,660	10,892,660	-	-
	11,569,879		11,569,879	11,569,879	-	-

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.5 Classification of financial instruments

	Group		Company	
	As at 30.06.2019	As at 30.04.2018	As at 30.06.2019	As at 30.04.2018
	RM	RM	RM	RM
Financial assets				
Amortised costs				
Trade receivables	10,944,101	13,867,533	759,080	1,895,183
Other receivables	1,172,579	2,353,538	91,421	35,410
Amount due from subsidiary companies	-	-	5,497,640	5,426,981
Fixed deposits with licensed banks	7,739,660	5,428,584	5,456,333	3,551,731
Cash and bank balances	1,222,425	4,594,713	273,388	1,272,709
	21,078,765	26,244,368	12,077,862	12,182,014
Financial liabilities				
Amortised costs				
Trade payables	1,650,047	1,157,087	-	-
Other payables	944,275	1,123,529	168,414	372,006
Amount due to directors	9,336	33,382	-	24,046
Loan and borrowings	5,064,810	3,657,462	327,686	-
Amount due from subsidiary companies	-	-	180,082	-
	7,668,468	5,971,460	496,100	396,052

32.6 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 not carried at fair value and whose carrying amount are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Group				
As at 30.06.2019				
Financial liabilities				
Loans and borrowings	-	-	5,064,810	5,064,810
Amount due to director	-	-	9,336	9,336
As at 30.04.2018				
Financial liabilities				
Loans and borrowings	-	-	3,657,462	3,657,462
Amount due to director	-	-	33,382	33,382

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.6 Fair value of financial instruments (continued)

	Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Company				
As at 30.06.2019				
Financial asset				
Amount due from subsidiary companies	-	-	5,497,640	5,497,640
As at 30.04.2018				
Financial asset				
Amount due from subsidiary companies	-	-	5,426,981	5,426,981
As at 30.06.2019				
Financial liability				
Loans and borrowings	-	-	327,686	327,686
Amount due to subsidiary companies	-	-	180,082	180,082
As at 30.06.2019				
Financial liability				
Amount due to directors	-	-	24,046	24,046

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 period (30.04.2018: 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.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.6 Fair value of financial instruments (continued)

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

	As at 30.06.2019 %	As at 30.04.2018 %
Bank overdraft	BLR + 1.25	BLR + 1.25
Finance lease	5.10 - 7.95	5.10 - 7.95
Term loan	-	5

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

33. 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 period ended 30 June 2019.

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.

	Group		Company	
	As at 30.06.2019 RM	As at 30.04.2018 RM	As at 30.06.2019 RM	As at 30.04.2018 RM
Net (cash)/debt	(137,001)	(3,145,928)	(4,905,022)	(4,147,221)
Total equity	33,818,144	41,044,798	42,201,907	38,725,398
Net debt against equity ratio	N/A	N/A	N/A	N/A

N/A - Not applicable as net cash position

34. COMPARATIVE FIGURES

(a) The financial statements of the Company were prepared for a period of fourteen (14) months ended 30 June 2019 and twelve (12) months ended 30 April 2018. Accordingly, comparative amounts to the financial statements and related notes may not be comparable.

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

Group	As previously classified RM	Reclassification RM	As reclassified RM
Employment benefits	6,498,056	(2,782,916)	3,715,140
Other expenses	16,057,728	2,782,916	18,840,644

ANALYSIS OF SHAREHOLDINGS

AS AT 23 SEPTEMBER 2019

Total number of Issued Shares	:	590,421,123 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	90	6.43	3,998	*
100 – 1,000 shares	67	4.79	26,457	*
1,001 – 10,000 shares	241	17.23	1,703,790	0.29
10,001 – 100,000 shares	644	46.03	29,476,754	4.99
100,001 – less than 5% of issued shares	353	25.23	369,397,338	62.58
5% and above of issued shares	4	0.29	189,812,786	32.14
Total	**1,399**	**100.00**	**590,421,123**	**100.00**

* Negligible

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 23 SEPTEMBER 2019

(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	11.39	-	-
ACE Credit (M) Sdn. Bhd.	57,741,700	9.78	-	-
Tan Boon Wooi	33,065,000	5.60	-	-
Kerk Han Meng	31,731,086	5.37	-	-

DIRECTORS' SHAREHOLDING AS AT 23 SEPTEMBER 2019

(As per the Register of Directors' Shareholdings)

Technodex Bhd.

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Tan Sze Chong	24,029,099	4.07	66,666 (1)	0.01
Heng Ling Jy	66,666	0.01	24,029,099 (2)	4.07
Tan Boon Wooi	33,065,000	5.60	-	-

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

30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 23 SEPTEMBER 2019

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

No.	Name	No. of Shares Held	%
1.	Surfstek Resources (M) Sdn. Bhd.	67,275,000	11.39
2.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for ACE Credit (M) Sdn. Bhd. (STA1)	57,741,700	9.78
3.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Boon Wooi	33,065,000	5.60
4.	Kerk Han Meng	31,731,086	5.37
5.	Tew Ah Keng	25,000,000	4.23
6.	Mercsec Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Avenue Portal Sdn. Bhd.	24,409,500	4.13
7.	Tan Sze Chong	24,029,066	4.07
8.	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Chang Choon Ming (M&A)	20,790,000	3.52
9.	Dato' Ng Aik Kee	13,235,900	2.24
10.	Pang Ee Liang	11,550,000	1.96
11.	Sim Guat Keow @ Sim Han Che	10,314,300	1.75
12.	Tan Wah Choy	7,327,250	1.24
13.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lui Yuen Qiu (7001122)	6,700,000	1.13
14.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Mok Shiaw Hang (MY2531)	6,600,000	1.12
15.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yeo Ann Seck (MY0696)	6,260,000	1.06
16.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tew Ah Keng (MY2561)	4,420,800	0.75
17.	Koo Teck Seong	4,355,000	0.74
18.	Heng Yeow Hua	4,300,000	0.73
19.	Pang Swee Sing	4,097,600	0.69
20.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Chee Che Ting	4,000,000	0.68
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Lim Soh Woon	3,982,300	0.67
22.	Low Fui Teck	3,800,966	0.64
23.	Seah Chin Yong	3,600,000	0.61
24.	Wong Siam Hong	3,554,200	0.60
25.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Wong Yoon Hwa (MY2776)	3,500,000	0.59
26.	Tan Kian Seng	3,500,000	0.59
27.	Tee Yok Lan @ Tay Eng Lun	3,177,500	0.54
28.	Lai Sook Fun	3,150,000	0.53
29.	Chua Ah Choo	3,000,000	0.51
30.	Toh Yan Lin	3,000,000	0.51

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of TECHNODEX BHD. ("the Company") will be held at Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 1, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Friday, 6 December 2019 at 10:00 a.m. to transact the following businesses:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial period ended 30 June 2019 together with the reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and benefits of RM23,700 for the financial period ended 30 June 2019. — **Ordinary Resolution 1**

3. To approve the payment of Directors' fees and benefits of up to RM144,000 for the financial year ending 30 June 2020. — **Ordinary Resolution 2**

4. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution.

   (i) Mr. Tan Boon Wooi — **Ordinary Resolution 3**

   (ii) Datuk Abd Hamid Bin Abu Bakar — **Ordinary Resolution 4**

5. To re-elect Ms. Heng Ling Jy as Director who retires pursuant to Clause 91 of the Company's Constitution. — **Ordinary Resolution 5**

6. 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 6**

As Special Business:

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

7. GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 — **Ordinary Resolution 7**

   "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 ten per centum (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."

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
31 October 2019

Notes:

(a) A member who is entitled to attend, participate, speak and vote at the Fifteenth Annual General Meeting ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

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

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

(d) 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.

(e) 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.

(f) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 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.

(g) 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 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 2 December 2019. Only members whose names appear in the General Meeting Record of Depositors as at 2 December 2019 shall be entitled to attend, speak and vote at the Meeting.

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

EXPLANATORY NOTES

1. Item 1 of the Agenda – Audited Financial Statements for the financial period ended 30 June 2019

   This Agenda 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, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits for the financial period ended 30 June 2019

   The shareholders have approved the Directors' fees and benefits for the period from 1 May 2018 to 30 April 2019 at the Fourteenth Annual General Meeting held on 9 October 2018. The amount of RM23,700 represents the amount payable to the Directors for the period from 1 May 2019 to 30 June 2019 in view that the Company has changed its financial year end from 30 April to 30 June.

3. Item 3 of the Agenda – Directors' Fees and Benefits for the financial year ending 30 June 2020

   Pursuant to Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017, the fee of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. In this respect, Ordinary Resolution 2, if approved, will allow the Company to pay Directors' fees and benefits to the Non-Executive Directors for the financial year ending 30 June 2020.

4. Item 7 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

   The Ordinary Resolution 7 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 a general meeting to approve such issuance 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, no new shares in the Company were issued and allotted pursuant to the general mandated granted by the Directors as the Fourteenth Annual General Meeting held on 9 October 2018 which will lapse at the conclusion of the Fifteenth Annual General Meeting.

This page has been intentionally left blank.

PROXY FORM

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

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

of ____
[full address]

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

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

of ____
[full address]

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

of ____
[full address]

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fifteenth Annual General Meeting of the Company to be held at Connexion Conference & Event Centre, The Vertical, Level M1 – Pinnacle 1, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Friday, 6 December 2019 at 10:00 a.m. or at any adjournment thereof.

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

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of RM23,700 for the financial period ended 30 June 2019.		
2.	To approve the payment of Directors' fees and benefits of up to RM144,000 for the financial year ending 30 June 2020.		
3.	To re-elect Mr. Tan Boon Wooi as Director of the Company.		
4.	To re-elect Datuk Abd Hamid Bin Abu Bakar as Director of the Company.		
5.	To re-elect Ms. Heng Ling Jy as Director of the Company.		
6.	To re-appoint CAS Malaysia PLT as Auditors of the Company.		
7.	To approve the authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

* delete whichever not applicable.

Dated this ____________ day of ____________, 2019

____
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:

(a) A member who is entitled to attend, participate, speak and vote at the Fifteenth Annual General Meeting ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

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

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

(d) 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.

(e) 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.

(f) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 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.

(g) 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 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 2 December 2019. Only members whose names appear in the General Meeting Record of Depositors as at 2 December 2019 shall be entitled to attend, speak and vote at the Meeting.

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

PLEASE FOLD HERE

AFFIX
STAMP

The Share Registrar of

TechnoDex Bhd
[Registration No.: 200301025214 (627634-A)]

Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn. Bhd.)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

PLEASE FOLD HERE

TechnoDex Bhd
[Registration No.: 200301025214 (627634-A)]
Unit E-07-03, Menara Suezcap 2,
KL Gateway, No. 2 Jalan Kerinchi,
Gerbang Kerinchi Lestari,
59200 Kuala Lumpur,
Malaysia
Tel: (603) 7932 0111
Fax: (603) 7932 0222
www.technodex.com