



## **TECHNODEX BHD.**

**200301025214 (627634-A)  
(Incorporated in Malaysia)**

**SUMMARY OF KEY MATTERS DISCUSSED AT THE NINETEENTH ANNUAL GENERAL MEETING OF TECHNODEX BHD. (“TDEX” OR THE “COMPANY”) HELD AT KLGCC FUNCTION ROOM 1 & 2 (LEVEL 1) MAIN LOBBY, KUALA LUMPUR GOLF & COUNTRY CLUB, 10, JALAN 1/70D OFF JALAN BUKIT KIARA, 60000 KUALA LUMPUR ON TUESDAY, 5 DECEMBER 2023 AT 11:00 A.M.**

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**REPLY TO QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)**

### **Operational & Financial Matters (“O&F”)**

**Q1. For the FYE2023, the Group recorded a revenue of RM56.10 million as compared to RM34.85 million recorded in the FYE2022, representing an increase of RM21.25 million or +61%. For the current year under review, revenue from the hardware, software and professional services increased by RM19.48 million or +62% to RM50.76 million (FYE2022: RM31.28 million) which was mainly attributed to higher contribution from hardware project sales order. (page 9 of AR2023)**

**To-date, has the hardware project sales order been fully fulfilled? If no, what is the outstanding orderbook value? When will the hardware project sales order be fully delivered?**

To-date, the hardware project sales orders secured for the FYE2023 have been fully delivered, and there is no outstanding order value.

**Q2. Revenue from manpower outsourcing and recruitment services also increased by RM1.80 million or + 50% to RM5.35 million (FYE2022: RM3.55 million) as a result of higher contributions from outsourcing contract and placement services (page 9 of AR2023). The Group is aiming to grow its clientele by diversifying to non-IT talents outsourcing and recruitment in financial and manufacturing industries (page 12 of AR2023).**

**To-date, what is the Group’s achievement in relation to diversifying to non-IT talents outsourcing and recruitment?**

The non-IT talents outsourcing and recruitment services accounted for approximately 30% and 10% of our total revenue contributed from manpower outsourcing and recruitment services for the FYE2023 and 3-month financial period ended 30 September 2023, respectively.

**Q3. The Group's provision for slow-moving inventories increased to RM248,108 (FYE2022: RM16,425) (page 53 of AR2023).**

**What mainly comprises these slow-moving inventories? Are these slow-moving inventories still saleable?**

The slow-moving inventories mainly comprise IT hardware items for repair and replacement services to customers, demonstration and showcasing products as well as slow moving obsolete products.

Despite their slow movement, these inventories are still marketable with price adjustments.

**Q4. The Group's other key management personnel's salaries and other benefits increased to RM0.78 million (FYE2022: RM0.55 million). (Note 26, page 109 of AR2023)**

**What were the reasons for the significant increase in other key management personnel's salaries and other benefits which has increased by 42% when compared to the previous year?**

The increase in salaries and other benefits for the Group's other key management personnel from the FYE2022 to FYE2023 as disclosed in Note 26 on page 109 of the AR2023, was mainly due to new recruitments and promotions of key management personnel within the Group during the FYE2023.

**Q5. In relation to the Group's revenue contribution by geographical location (Note 32.2, page 113 of AR2023):**

	Group	
	2023	2022
	RM	RM
<b>Revenue</b>		
- Malaysia	53,230,305	22,258,774
- Hong Kong	1,754,069	12,035,554
- Singapore	-	17,223
- China	50,392	81,885
- Philippines	13,420	-
- Others	1,060,230	463,025
	56,108,416	34,856,461
<b>Total revenue</b>	56,108,416	34,856,461

- (a) What is the reason for the significant decrease in revenue contribution by 85% from customers in Hong Kong? Did the Group experience any major loss of its Hong Kong customers?**

The substantial 85% decrease in revenue from customers in Hong Kong was mainly due to the Group's strategic decision to allocate more resources to secure/fulfil the hardware project orders in the Malaysian market. The heightened focus on the fulfilment of hardware project orders in Malaysia resulted in revenue increasing from RM22.25 million in the FYE2022 to RM53.23 million in the FYE2023. This strategic move demonstrates the Group's commitment to optimising performance by aligning resources with higher operational efficiency segments.

- (b) Revenue contribution from Others increased by 129%, which are the major countries under Others that have contributed to the increase? What were the reasons for the increase? Does the Group expect revenue contribution from Others to be sustainable, going forward?**

Germany contributed significantly to the overall increase from "Others" countries, resulting in a rise of 129%. The increase in revenue from Germany was mainly attributed to securing new clients from a foreign company for manpower outsourcing and recruitment services. However, it is important to note that the outsourcing contract services from this new client concluded during the FYE2023 as the nature of the contract was for one year. As at to-date, the Group does not expect a material revenue contribution from the "Others" country segment.