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Date: 06 December 2019

Minority Shareholders Watch Group

11th Floor, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attn: Mr. Devanesan Evanson
Chief Executive Officer

Dear Sir,

**RE: Extraordinary General Meeting (“EGM”) of TechnoDex Bhd (“TechnoDex” or the “Company”)
to be held on Friday, 6 December 2019**

We refer to your letter to us dated 27th November 2019.

Our answers to your queries are as follows.

Question 1

The issue price of the Proposed Placement up to 30% of the total number of issued shares of TechnoDex (“Proposed Placement”) is proposed to be priced at up to 20% discount to the weighted average market price (“WAMP”) of TechnoDex’s shares for the 5 market days immediately before the price fixing date (“20% Discount”) (Sections 2.1 & 2.2, page 2 of Circular)

In view of the 30% dilution to the existing shareholders’ shareholdings and the 20% Discount to be given to the identified 3rd party investor(s) for the Proposed Placement, is the Proposed Placement a fair fundraising option to the existing shareholders?

Answer to Question 1 from TechnoDex

The maximum discount of 20% was determined after taking into consideration the prevailing market conditions and quantum of funds to be raised.

The Board of Directors of TechnoDex (“Board”) is of the view that the Proposed Placement is the most appropriate avenue of raising funds as:

- (i) it allows TechnoDex to raise funds in a cost effective and expeditious manner;
- (ii) it provides an avenue for TechnoDex to raise funds without having to incur interest cost as compared to bank borrowings or other interest-bearing debt instruments; and

Answer to Question 1 from TechnoDex (cont'd)

(iii) upon completion of the Proposed Placement, TechnoDex's enlarged capital base is expected to strengthen TechnoDex and its group of companies ("Group")'s financial position and widen TechnoDex's shareholders' base.

Furthermore, the benefits from the utilisation of proceeds from the Proposed Placement are expected to improve the Group's future financial performance.

Question 2

The Proposed Placement may be implemented in one or more tranches within 6 months from the date of approval from Bursa Securities (30 October 2019) for the Proposed Placement (Section 2.5, page 2 of Circular). The Proposed Placement is expected to be completed by the 4th quarter of 2019 (Section 10, page 13 of Circular).

Given that there is only an approximately one month period to the end of year 2019, does the Company have ready investor(s) to subscribe for the Proposed Placement?

Answer to Question 2 from TechnoDex

The Board is mindful that the Proposed Placement shall be completed within 6 months from the date of approval from Bursa Securities. Barring any unforeseen circumstances, the Board expects the Proposed Placement to be completed by the 4th quarter of 2019. TechnoDex has identified independent third-party investors who are interested to subscribe for the placement shares and TechnoDex is in the midst of discussion with the potential investors.

Question 3

The Board expects the Proposed Placement to contribute positively to the future earnings of the Group when the benefits from the utilisation of proceeds are realised (Section 5.4, page 12 of Circular).

How soon will these benefits materialise?

Answer to Question 3 from TechnoDex

Subject to the timing of the completion and utilisation of proceeds raised from the Proposed Placement, the Group anticipates the benefits to materialise in the financial years ending 30 June 2020 and 30 June 2021.

Question 4

The Proposed Placement is expected to raise gross proceeds of up to RM 7.1 million (Section 3(iv), page 6 of Circular).

If the Proposed Placement is not successful, does TechnoDex have sufficient working capital for the next 12 months?

Answer to Question 4 from TechnoDex

The proceeds raised from the Proposed Placement are intended to be utilised to fund secured and/or potential IT contracts/orders as well as to tender for other IT contracts, and business expansion.

The Board is of the view that the Group has sufficient working capital for a sustainable operation level for the next 12 months even without the Proposed Placement.

In short, in the event that the Proposed Placement is not successful, the Group's current business operations is unlikely to be affected.

In conclusion, we hope that we have answered your queries satisfactorily.

Thank you.

Yours Sincerely
For and On Behalf of
TECHNODEX BERHAD

TAN SZE CHONG
Managing Director