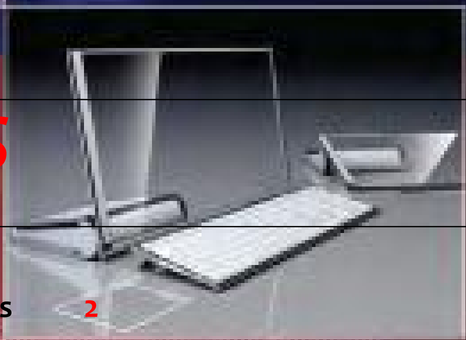
Annual Report 2012

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
(Incorporated in Malaysia)



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2012

Board of Directors

Dato' Megat Fairouz Junaidi bin Megat Junid *Independent Non-Executive Chairman*

Azman bin Hussin
Chief Executive Officer / Executive Director

Chow Hung Keey
Executive Director
[Appointed w.e.f. 31 October 2012]

Mahfuzal bin Othman
Non-Independent Executive Director

Chong Chen Fah
Non-Independent Non-Executive Director

Ong Tee Kein
Independent Non-Executive Director
[Appointed w.e.f. 5 November 2012]

Audit Committee

Dato' Megat Fairouz Junaidi bin Megat Junid *Chairman*
Chong Chen Fah *Member*
Ong Tee Kein *Member*

Group Head Office

No. 38, Jalan Dagang SB 4/2
Taman Sungai Besi Indah, 43300 Seri Kembangan
Selangor Darul Ehsan
Tel: (6019) 210 8000   Fax: (603) 9058 5770
Web: www.ansi.com.my

Company Secretary

Wong Youn Kim (MAICSA 7018778)

Registered Office

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel: (603) 2241 5800
Fax: (603) 2282 5022
Email: cosec1@hmc.my

Share Registrar

Bina Management (M) Sdn Bhd

Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Tel: (603) 7784 3922
Fax: (603) 7784 1988
Email: binawin@tm.net.my

Auditors

Hasnan & Co (AF: 0973)
Suite B3-2, Jalan Selaman 1
Dataran Palma, Off Jalan Ampang
68000 Ampang, Selangor Darul Ehsan
Tel: (603) 4270 2522
Fax: (603) 4270 2533
Email: hasnanco@hasnanco.com

Principal Bankers

Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad

Stock Exchange Listing

The ACE Market of Bursa Malaysia Securities Berhad
Stock Name: INIX
Stock Code: 0094

On behalf of your Board of Directors, I am pleased to present the Annual Report of INIX Technologies Holdings Berhad (INIX), together with the audited financial statements of the Group and of the Company, for the financial year ended 31 July 2012.

Group Results

Reflective of the gradual improvement in global and regional economic conditions, Group sales expanded moderately to RM4.8 million for the financial year ended 31 July 2012, compared to RM3.9 million for the preceding year.

Although revenue increased, the cost also increased due to a larger workforce needed to implement projects and develop new solutions. This resulted in an audited after tax profit of RM0.116 million recorded in the current financial year, compared to an audited after tax profit of RM0.066 million for the financial year ended 31 July 2011.

Business Development

The Group continued to invest in research and development (R&D) activities. This to ensure that we remain in the forefront of technological advancement for sustained success in the industry.

Development efforts were mainly focussed on the e-book e-commerce portal and enhancing some software developed while implementing a customer-specific project into a product with resale opportunities.

The Group spent a total of RM2.9 million in R&D expenditure for its financial year ended 31 July 2011, compared to RM1.6 million for the preceding year.

Prospects

The group is excited with the prospects of its e-book project. The original PDF versions of the e-books have been ported for the iPhone/iPad platform and are now on sale in Apple i-Tunes AppStore. We plan to port it to the Amazon Kindle platform too. We are also pursuing other Internet and mobile e- commerce opportunities.

Against this backdrop, our Directors remain optimistically cautious of the Group's prospects in the immediate term and are hopeful of maintaining the profit trend for the forthcoming financial year ending 31 July 2013.

Appreciation

On behalf of your Board, I would like to express our heartfelt gratitude to our valued customers for their continued patronage and to all employees of the Group for their loyal dedication and contribution. We wish also to thank our distributors, dealers, resellers and retailers, and not least, government agencies and regulatory authorities, for their guidance, counsel and support.

Dato' Megat Fairouz Junaidi bin Megat Junid
Chairman
22 November 2012

Directors' Profile

Dato' Megat Fairouz Junaidi bin Megat Junid
Independent Non-Executive Chairman
Malaysian, aged 47

Dato' Megat Fairouz Junaidi bin Megat Junid was appointed as Independent Non-Executive Chairman on 17 June 2005. He is also the Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee. He graduated from the Arkansas State University with a Bachelor of Science in Finance in 1987 and a Master in Business Administration in 1988.

He attended all five Board meetings held during the financial year ended 31 July 2012. Two of it was done through tele-conferencing.

Dato' Megat Fairouz Junaidi does not have any family relationship with any director and/or substantial shareholder of INIX Technologies Holdings Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past ten years.

Azman Bin Hussin
Executive Director / Chief Executive Officer
Malaysian, aged 53

Azman Hussin was appointed as Chief Executive Officer (CEO) on 08 October 2010. He graduated from Ohio University, USA with an MSc in Physics in 1981. He has more than 27 years of experience in the ICT industry. He now mainly follows technology trends for investment purposes while doing research and projects involving Business Intelligence, Corporate Performance Management and Knowledge Management. In 1989, he co-founded and also became a director of Accurate Informations Sytems Consultants Sdn Bhd, now known as Encoral Digital Solutions Sdn Bhd and built it into a one-stop ICT solutions provider, including systems integration, networking, and software development.

He attended five Board meetings held during the financial year ended 31 July 2012.

Azman does not have any family relationship with any director and/or substantial shareholder of INIX Technologies Holdings Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past ten years.

Chow Hung Keey
Executive Director Malaysian, aged 24

Chow Hung Keey was appointed as Executive Director of INIX on 31 October 2012. He graduated from Inti Merit Scholarship holder studying ACCA in 2006. Upon graduation from Taylor's University, he joined one of the Big4 audit firms, KPMG in 2010 as an Audit Associate. From there, he has built a solid foundation in auditing.

Subsequently, he joined one of the largest local banks in Malaysia, CIMB Bank in 2011 as a Relationship Manager where he acts as a Private Financial Advisor to the High Net worth Clients.

6 months later, he was then promoted as Senior Relationship Manager, where he was one of the youngest Senior Relationship Manager in the bank. In 2012, with his experience in Financing, Banking & Investment Advisory, together with his strong connection with High Net worth Clients, at the age of 24, he was successfully being appointed as Business Development Director for Lead All Investments Limited, an investment company which is listed in UK.

He is a member of the Association of Chartered Certified Accountants (ACCA).

As he was only appointed on 31 October 2012, he did not attend any Board meeting held during the financial year ended 31 July 2012.

Chow Hung Keey does not have any family relationship with any director and/or substantial shareholder of INIX Technologies Holdings Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past ten years.

Mahfuzal Othman
Non-Independent / Executive Director
Malaysian, aged 39

Mahfuzal Othman was appointed as Executive Director on 08 October 2010. He obtained a Bachelor in Information Technology from University Utara Malaysia in 1996. He has more than 10 years of experience in technical support. In his previous job, he was an IT manager with expertise in Oracle services and technologies, the second largest software company in the world. He helped many organizations develop and implement computerised applications such as being Project Technical Consultant of HUKM Integrated Lab Management System, Technical Support for Celcom Prepaid system, Technical consultant of CIDB Integrated System and also Prison Information System for Jabatan Penjara Malaysia.

He attended five Board meetings held during the financial year ended 31 July 2012.

Mahfuzal does not have any family relationship with any director and/or substantial shareholder of INIX Technologies Holdings Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past ten years.

Chong Chen Fah
Non-Independent Non-Executive Director
Malaysian, aged 54

Chong Chen Fah was appointed as Director on 13 September 2004 and was designated as Executive Director on 17 June 2005. Chong is a chartered accountant with nearly 30 years' experience in both government and corporate sectors. He served in the Accountant General's Department of the Ministry of Finance for 11 years, including two years on secondment to the Ministry of Home Affairs and the Royal Malaysian Police. He was later group chief financial officer of a diversified public company with interests in merchandising of motorcars, trucks and buses, and industrial and commercial plant and equipment. Besides being a member of the Malaysian Institute of Accountants, he holds a B.Acc.(Hons.) from the University of Malaya and is a member of the Malaysian Institute of Management, the Institute of Internal Auditors Malaysia and the Malaysian Institute of Taxation.

He attended all three Board meetings held during the financial year ended 31 July 2012.

Chong does not have any family relationship with any director and/or substantial shareholder of INIX Technologies Holdings Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past ten years.

Ong Tee Kein
Non-Independent Non-Executive Director
Malaysian, aged 55

Mr Ong Tee Kein was appointed an Independent Non-Executive Director of INIX and was appointed to the Board on 5 November 2012. He is also a member of Audit Committee of INIX. He has several years of experience in industry and consultancy practice. He holds a Master Degree in Business Administration and is a member of the Malaysian Institute of Accountants and an Associate of The Institute of Chartered Secretaries and Administrators. After qualifying as an accountant in the United Kingdom, Mr Ong joined a management consultancy practice based in United Kingdom specializing in providing consultancy services to governments and international funding agencies. Since 1994, he was a principal consultant in the corporate advisory division of an international accounting firm. He is also the director of Mlabs Systems Berhad and Advance Information Marketing Berhad.

As he was only appointed on 5 November 2012, he did not attend any Board meeting held during the financial year ended 31 July 2012.

Ong Tee Kein does not have any family relationship with any director and/or substantial shareholder of INIX Technologies Holdings Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past ten years.

The Board of Directors of INIX Technologies Holdings Berhad (INIX) totally supports the prescriptions and recommendations of the principles and best practices set out in the Malaysian Code on Corporate Governance. The Board views this as a fundamental part of its responsibility to protect and enhance shareholders' value. Accordingly, the Board has and will continue to play an active role in improving governance practices in the Group's operations, including timeliness in corporate disclosure and financial reporting.

Directors

INIX is led and managed by experienced Board of Directors comprising members with a wide range of business, information technology, financial and technical backgrounds. This brings depth and diversity in expertise and perspectives to the stewardship of a highly challenging information technology company. The profiles of the members of the Board, appearing on pages 6 to 8 of the Annual Report, illustrate a spectrum of experiences vital to the direction and management of INIX.

Composition

The current Board consists of six members, comprising three executive directors and three non- executive directors, one of whom is independent as defined by the Bursa Malaysia Securities Berhad (Bursa Securities) Listing Requirements for the ACE Market.

The independent directors provide strong support towards the effective discharge of the duties and responsibilities of the Board and fulfill their role by the exercise of independent judgment and objective participation in the proceedings and decisions of the Board.

Duties and Responsibilities

The Board's principal focus is the overall strategic direction, development and control of the Group. In support of this, the Board maps out and reviews the Group's medium and long term strategic plans on an annual basis, so as to align the Group's business directions and goals with the prevailing economic and market conditions.

The Board also reviews the action plans that are implemented by the Management to achieve business targets.

The Board's other main duties include regular oversight of the Group's business operations and performance, and ensuring that the internal controls and risk management processes of the Group are well in place and are implemented consistently.

Board Meetings

Board meetings are held at least four times annually, with additional meetings convened as and when necessary. During the financial year from 1 August 2011 to 31 July 2012, five Board meetings were held. Details of each Director's meeting attendance are as follows:

Name of Director	Attendance
Dato' Megat Fairouz Junaidi bin Megat Junid	5/5
Azman bin Hussin	5/5
Mahfuzal bin Othman	5/5
Chong Chen Fah	3/5
Chow Hung Keey *(appointed w.e.f. 31 October 2012)*	N/A
Ong Tee Kein *(appointed w.e.f. 5 November 2012)*	N/A

Access to Information

The Board and the Board committees are furnished with an agenda and relevant up-to-date information for review prior to each meeting to enable them to make informed decisions.

The Board members, whether as a full board or in their individual capacities, have full and timely access to all relevant information on the Group's businesses and affairs to discharge their duties effectively. Every member of the Board has ready and unrestricted access to the advice and services of the Company Secretaries. The Board is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. Procedures are also in place for the Directors and Board committees to seek independent professional advice if so required by them.

Appointment and Re-election of Directors

In accordance with the Articles of Association of the Company, all directors are subject to re-election by rotation at least once in every three years and a re-election of directors shall take place at each annual general meeting. Directors who are appointed to fill a casual vacancy are subject to election by shareholders at the next annual general meeting following their appointment.

Directors' Training

All the existing directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) within the time frame stipulated in the Listing Requirements but the newly appointed directors have not attend the course and will do so when time permits.

The Directors continue to undergo other relevant training programs to further enhance their skills and knowledge so as to keep abreast with developments in the market place and to assist them in the discharge of their duties as Directors. The Board will discuss and determine the training needs of the Directors and the Directors are encouraged to attend various training on their own and submit the certificate of attendance to the Company Secretary for record.

Directors are encouraged to attend continuous education programmes and seminars to keep abreast of relevant changes in laws and regulations and the development in the industry. During the financial year ended 31 July 2012, besides from attending the briefings conducted by the Company Secretary and External Auditors pertaining to the updates on the Listing Requirements and Companies Act, 1965 and accounting standards, the external training programmes and seminars also attended by the Directors.

The Directors will continue to undergo other relevant training programmes, conferences and seminars that may further enhance their skills and knowledge.

Directors' Remuneration

The Remuneration Committee recommends to the Board the framework for the remuneration of the executive and non-executive directors. Directors' fees are subject to shareholders' approval.

No directors' remuneration was paid for the financial year ended 31 July 2012.

Board Committees

The Board has delegated certain responsibilities to Board committees, namely, the Audit Committee, Nomination Committee, Remuneration Committee and Employee Share Option Scheme Committee, to support and assist the Board in discharging its fiduciary duties and responsibilities.

The functions and terms of reference of the Board committees, as well as the authority delegated by the Board to the respective committees have been clearly defined by the Board. The Chairman of the various committees report the outcome of the committee meetings to the Board and minutes of the meetings of Board Committees are tabled for the Board's perusal.

Audit Committee

A full Audit Committee Report enumerating its membership, terms of reference and activities during the financial period under review is set out on pages 14 to 15 of this Annual Report.

Nomination Committee

The Board's Nomination Committee currently comprises two non-executive directors, one of whom is independent, and one executive director as follows:

Chairman:
Dato' Megat Fairouz Junaidi bin Megat Junid (Independent Non-Executive Chairman)

Members:
Mahfuzal bin Othman (Non-Independent Executive Director)

The Committee is responsible, inter-alia, to recommend candidates for directorship to the Board as well as membership to Board committees. The Committee assesses the Board collectively on an ongoing basis, taking into account size and required mix of skills. In making its recommendations to the Board, the Committee takes into consideration the core competencies the directors individually and collectively possess in relation to the businesses of the Group and the business environment.

Remuneration Committee

The Remuneration Committee comprises one independent non-executive director, and two executive director. The present members are:

Chairman:
Dato' Megat Fairouz Junaidi bin Megat Junid (Independent Non-Executive Chairman)

Members:
Azman bin Hussin (Executive Director)

The Committee's primary responsibility is to recommend to the Board, the remuneration of directors (executive and non-executive) in all its forms, drawing from outside advice as necessary. The determination of remuneration packages of Directors is a matter for the Board as a whole, and individuals are required to abstain from discussion of their own remuneration.

The Remuneration Committee meets at least once a year to recommend to the Board the remuneration of Directors, including fees. The Committee only met once during the financial year under review.

Shareholders

The Group is committed to regular and proactive communication with shareholders and investors. Formal channels are used to communicate to the shareholders and investors on all major developments of the Group on a timely basis.

In addition to quarterly financial reports and various disclosure and announcements made to Bursa Securities, the other key channel of communication with shareholders and investors is the annual report of the Group, where details on the financial results and activities of the Group are provided.

The Company's annual general meeting is an important forum for dialogue and interaction with shareholders. Shareholders have the liberty to raise questions on the proposed resolutions at the meeting as well as matters relating to the Group's businesses and affairs.

The Group also maintains a website at www.ansi.com.my enable easy and convenient access to up to-date information relating to the Group.

Accountability and Audit

Financial Reporting

The Board aims to present a balanced and comprehensive assessment of the Group's financial performance through the annual audited financial statements and quarterly financial reports to shareholders. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' Responsibility Statement

The Directors are responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period, and of the results of their operations and cash flows for the period then ended.

In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied. The Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Internal Control Statement

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines. The Statement on Internal Control is set out on pages 16 of this Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 22 November 2012.

Audit Committee Report

Members

The Audit Committee comprises:

Chairman: Dato' Megat Fairouz Junaidi bin Megat Junid *Independent Non-Executive Chairman*

Members:

Chong Chen Fah *Non-Independent Non-Executive Director*
Ong Tee Kein *Independent Non-Executive Director* (Appointed w.e.f. 5 November 2012)

Terms of Reference

The composition of Audit Committee and qualification of the Audit Committee is in compliance with the Listing Requirements of Bursa Malaysia for the ACE Market.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary in the discharge of its duties.

In fulfilling its primary objectives, the Audit Committee undertakes, amongst others, the following responsibilities and duties:-

1. To review the following and report the same to the board of directors of the Company:

(a) with the external auditor, the audit plan;

(b) with the external auditor, his evaluation of the system of internal controls;

(c) with the external auditor, his audit report;

(d) the assistance given by the employees of the Company to the external auditor;

(e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(g) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:

   (i) 22 changes in or implementation of major accounting policy changes;
   (ii) significant and unusual events; and
   (iii) compliance with accounting standards and other legal requirements;

(h) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;

(i) any letter of resignation from the external auditors of the Company; and

(j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

2. to recommend the nomination of a person or persons as external auditors.

3. to perform any other functions, responsibilities and/or duties as may be imposed by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time; and

4. to perform such other functions as may be agreed to by the Audit Committee and the Board of Directors.

Internal Audit Function

The Group had on 17 September 2012 set up an internal audit function in house. The Audit Committee and Management will work closely with the internal auditor to review accounting and internal control issues to ensure that significant issues are brought to the attention of the Board.

No cost has been incurred for the internal audit function for the financial year ended 31 July 2012.

Summary of Activities

The Audit Committee held five meetings during the year under review, which were attended by all members. The meetings were appropriately structured through the use of agendas which were distributed to members with sufficient notification.

During the financial year ended 31 July 2012, the Committee carried out its duties in accordance with its terms of reference. Other main issues discussed by the Audit Committee are as follows:

a. Reviewed the Annual Report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that audited financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards set by the Malaysian Accounting Standards Board (MASB).

b. Reviewed the Company's compliance in particular the quarterly and year-end financial statements with the Listing Requirements of Bursa Securities Malaysia Berhad, MASB and other relevant legal and statutory requirements.

c. Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.

Statement on Internal Control

In line with the Code on Corporate Governance that requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and Inix Group's assets, the Board of Directors is pleased to present the Statement on Internal Control pursuant to the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The Audit Committee is assisted by the in-house Internal Auditor in discharging its duties and responsibilities.

The internal audit function is established to add value and improve the Group's operations by providing independent, objective assurance and consulting activities through its audit of the Group's key operations and also to ensure consistency in the control environment and the application of policies and procedures.

The Internal Auditor reports directly to the Audit Committee to maintain the objectivity of the internal audit function.

The Internal Auditor which undertakes the internal audit function is responsible for the regular review and/or appraisal of the adequacy and effectiveness of the risk management, internal controls and governance processes within the Group.

In an effort to provide value added services, Internal Auditor also plays an active advisory role in the review and improvement of existing internal controls within the Group.

No cost has been incurred for the internal audit function for the financial year ended 31 July 2012.

Financial Statement

Annual Report 2012

Director's Report

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2012.

PRINCIPAL ACTIVITIES

The Company operates as an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in these activities during the financial year other than the new activity operated by one of the subsidiary as disclosed in Note 6.

RESULTS

	Group RM	Company RM
Profit/ (Loss) for the financial year	116,430	(1,134,785)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year ended 31 July 2012 except as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up capital from RM11,495,000 to RM12,644,500 by way of the issuance of 11,495,000 ordinary shares of RM0.10 each for cash consideration.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

No debentures were issued during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. At the end of the financial year, there were no unissued shares of the Company under options.

INFORMATION ON THE FINANCIAL STATEMENTS

Before the Statements of Comprehensive Income and Statements of Financial Position of the Group and of the Companies were made out, the Directors took reasonable steps: -

a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there are no known bad debts to be written off and that adequate allowance has been made for doubtful debts; and

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

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

a) which would necessitate the writing off of bad debts or render the allowance for doubtful debts in the financial statements inadequate to any substantial extent; or

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

c) which have arisen that would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

a) any charge on the assets of any company in the Group which has arisen since the end of the financial year which secures the liability of any other person; or

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

OTHER STATUTORY INFORMATION

The Directors state that : -

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

In their opinion:-

a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the disposal of a business segment as disclosed in Note 21 to the financial statements; and

b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The Directors in office since the date of the last report are : -

Dato' Megat Fairouz Junaidi Bin Megat Junid	Chairman
Chong Chen Fah	Non-Executive Director
Azman Bin Hussin	Executive Director
Mahfuzal Bin Othman	Executive Director
Chow Hung Keey (Appointed on 31.10.2012)	Executive Director
Ong Tee Kein (Appointed on 05.11.2012)	Non-Executive Director
Nur Salwa Binti Muhammad (Resigned on 05.11.2012)	Non-Executive Director

In accordance with Article 85 and 92 of the Company's Articles of Association, Azman Bin Hussin, Chow Hung Keey and Ong Tee Kein, shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the particulars of the Directors' interests in the shares of the Company and its related company during the financial year of those who were Directors at the end of the financial year are as follows:-

	Ordinary shares of RM 0.10 in the Company			
	At the beginning of the year	Bought	Sold	At the end of the year
Direct interest:-				
Chong Chen Fah	1,695,821	-	(1,695,821)	-

DIRECTORS' INTERESTS (CONTINUED)

	Ordinary shares of RM 0.10 in the Company			
	At the beginning of the year	Bought	Sold	At the end of the year
Indirect interest:-				
(Held through eNCoral Digital Solutions Sdn. Bhd.)				
Azman Bin Hussin	24,080,700	4,361,811	-	28,442,511

Other than as disclosed above, none of the directors in office at the end of the financial year held any interest in shares and/or options over shares and/or debentures in the Company or its related companies during the financial year.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in 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 substantial financial interest.

GOING CONCERN

The financial statements of the Group and Company have been prepared on a going concern basis. As at 31 July 2012, the Group and the Company recorded accumulated losses of RM13,839,167 and RM18,917,484 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and Company to continue as going concerns.

The financial statements of the Group and Company do not include any adjustments relating to the amounts and reclassification of assets and liabilities that might be necessary should the Group and Company be unable to continue as going concern. The ability of the Group and Company to continue as going concern is dependent on their ability to generate sufficient cash flows from their operations.

AUDITORS

Messrs Hasnan & Co. have indicated that they do not wish to seek reappointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors,

DATO' MEGAT FAIROUZ JUNAIDI BIN MEGAT JUNID	}	
	}	
	}	
	}	
	}	DIRECTORS
	}	
	}	
MAHFUZAL BIN OTHMAN	}	

Kuala Lumpur

Date : 22 November 2012

STATEMENT BY DIRECTORS

Pursuant to Section 169 (15) of the Companies Act, 1965

We, **Dato' Megat Fairouz Junaidi Bin Megat Junid** and **Mahfuzal Bin Othman,** being two of the Directors of **Inix Technologies Holdings Berhad**, do hereby state that in the opinion of the directors, the financial statements set out on pages 27 to 70 are drawn up in accordance with applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 July 2012 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

DATO' MEGAT FAIROUZ JUNAIDI BIN MEGAT JUNID

MAHFUZAL BIN OTHMAN

Kuala Lumpur

Date : 22 November 2012

STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

I, **Mahfuzal Bin Othman**, the director primarily responsible for the financial management of **Inix Technologies Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 27 to 70 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 the abovenamed }
MAHFUZAL BIN OTHMAN }
I/C No: 730512-04-5347 }
at Ampang }
in Selangor Darul Ehsan }
this day of 22 November 2012 }

MAHFUZAL BIN OTHMAN

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INIX TECHNOLOGIES HOLDINGS BERHAD

(Company No: 665797-D)

Report on the Financial Statements

We have audited the financial statements of Inix Technologies Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 July 2012, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 70.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2012 and of their financial performance and cash flows for the year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) to the financial statements which disclose the premise upon which the Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that the Group and the Company recorded accumulated losses of RM13,839,167 and RM18,917,484 respectively. These conditions, along with the matters as set out in Note 2(a), indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

Report on Other Legal and Regulatory Requirements

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

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

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

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

Other Matters

The supplementary information set out in Note 28 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INIX TECHNOLOGIES HOLDINGS BERHAD

(Company No: 665797-D)

Other Matters (cont'd)

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

HASNAN & CO.
(NO. AF 0973)
CHARTERED ACCOUNTANTS

HASNAN BIN ABDULLAH
[NO.1666/12/12 (J)]
CHARTERED ACCOUNTANT
PARTNER

Kuala Lumpur

Date: 22 November 2012

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AT 31 JULY 2012

		Group		Company	
	Note	2012	2011	2012	2011
ASSETS		RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	13,109	1,656,096	-	-
Intangible assets	5	3,141,802	1,564,017	-	-
Investments in subsidiaries	6	-	-	-	1,000,000
		3,154,911	3,220,113	-	1,000,000
CURRENT ASSETS					
Inventories	7	592	374,060	-	-
Trade receivables	8	4,187,249	3,248,877	-	-
Other receivables, deposits and prepayments	9	1,290,707	258,788	-	1,140
Amount due from a subsidiary	10	-	-	3,553,168	2,671,907
Cash and bank balances		154,024	342,614	17,514	3,566
		5,632,572	4,224,339	3,570,682	2,676,613
TOTAL ASSETS		8,787,483	7,444,452	3,570,682	3,676,613
EQUITY AND LIABILITIES					
CURRENT LIABILITIES					
Trade payables	11	200,000	157,806	-	-
Other payables and accruals	12	1,124,290	1,085,568	297,906	303,552
Provision for warranty claims	13	-	3,815	-	-
Amount due to a subsidiary	10	-	-	887,900	1,002,900
		1,324,290	1,247,189	1,185,806	1,306,452
TOTAL LIABILITIES		1,324,290	1,247,189	1,185,806	1,306,452
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	14	12,644,500	11,495,000	12,644,500	11,495,000
Share premium	15	8,657,860	8,657,860	8,657,860	8,657,860
Accumulated losses		(13,839,167)	(13,955,597)	(18,917,484)	(17,782,699)
TOTAL EQUITY		7,463,193	6,197,263	2,384,876	2,370,161
TOTAL EQUITY AND LIABILITIES		8,787,483	7,444,452	3,570,682	3,676,613

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

Statement Of Comprehensive Income

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2012

		Group		Company	
	Note	2012	2011	2012	2011
		RM	RM	RM	RM
Continuing Operations					
Revenue	16	4,807,120	3,923,215	-	-
Cost of sales	17	(251,804)	(112,720)	-	-
Gross profit		4,553,316	3,810,495	-	-
Other income		17,762	228	-	-
Selling and marketing expenses		(1,139)	(9,553)	-	-
Administrative expenses		(284,943)	(531,656)	(134,785)	(70,917)
Research and development expenses		(2,913,590)	(1,617,519)	-	-
Other expenses		(204,833)	(10,163)	(1,000,000)	-
Profit/ (Loss) before tax	18	1,168,573	1,641,832	(1,134,785)	(70,917)
Income tax expense	19	-	-	-	-
Profit from continuing operations		1,168,573	1,641,832	-	-
Discontinued Operations					
Loss from discontinued operations	20	(1,052,143)	(1,575,072)	-	-
Profit/ (Loss) For The Financial Year		116,430	66,760	(1,134,785)	(70,917)
Total Comprehensive Income For The Financial Year		116,430	66,760	(1,134,785)	(70,917)

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

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2012

	Note	Group		Company	
		2012	2011	2012	2011
		RM	RM	RM	RM
Attributable To:-					
Owners of the parent		116,430	66,760	(1,134,785)	(70,917)
Non-controlling interest		-	-	-	-
		116,430	66,760	(1,134,785)	(70,917)
Profit Per Ordinary Share Attributable To Owners of the Parent					
-Basic (sen)	25				
From continuing operations		0.92	1.43	-	-
From discontinued operations		(0.83)	(1.37)	-	-
From continuing and discontinued operations		0.09	0.06	-	-
-Diluted (sen)	25	N/A	N/A	-	-

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

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2012

		Attributable to Owners of the Parent			
GROUP	Note	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total Equity RM
2012					
At 1 August 2011		11,495,000	8,657,860	(13,955,597)	6,197,263
Issuance of shares	14	1,149,500	-	-	1,149,500
Profit for the year		-	-	116,430	116,430
At 31 July 2012		12,644,500	8,657,860	(13,839,167)	7,463,193
2011					
At 1 August 2010		11,495,000	8,657,860	(14,022,357)	6,130,503
Profit for the year		-	-	66,760	66,760
At 31 July 2011		11,495,000	8,657,860	(13,955,597)	6,197,263
COMPANY					
2012					
At 1 August 2011		11,495,000	8,657,860	(17,782,699)	2,370,161
Issuance of shares	14	1,149,500	-	-	1,149,500
Loss for the year		-	-	(1,134,785)	(1,134,785)
At 31 July 2012		12,644,500	8,657,860	(18,917,484)	2,384,876
2011					
At 1 August 2010		11,495,000	8,657,860	(17,711,782)	2,441,078
Loss for the year		-	-	(70,917)	(70,917)
At 31 July 2011		11,495,000	8,657,860	(17,782,699)	2,370,161

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

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/ (Loss) before tax		1,168,573	1,641,832	(1,134,785)	(70,917)
Adjustments for:					
Depreciation of property, plant and equipment		10,474	10,163	-	-
Impairment loss on other receivable		1,140	-	1,140	-
Impairment loss in value of investment in subsidiary company		-	-	1,000,000	-
Impairment loss on trade receivables made		193,500	-	-	-
Operating profit/ (loss) before working capital changes		1,373,687	1,651,995	(133,645)	(70,917)
Increase in inventories		(592)	-	-	-
Increase in trade and other receivables		(2,501,908)	(669,548)	-	-
(Increase)/ Decrease in amount due from subsidiaries		-	-	(996,261)	1,040,381
Increase/ (Decrease) in trade and other payables		278,152	632,610	(5,646)	31,099
Net cash from/ (used in) operating activities		(850,661)	1,615,057	(1,135,552)	1,000,563
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(1,399)	-	-	-
Disposal of a business segment	21	1,266,755	-	-	-
Increase in intangible assets		(1,752,785)	(1,389,017)	-	-
Investment in subsidiaries		-	-	-	(999,998)
Net cash from/ (used in) investing activities		(487,429)	(1,389,017)	-	(999,998)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares	14	1,149,500	-	1,149,500	-
Net cash from financing activities		1,149,500	-	1,149,500	-

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

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(188,590)	226,040	13,948	565
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		342,614	116,574	3,566	3,001
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		154,024	342,614	17,514	3,566
Cash and bank balances consists of:-					
Cash in hand		8,965	13,691	-	-
Bank balances		145,059	328,923	17,514	3,566
		154,024	342,614	17,514	3,566

During the year, the Group acquired property, plant and equipment as follows:-

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash payment	1,399	-	-	-

During the year, the Group acquired intangible assets as follows:-

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash payment	1,752,785	1,389,017	-	-

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

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2012

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 38, Jalan Dagang SB 4/2, Taman Sg. Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in these activities during the financial year other than the new activity operated by one of the subsidiary as disclosed in Note 6.

The Company is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors on 22 November 2012.

2. BASIS OF PREPARATION

a) Basis of accounting

The financial statements of the Group and the Company have been prepared on the historical cost basis except as disclosed in the notes to the financial statements and comply with the applicable approved Financial Reporting Standards ('FRSs') issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires directors to exercise their judgment in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual result may differ.

As at 31 July 2012, the Group and the Company recorded accumulated losses of RM13,839,167 and RM18,917,484 respectively. The equity attributable to the shareholders of the Company as at 31 July 2012 remained positive at RM7,463,193 and RM2,384,876 for the Group and the Company respectively. The Directors have continued to prepare the financial statements of the Group and the Company on a going concern basis on the assumption that the Group and the Company will be able to generate sufficient cash flows from their operations to meet their obligations as and when they fall due.

2. BASIS OF PREPARATION (CONTINUED)

a) Basis of accounting (Continued)

In the event that the above is not forthcoming, the going concern basis of accounting may not be appropriate and the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Consequently, adjustment may be required to reduce the values of assets to their recoverable amounts, to provide for any further liabilities which may arise and to reclassify non-current assets as current assets.

b) Adoption of new and revised Financial Reporting Standard and Interpretations

During the financial year, the Group and the Company have adopted the following new and revised Financial Reporting Standards and Interpretations (collectively referred to as 'FRSs'), issued by the Malaysian Accounting Standards Board ('MASB').

FRSs and Amendments

Amendment to FRS 1	First-time Adoption of Financial Reporting Standards - Additional Exemptions for First-time Adopters
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendment to FRS 2	Share-based Payment: Group Cash-settled Share-based Payment Transactions
Amendment to FRS 7	Financial Instruments: Disclosures- Improving Disclosures about Financial Instruments
Annual improvement to FRSs (2010)	

Interpretations and Amendments

IC Interpretation 4	Determining Whether an Arrangement contains A Lease
Amendment to IC Interpretation 13	Customer Loyalty Programmes
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
TR i-4	Shariah Compliant Sale Contracts

Amendments to FRS 2, Group Cash-settled Share-based Payment Transactions, IC Interpretation 4, Determining Whether an Arrangement contains A Lease, Amendment to IC Interpretation 13, Customer Loyalty Programmes, Amendment to IC Interpretation 14, Prepayments of a Minimum Funding Requirement, IC Interpretation 18, Transfers of Assets from Customers are, however, not applicable to the Group and the Company.

The application of the above FRSs, Amendments to FRSs, Improvements to FRSs (2010) and IC Interpretations did not and/or are not expected to result in any significant changes in the accounting policies and presentation of the financial results of the Group and the Company.

2. BASIS OF PREPARATION (CONTINUED)

b) Adoption of new and revised Financial Reporting Standard and Interpretations

The following new and revised accounting standards (including consequential amendments) and interpretations have not been applied by the Group as they are not yet effective:-

		Effective for financial period commencing
FRSs and Amendments		
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1st January 2012
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards – Government Loans	1st January 2013
Amendment to FRS 7	Financial Instruments: Disclosures- Transfers of Financial Assets	1st January 2012
Amendment to FRS 7	Financial Instruments: Disclosures- Offsetting Financial Assets and Financial Liabilities	1st January 2013
Amendment to FRS 7	Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures	1st January 2013
FRS 9	Financial Instruments (2009)	1st January 2015
FRS 9	Financial Instruments (2010)	1st January 2015
FRS 10	Consolidated Financial Statements	1st January 2013
Amendment to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1st January 2013
FRS 11	Joint Arrangements	1st January 2013
FRS 12	Disclosure of Interests in Other Entities	1st January 2013
FRS 13	Fair Value Measurement	1st January 2013
Amendment to FRS 101	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income	1st July 2012
Amendment to FRS 112	Income Tax-Deferred Tax: Recovery of Underlying Assets	1st January 2012
FRS 119	Employee Benefits	1st January 2013
FRS 124	Related Party Disclosures (revised)	1st January 2012
FRS 127	Separate Financial Statements	1st January 2013
FRS 128	Investment in Associates and Joint Ventures	1st January 2013
Amendment to FRS 132	Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities	1st January 2014
Annual Improvements to FRSs (2012)		1st January 2013
Interpretations and Amendments		
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1st January 2013

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") for application in the annual periods beginning on or after 1 January 2012.

2. BASIS OF PREPARATION (CONTINUED)

The MFRS Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate (Transitioning Entities). The Transitioning Entities are given an option to defer adoption of the MFRSs framework for an additional 2 years. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

The Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31st July 2013. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. As a result of the Group's and the Company's adoption of the MFRS framework, the Group and the Company will not be adopting the above FRSs, Interpretations and Amendments.

The Group and the Company has established a project team to plan and manage the adoption of the MFRS Framework.

The Group and the Company has not completed its assessment of the financial effects to the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31st July 2012 could be different if prepared under the MFRS Framework.

The Group and the Company consider that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31st July 2013.

c) Functional and presentation currency

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

d) Use of estimates and judgements

In the process of applying the accounting policies of the Group, the directors are of the opinion that there are no instances of application of judgement, other than as set out below, which are expected to have a significant effect on the amounts recognised in the financial statements.

The directors believe that there are no key assumptions made concerning the future and no key sources of estimation uncertainty at the financial statements date, other than as set out below, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Application of judgement and estimation uncertainties at the financial year end that may have a significant risk of causing adjustments to the carrying amount of certain assets and liabilities are as follows:-

2. BASIS OF PREPARATION (CONTINUED)

1. Property, plant and equipment

   The directors have assessed the carrying amount of property, plant and equipment for any indication of impairment in accordance with the policy in Note 3(i) and have recognised impairment losses on property, plant and equipment. Significant judgement has been applied in estimating the realisable value or value-in-use of the assets by reviewing their expected useful lives, the reasonableness of the depreciation rate applied and their residual values, if any. The directors have considered the remaining terms of respective dealership agreements, sales records of the dealers and proposed extension/renewal of the agreements among other relevant factors in arriving at the estimated recoverable amount of property, plant and equipment.

2. Intangible assets

   The directors have assessed the carrying amount of intangible assets for any indication of impairment in accordance with the policy in Note 3(i). Significant judgement has been applied in estimating the value-in-use of these assets by reviewing the reasonableness of their current amortisation rate. The directors have considered the contribution of these assets in generating revenue (potential sales in future plans) as well as the technological obsolescence among other relevant factors and do not expect their recoverable amounts to be lower than the carrying values at financial statements date.

3. Investment in subsidiaries and amount due from a subsidiary

   The directors have carried out an impairment test by comparing the net assets of the subsidiaries, Ansi Systems Sdn. Bhd. and NCSoft Sdn. Bhd., to the costs of investment. Thus, the carrying amount of investment in both companies as at 31 July 2012 has been reduced to nil based on this assessment. The amount due from Ansi Systems Sdn. Bhd. has also been reduced with the allowance made for non-recoverability of RM8,125,874 (Note 10).

4. Impairment on loans and receivables

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

5. Impairment of non-financial assets

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

6. Deferred tax

In prior years, deferred tax assets/liabilities have not been recognised for temporary differences arising between the tax bases of assets/liabilities and their carrying amounts in the financial statements, tax losses and unutilised capital allowances as the Company's statutory income was exempted from tax until 30 November 2008.

In the current year, the directors have assessed the tax credit/charge arising from temporary differences, tax losses and unutilised capital allowances as stated in Note 19. As such, net deferred tax asset have not been recognised in respect of unutilised capital allowances and unabsorbed losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in previous years.

(a) Subsidiary companies

Subsidiary companies are entities over which the Group or the Company has the ability to control 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 Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in statement of comprehensive income.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the financial year. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group or the Company obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiary companies are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in statement of comprehensive income.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the non-controlling interests' share of the fair value of the subsidiary companies' identifiable assets and liabilities at the acquisition date and the non-controlling interests' share of changes in the subsidiary companies' equity since then.

(c) Property, plant and equipment

Property, plant and equipment are initially recorded at cost. 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 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 are charged to the statements of comprehensive income during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The principal annual rates of depreciation used are as follows:-

	%
Showroom	20
Motor vehicle	16
Office, Research and development ("R&D) and Technical equipment	16
Machinery, Renovation and Furniture and fittings	10
Software	33.33

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the statements of comprehensive income and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(d) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess for the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entitiy include the carrying amount of goodwill relating to the entity sold.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (Continued)

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Included as intangible assets in the Group's financial statements are intellectual property assets and certification costs.

Intellectual property assets represent the power line carrier technology and supporting technologies applied in designing and integrating the security systems and appliance automation systems. Intellectual property assets are amortised over 10 years on a straight line basis.

Certification costs represent costs incurred in meeting regulatory certification requirements for the Company's products in various countries. These include costs to adapt, modify, test and improve the products in compliance with applicable technical standards and specifications. Certification costs are amortised over 5 years on a straight line basis.

(iii) Research and development expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:-

i) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

ii) Management intends to complete the intangible asset and use or sell it:

iii) There is an ability to use or sell the intangible asset:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (Continued)

(iii) Research and development expenditure (Continued)

iv) It can be demonstrated how the intangible asset will generate probable future economic benefits:

v) Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available: and

vi) The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are amortised when the asset is ready for use on a straight line basis over its estimated useful life. These costs recognised as intangible asset are subject to review for impairment in accordance with the policy as stated in Note 3(i).

(e) Inventories

Inventories are valued at the lower of costs and net realisable value after making adequate allowance for deteriorated, damaged, obsolete or slow-moving items. Cost includes the actual cost of materials and incidental expenses incurred in bringing the inventories to their present location and condition, as is determined on a “first in, first out” basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and applicable variable selling expenses.

(f) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables.

Loans and Receivables

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (Continued)

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

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

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

(g) Impairment of financial assets

The Group and the Company assess at each financial year end whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For certain categories of financial assets, 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 local 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 statement of comprehensive income.

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 statements of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and short term, highly liquid placements that are readily convertible to cash with insignificant risk of changes in value.

(i) Impairment of non-financial assets

The carrying values of assets (other than inventories, deferred tax assets and financial assets) are reviewed at the end of each financial year for impairment to determine whether there is an indication that the assets might be impaired. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit. Irrespective of whether there is any indication of impairment, goodwill and intangible asset with an indefinite useful life are tested for impairment annually.

An impairment loss is recognised in statement of comprehensive income in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statement of comprehensive income immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statement of comprehensive income, a reversal of that impairment loss is recognised as income in the statement of comprehensive income. An impairment loss of goodwill is not reversed.

(j) Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and Company's financial liabilities are classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial liabilities (Continued)

Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

(k) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(l) Revenue

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

Sale of goods and services

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Income from software development projects is recognised by reference to the stage of completion of the projects.

Interest income

Interest income is recognised on an accruals basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue (continued)

Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(m) Taxation

Income tax on the statement of comprehensive income for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the financial year.

Deferred tax is provided in the financial statements, using the liability method, on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax credits and losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against the temporary differences and unused tax credits and losses. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted at the end of the financial year. Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(n) Employee benefits

i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (Continued)

ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Company or the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the statement of comprehensive income as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). The Group's foreign subsidiary companies also make contributions to its respective country's statutory pension scheme.

iii) Equity-based compensation benefits

In previous years, the directors and employees of the Group are entitled to equity-based compensation benefits in accordance with the Employees' Share Option Scheme (ESOS) of the Company. Such benefits are recognised as an expense in the income statement. However, the ESOS has expired on 24 August 2010.

(o) Segment information

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories and property, plant and equipment (net of allowances, accumulated depreciation and accumulated amortisation). Most segment assets can be directly attributed to the segment on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

(p) Related parties

Related parties are entities with common directors or shareholders wherein one party has the ability to control or exercise significant influence over the other parties in financial or operating policy decision.

(q) Dividends

Dividends on ordinary shares, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year in which they are declared.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Machinery and technical equipment RM	Showrooms RM	Renovation RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	R&D equipment RM	Software RM	Total RM
2012									
COST									
At 1 August 2011	2,587,906	3,983,620	272,619	942,296	103,181	38,519	10,984,816	-	18,912,957
Additions	-	-	-	-	-	-	-	1,399	1,399
Disposals of discontinued operations	(2,587,906)	(3,983,620)	(272,619)	(942,296)	(51,778)	-	(10,984,816)	-	(18,823,035)
At 31 July 2012	-	-	-	-	51,403	38,519	-	1,399	91,321
ACCUMULATED DEPRECIATION									
At 1 August 2011	2,263,466	2,023,808	172,542	860,634	66,497	30,815	6,937,741	-	12,355,503
Charge for the year	169,827	-	18,484	44,809	7,797	6,163	644,041	311	891,432
Disposals of discontinued operations	(2,433,293)	(2,023,808)	(191,026)	(905,443)	(33,371)	-	(7,581,782)	-	(13,168,723)
At 31 July 2012	-	-	-	-	40,923	36,978	-	311	78,212
Accumulated impairment:									
At 1 August 2011	-	1,959,812	-	-	-	-	2,941,546	-	4,901,358
Disposals	-	(1,959,812)	-	-	-	-	(2,941,546)	-	(4,901,358)
At 31 July 2012	-	-	-	-	-	-	-	-	-
Net carrying amount at 31 July 2012	-	-	-	-	10,480	1,541	-	1,088	13,109

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4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Machinery and technical equipment RM	Showrooms RM	Renovation RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	R&D equipment RM	Total RM
2011								
COST								
At 1 August 2010	2,587,906	3,983,620	272,619	942,296	103,181	38,519	10,984,816	18,912,957
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 July 2011	2,587,906	3,983,620	272,619	942,296	103,181	38,519	10,984,816	18,912,957
ACCUMULATED DEPRECIATION								
At 1 August 2010	1,895,300	2,023,808	147,897	743,545	57,434	24,652	5,872,300	10,764,936
Charge for the year	368,166	-	24,645	117,089	9,063	6,163	1,065,441	1,590,567
Disposals	-	-	-	-	-	-	-	-
At 31 July 2011	2,263,466	2,023,808	172,542	860,634	66,497	30,815	6,937,741	12,355,503
Accumulated impairment:								
At 1 August 2010/31 July 2011	-	1,959,812	-	-	-	-	2,941,546	4,901,358
Net carrying amount at 31 July 2011	324,440	-	100,077	81,662	36,684	7,704	1,105,529	1,656,096

5. INTANGIBLE ASSETS

	Group 2012 RM	Group 2011 RM
At the beginning of the year	1,564,017	484,000
Additions during the year	1,752,785	1,389,017
Amortisation charge	(175,000)	(309,000)
At the end of the year	3,141,802	1,564,017

2012

	Cost RM	Accumulated amortisation RM	Net carrying amount RM
Intellectual property assets	1,000,000	(1,000,000)	-
Certification costs	1,045,000	(1,045,000)	-
Software development in progress	3,141,802	-	3,141,802
	5,186,802	(2,045,000)	3,141,802

2011

	Cost RM	Accumulated amortisation RM	Net carrying amount RM
Intellectual property assets	1,000,000	(825,000)	175,000
Certification costs	1,045,000	(1,045,000)	-
Software development in progress	1,389,017	-	1,389,017
	3,434,017	(1,870,000)	1,564,017

6. INVESTMENT IN SUBSIDIARIES

	Company 2012 RM	Company 2011 RM
Unquoted shares, at cost	9,050,998	9,050,998
Options granted to employees of subsidiaries	1,232,210	1,232,210
	10,283,208	10,283,208
Less: Accumulated impairment loss	(10,283,208)	(9,283,208)
	-	1,000,000

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
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6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, which are all incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2012	2011	Principal Activities
Direct			
Ansi Systems Sdn. Bhd.	100	100	Development and sales of integrated intelligent wireless security, automation and closed-circuit television surveillance systems ("CCTV"), software development and system integration. During the financial year, the Company commenced new business of selling books and disposed off its CCTV business.
NCSoft Sdn. Bhd.	100	100	Software development, system integration, information technology management consultancy and other related professional services
Indirect			
Inix Industrial Sdn. Bhd.	100	100	Has not commenced operation

7. INVENTORIES

	Group 2012 RM	2011 RM
At cost:-		
Finished goods	592	13,544
Work-in-progress	-	250,166
Raw materials	-	110,350
	592	374,060

8. TRADE RECEIVABLES

	Group 2012 RM	2011 RM
Trade receivables	4,380,749	8,666,906
Less: Allowance for impairment	(193,500)	(5,418,029)
	4,187,249	3,248,877

Included in the balance is an amount of RM4,141,000 (2011: RM2,720,000) due from a related party (Note 22).

8. TRADE RECEIVABLES (CONTINUED)

Credit terms:

The Group's normal credit terms are 60 days to 120 days (2011: 60 days to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Credit risk:

Trade receivables whose recoverability level is expected to be low, are individually determined to be impaired at the balance sheet date. These receivables are not secured by any collateral or guarantee.

Aging analysis of trade receivables

The aging analysis of the Group's trade receivables is as follows:

	Group	
	2012	2011
	RM	RM
Neither past due nor impaired	1,460,000	1,236,000
Past due but not impaired:-		
1 to 30 days	-	-
31 to 60 days	-	402,119
61 to 90 days	-	33,130
91 to 120 days	1,250,000	-
More than 121 days	1,477,249	1,577,628
	4,187,249	3,248,877
Impaired	193,500	5,418,029
	4,380,749	8,666,906

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. 99% (2011: 100%) of the Group's trade receivables arise from a customer which is a related party to the Group.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM2,727,249 (2011: RM 2,012,877) that are past due at the end of the financial year but not impaired.

The trade receivables that are past due but not impaired are unsecured in nature. The management is confident that the amounts are recoverable as these accounts are still active.

8. TRADE RECEIVABLES (CONTINUED)

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the financial year and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2012	2011
	RM	RM
Individually impaired:-		
Trade receivables- nominal amounts	193,500	5,418,029
Less: Allowance for impairment	(193,500)	(5,418,029)
	-	-

	Group	
	2012	2011
	RM	RM
Movement in allowance accounts:-		
At 1 August	5,418,029	5,529,634
Charge for the year	193,500	-
Reversal of impairment losses	(5,418,029)	(111,605)
At 31 July	193,500	5,418,029

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The net foreign currency exposure profile of trade receivables is as follows:-

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other receivables	1,288,147	236,383	1,140	1,140
Deposits	800	22,405	-	-
Staff loan	2,900	-	-	-
	1,291,847	258,788	1,140	1,140
Less: Allowance for impairment				
Other receivables	(1,140)	-	(1,140)	-
	1,290,707	258,788	-	1,140

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Included in other receivables is an amount of RM1,287,007 due from a company which arised from the disposal of a business segment as disclosed in Note 21 to the financial statements.

10. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2012	2011
	RM	RM
Ansi Systems Sdn. Bhd.		
Due from:		
Non-trade	12,759,392	11,789,392
Less: Allowance for non-recoverability	(8,125,874)	(8,125,874)
	4,633,518	3,663,518
Due to:		
Non-trade	(1,080,350)	(991,611)
	3,553,168	2,671,907
NCSoft Sdn. Bhd.		
Due to: Non-trade	(1,002,900)	(1,002,900)
Due from: Non-trade	115,000	-
	(887,900)	(1,002,900)

The amount due from subsidiaries comprises expenses paid on behalf by the Company and advances provided to the subsidiaries. These are unsecured, interest free and have no fixed terms of repayment.

The amount due to subsidiaries represents expenses paid on behalf of the Company by the subsidiaries and advances provided by a subsidiary to the Company. These are unsecured, interest free and have no fixed terms of repayment.

11. TRADE PAYABLES

The credit terms of trade payables range from 30 days to 60 days (2011: 30 days to 60 days).

12. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other payables	316,735	301,857	279,190	285,552
Amount due to a related party	499,075	499,075	-	-
Accruals	308,480	284,636	18,716	18,000
	1,124,290	1,085,568	297,906	303,552

The related party is Encoral Digital Solutions Sdn. Bhd. The amount is non-trade in nature and it is unsecured, interest free and has no fixed terms of repayment.

13. PROVISION FOR WARRANTY CLAIMS

	Group	
	2012	2011
	RM	RM
At 1 August 2012/2011	3,815	3,643
Provision made during the year	-	3,815
Write back on expiry and claims made during the year	(3,815)	(3,643)
At 31 July	-	3,815

14. SHARE CAPITAL

	Group and Company		Group and Company	
	2012	2011	2012	2011
	Number of shares		RM	RM
Authorised :				
Ordinary shares of RM0.10 each	250,000,000	250,000,000	25,000,000	25,000,000
Issued and fully paid:				
Ordinary shares of RM0.10 each	114,950,000	114,950,000	11,495,000	11,495,000
Issued during the year	11,495,000	-	1,149,500	-
	126,445,000	114,950,000	12,644,500	11,495,000

15. SHARE PREMIUM

This balance is not distributable by way of cash dividends and may be utilised only in the manner set out in Section 60(3) of the Companies Act, 1965.

16. REVENUE

	Group	
	2012	2011
	RM	RM
This represents the invoiced value of:		
Sales of books	7,120	-
Software development and system integration	4,800,000	3,923,215
	4,807,120	3,923,215

17. COST OF SALES

Cost of sales consists of cost of inventories sold, translation and editing cost of books and purchase cost of hardware and software.

18. PROFIT/ (LOSS) BEFORE TAX

Profit/ (Loss) before tax is stated after charging the following items:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
a) Other losses and expenses				
Auditors' remuneration	52,000	53,500	18,000	18,000
Impairment loss on trade receivables made	193,500	-	-	-
Impairment loss on other receivable	1,140	-	1,140	-
Depreciation of property, plant and equipment	10,474	10,163	-	-
Impairment loss in value of investment in subsidiary company	-	-	1,000,000	-
Research and development ("R&D")				
-Personnel costs and related expenses	2,652,555	1,450,284	-	-
b) Employee benefits expenses				
Salaries and allowances	2,289,180	1,361,552	-	-
SOCSO	32,675	22,801	-	-
Insurance, medical and other benefits	47,287	61,885	-	-
Contribution to define contribution plan	252,578	182,112	-	-
Bonus	58,895	77,613	-	-
	2,680,615	1,705,963	-	-

	Group	
	2012	2011
	RM	RM
Employee benefit expenses are included in the statement of comprehensive income as follows:-		
Administrative expenses	28,060	255,679
Research and development expenses	2,652,555	1,450,284
	2,680,615	1,705,963

18. PROFIT/ (LOSS) BEFORE TAX (CONTINUED)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
c) Directors' remuneration				
Directors of the Company	-	-	-	-
Directors of a subsidiary				
Fees:-				
Executive	8,100	89,100	-	-
Directors' remuneration are included in the statement of comprehensive income as follows:-				
Administrative expense	8,100	89,100	-	-

The number of Directors of the Group whose total remuneration during the financial year fall within the following bands are as follows:-

	Number of directors	
	2012	2011
Executive Directors		
Below RM 50,000	1	-
RM 50,001 - RM 100,000	-	1

19. INCOME TAX EXPENSE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Malaysian income tax	-	-	-	-

Reconciliation of effective tax rate:-

Profit/ (Loss) before tax from:				
- continuing operations	1,168,573	1,641,832	(1,134,785)	(70,917)
- discontinued operations (Note 20)	(1,052,143)	(1,575,072)	-	-
	116,430	66,760	(1,134,785)	(70,917)

19. INCOME TAX EXPENSE (CONTINUED)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Tax at current income tax rate of 25%	29,107	16,690	(283,696)	(17,729)
Tax effects of:-				
-Non-deductible expenses	396,385	199,435	274,062	17,729
-Income not subject to tax	-	(154,240)	-	-
-Movement of deferred tax not recognised	-	128,662	9,634	-
-Utilisation of previously unrecognised tax losses	(350,270)	(190,547)	-	-
-Utilisation of capital allowances	(75,222)	-	-	-
Tax expense	-	-	-	-

A subsidiary, Ansi Systems Sdn. Bhd. ("ASSB") was awarded the status of a Multimedia Super Corridor ("MSC") company on 28 November 2003. Amongst other incentives, ASSB was accorded Pioneer Status pursuant to the Promotion of Investments Act, 1986 ("PIA"). The MSC Status granted was subject to the compliance of certain conditions imposed by the Multimedia Development Corporation. The Pioneer Status was granted for a period of 5 years, commencing 1 December 2003. The tax exemption period also commenced on 1 December 2003 and ended on 30 November 2008.

Subject to the agreement of the Inland Revenue Board, ASSB has estimated tax exempt income of approximately RM11,497,400 (2011:RM11,497,400) as at 31 July 2012 available for distribution as tax exempt dividends. In addition, ASSB has estimated unabsorbed tax losses and unutilised capital allowances of approximately RM5,407,400 (2011: RM6,803,500) and RMNil (2011: RM11,425,200) respectively, which, subject to the agreement with the Inland Revenue Board, can be carried forward to set off against future taxable income of future periods.

The tax effects of temporary differences which would give rise to future net tax benefits are generally recognised only where there is a reasonable expectation of realisation. As at the end of the financial year, the estimated amount of deferred taxation benefits calculated at the current tax rate, that had not been recognised in the financial statements are as follows:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Taxable/(deductible) temporary differences				
-Property, plant and equipment	11,415	1,296,624	-	-
-Provision for warranty claims	-	(3,815)	-	-
	11,415	1,292,809	-	-
Unabsorbed tax losses	(5,407,400)	(6,803,500)	-	-
Unutilised capital allowance	-	(11,425,200)	-	-
	(5,395,985)	(16,935,891)	-	-

Deferred tax asset has not been recognised in the financial statements as it is not probable that sufficient taxable profit will be available against which the deductible temporary differences, unutilised allowances and unabsorbed losses, stated above can be utilised.

20. LOSS FROM DISCONTINUED OPERATIONS

On 2 May 2012, the Board of Directors of a subsidiary company entered into an agreement to dispose off its integrated intelligent wireless security, automation and close-circuit television surveillance systems business to streamline the company's operations. The details of the net assets of the business at the date of disposal are disclosed in Note 21.

The fair value of the disposal group less costs to sell equals the carrying amount of the relevant assets and liabilities.

The results of the discontinued operations are as follows:

	Group	
	2012	2011
	RM	RM
Revenue (Note 24)	374,060	499,836
Cost of sales	(545,245)	(592,785)
Gross loss from discontinued operations	(171,185)	(92,949)
Other income	-	686,954
Expenses	(880,958)	(2,169,077)
Loss before tax from discontinued operations	(1,052,143)	(1,575,072)
Income tax expense	-	-
Loss from discontinued operations for the financial year	(1,052,143)	(1,575,072)
Gain on disposal of discontinued operations, net of income tax	-	-
Loss for the financial year (Note 24, 25)	(1,052,143)	(1,575,072)

Loss before tax from discontinued operations is stated after charging/ (crediting) the following items:-

	Group	
	2012	2011
	RM	RM
Amortisation of intangible assets	175,000	309,000
Impairment loss on trade receivables made/ (reversed)	(5,418,029)	(111,605)
Depreciation of property, plant and equipment	880,958	1,580,404
Unrealised loss on foreign exchange	-	155,536
Inventories written off	-	41,562
Waiver of advances from directors	-	(686,954)
Rental of office premises	-	43,200
Personnel costs and related expenses	-	55,008

Net cash flows attributable to discontinued operations are as follows:

	Group	
	2012	2011
	RM	RM
Cash flows from operating activities	(773,206)	(93,317)
Cash flows used in investing activities	752,954	-
	(20,252)	(93,317)

21. DISPOSAL OF A BUSINESS SEGMENT

As disclosed in Note 20, on 2 May 2012, a subsidiary company disposed off its integrated intelligent wireless security, automation and close-circuit television surveillance systems ("CCTV") business. The net assets of the business at the date of disposal and at 31 July 2011 were as follows:

	Group	
	2.5.2012	2011
	RM	RM
Property, plant and equipment	752,954	1,633,912
Intangible assets	-	175,000
Inventories	374,060	374,060
Trade and other receivables	336,977	336,977
Cash and bank balances	20,252	20,252
Trade and other payables	(197,236)	(249,814)
Provision for warranty claims	-	(3,815)
Net assets of disposed business	1,287,007	2,286,572
Gain on disposal	-	-
Total consideration	1,287,007	2,286,572
Cash and cash equivalents disposed off	(20,252)	
Disposal of CCTV business, net of cash disposed off	1,266,755	

22. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

Related party relationships exist between the Group/ Company and the following entities:-

(a) Ansi Systems Sdn Bhd ("ASSB") and NCSoft Sdn. Bhd. ("NSSB"), being subsidiaries of ITHB:

(b) Inix Industrial Sdn. Bhd. ("IISB") being a subsidiary of ASSB

(c) eNCoral Digital Solutions Sdn. Bhd. ("EDSSB") being a related party by virtue of certain directors of ITHB, ASSB and NSSB being key management personnel of EDSSB. EDSSB is also a substantial shareholder of ITHB. A director of EDSSB with substantial financial interest in EDSSB is an executive director of ITHB.

(d) Mr. Liew Woy Kee ("LWK") being a person connected to Cheong Kok Yai, a former executive director of the Company who resigned as director on 08 October 2010. The Company has entered into a tenancy agreement with LWK for the rental of office premises. The latest agreement is effective from 1 May 2010 to 30 April 2012: and

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company either directly or indirectly.

(a) The key management personnel of the Group comprise Executive Directors of the Company and its subsidiaries and their remuneration are disclosed in Note 18 (c).

(b) The key management personnel of EDSSB comprise the Directors of the company and certain members of senior management of the company.

22. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Balances at year end included in the statement of financial position are as follows:-				
Trade receivables				
Software development fees receivables from EDSSB	4,141,000	2,720,000	-	-
Other receivables, deposits and prepayments				
Rental and utility deposits paid to LWK	-	8,000	-	-
Amount due from/(to) subsidiaries				
Advances provided to ASSB for working capital purposes	-	-	9,170,000	8,200,000
Expenses paid on behalf of ASSB	-	-	3,589,392	3,589,392
Expenses paid on behalf by ASSB	-	-	(1,080,350)	(991,611)
Advances provided by NCSSB	-	-	(1,000,998)	(1,000,998)
Expenses paid on behalf of NCSSB	-	-	115,000	-
Expenses paid on behalf by NCSSB	-	-	(1,902)	(1,902)
	-	-	10,791,142	9,794,881
Significant transactions between related parties and the Group/Company during the year are as follows:-				
Revenue				
Fees on software development in progress from EDSSB	4,800,000	3,020,000	-	-
Expenses				
Rental of office premises paid to LWK	-	30,000	-	-
Payment on behalf				
Expenses paid on behalf by ASSB	-	-	(88,740)	(37,481)

23. EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") grants options to eligible directors and employees of the Group to subscribe for shares up to 15% of the Company's issued and paid-up share capital. The ESOS is in force for a duration of 5 years commencing from 25 August 2005 being the date of full compliance with all relevant requirements.

On 12 September 2005, 6,000,000 share options were granted and accepted at an exercise price of RM0.40 per share pursuant to the ESOS. The estimated fair value of RM0.20 per option was calculated using the Black-Scholes option pricing model with inputs into the model as follows:-

Weighted average share price	RM0.44
Exercise rice	RM0.40
Expected volatility	60%
Expected life	3 years
Risk free rate	3.33%
Expected dividend yield	Nil

Expected volatility has been determined based on the historical volatility of the share prices of the Company and of other companies listed on the same exchange, board and sector. Expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Details of the share options outstanding during the year are as follows:-

	No. of share options at exercise price of RM0.40 each	
	2012	2011
	RM	RM
Outstanding at 1 August	-	270,000
Forfeited during the year	-	(270,000)
Waived during the year	-	-
Outstanding at 31 July	-	-

The total number of options outstanding at 31 July 2010 has expired on 24 August 2010.

24. SEGMENT INFORMATION

The Group is basically engaged in the following business segments:-

i) Development and sales of security, automation and surveillance systems - discontinued segment
ii) Software development and system integration
iii) Sales of books

2012	Development and sales of security, automation and surveillance systems (Discontinued operations) (Note 20)	Software development and system integration	Sales of books	Corporate	Eliminations	Total
	RM	RM		RM	RM	RM
Operating segments						
Revenue						
External customers	374,060	4,800,000	7,120	-	-	5,181,180
Results						
Depreciation	(880,958)	(10,474)	-	-	-	(891,432)
Amortisation	(175,000)	-	-	-	-	(175,000)
Provision for warranty claims	3,815	-	-	-	-	3,815
Impairment loss on trade receivables	-	(193,500)	-	-	-	(193,500)
Impairment loss in value of investment in subsidiary company	-	-	-	(1,000,000)	1,000,000	-
Segment profit/ (loss)	(1,052,143)	(1,091,441)	(193,528)	(1,115,480)	3,569,022	116,430
Assets						
Additions to intangible assets	-	1,752,785	-	-	-	1,752,785
Amount due from related company	-	314,551	-	-	(314,551)	-
Amount due from holding company	-	887,900	-	-	(887,900)	-
Amount due from subsidiaries	-	-	-	3,553,168	(3,553,168)	-
Segment assets	-	9,971,826	592	3,570,684	(4,755,619)	8,787,483
Liabilities						
Amount due to holding company	11,679,042	-	-	-	(11,679,042)	-
Amount due to subsidiary company	-	-	-	887,900	(887,900)	-
Amount due to related company	-	-	-	(2,902,928)	2,902,928	-
Segment liabilities	11,679,042	3,726,981	200,000	1,188,137	(15,469,870)	1,324,290

Geographical Information

			Non-current assets		Current asset
	Revenue	Profit before tax	Property, plant and equipment	Intangible assets	Trade receivables
	RM	RM	RM	RM	RM
Malaysia	5,181,180	116,430	13,109	3,141,802	4,187,249

2011	Development and sales of security, automation and surveillance systems (Discontinued operations) (Note 20) RM	Software development and system integration RM	Corporate RM	Elimination RM	Total RM
Operating segments					
Revenue					
External customers	499,836	3,923,215	-	-	4,423,051
Results					
Depreciation	(1,580,404)	(10,163)	-	-	(1,590,567)
Amortisation	(309,000)	-	-	-	(309,000)
Provision for warranty claims	(172)	-	-	-	(172)
Reversal of impairment loss on trade receivables	111,605	-	-	-	111,605
Segment profit/ (loss)	(1,575,072)	1,709,616	(70,917)	3,133	66,760
Assets					
Investment in subsidiaries	-	-	1,000,000	(1,000,000)	-
Additions to intangible assets	-	1,389,017	-	-	1,389,017
Amount due from holding company	-	1,002,900	-	(1,002,900)	-
Amount due from subsidiaries	-	-	2,671,907	(2,671,907)	-
Amount due from related company	1,259,628	-	-	(1,259,628)	-
Segment assets	2,543,530	7,158,744	3,676,613	(5,934,435)	7,444,452
Liabilities					
Amount due to holding company	10,797,781	-	-	(10,797,781)	-
Amount due to subsidiaries	-	-	1,002,900	(1,002,900)	-
Amount due to related company	-	1,259,628	-	(1,259,628)	-
Segment liabilities	11,081,838	1,934,234	1,306,452	(13,075,335)	1,247,189

Geographical Information			Non-current assets		Current asset
	Revenue RM	Profit before tax RM	Property, plant and equipment RM	Intangible assets RM	Trade receivables RM
Malaysia	4,423,051	66,760	1,656,096	1,564,017	3,248,877

The Group has 1 (2011: 1) major customer contributing approximately RM4,800,000 (2011:3,020,000) of total sales revenue.

25. EARNINGS/ (LOSS) PER ORDINARY SHARE

The amount used in calculating basic and diluted earnings per share ('EPS') attributable to the ordinary equity holders of the parent entity are as follows:

Earnings

From continuing and discontinued operations

	Group	
	2012	2011
	RM	RM
Earnings used for the computation of basic EPS		
- profit attributable to equity holders of parent	116,430	66,760

From continuing operations

	Group	
	2012	2011
	RM	RM
Profit attributable to equity holders of parent	116,430	66,760
Adjustment for loss from discontinued operations (Note 20)	1,052,143	1,575,072
Earnings used for the computation of basic EPS from continuing operations	1,168,573	1,641,832

Weighted average number of ordinary shares

	Group	
	2012	2011
	RM	RM
From continuing and discontinued operations	126,445,000	114,950,000

No ESOS option has been granted as at the end of the financial year, therefore the disclosure of diluted earnings/ (loss) per ordinary share is not applicable.

26. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under conditions that are favourable, or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or a contractual obligation to exchange financial instruments under conditions that are unfavourable.

26. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management objectives and policies

The Group is mainly exposed to credit risk, liquidity risk, foreign currency risk, technological risk and market risk. The Group has formulated a financial risk management framework with the principal objectives of minimising the Group's exposure to risks.

i) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. Analysis on trade receivables by credit terms and industry profile is disclosed in Note 8.

Exposure to credit risk

At the end of the financial year, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group has significant concentration of credit risk in the form of outstanding balance due from 1 customer (2011: 1 customer) representing 99% (2011: 83%) of the total trade receivables.

The credit risk concentration profile of the Group's trade receivables at the financial year end by geographical region are as follows:-

	Group	
	2012	2012
	RM	RM
Malaysia	4,187,249	3,248,877

ii) Liquidity risk

The Group's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

26. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management objectives and policies (continued)

ii) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Undiscounted financial liabilities:-				
On demand or within one year				
Trade and other payables	1,324,290	1,243,374	297,906	303,552

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market rates. Short term receivables and payables are not significantly exposed to interest rate risk.

iv) Technological and market risks

The Group is exposed to technological and market risks arising mainly from its product offerings. These risks are managed through constant investments in research and development, market evaluation and product innovation to ensure that the Group's range of products and services are market relevant and price competitive.

(b) Financial assets

The Group's principal financial assets are trade receivables, other receivables, and cash and bank balances.

(c) Financial liabilities and equity instruments

Debts and equity instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Significant financial liabilities of the Group include trade payables, and other payables and accruals.

26. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair values of financial instruments

The Group's and the Company's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Group and the Company in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Group		Company	
	Loans and receivables RM	Financial liabilities at amortised cost RM	Loans and receivables RM	Financial liabilities at amortised cost RM
2012				
Financial assets				
Trade and other receivables	5,477,956	-	-	-
Amount due from a subsidiary	-	-	3,553,168	-
Cash and bank balances	154,024	-	17,514	-
	5,631,980	-	3,570,682	-
Financial liabilities				
Trade and other payables	-	1,324,290	-	297,906
Amount due to a subsidiary	-	-	-	877,900
	-	1,324,290	-	1,175,806
2011				
Financial assets				
Trade and other receivables	3,507,665	-	1,140	-
Amount due from a subsidiary	-	-	2,671,907	-
Cash and bank balances	342,614	-	3,566	-
	3,850,279	-	2,676,613	-
Financial liabilities				
Trade and other payables	-	1,243,374	-	303,552
Amount due to a subsidiary	-	-	-	1,002,900
	-	1,243,374	-	1,306,452

There is no fair value for financial instruments not recognised in the statement of financial position that is required to be disclosed.

26. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair values of financial instruments (continued)

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

i) Cash and bank balances

The carrying amount of cash and bank balances approximates fair value due to the relatively short term maturity of these instruments.

ii) Trade and other receivables and payables

The historical cost carrying amount of trade receivables and payables subject to normal trade credit terms approximates fair value.

The carrying amounts of other receivables and payables are reasonable estimates of fair value because of their short maturity.

27. CAPITAL MANAGEMENT

The primary objective of the Group'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 manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 July 2012 and 31 July 2011.

The debt to equity ratios at 31 July 2012 and 31 July 2011 were as follows:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Trade payables	200,000	157,806	-	-
Other payables and accruals	1,124,290	1,085,568	297,906	303,552
Less: cash and cash equivalents	(154,024)	(342,614)	(17,514)	(3,566)
	1,170,266	900,760	280,392	299,986
Equity attributable to the owners of the parent	7,463,193	6,197,263	2,384,876	2,370,161
Capital and net debt	8,633,459	7,098,023	2,665,268	2,670,147
Gearing ratio	0.14	0.13	0.11	0.11

28. SUPPLEMENTARY INFORMATION – BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 July 2012 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2012 RM	Company 2012 RM
Total accumulated losses of the Company and its subsidiaries		
Realised	(13,839,167)	(18,917,484)
Unrealised	-	-
Accumulated losses as per financial statements	(13,839,167)	(18,917,484)

29. COMPARATIVE FIGURES

Certain comparative figures in the statements of comprehensive income and statements of cash flows have been reclassified to conform with current year's presentation.

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2012

	2012 RM	2011 RM
REVENUE	-	-
LESS: ADMINISTRATIVE EXPENSES		
Advertising	4,722	-
Impairment loss on other receivable	1,140	-
Annual general meeting	2,948	3,150
Auditors' remuneration	18,000	18,000
Bank charges	10	10
Legal and professional fee	49,000	11,360
Filling fee	-	100
Miscellaneous	2,860	-
Penalty	-	1,140
Printing and stationeries	430	963
Registration and processing fee	25,432	9,425
Secretarial fees	20,676	25,816
Share registration fees	8,707	600
Telephone charges	370	-
Travelling expenses	490	353
	134,785	70,917
LESS: OTHER EXPENSES		
Impairment loss in value of investment in subsidiary company	1,000,000	-
	1,000,000	-
TOTAL EXPENSES	1,134,785	70,917
LOSS BEFORE TAX	(1,134,785)	(70,917)

ANALYSIS OF SHAREHOLDINGS

As at 27 November 2012

Authorised Share capital	:	RM25,000,000
Issued and Fully Paid-up Share Capital	:	RM12,644,500
Classes of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

	No. of Shareholders	No. of Shares	% of Issued Share Capital
Less Than 100	7	195	0.00
100 to 1,000	90	69,855	0.06
1,001 to 10,000	342	2,135,200	1.69
10,001 to 100,000	379	18,213,294	14.40
100,001 to below 5%	155	84,777,145	67.04
5% and above	1	21,249,311	16.81
	974	126,445,000	100.00

Substantial Shareholders (Direct & Indirect)

(as per Register of Substantial Shareholders)

No.	Name Of Substantial Shareholder	Direct Interest	%	Indirect Interest	%
1.	Encoral Digital Solutions Sdn Bhd	21,249,311	16.81	-	-
2.	Azman bin Hussin	-	-	21,249,311*	16.81

** Deem interested via his shareholdings in Encoral Digital Solutions Sdn Bhd*

DIRECTORS' SHAREHOLDING (Direct & Indirect)

(as per Register of Directors' Shareholdings)

No. of ordinary shares of RM0.10 each beneficially held by the Directors

Name Of Directors	Direct Interest	%	Indirect Interest	%
Dato' Megat Fairouz Junaidi bin Megat Junid	-	-	-	-
Azman bin Hussin	-	-	21,249,311*	16.81
Chow Hung Keey	-	-	-	-
Mahfuzal bin Othman	12,000	0.009	-	-
Chong Chen Fah	-	-	-	-
Ong Tee Kein	-	-	-	-

** Deem interested via his shareholdings in Encoral Digital Solutions Sdn Bhd*

Top Thirty Shareholders

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

	Name of Shareholder	No. of Shares	%
1.	ENCORAL DIGITAL SOLUTIONS SDN BHD	21,249,311	16.81
2.	TASEC NOMINEES (ASING) SDN BHD TA SECURITIES (HK) LTD FOR MEGAWORLD VENTURES LIMITED	4,935,500	3.90
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR BARKATH STORES (PENANG) SDN BERHAD (PB)	4,500,000	3.56
4.	DIGITAL ZILLION SDN BHD	3,699,000	2.93
5.	TAN CHEE PHIN	3,636,600	2.88
6.	LADUE NAKIAH OSMAN	3,030,000	2.40
7.	SYED MOHAMED BUHARI MOHAMED ANSARI	2,900,000	2.29
8.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AUTUMN STAR HOLDINGS LIMITED	2,155,100	1.70
9.	LOW KIM YAP	2,070,500	1.64
10.	OOI CHIN KEAT	2,014,500	1.59
11.	KONG KOK KEONG	2,000,000	1.58
12.	TEOH CHOO KANG	1,953,300	1.54
13.	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURI-TIES ACCOUNT FOR WONG KIAN TECK	1,913,900	1.51
14.	GOH BOON SOO @ GOH YANG ENG	1,700,000	1.34
15.	TANG WAY KEONG	1,602,000	1.27
16.	PHOO MENG KHAW	1,401,946	1.11
17.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SMB RESOURCES SDN BHD	1,202,900	0.95
18.	TAM CHEN KIEN	1,200,000	0.95
19.	NOR HASLINA BINTI KASSIM	1,050,000	0.83
20.	CHONG FUI MENG	1,000,000	0.79
21.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR HSBC PRI-VATE BANK (SUISSE) S.A. (SPORE TST ACC CL)	985,000	0.78
22.	ZHANG LI	970,000	0.77
23.	DOMINIC NATHAN GABRIEL	952,700	0.75
24.	HEW YOONG SHIANG	893,300	0.71
25.	CHONG KOK WING	880,499	0.70
26.	KAMARUDIN BIN NORDIN	800,000	0.63
27.	YUSMADI BIN YUSOF	800,000	0.63
28	MUHAMAD MURSHID BIN AZMAN	750,000	0.59
29.	DELUXE GARDEN LIMITED	700,000	0.55
30.	LIM GAIK HWA	700,000	0.55
		73,646,056	58.24

Additional Compliance Information

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Securities Malaysia Berhad for the ACE Market.

1. Share Buy-Back

The Company does not have a scheme to buy-back its own shares.

2. Depository Receipt Programme

The Company did not sponsor any depository receipt programme for the financial year ended 31 July 2012.

3. Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant authorities during the financial year ended 31 July 2012.

4. Non-Audit Fees

Non-audit fees incurred for services rendered to the Group by the Company's auditors for the financial year ended 31 July 2012 are as follows:

Hasnan & Co. from tax advisory

Group	: RM4,500.00
Company	: RM600.00

5. Variation of Results

There were no profit estimates, forecast or projection made by the Company during the financial year ended 31 July 2012.

There were no material variance between the results for the financial year ended 31 July 2012 and the unaudited results previously announced by the Company.

6. Profit Guarantee

The Group and the Company had not issued any profit guarantee in respect of the financial year ended 31 July 2012.

7. Material Contracts

During the financial year ended 31 July 2012, the Company and its subsidiaries did not enter into any material contract involving directors' and substantial shareholders' interests, nor was there any such material contract previously entered into that was still subsisting as at 31 July 2012.

8. Revaluation Policy

The Company did not revalue any of its property, plant and equipment during the financial year ended 31 July 2012.

9. Material Properties

The Company and the Group does not own any landed property for the financial year ended 31 July 2012.

10. Corporate Social Responsibility Activities

The Company and the Group did not undertake any corporate social responsibility activities or practices during the financial year ended 31 July 2012.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of INIX Technologies Holdings Berhad ("INIX") will be held at Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 28th December 2012 at 9.30 a.m. for the following purpose:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year end 31st July 2012together with the Directors' and Auditors' Reports thereon.

2. To re-elect Encik Azman Bin Hussin who retires in accordance with Article 85 of the Company's Articles of Association of the Company and being eligible, offer himself for re-election. *Resolution 1*

3. To re-elect the following Directors who retire in accordance with Article 92 of the Articles of Association of the Company, and being eligible, offer themselves for re-election:

   i. Chow Hung Keey *Resolution 2*

   ii. Ong Tee Kein *Resolution 3*

4. To appoint Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. Notice of Nomination from a shareholder pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs Hasnan THL Wong & Partners, for appointment as Auditors and of the intention to propose the following Ordinary Resolution: *Resolution 4*

   "THAT Messrs. Hasnan THL Wong & Partners be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Hasnan & Co., and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors"

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions, with or without modifications, as Ordinary Resolutions of the Company:

5. ORDINARY RESOLUTION I

   PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE TO BE ENTERED WITH ENCORAL DIGITAL SOLUTIONS SDN BHD ("eNCoral") AND PERSONS CONNECTED WITH eNCoral. *Resolution 5*

"THAT subject to the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad:

(a) Approval be and is hereby given for the Shareholders' Mandate for the Company and/or its subsidiaries to enter into and give effect to the category of the recurrent arrangements or transactions of a revenue or trading nature with eNCoral and persons connected with eNCoral as specified in Section 2.4 of the Circular to Shareholders dated 6th December, 2012, provided that such transactions are:

i. recurrent transactions of a revenue or trading nature;
ii. necessary for the Group's day-to-day operations;
iii. carried out in the ordinary course of business of the Company and its subsidiaries on normal commercial terms which are not more favorable to the Related Parties than those generally available to the public; and
iv. not to the detriment of minority shareholders; (The "mandate").

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:

i. The conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting;

ii. the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or

iii. revoked or varied by resolution passed by the shareholders in a general meeting;

Whichever is the earlier.

and that in making the disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the proposed shareholders' approval in the Company's annual reports., the Company shall provide a breakdown of the aggregate value of recurrent related party transactions made during the financial ,among others , based on :

(i) the type of the recurrent related party transactions made ; and (ii) the name of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company and further that authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate as authorised by this Ordinary Resolution."

ORDINARY RESOLUTION II

AUTHORITY TO ALLOT AND ISSUE SHARES
IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965
Resolution 6

"THAT pursuant to Section 132D of the Companies Act 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."

ANY OTHER BUSINESS:

6. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965. *Resolution 7*

By order of the Board
Wong Youn Kim
(MAICSA 7018778)
Company Secretary

Kuala Lumpur

6 December 2012

EXPLANATORY NOTES ON SPECIAL BUSINESS:

RESOLUTION 5

The Ordinary Resolution No. 5, if passed will give authority to the Company and its subsidiaries to enter into with specific classes of related parties and to give effect to specified recurrent related party transactions of a revenue or trading nature which are necessary for the Company and its subsidiaries' day- to-day operations. This authority will, unless revoked or varied by the Company in General Meeting will expire at the next Annual General Meeting. The detail explanatory is set out in the Circular to Shareholders dated 6 December 2012 attached to the Annual Report.

RESOLUTION 6

The Ordinary Resolution proposed under item 5, if passed will give the Directors of the Company from the date of the above Meeting, authority to allot and issue ordinary shares for the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

The Company did not issue any share pursuant to a mandate granted to the Directors at the last Annual General Meeting held on 28 December 2011.

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

NOTES;

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or an attorney duly authorized.*

3. *A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoint two proxies, the appointment shall be invalid unless the specifies the proportions of his holdings to be represented by each proxy in a poll and the proxy who shall be entitled to vote on a show of hands.*

4. *The instrument appointing a proxy must be deposited at the registered office of the Company , situated at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time holding the meeting or adjournment meeting.*

5. *Only depositors whose names appear in the Record of depositors as at 24 December 2012 shall be registered as members and be entitled to attend the Eighth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf.*

STATEMENT ACCOMPANYING NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

1. The Director who is standing for re-election at the Eighth Annual General Meeting of Inix Technologies Holdings Berhad are as follows:

   i. Encik Azman Bin Hussin
   ii. Mr Chow Hung Keey
   iii. Mr Ong Tee Kein

   The profiles of the Directors who are standing for re-election is set out on page 6 to 8 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 July 2012 are disclosed in the Corporate Governance Statement set out on page 9 to 13 of this Annual Report.

3. The details of the Eighth Annual General Meeting are as follows:

Date of Meeting	Time of Meeting	Place of Meeting
Friday, 28 December 2012	9.30 am	Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan

Annexure A

eNCoral Digital Solutions Sdn. Bhd. (391053-W)
No.9 Jalan Tasik Selatan 3, Metro Centre
Bandar Tasik Selatan
57000 Kuala Lumpur
MALAYSIA

19th Anniversary

"ANNEXURE A"

Notice of Nomination of New Auditors

Date: 22 November 2012

The Board of Directors

INIX TECHNOLOGIES HOLDINGS BERHAD
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Dear Sirs,

RE: NOTICE OF NOMINATION OF NEW AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, we, being the members of the Company, hereby give notice of our intention to nominate Messrs. Hasnan THL Wong & Partners for appointment as auditors of the Company and to replace the retiring auditors, Messrs. Hasnan & Co. and to propose that the following ordinary resolution be tabled at the forthcoming Annual General Meeting of the Company:

*"**THAT** Messrs. Hasnan THL Wong & Partners be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Hasnan & Co., and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors"*

Yours faithfully
ENCORAL DIGITAL SOLUTIONS SDN. BHD.

AZMAN BIN HUSSIN
DIRECTOR

DIRECTOR

INIX TECHNOLOGY HOLDINGS BERHAD
(Company No. 665797-D)
(Incorporated in Malaysia)

FORM OF PROXY

Eighth Annual General Meeting

I/We ____

of being a member/members of **INIX TECHNOLOGIES HOLDINGS BERHAD** hereby appoint* the Chairman of the ____________________ meeting ____________________ or of ______________ or __________failing____________________ whom ______________________ of ____________________

as my/our Proxy(ies) to vote for me/us and on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 28 December 2012at 9.30 a.m. and at any adjournment thereof.

*My/*Our proxy(ies) is/are to vote as indicated below:-

	Resolutions		For	Against
	ORDINARY BUSINESS			
1.	To receive the Audited Financial Statements for the financial year ended 31st July 2012 together with the Directors' and Auditors' Reports thereon.			
2.	To re-elect Encik Azman Bin Hussin as the Director who is retiring in accordance with Article 85 of the Company's Articles of Association.	Resolution 1		
3.	To re-elect Mr Chow Hung Keey as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 2		
4.	To re-elect Mr Ong Tee Kein as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 3		
5.	To appoint Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.	Resolution 4		

SPECIAL BUSINESS

6.	Proposed Shareholders' Mandate for Reccurent Related Party Transactions of Revenue or Trading Nature to be entered with Encoral Digital Solutions Sdn Bhd ("ENCORAL") and persons connected with ENCORAL.	Resolution 5		

7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 6		

[Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion]

No. of shares held

CDS Account No.																	
			-				-										

Dated this ....day of.................................2012

--- Signature/Common Seal of Shareholder(s)

[* Delete if not applicable]

NOTES;

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or an attorney duly authorized.*

3. *A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoint two proxies, the appointment shall be invalid unless the specifies the proportions of his holdings to be represented by each proxy in a poll and the proxy who shall be entitled to vote on a show of hands.*

4. *The instrument appointing a proxy must be deposited at the registered office of the Company , situated at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time holding the meeting or adjournment meeting.*

5. *Only depositors whose names appear in the Record of depositors as at 24 December 2012 shall be registered as members and be entitled to attend the Eighth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf.*

Affix Stamp
Here

INIX TECHNOLOGIES HOLDINGS BERHAD
(Company No. 665797-D)
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

ANNUAL REPORT 2012
REQUISITION FORM

INIX TECHNOLOGIES HOLDINGS BERHAD
(Company No. 665797-D)
(Incorporated in Malaysia under the Companies Act, 1965)

Dear Shareholders,

Please complete your particulars below and mail or fax it to **03-2282 5022** should you require a hard copy of INIX Technologies Holdings Berhad's Annual Report 2012. The Annual Report 2012 is also available for access and download at **www.ansi.com.my**

Name: ………………………..…………………………………………………………
Mailing Address: ………………..……………………………………………………
………………………………………………………………………………………..
………………………..………..…….………………………………………………..
………………………………………………………………………………………..
Telephone No.:.………………………………E-mail: ………………………………………

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)
No 38, Jalan Dagang SB4/2, Taman Sungai Besi Indah,
43300 Seri Kembangan Selangor Darul Ehsan
Tel: (6019) 2102800   Fax: (603) 90585770