



Annual Report

2013

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

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Corporate Information

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*

Mohd Anuar Bin Mohd Hanadzlah *Executive Director*
(Appointed w.e.f. 12 September 2013)

Mahfuzal bin Othman *Executive Director*
(Resigned w.e.f. 10 September 2013)

Chong Chen Fah *Non-Independent Non-Executive Director*
(Resigned w.e.f. 26 March 2013)

Ong Tee Kein *Independent Non-Executive Director*
(Resigned w.e.f. 5 February 2013)

Yeo Wee Kiat *Independent Non-Executive Director*
(appointed w.e.f. 5 February 2013)

Wai Chin Yean *Independent Non-Executive Director*
(Appointed w.e.f. 26 March 2013. Resigned w.e.f. 29 November 2013)

Dr Folk Jee Yoong *Executive Director*
(Appointed w.e.f. 29 November 2013)

Noor Shahwan Bin Saffwan *Independent Non-Executive Director*
(Appointed w.e.f. 29 November 2013)

Audit Committee

Dato' Megat Fairouz Junaidi bin Megat Junid *Chairman*

Yeo Wee Kiat *Member*
(Appointed w.e.f. 5 February 2013)

Noor Shahwan Bin Saffwan *Member*
(Appointed w.e.f. 29 November 2013)

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

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@hotmail.com

Auditors

Hasnan THL Wong & Partners (AF: 0942)
No. 10, Lorong Universiti B, Section 16
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 7956 5333
Fax: (603) 7958 6833
Email: audit@thlw.com.my

Principal Bankers

Public Bank Berhad
CIMB Bank Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
Malayan Banking Berhad

Stock Exchange Listing

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

Chairman's Statement

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 2013.

Group Results

Reflective of current global and regional economic conditions, Group Sales decreased moderately to RM4.6 million for the financial year ended 31 July 2013, compared to RM4.8 million for the preceding year.

While the revenue decreased, the cost increased due to a larger workforce expenses needed to implement projects and develop new solutions. However, since the loss from discontinued operations has been taken into previous year account, an audited after tax profit of RM0.123 million recorded in the current financial year, compared to an audited after tax profit of RM1.168 million for the financial year ended 31 July 2012.

Business Development

The Group continued to invest in research and development (R&D) activities. This is 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 RM3.6 million in R&D expenditure for its financial year ended 31 July 2013, compared to RM2.9 million for the preceding year.

Prospects

The group is excited with the prospects of its e-book project. The original PDF version of the e-books have been ported for the iPhone/iPad platform and is 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, your 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 2014.

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
4 December 2013

DIRECTORS' PROFILE

Dato' Megat Fairouz Junaidi Bin Megat Junid

Independent Non-Executive Chairman

Malaysian, aged 48

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, Nomination Committee and 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 six (6) Board meetings held during the financial year ended 31 July 2013.

He 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 no convictions for any offences, other than traffic offences, within the past ten years.

Azman Bin Hussin

Executive Director / Chief Executive Officer

Malaysian, aged 54

Azman Bin 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 Information Systems 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 all six (6) Board meetings held during the financial year ended 31 July 2013.

He 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 no convictions for any offences, other than traffic offences, within the past ten years.

DIRECTORS' PROFILE (Cont'd)

Chow Hung Keey

Executive Director

Malaysian, aged 25

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. He is a Member of the Association of Chartered Certified Accountants (ACCA). Upon graduation from Taylor's University, he joined one of the Big Four 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 Berhad in 2011 as a Relationship Manager where he acts as a Private Financial Advisor to the High Net worth Clients. Six (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 attended five (5) Board meetings held during the financial year ended 31 July 2013.

He 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 no convictions for any offences, other than traffic offences, within the past ten years.

Mohd Anuar Bin Mohd Hanadzlah

Executive Director

Malaysian, aged 55

Mohd Anuar Bin Mohd Hanadzlah was appointed as Executive Director on 12 September 2013. He graduated in Accounting from MARA Institute of Technology (now known as Universiti Teknologi MARA). Mohd Anuar Bin Mohd Hanadzlah started his career as an auditor in 1982 with Azman Wong Salleh & Co., Kuala Lumpur for 3 years. Since then he has worked in a number of companies namely, Mafira Holdings Sdn. Bhd., Ipoh as Assistant Accountant (3 years), Permodalan Perak Bhd., Ipoh as Assistant Manager (9 years), PT. Wapoga Mutiara Industries, Indonesia as Branch Manager (3 years) and Precision Logging Ltd., Papua New Guinea as Accountant (6 months). In all these companies he was assigned to various departments and fields such as accounts, finance, sales, marketing, wholesale, trading, personnel, administration, mining, sawmilling, plywood and wood working factory. In the month of June 2007, he joined Avic Tech Corporation Sdn. Bhd. as Marketing Manager and was subsequently appointed as the General Manager in January 2008. He left Avic Tech Corporation Sdn. Bhd. on 31 August 2008.

As Mohd Anuar Bin Mohd Hanadzlah was only appointed on 12 September 2013, he did not attend any Board meeting held during the financial year ended 31 July 2013.

He 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 no convictions for any offences, other than traffic offences, within the past ten years.

DIRECTORS' PROFILE (Cont'd)

Dr Folk Jee Yoong

Executive Director

Malaysian, aged 52

Dr Folk Jee Yoong was appointed as the Executive Director on 29 November 2013. He graduated with a Bachelor of Business degree in Accounting and Secretarial Administration from the Curtin University of Technology in Perth, Western Australia, Bachelor of Economics degree from the University of Western Australia, Master of Commerce degree in Accounting from the University of Auckland, New Zealand, Doctor of Business Administration from the University of South Australia and Doctor of Philosophy from the University of Malaya. He is a Fellow of the Australian Society of Certified Practising Accountants and the Malaysian Institute of Accountants. He also holds a certificate in Investor Relations from the IR Society, United Kingdom.

Dr Folk has over 20 years of experience in academia, corporate finance, restructuring, audit and financial management in diversified industries such as mortgage banking, property development, construction, seafood trawling and processing, pulp and paper, jewellery, office furniture, multi-level marketing, plastic injection moulding, timber plantation and processing, hospitality and thermo vacuum forming. Between 1984 and 1990, amongst other public accounting firms, he was attached, to Deloitte, Haskins & Sells, New Zealand and McLaren & Stewart, Perth, Australia. He has also worked with multi-national firms such as Sinar Mas Group, Raja Garuda Mas Group and Fletcher Challenge Group in various countries such as New Zealand, India and Indonesia.

Dr Folk is also a Director of Lion Corporation Berhad and AHB Holdings Berhad, which are public listed companies.

As he was appointed on 29 November 2013, he did not attend any board meeting held during the financial year ended 31 July 2013.

He 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 no convictions for any offences, other than traffic offences, within the past ten years.

Yeo Wee Kiat

Independent Non-Executive Director

Malaysian, aged 66

Yeo Wee Kiat was appointed as Independent Non-Executive Director on 5 February 2013. He is a Member of Association of Chartered Certified Accountants and Member of the Malaysia Institute of Accountants. Yeo Wee Kiat started his career in sixties with the Inland Revenue Board, he left Government sector after ten years of experience to join private sector. The next twenty or so years saw him gaining wide experience in both private and corporate fields. He commenced by joining nationwide accounting firm a few years gaining all sorts of experience. He then left to join Sime Darby Group and later Genting Group for a taste of corporate world. After acquiring enough knowledge and experience, he set up his own accounting practice which later entered into a partnership with International Accounting Firm which ranked 14 in the world. In 2010, he met a group of very enterprising and energetic entrepreneurs dealing with 3D websites and related activities. In May 2011, he was invited to join their group as their Managing Director which he hold till this day.

DIRECTORS' PROFILE (Cont'd)

As he was appointed on 5 February 2013, he only attended two (2) Board meetings held during the financial year ended 31 July 2013.

He 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 no convictions for any offences, other than traffic offences, within the past ten years.

Noor Shahwan Bin Saffwan

Independent Non-Executive Director
Malaysian, aged 63

Noor Shahwan Bin Saffwan was appointed as the Independent Non-Executive Director on 29 November 2013. He graduated with a Bachelor of Economics degree from University of Malaya in 1974. He started his career with the Ministry of Trade & Industry as International Trade Officer from 1975 – 1976. From 1976 to 1989, he was with Bank of America, Kuala Lumpur, with his last position there as Assistant Vice President. Since he left the bank in 1989, he became a Founder Member and Executive Director of Apex Communications Sdn Bhd, a diversified conglomerate dealing in telecommunications, broadcasting, IT equipment, education products, provision of solar hybrid systems, property development, oil and gas services and construction of specialized oil related projects.

He holds directorship in several private limited companies.

As he was appointed on 29 November 2013, he did not attend any board meeting held during the financial year ended 31 July 2013.

He 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 no convictions for any offences, other than traffic offences, within the past ten years.

CORPORATE GOVERNANCE STATEMENT

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 Code”). 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 an 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 5 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 seven (7) members, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors. The Board composition complies with Rule 15.02 of the ACE Market Listing Requirements of Bursa Securities which states the minimum of two (2) or one-third (1/3) of the Board should be independent directors.

The independent directors are independent Management and majority shareholders and are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. They provide strong support towards the effective discharge of the duties and responsibilities of the Board and fulfil their role by the exercise of independent judgment and objective participation in the proceedings and decisions of the Board.

None of the Independent Directors has served on the Board beyond nine (9) years.

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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 2013, six (6) 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	6/6
Azman Bin Hussin	6/6
Chow Hung Keey	5/5
Mohd Anuar Bin Mohd Hanadzlah (<i>Appointed w.e.f. 12 September 2013</i>)	N/A
Mahfuzal Bin Othman (<i>Resigned w.e.f. 10 September 2013</i>)	3/5
Chong Chen Fah (<i>Resigned w.e.f. 26 March 2013</i>)	1/5
Ong Tee Kein (<i>Resigned w.e.f. 5 February 2013</i>)	2/2
Yeo Wee Kiat (<i>Appointed w.e.f. 5 February 2013</i>)	2/2
Wai Chin Yean (<i>Appointed w.e.f. 26 March 2013. Resigned w.e.f. 29 November 2013</i>)	1/1
Dr Folk Jee Yoong (<i>Appointed w.e.f. 29 November 2013</i>)	N/A
Noor Shahwan Bin Saffwan (<i>Appointed w.e.f. 29 November 2013</i>)	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 already attended and successfully completed the Mandatory Accreditation Programme (MAP) within the time frame stipulated in the Listing Requirements.

The Directors continue to undergo other relevant training programmes 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 2013, 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

For the financial year under review, the Directors' remuneration is as set out below:-

Directors	Directors Fees RM	Salaries, other emoluments and benefits RM	Total RM
Executive Directors	-	35,000	35,000
Non-Executive Directors	-	-	-
Grand Total	-	35,000	35,000

An analysis of the number of Directors of the Company whose remuneration fall under each range is set out below:

	Executive Directors	Non-Executive Directors
RM50,000 and below	1	-
RM50,001 – RM100,000	-	-

Whilst the Code prescribes for disclosure of directors' remuneration on individual basis, the Board is of the opinion that transparency and accountability principles of the Code in relation to Directors' remuneration are appropriately and adequately addressed by disclosure on band basis.

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 15 to 16 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

Nomination Committee

The Board's Nomination Committee currently comprises two (2) Independent Non-Executive Directors as follows:

Chairman:

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

Members:

Mahfuzal Bin Othman *Executive Director* (Resigned w.e.f. 10 September 2013)

Yeo Wee Kiat *Independent Non-Executive Director* (Appointed w.e.f. 5 February 2013)

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 on going 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 two (2) Independent Non-Executive Directors, and one (1) Executive Director. The present members are:

Chairman:

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

Members:

Azman bin Hussin *Executive Director*

Yeo Wee Kiat *Independent Non-Executive Director* (Appointed w.e.f. 5 February 2013)

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.

An Executive Director does not participate in any way in determining his individual 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 to 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.

Risk Management and 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 page 17 of this Annual Report.

Compliance Statement

The Company has, in all material aspects, complied with the recommendations of the Code throughout the financial year, except the following recommendations:-

- a) Nomination of a Senior Independent Non-Executive Director
- b) details of remuneration of each director;
- c) formalize, periodically review and make public Board Charter; and
- d) Board gender diversity policy.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

In the opinion of the Board, the identification of a senior independent non-executive director to whom concerns may be conveyed is not necessary. The Board operates in an open environment in which information is freely exchanged and in these circumstances any concern need not be focused on a single director as all members of the Board fulfil this role collectively.

Whilst the Code prescribes for disclosure of directors' remuneration on individual basis, the Board is of the opinion that transparency and accountability principles of the Code in relation to Directors' remuneration are appropriately and adequately addressed by disclosure on band basis.

The Board acknowledges the importance of board diversity as well as gender diversity to the effective functioning of the Board. Female representation will be considered when suitable candidates are identified taking into account of competencies, commitment, contribution and performance of the candidates.

Going forward, the Board intends to strengthen its roles and responsibilities by:-

- (i) Defining the Board schedule of matters of those functions reserved to the Board and delegated to management;
- (ii) Implementing a whistle blowing policy and procedure to provide employees with a mechanism to monitor compliance to the code of ethics;
- (iii) Setting out clearly the code of conduct that stipulates the sound principles to provide guidance to stakeholders on the ethical behaviours to be expected from the Group;
- (iv) Defining its business sustainability policy and ensuring its current business decision making process incorporates the elements of Environment, Social and Governance ("ESG") within its value chain in the business processes; and
- (v) Formalising the above actions into its Board Charter and creating a new page on corporate governance in the present corporate website to keep the public and shareholder informed of its progress and status of the above actions.

This Statement is made in accordance with a resolution of the Board of Directors dated 22 November 2013.

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* (Resigned w.e.f. 26 March 2013)

Ong Tee Kein *Independent Non-Executive Director* (Resigned w.e.f. 5 February 2013)

Yeo Wee Kiat *Independent Non-Executive Director* (Appointed w.e.f. 5 February 2013)

Shahwan Bin Saffwan *Independent Non-Executive Director* (Appointed w.e.f. 29 November 2013)

Wai Chin Yean *Independent Non-Executive Director* (Appointed w.e.f. 26 March 2013. Resigned w.e.f. 29 November 2013)

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) 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

AUDIT COMMITTEE REPORT (Cont'd)

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.

Audit Committee Meetings

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

Members of the Audit Committee	Attendance
Dato' Megat Fairouz Junaidi Bin Megat Junid	5/5
Chong Chen Fah (<i>Resigned w.e.f. 26 March 2013</i>)	1/4
Ong Tee Kein (<i>Resigned w.e.f. 5 February 2013</i>)	2/2
Yeo Wee Kiat (<i>Appointed w.e.f. 5 February 2013</i>)	2/2
Wai Chin Yean (<i>Appointed w.e.f. 26 March 2013. Resigned w.e.f. 29 November 2013</i>)	1/1
Noor Shahwan Bin Saffwan (<i>Appointed w.e.f. 29 November 2013</i>)	N/A

Summary of Activities

During the financial year ended 31 July 2013, 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.
- d. Reviewed with the external auditor, their audit plan for the financial year ended 31 July 2013 to ensure that their scope of work adequately covers the activities of the Group.
- e. Reviewed the external auditor performance and independence before recommending to the Board their reappointment and remuneration.

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.

The cost incurred for the internal audit function for the financial year ended 31 July 2013 is RM16,500.

Statement on Risk Management and 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 Board acknowledges its overall responsibilities for establishing an appropriate control environment which should encompass financial, operational and compliance controls as well as a risk assessment and communication frameworks; and for reviewing its adequacy and integrity. The system of internal controls is primarily designed to manage principle risks faced by the Group within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives of the Group. Accordingly, it should be noted that such system is designed to provide reasonable and not absolute assurance against material misstatement or loss.

Risk management forms an integral part of business management. The Group's risk management and internal control is designed to provide reasonable assurance that business objectives are met by embedding management control into daily operations to achieve efficiency, effectiveness and safeguard of assets, ensuring compliance with legal and regulatory requirements, and ensuring the integrity of the Group's financial reporting and its related disclosures. It makes management responsible for the identification of critical business risks and the development and implementation of appropriate risk management procedures to address these risks. The risk management and control procedures are reviewed and updated regularly to reflect changes in market conditions and the activities of the Group.

The Board is in the midst of defining the appropriate process and personnel to provide assurance to the Board on the effectiveness and adequacy of risk management and internal control system. The Board shall take into consideration that such personnel shall be at position similar and/or equivalent to Chief Executive Officer.

The Audit Committee is assisted by the in-house Internal Audit Department (IAD) 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 Head of Internal Audit reports directly to the Audit Committee to maintain the objectivity of the internal audit function.

IAD 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, IAD also plays an active advisory role in the review and improvement of existing internal controls within the Group.

FINANCIAL STATEMENTS

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DIRECTORS' 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 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. During the financial year, the Company is involved in the supply of hardwares and softwares. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

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

RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Profit/ (Loss) for the financial year	<u>123,848</u>	<u>(196,486)</u>

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 2013 except as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no shares or debentures issued during the financial year ended 31 July 2013.

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 Company 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 Company commenced business in supply of hardwares and softwares; 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 other than as disclosed in Note 29 of the Notes to the Financial Statements.

DIRECTORS

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

Dato' Megat Fairouz Junaidi Bin Megat Junid	Chairman
Azman Bin Hussin	Executive Director
Chow Hung Keey	Executive Director
Mohd Anuar Bin Mohd Hanadzlah (Appointed on 12.09.2013)	Executive Director
Yeo Wee Kiat (Appointed on 05.02.2013)	Non-Executive Director
Wai Chin Yean (Appointed on 26.03.2013)	Non-Executive Director
Mahfuzal Bin Othman (Resigned on 10.09.2013)	Executive Director
Ong Tee Kein (Resigned on 05.02.2013)	Non-Executive Director
Chong Chen Fah (Resigned on 26.03.2013)	Non-Executive Director

In accordance with Article 85 and 92 of the Company's Articles of Association, Dato' Megat Fairouz Junaidi Bin Megat Junid, Mohd Anuar Bin Mohd Hanadzlah, Yeo Wee Kiat and Wai Chin Yean, 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:-

	<u>Ordinary shares of RM 0.10 in the Company</u>			
	<u>At the beginning of the year</u>	<u>Bought</u>	<u>Sold</u>	<u>At the end of the year</u>
Direct interest:-				
Yeo Wee Kiat	-	305,000	-	305,000

DIRECTORS' INTERESTS (CONTINUED)

	<u>Ordinary shares of RM 0.10 in the Company</u>			
	<u>At the beginning of the year</u>	<u>Bought</u>	<u>Sold</u>	<u>At the end of the year</u>
Indirect interest:- (Held through eNCoral Digital Solutions Sdn. Bhd.)				
Azman Bin Hussin	28,442,511	-	(7,193,200)	21,249,311

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 2013, the Group and the Company recorded accumulated losses of RM13,715,319 and RM19,113,970 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.

SUBSEQUENT EVENT

Details of subsequent event are disclosed in Note 29 of the Notes to the Financial Statements.

AUDITORS

Messrs Hasnan THL Wong & Partners, 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,

<u>DATO' MEGAT FAIROUZ JUNAIDI</u>	}	
BIN MEGAT JUNID	}	
	}	
	}	
	}	DIRECTORS
	}	
	}	
<u>CHOW HUNG KEEY</u>	}	

Petaling Jaya

Date : 22 November 2013

STATEMENT BY DIRECTORS

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

We, **Dato' Megat Fairouz Junaidi Bin Megat Junid** and **Chow Hung Keey**, 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 12 to 57 are drawn up in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 July 2013 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 30 of the Notes to the Financial Statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

**DATO' MEGAT FAIROUZ JUNAIDI
BIN MEGAT JUNID**

CHOW HUNG KEEY

Petaling Jaya

Date : 22 November 2013

STATUTORY DECLARATION

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

I, **Chow Hung Keey**, 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 12 to 57 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 above named }
CHOW HUNG KEEY }
I/C No: 880301-14-5173 }
at Petaling Jaya }
this day of 22 November 2013 }

CHOW HUNG KEEY

Before me:

Mr. N Madhavan Nair (No. B 064)

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 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 57.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 give a true and fair view of the financial position of the Group and of the Company as of 31 July 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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

(Company No: 665797-D)

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 RM13,715,319 and RM19,113,970 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 have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- c) 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.
- d) 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 30 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. 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.

The financial statements of the Group and the Company as at 31 July 2012 were audited by another auditor whose report dated 22 November 2012 expressed an unqualified opinion with emphasis of matter paragraph on going concern on those statements.

**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 THL WONG & PARTNERS
(NO. AF 0942)
CHARTERED ACCOUNTANTS

HASNAN BIN ABDULLAH
[NO.1666/12/14 (J)]
CHARTERED ACCOUNTANT
PARTNER

Petaling Jaya
Date: 22 November 2013

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2013

	<u>Note</u>	<u>31.07.2013</u> RM	<u>Group</u> <u>31.07.2012</u> RM	<u>01.08.2011</u> RM	<u>31.07.2013</u> RM	<u>Company</u> <u>31.07.2012</u> RM	<u>01.08.2011</u> RM
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	4	43,072	13,109	1,656,096	35,969	-	-
Intangible assets	5	3,234,053	3,141,802	1,564,017	-	-	-
Investments in subsidiaries	6	-	-	-	2	-	1,000,000
		<u>3,277,125</u>	<u>3,154,911</u>	<u>3,220,113</u>	<u>35,971</u>	<u>-</u>	<u>1,000,000</u>
CURRENT ASSETS							
Inventories	7	424	592	374,060	-	-	-
Trade receivables	8	4,086,616	4,187,249	3,248,877	-	-	-
Other receivables, deposits and prepayments	9	1,298,175	1,290,707	258,788	30,100	-	1,140
Amount due from subsidiaries	10	-	-	-	3,455,173	3,553,168	2,671,907
Cash and bank balances		<u>192,262</u>	<u>154,024</u>	<u>342,614</u>	<u>25,432</u>	<u>17,514</u>	<u>3,566</u>
		<u>5,577,477</u>	<u>5,632,572</u>	<u>4,224,339</u>	<u>3,510,705</u>	<u>3,570,682</u>	<u>2,676,613</u>
TOTAL ASSETS		<u>8,854,602</u>	<u>8,787,483</u>	<u>7,444,452</u>	<u>3,546,676</u>	<u>3,570,682</u>	<u>3,676,613</u>

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

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2013 (CONTINUED)

	Note	<u>31.07.2013</u> RM	<u>Group</u> <u>31.07.2012</u> RM	<u>01.08.2011</u> RM	<u>31.07.2013</u> RM	<u>Company</u> <u>31.07.2012</u> RM	<u>01.08.2011</u> RM
EQUITY AND LIABILITIES							
CURRENT LIABILITIES							
Trade payables	11	200,000	200,000	157,806	-	-	-
Other payables and accruals	12	917,561	1,124,290	1,085,568	320,386	297,906	303,552
Amount due to a director	13	150,000	-	-	150,000	-	-
Provision for warranty claims	14	-	-	3,815	-	-	-
Amount due to a subsidiary	10	-	-	-	887,900	887,900	1,002,900
		<u>1,267,561</u>	<u>1,324,290</u>	<u>1,247,189</u>	<u>1,358,286</u>	<u>1,185,806</u>	<u>1,306,452</u>
TOTAL LIABILITIES		<u>1,267,561</u>	<u>1,324,290</u>	<u>1,247,189</u>	<u>1,358,286</u>	<u>1,185,806</u>	<u>1,306,452</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
Share capital	15	12,644,500	12,644,500	11,495,000	12,644,500	12,644,500	11,495,000
Share premium	16	8,657,860	8,657,860	8,657,860	8,657,860	8,657,860	8,657,860
Accumulated losses		(13,715,319)	(13,839,167)	(13,955,597)	(19,113,970)	(18,917,484)	(17,782,699)
TOTAL EQUITY		<u>7,587,041</u>	<u>7,463,193</u>	<u>6,197,263</u>	<u>2,188,390</u>	<u>2,384,876</u>	<u>2,370,161</u>
TOTAL EQUITY AND LIABILITIES		<u>8,854,602</u>	<u>8,787,483</u>	<u>7,444,452</u>	<u>3,546,676</u>	<u>3,570,682</u>	<u>3,676,613</u>

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 2013**

	<u>Note</u>	<u>Group</u> 2013 RM	2012 RM	<u>Company</u> 2013 RM	2012 RM
Continuing Operations					
Revenue	17	4,668,712	4,807,120	11,150	-
Cost of sales	18	<u>(25,990)</u>	<u>(251,804)</u>	<u>(10,822)</u>	<u>-</u>
Gross profit		4,642,722	4,553,316	328	-
Other income		13,433	17,762	84	-
Selling and marketing expenses		(100)	(1,139)	-	-
Administrative expenses		(324,483)	(284,943)	(196,898)	(134,785)
Research and development expenses		(3,694,638)	(2,913,590)	-	-
Other expenses		<u>(513,086)</u>	<u>(204,833)</u>	<u>-</u>	<u>(1,000,000)</u>
Profit/ (Loss) before tax	19	123,848	1,168,573	(196,486)	(1,134,785)
Income tax expense	20	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/ (Loss) from continuing operations		123,848	1,168,573	-	-
Discontinued Operations					
Loss from discontinued operations	21	<u>-</u>	<u>(1,052,143)</u>	<u>-</u>	<u>-</u>
Profit/ (Loss) For The Financial Year		<u>123,848</u>	<u>116,430</u>	<u>(196,486)</u>	<u>(1,134,785)</u>
Total Comprehensive Income For The Financial Year		<u>123,848</u>	<u>116,430</u>	<u>(196,486)</u>	<u>(1,134,785)</u>

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 2013 (CONTINUED)

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		RM	RM	RM	RM
Attributable To:-					
Owners of the parent		123,848	116,430	(196,486)	(1,134,785)
Non-controlling interest		-	-	-	-
		<u>123,848</u>	<u>116,430</u>	<u>(196,486)</u>	<u>(1,134,785)</u>
Profit Per Ordinary Share					
Attributable To Owners Of The Parent					
-Basic (sen)	26				
From continuing operations		0.10	0.92	-	-
From discontinued operations		-	(0.83)	-	-
From continuing and discontinued operations		<u>0.10</u>	<u>0.09</u>	<u>-</u>	<u>-</u>
-Diluted (sen)	26	<u>N/A</u>	<u>N/A</u>	<u>-</u>	<u>-</u>

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 2013**

		Attributable to Owners of the Parent			
<u>GROUP</u>	<u>Note</u>	<u>Share Capital</u> RM	<u>Share Premium</u> RM	<u>Accumulated Losses</u> RM	<u>Total Equity</u> RM
<u>2013</u>					
At 1 August 2012		12,644,500	8,657,860	(13,839,167)	7,463,193
Profit for the year		-	-	123,848	123,848
At 31 July 2013		12,644,500	8,657,860	(13,715,319)	7,587,041
<u>2012</u>					
At 1 August 2011		11,495,000	8,657,860	(13,955,597)	6,197,263
Issuance of shares	15	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
<u>COMPANY</u>					
<u>2013</u>					
At 1 August 2012		12,644,500	8,657,860	(18,917,484)	2,384,876
Loss for the year		-	-	(196,486)	(196,486)
At 31 July 2013		12,644,500	8,657,860	(19,113,970)	2,188,390
<u>2012</u>					
At 1 August 2011		11,495,000	8,657,860	(17,782,699)	2,370,161
Issuance of shares	15	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

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 2013

	<u>Note</u>	<u>Group</u> <u>2013</u> RM	<u>2012</u> RM	<u>Company</u> <u>2013</u> RM	<u>2012</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/ (Loss) before tax		123,848	1,168,573	(196,486)	(1,134,785)
Adjustments for:					
Depreciation of property, plant and equipment		7,186	10,474	1,180	-
Impairment loss on other receivable		-	1,140	-	1,140
Amortisation of intangible assets		497,546	-	-	-
Gain on disposal of a subsidiary		(2,329)	-	-	-
Impairment loss in value of investment in subsidiary company		-	-	-	1,000,000
Impairment loss on trade receivables made		10,000	193,500	-	-
Operating profit/ (loss) before working capital changes		636,251	1,373,687	(195,306)	(133,645)
Decrease/ (Increase) in inventories		168	(592)	-	-
Decrease/ (Increase) in trade and other receivables		83,165	(2,501,908)	(30,100)	-
Decrease/ (Increase) in amount due from subsidiaries		-	-	97,995	(996,261)
Increase in amount due to director		150,000	-	150,000	-
(Decrease)/ Increase in trade and other payables		(204,398)	278,152	22,480	(5,646)
Net cash from/ (used in) operating activities		665,186	(850,661)	45,069	(1,135,552)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(37,149)	(1,399)	(37,149)	-
Disposal of a business segment	22	-	1,266,755	-	-
Investment in a subsidiary		-	-	(2)	-
Net cash outflow from disposal of a subsidiary	24	(2)	-	-	-
Increase in intangible assets		(589,797)	(1,752,785)	-	-
Net cash from/ (used in) investing activities		(626,948)	(487,429)	(37,151)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares	15	-	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 2013 (CONTINUED)**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		38,238	(188,590)	7,918	13,948
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>154,024</u>	<u>342,614</u>	<u>17,514</u>	<u>3,566</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>192,262</u></u>	<u><u>154,024</u></u>	<u><u>25,432</u></u>	<u><u>17,514</u></u>
Cash and bank balances consists of:-					
Cash in hand		6,335	8,965	-	-
Bank balances		<u>185,927</u>	<u>145,059</u>	<u>25,432</u>	<u>17,514</u>
		<u><u>192,262</u></u>	<u><u>154,024</u></u>	<u><u>25,432</u></u>	<u><u>17,514</u></u>

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

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
Cash payment	<u>37,149</u>	<u>1,399</u>	<u>37,149</u>	<u>-</u>

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

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
Cash payment	<u>589,797</u>	<u>1,752,785</u>	<u>-</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2013

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 Company is principally engaged in investment holding. During the financial year, the Company is involved in the supply of hardwares and softwares. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

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 2013.

2. BASIS OF PREPARATION

a) Basis of accounting

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and the requirements of the Companies Act, 1965 in Malaysia. In the previous years, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards (“FRSs”) in Malaysia.

These are the Group’s and the Company’s first financial statements prepared in accordance with MFRSs and MFRS 1 First-time adoption of Malaysian Financial Reporting Standards has been applied.

There are no adjustments to the amounts previously reported in financial statements arising from the transition to MFRSs.

The financial statements, other than for financial instruments, have been prepared on the historical cost basis.

The preparation of financial statements in conformity with MFRSs 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.

2. BASIS OF PREPARATION (CONTINUED)

a) Basis of accounting (Continued)

As at 31 July 2013, the Group and the Company recorded accumulated losses of RM13,715,319 and RM19,113,970 respectively. The equity attributable to the shareholders of the Company as at 31 July 2013 remained positive at RM7,587,041 and RM2,188,390 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.

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) Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following standards, Amendments and Issues Committee ("IC") Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company.

<u>MFRSs and Amendments</u>	<u>Effective for financial period commencing</u>
Amendment to MFRS 1	First-time Adoption of MFRS- Government Loans
MFRS 3	Business Combinations
Amendment to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities

2. BASIS OF PREPARATION (CONTINUED)

b) Standards issued but not yet effective (Continued)

MFRS 13	Fair Value Measurement	1st January 2013
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)	1st January 2013
MFRS 127	Consolidated and Separate Financial Statements	1st January 2013
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1st January 2013
Amendments to MFRS 132	Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities	1st January 2014
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	1st January 2014
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting	1st January 2014
Annual Improvements 2009 - 2011 Cycle		1st January 2013
<u>Interpretations and Amendments</u>		
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1st January 2013
IC Interpretation 21	Levies	1st January 2013

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and the Company upon their initial application, except as described below:

MFRS 9 Financial Instruments

MFRS 9, as issued, reflects the first phase of the International Accounting Standards Board's (IASB's) work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial instruments as defined in MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139") and replaces the guidance in MFRS 139.

In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

The Group and the Company will quantify the effect of adopting this MFRS when the full standard is issued.

2. BASIS OF PREPARATION (CONTINUED)

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:-

1. Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these assets based on common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised.

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 subsidiaries

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 2013 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).

2. BASIS OF PREPARATION (CONTINUED)

d) Use of estimates and judgements (Continued)

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 20. As such, net deferred tax assets 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

The accounting policies have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS Statements of Financial Position of the Group and the Company at 1st August 2011 (the transition date to MFRS framework).

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Subsidiary companies (Continued)

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.

Acquisition of subsidiary companies are accounted for using the purchase method except for business combinations arising from common control transfers. Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve or merger deficit. Merger deficit is adjusted against suitable reserves of the entity acquired to the extent that laws or statutes do not prohibit the use of such reserves.

The Statements of Comprehensive Income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Under the purchase method of accounting, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination 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 business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (Continued)

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the Statement of Financial Position. The accounting policy for goodwill is set out in Note 3 (d) (i) of the Notes to the Financial Statements. Any excess of the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated income statement, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

(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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (Continued)

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 entity include the carrying amount of goodwill relating to the entity sold.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (Continued)

(ii) Other intangible assets (Continued)

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 5 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;
- 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 lives of 5 years. These costs recognised as intangible asset are subject to review for impairment in accordance with the policy as stated in Note 3(i).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of financial assets (Continued)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 MFRS 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial liabilities (Continued)

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.

Rental income

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income taxes (Continued)

(ii) Deferred tax (Continued)

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

(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.

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").

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)

(Incorporated in Malaysia)

4. PROPERTY, PLANT AND EQUIPMENT

<u>GROUP AND COMPANY</u>	<u>Company</u>			<u>Subsidiary companies</u>			<u>Group</u>
	<u>Furniture and fittings</u>	<u>Renovation</u>	<u>Total</u>	<u>Furniture and fittings</u>	<u>Motor vehicles</u>	<u>Software</u>	<u>Total</u>
	RM	RM	RM	RM	RM	RM	RM
<u>2013</u>							
COST							
At 1 August 2012	-	-	-	51,403	38,519	1,399	91,321
Additions	9,149	28,000	37,149	-	-	-	37,149
At 31 July 2013	9,149	28,000	37,149	51,403	38,519	1,399	128,470
ACCUMULATED DEPRECIATION							
At 1 August 2012	-	-	-	40,923	36,978	311	78,212
Charge for the year	247	933	1,180	4,000	1,540	466	7,186
At 31 July 2013	247	933	1,180	44,923	38,518	777	85,398
Net carrying amount at 31 July 2013	8,902	27,067	35,969	6,480	1	622	43,072

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)

(Incorporated in Malaysia)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>GROUP</u>	<u>Machinery and technical equipment</u> RM	<u>Showrooms</u> RM	<u>Renovation</u> RM	<u>Office equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Motor vehicles</u> RM	<u>R&D equipment</u> RM	<u>Software</u> RM	<u>Total</u> RM
<u>2012</u>									
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

5. INTANGIBLE ASSETS

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
At the beginning of the year	3,141,802	1,564,017
Additions during the year	589,797	1,752,785
Amortisation charge	(497,546)	(175,000)
At the end of the year	<u>3,234,053</u>	<u>3,141,802</u>

2013

	<u>Cost</u>	<u>Accumulated</u>	<u>Net carrying</u>
	RM	amortisation	amount
		RM	RM
Software development in progress	<u>3,731,599</u>	<u>(497,546)</u>	<u>3,234,053</u>

2012

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

6. INVESTMENT IN SUBSIDIARIES

	<u>Company</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Unquoted shares, at cost	9,051,000	9,050,998
Options granted to employees of subsidiaries	<u>1,232,210</u>	<u>1,232,210</u>
	10,283,210	10,283,208
Less: Accumulated impairment loss	<u>(10,283,208)</u>	<u>(10,283,208)</u>
	<u>2</u>	<u>-</u>

During the year, the Company subscribed to 2 units of ordinary shares of Inix Network Sdn. Bhd. (formerly known as Interflagship Sdn. Bhd.).

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

<u>Name of Company</u>	<u>Effective Equity Interest</u>		<u>Principal Activities</u>
	2013	2012	
<u>Direct</u>			
Ansi Systems Sdn. Bhd. *	100	100	Software development, system integration and selling of books
NCSOFT Sdn. Bhd. *	100	100	Software development, system integration, information technology management consultancy and other related professional services
Inix Network Sdn. Bhd. (f/k: Interflagship Sdn. Bhd.)	100	-	Has not commenced operation
<u>Indirect</u>			
Inix Industrial Sdn. Bhd.	-	100	Has been disposed off during the year

* Not audited by Hasnan THL Wong & Partners.

7. INVENTORIES

	<u>Group</u>	
	<u>2013</u> RM	<u>2012</u> RM
At cost:-		
Finished goods	424	592

8. TRADE RECEIVABLES

	<u>Group</u>	
	<u>2013</u> RM	<u>2012</u> RM
Trade receivables	4,290,116	4,380,749
Less: Allowance for impairment	(203,500)	(193,500)
	<u>4,086,616</u>	<u>4,187,249</u>

Included in the balance is an amount of RM4,085,249 (2012: RM4,141,000) due from a related party (Note 23).

8. TRADE RECEIVABLES (CONTINUED)

Credit terms:

The Group's normal credit terms are 60 days to 120 days (2012: 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:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Neither past due nor impaired	2,541,367	1,460,000
Past due but not impaired:-		
91 to 120 days	1,030,000	1,250,000
More than 121 days	515,249	1,477,249
	<u>4,086,616</u>	<u>4,187,249</u>
Impaired	203,500	193,500
	<u>4,290,116</u>	<u>4,380,749</u>

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% (2012: 99%) 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 RM1,545,249 (2012: RM 2,727,249) 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:

	<u>Group</u>	
	<u>2013</u> RM	<u>2012</u> RM
Individually impaired:-		
Trade receivables- nominal amounts	203,000	193,500
Less: Allowance for impairment	<u>(203,000)</u>	<u>(193,500)</u>
	<u>-</u>	<u>-</u>

	<u>Group</u>	
	<u>2013</u> RM	<u>2012</u> RM
Movement in allowance accounts:-		
At 1 August	193,500	5,418,029
Charge for the year	10,000	193,500
Reversal of impairment losses	-	<u>(5,418,029)</u>
At 31 July	<u>203,500</u>	<u>193,500</u>

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.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
Other receivables	1,268,415	1,288,147	1,140	1,140
Deposits	30,900	800	30,100	-
Staff loan	-	2,900	-	-
	<u>1,299,315</u>	<u>1,291,847</u>	<u>31,240</u>	<u>1,140</u>
Less: Allowance for impairment				
Other receivables	<u>(1,140)</u>	<u>(1,140)</u>	<u>(1,140)</u>	<u>(1,140)</u>
	<u>1,298,175</u>	<u>1,290,707</u>	<u>30,100</u>	<u>-</u>

Included in other receivables is an amount of RM1,267,275 (2012:RM1,287,007) due from a company which arised from the disposal of a business segment as disclosed in Note 22 to the financial statements.

10. AMOUNT DUE FROM/ (TO) SUBSIDIARIES

	<u>Company</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
(a) Due from:-		
Ansi Systems Sdn. Bhd.		
Due from:		
Non-trade	12,759,392	12,759,392
Less: Allowance for non-recoverability	<u>(8,125,874)</u>	<u>(8,125,874)</u>
	4,633,518	4,633,518
Due to:		
Non-trade	<u>(1,180,845)</u>	<u>(1,080,350)</u>
	<u>3,452,673</u>	<u>3,553,168</u>
Inix Network Sdn. Bhd. (f/k: Interflagship Sdn. Bhd.)		
Due from: Non-trade	<u>2,500</u>	<u>-</u>
	<u>3,455,173</u>	<u>3,553,168</u>
(b) Due to:-		
NCSOFT Sdn. Bhd.		
Due to: Non-trade	(1,002,900)	(1,002,900)
Due from: Non-trade	<u>115,000</u>	<u>115,000</u>
	<u>(887,900)</u>	<u>(887,900)</u>

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 (2012: 30 days to 60 days).

12. OTHER PAYABLES AND ACCRUALS

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	RM	RM	RM	RM
Other payables	313,992	316,735	294,670	279,190
Amount due to a related party	476,355	499,075	-	-
Accruals	<u>127,214</u>	<u>308,480</u>	<u>25,716</u>	<u>18,716</u>
	<u>917,561</u>	<u>1,124,290</u>	<u>320,386</u>	<u>297,906</u>

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. AMOUNT DUE TO A DIRECTOR

The amount due to a Director is unsecured, interest free and with no fixed terms of repayment.

14. PROVISION FOR WARRANTY CLAIMS

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
At 1 August 2013/2012	-	3,815
Provision made during the year	-	-
Writeback on expiry and claims made during the year	-	(3,815)
At 31 July	<u>-</u>	<u>-</u>

15. SHARE CAPITAL

	<u>Group and Company</u>		<u>Group and Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Number of shares		RM	RM
Authorised :				
Ordinary shares of RM0.10 each	<u>250,000,000</u>	<u>250,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Issued and fully paid:				
Ordinary shares of RM0.10 each	126,445,000	114,950,000	12,644,500	11,495,000
Issued during the year	-	11,495,000	-	1,149,500
	<u>126,445,000</u>	<u>126,445,000</u>	<u>12,644,500</u>	<u>12,644,500</u>

16. 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.

17. REVENUE

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	RM	RM	RM	RM
This represents the invoiced value of:				
Sales of hardwares and softwares	11,150	-	11,150	-
Sales of books	17,062	7,120	-	-
Software development and system integration	4,640,500	4,800,000	-	-
	<u>4,668,712</u>	<u>4,807,120</u>	<u>11,150</u>	<u>-</u>

18. COST OF SALES

Cost of sales consists of cost of inventories sold, translation and editing cost of books and purchase cost of hardwares and softwares.

19. PROFIT/ (LOSS) BEFORE TAX

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

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	RM	RM	RM	RM
a) Other losses and expenses				
Auditors' remuneration	51,800	52,000	18,000	18,000
Amortisation of intangible assets	497,546	-	-	-
Impairment loss on trade receivables made	10,000	193,500	-	-
Impairment loss on other receivable	-	1,140	-	1,140
Depreciation of property, plant and equipment	7,186	10,474	1,180	-
Impairment loss in value of investment in subsidiary company	-	-	-	1,000,000
Gain on disposal of a subsidiary	(2,329)	-	-	-
Office rental	35,000	-	35,000	-
	<u>3,396,176</u>	<u>2,680,615</u>	<u>-</u>	<u>-</u>
b) Employee benefits expenses				
Salaries and allowances	2,737,145	2,289,180	-	-
SOCSSO	39,983	32,675	-	-
Insurance, medical and other benefits	61,389	47,287	-	-
Contribution to defined contribution plan	336,447	252,578	-	-
Bonus	221,212	58,895	-	-
	<u>3,396,176</u>	<u>2,680,615</u>	<u>-</u>	<u>-</u>

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM

Employee benefit expenses are included in the statement of comprehensive income as follows:-

Administrative expenses	-	28,060
Research and development expenses	3,396,176	2,652,555
	<u>3,396,176</u>	<u>2,680,615</u>

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

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
c) Directors' remuneration				
Directors of the Company	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Directors of a subsidiary Fees:- Executive	<u>-</u>	<u>8,100</u>	<u>-</u>	<u>-</u>
Directors' remuneration are included in the statement of comprehensive income as follows:-				
Administrative expense	<u>35,000</u>	<u>8,100</u>	<u>35,000</u>	<u>-</u>

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

<u>Executive Director</u>	<u>Number of directors</u>	
	<u>2013</u>	<u>2012</u>
Below RM 50,000	<u>1</u>	<u>1</u>

20. INCOME TAX EXPENSE

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
Malaysian income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of effective tax rate:-				
Profit/ (Loss) before tax from:				
- continuing operations	123,848	1,168,573	(196,486)	(1,134,785)
- discontinued operations (Note 21)	-	(1,052,143)	-	-
	<u>123,848</u>	<u>116,430</u>	<u>(196,486)</u>	<u>(1,134,785)</u>

20. INCOME TAX EXPENSE (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
Tax at current income tax rate of 25%	30,962	29,107	(49,122)	(283,696)
Tax effects of:-				
-Non-deductible expenses	135,023	385,274	6,421	283,696
-Deferred tax assets not recognised during the year	44,323	11,111	42,701	-
-Utilisation of previously unrecognised deferred tax assets	<u>(210,308)</u>	<u>(425,492)</u>	<u>-</u>	<u>-</u>
Tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The amount of taxable/ (deductible) temporary differences, unutilised capital allowances and unabsorbed tax losses for which deferred tax liabilities/ (assets) have not been recognised in the balance sheet are as follows:-

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2012</u> RM
Taxable/(deductible) temporary differences				
-Property, plant and equipment	<u>16,004</u>	<u>12,503</u>	<u>8,902</u>	<u>-</u>
	16,004	12,503	8,902	-
Unabsorbed tax losses	<u>(5,039,700)</u>	<u>(5,709,500)</u>	<u>(170,500)</u>	<u>-</u>
Unutilised capital allowances	<u>(10,500)</u>	<u>(1,400)</u>	<u>(9,100)</u>	<u>-</u>
	<u>(5,034,196)</u>	<u>(5,698,397)</u>	<u>(170,698)</u>	<u>-</u>

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.

As at 31 July 2013, the Group has a tax exempt account of approximately RM11,497,400 (2012: RM11,497,400) to frank the payment of tax exempt dividends, which are subject to the agreement of the Inland Revenue Board.

21. LOSS FROM DISCONTINUED OPERATIONS

In the previous financial year, 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 22.

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

21. LOSS FROM DISCONTINUED OPERATIONS (CONTINUED)

The results of the discontinued operations are as follows:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Revenue (Note 25)	-	374,060
Cost of sales	-	(545,245)
Gross loss from discontinued operations	-	(171,185)
Expenses	-	(880,958)
Loss before tax from discontinued operations	-	(1,052,143)
Income tax expense	-	-
Loss from discontinued operations for the financial year	-	(1,052,143)
Gain on disposal of discontinued operations, net of income tax	-	-
Loss for the financial year (Note 25, 26)	-	(1,052,143)

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

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Amortisation of intangible assets	-	175,000
Impairment loss on trade receivables made/ (reversed)	-	(5,418,029)
Depreciation of property, plant and equipment	-	880,958

Net cash flows attributable to discontinued operations are as follows:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Cash flows from operating activities	-	(773,206)
Cash flows used in investing activities	-	752,954
	-	(20,252)

22. DISPOSAL OF A BUSINESS SEGMENT

As disclosed in Note 21, 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 were as follows:

	<u>Group</u> <u>2.5.2012</u> RM
Property, plant and equipment	752,954
Inventories	374,060
Trade and other receivables	336,977
Cash and bank balances	20,252
Trade and other payables	<u>(197,236)</u>
Net assets of disposed business	1,287,007
Gain on disposal	-
Total consideration	<u>1,287,007</u>
Cash and cash equivalents disposed off	<u>(20,252)</u>
Disposal of CCTV business, net of cash disposed off	<u>1,266,755</u>

23. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

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

- (a) Ansi Systems Sdn Bhd ("ASSB"), Inix Network Sdn Bhd ("INSB") (formerly known as Interflagship Sdn. Bhd. ("ISB") and NCSOFT Sdn. Bhd. ("NSSB"), being subsidiaries of ITHB; and
- (b) eNCoral Digital Solutions Sdn. Bhd. ("EDSSB") being a related party by virtue of certain directors of ITHB, ASSB, INSB 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.

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

23. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	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	<u>4,085,249</u>	<u>4,141,000</u>	<u>-</u>	<u>-</u>
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Amount due from/(to) subsidiaries

Advances provided to ASSB for working capital purposes	-	-	9,170,000	9,170,000
Expenses paid on behalf of ASSB	-	-	3,589,392	3,589,392
Expenses paid on behalf by ASSB	-	-	(1,180,845)	(1,080,350)
Advances provided by NCSSB	-	-	(1,000,998)	(1,000,998)
Expenses paid on behalf of NCSSB	-	-	115,000	115,000
Expenses paid on behalf by NCSSB	-	-	(1,902)	(1,902)
Expenses paid on behalf of INSB	-	-	2,500	-
	<u>-</u>	<u>-</u>	<u>10,693,147</u>	<u>10,791,142</u>

Significant transactions between related parties and the Group/Company during the year are as follows:-

Revenue

Fees on software development in progress from EDSSB	<u>4,600,000</u>	<u>4,800,000</u>	<u>-</u>	<u>-</u>
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Payment on behalf

Expenses paid on behalf by ASSB	<u>-</u>	<u>-</u>	<u>(39,460)</u>	<u>(88,740)</u>
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24. DISPOSAL OF A SUBSIDIARY

On 27.05.2013, the Group disposed off its entire interest in a subsidiary, Inix Industrial Sdn Bhd.

The detail of the net assets disposed and the cash flow arising from the disposal of the subsidiary is as follows:-

	<u>The Group</u> <u>2013</u> <u>RM</u>
Cash and bank balances	2
Other payables and accruals	(2,331)
Net assets disposed	<u>(2,329)</u>
Gain on disposal	<u>2,329</u>
Total disposal consideration	-
Less: cash and bank balances	<u>(2)</u>
Cash outflow from disposal	<u>(2)</u>

25. SEGMENT INFORMATION

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

- i) Development and sales of security, automation and surveillance systems-discontinued in 2012
- ii) Software development and system integration
- iii) Sales of books

2013	Software development and system integration RM	Sales of books RM	Corporate RM	Eliminations RM	Total RM
Operating segments					
Revenue					
External customers	4,640,500	17,062	11,150	-	4,668,712
Results					
Depreciation	(6,006)	-	(1,180)	-	(7,186)
Amortisation of intangible assets	(497,546)	-	-	-	(497,546)
Impairment loss on trade receivables	-	(10,000)	-	-	(10,000)
Gain on disposal of a subsidiary	-	-	2,329	-	2,329
Segment profit/ (loss)	(270,095)	(8,106)	(200,114)	602,163	123,848
Assets					
Additions to intangible assets	589,797	-	-	-	589,797
Amount due from related company	415,517	-	-	(415,517)	-
Amount due from holding company	887,900	-	-	(887,900)	-
Amount due from subsidiaries	-	-	3,455,173	(3,455,173)	-
Segment assets	10,066,516	-	3,546,676	(4,758,590)	8,854,602
Liabilities					
Amount due to holding company	11,578,547	-	2,500	(11,581,047)	-
Amount due to subsidiary company	-	-	887,900	(887,900)	-
Amount due to related company	3,603,728	-	-	(3,603,728)	-
Segment liabilities	15,778,322	200,000	1,361,914	(16,072,675)	1,267,561

Geographical Information

	Non-current assets			Current asset	
	Revenue RM	Loss before tax RM	Property, plant and equipment RM	Intangible assets RM	Trade receivables RM
Malaysia	4,668,712	123,848	43,072	3,234,053	4,086,616

25. SEGMENT INFORMATION (CONTINUED)

2012	Development and sales of security, automation and surveillance systems (Discontinued operations) (Note 21) RM	Software development and system integration RM	Sales of books	Corporate RM	Eliminations RM	Total 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 RM	Loss before tax RM	Property, plant and equipment RM	Intangible assets RM	Trade receivables RM	
Malaysia	5,181,180	116,430	13,109	3,141,802	4,187,249	

The Group has 1 (2012: 1) major customer contributing approximately RM4,600,000 (2012: RM4,800,000) of total sales revenue.

26. 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

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Earnings used for the computation of basic EPS		
- Profit attributable to equity holders of parent	<u>123,848</u>	<u>116,430</u>

From continuing operations

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Profit attributable to equity holders of parent	123,848	116,430
Adjustment for loss from discontinued operations (Note 21)	<u>-</u>	<u>1,052,143</u>
Earnings used for the computation of basic EPS from continuing operations	<u>123,848</u>	<u>1,168,573</u>

Weighted average number of ordinary shares

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
From continuing and discontinued operations	<u>126,445,000</u>	<u>126,445,000</u>

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.

27. 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.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management objectives and policies

The Group is mainly exposed to credit risk, liquidity 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 (2012: 1 customer) representing 99% (2012: 99%) 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:-

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	RM	RM
Malaysia	<u>4,085,249</u>	<u>4,141,000</u>

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.

27. 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.

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	RM	RM	RM	RM
Undiscounted financial liabilities:-				
On demand or within one year				
Trade and other payables	1,117,561	1,324,290	320,386	297,906
Amount due to a Director	150,000	-	150,000	-
	<u>1,267,561</u>	<u>1,324,290</u>	<u>470,386</u>	<u>297,906</u>

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.

27. 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.

	<u>Group</u>		<u>Company</u>	
	Loans and <u>receivables</u>	Financial liabilities at amortised <u>cost</u>	Loans and <u>receivables</u>	Financial liabilities at amortised <u>cost</u>
	RM	RM	RM	RM
<u>2013</u>				
Financial assets				
Trade and other receivables	5,384,791	-	30,100	-
Amount due from a subsidiary	-	-	3,455,173	-
Cash and bank balances	192,262	-	25,432	-
	<u>5,577,053</u>	-	<u>3,510,705</u>	-
Financial liabilities				
Trade and other payables	-	1,117,561	-	320,386
Amount due to a Director	-	150,000	-	150,000
Amount due to a subsidiary	-	-	-	887,900
	-	<u>1,267,561</u>	-	<u>1,358,286</u>
<u>2012</u>				
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	-
	<u>5,631,980</u>	-	<u>3,570,682</u>	-
Financial liabilities				
Trade and other payables	-	1,324,290	-	297,906
Amount due to a subsidiary	-	-	-	887,900
	-	<u>1,324,290</u>	-	<u>1,185,806</u>

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

27. 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.

28. 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 2013 and 31 July 2012.

The debt to equity ratios at 31 July 2013 and 31 July 2012 were as follows:-

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	RM	RM	RM	RM
Trade payables	200,000	200,000	-	-
Other payables and accruals	917,561	1,124,290	320,386	297,906
Amount due to a director	150,000	-	150,000	-
Less: cash and cash equivalents	<u>(192,262)</u>	<u>(154,024)</u>	<u>(25,432)</u>	<u>(17,514)</u>
Net debt	<u>1,075,299</u>	<u>1,170,266</u>	<u>444,954</u>	<u>280,392</u>
Equity attributable to the owners of the parent	<u>7,587,041</u>	<u>7,463,193</u>	<u>2,188,390</u>	<u>2,384,876</u>
Capital and net debt	<u>8,662,340</u>	<u>8,633,459</u>	<u>2,633,344</u>	<u>2,665,268</u>
Gearing ratio	<u>0.12</u>	<u>0.14</u>	<u>0.17</u>	<u>0.11</u>

29. SUBSEQUENT EVENT

On 1 November 2013, the Company issued 12,644,500 new ordinary shares of RM0.10 each to third party investors via a private placement exercise at an issue price of RM0.12 per share.

30. 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 2013 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 20 December 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 <u>2013</u> RM	Company <u>2012</u> RM
Total accumulated losses of the Company and its subsidiaries		
Realised	(13,715,319)	(13,839,167)
Unrealised	-	-
Accumulated losses as per financial statements	<u>(13,715,319)</u>	<u>(13,839,167)</u>

ANALYSIS OF SHAREHOLDINGS

As at 25 November 2013

Authorised Share capital	:	RM25,000,000
Issued and Fully Paid-up Share Capital	:	RM13,908,950
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	84	63,455	0.05
1,001 to 10,000	309	1,872,300	1.35
10,001 to 100,000	366	16,701,094	12.01
100,001 to below 5%	161	86,558,645	62.22
5% and above	2	33,893,811	24.37
	929	139,089,500	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	15.28	-	-
2.	Azman bin Hussin	-	-	21,249,311*	15.28
3.	Goh Boon Soo @ Goh Yang Eng	14,702,500	10.57	-	-

* 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*	15.28
Chow Hung Keey	-	-	-	-
Mohd Anuar Bin Mohd Hanadzlah	-	-	-	-
Yeo Wee Kiat	305,000	0.22	-	-
Wai Chin Yean^^	-	-	-	-
Dr Folk Jee Yoong^	-	-	-	-
Noor Shahwan Bin Saffwan^	-	-	-	-

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

^ Appointed as Directors on 29 November 2013.

^^ Resigned as Director on 29 November 2013.

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	15.28
2.	GOH BOON SOO @ GOH YANG ENG	12,644,500	9.09
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR BARKATH STORES (PENANG) SDN BERHAD (PB)	4,500,000	3.24
4.	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MEGAWORLD VENTURES LIMITED	3,825,500	2.75
5.	DIGITAL ZILLION SDN BHD	3,699,000	2.66
6.	TAN CHEE PHIN	3,606,600	2.59
7.	LADUE NAKIAH OSMAN	3,060,000	2.20
8.	ZAINAL ARIFFIN BIN OSMAN	2,976,300	2.14
9.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SU YONG	2,787,000	2.00
10.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAGANTI SATHYAVEER (CUST.SIN 7366)	2,600,900	1.87
11.	GOH BOON SOO @ GOH YANG ENG	2,058,000	1.48
12.	KONG KOK KEONG	2,000,000	1.44
13.	TEOH CHOO KANG	1,953,300	1.40
14.	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG KIAN TECK	1,913,900	1.38
15.	TANG WAY KEONG	1,602,000	1.15
16.	PHOO MENG KHAW	1,401,946	1.01
17.	WAI AI FAN	1,309,000	0.94
18.	FARIZA AINI MERICAN	1,250,000	0.90
19.	ELLYNA MERICAN BINTI ZULZURIN	1,230,000	0.88
20.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SMB RESOURCES SDN BHD	1,202,900	0.86
21.	SP JUTAJAYA SDN BHD	1,195,000	0.86
22.	HONG KHAY KUAN	1,062,100	0.76
23.	TNOR HASLINA BINTI KASSIM	1,050,000	0.75
24.	TAN & YEOH PROPERTIES SDN BHD	1,000,000	0.72
25.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBAP-SGDIV-ACCL)	985,000	0.71
26.	HEW YOONG SHIANG	893,300	0.64
27.	CHONG KOK WING	880,499	0.63
28.	MUHAMMAD MURSHID BIN AZMAN	750,000	0.54
29.	LIM GAIK HWA	700,000	0.50
30.	JASON NGA KOR SING	695,600	0.50
		86,081,656	61.89

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

There were no proceeds raised from any corporate proposal for the financial year ended 31 July 2013.

2. Share Buy-Back

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

3. Options or Convertible Securities

There were no options or convertible securities issued to any parties for the financial year ended 31 July 2013.

4. Depository Receipt Programme

The Company did not sponsor any depository receipt programme for the financial year ended 31 July 2013.

5. 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 2013.

6. 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 2013 are as follows:

Hasnan & Co. from tax advisory	
Group	: RM4,420.00
Company	: RM716.00

7. Variation of Results

There were no profit estimates, forecast or projection made by the Company during the financial year ended 31 July 2013.

There were no material variance between the results for the financial year ended 31 July 2013 and the unaudited results previously announced by the Company.

8. Profit Guarantee

The Group and the Company had not issued any profit guarantee in respect of the financial year ended 31 July 2013.

9. Material Contracts

During the financial year ended 31 July 2013, 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 2013.

10. Revaluation Policy

The Company did not revalue any of its property, plant and equipment during the financial year ended 31 July 2013.

11. Material Properties

The Company and the Group does not own any landed property for the financial year ended 31 July 2013.

12. 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 2013.

Notice of Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth 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 Thursday, 26th December 2013 at 9.30 a.m. for the following purpose:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2013 together with the Directors’ and Auditors’ Reports thereon.
2. To re-elect Dato’ Megat Fairouz Junaidi Bin Megat Junid 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. Yeo Wee Kiat *Resolution 2*
 - ii. Mohd Anuar Bin Mohd Hanadzlah *Resolution 3*
 - iii. Dr Folk Jee Yoong *Resolution 4*
 - iv. Noor Shahwan Bin Saffwan *Resolution 5*
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 “Appendix A” has been received by the Company for the nomination of Messrs UHY, for appointment as Auditors and of the intention to propose the following Resolution: *Resolution 6*

“THAT Messrs. UHY be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Hasnan THL Wong & Partners, 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 Ordinary Resolutions:

5. Proposed Renewal of Shareholders’ Mandate For Recurrent Related Party Transactions of Revenue or Trading Nature to be entered with Encoral Digital Solutions SdnBhd (“Encoral”) and Persons Connected with Encoral. *Resolution 7*

“THAT authority be and is hereby given pursuant to Rule 10.09 of Chapter 10 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and its subsidiaries (“Group”) or any of them to enter into and give effect to the categories of recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 4 December 2013, provided that:-

Notice of Ninth Annual General Meeting (Cont'd)

- (i) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the transacting parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions conducted during the financial year will be disclosed in the Circular.

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 the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions authorised by the Proposed Shareholders' Mandate."

6. Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 *Resolution 8*

"**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."

Notice of Ninth Annual General Meeting (Cont'd)

To consider and if thought fit, to pass the following Special Resolution:

7. Proposed Amendments to the Articles of Association of the Company *Resolution 9*

“**THAT** the Proposed Amendments to the Articles of Association of the Company as set out in “Appendix B” of the Annual Report be and are hereby approved.”

ANY OTHER BUSINESS:

8. 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.

By order of the Board

Wong Youn Kim
(MAICSA 7018778)
Company Secretary

Kuala Lumpur
4 December 2013

NOTE:

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 he 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. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. 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.
6. Only depositors whose names appear in the Record of depositors as at 20 December 2013 shall be registered as members and be entitled to attend the Ninth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

RESOLUTION 7

The Ordinary Resolution No. 7, 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 4 December 2013 attached to the Annual Report.

RESOLUTION 8

The Ordinary Resolution 8, 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.

As at the date of this Notice, 12,644,500 new ordinary shares of RM0.10 representing approximately 9.09% of the existing issued and paid-up share capital of the Company were issued on 30 October 2013 by way of a private placement and listed on the Bursa Securities on 1 November 2013 pursuant to the last mandate obtained on 28 December 2012. The proceeds raised from the private placement was RM1,517,340. The details and status of the utilization of the proceeds as at 30 November 2013 are as follows:-

No.	Description of Utilisation	Proposed Utilisation (RM)	Amount Utilised (RM)	Balance as at 30 November 2013 (RM)
1.	Business expansion	1,300,000	604,500	695,500
2.	Working capital requirement	307,008	250,000	57,008
3.	Private Placement Expenses	100,000	63,000	37,000
4.	Variances on actual received	(189,668)	-	(189,668)
	Total	1,517,340	917,500	599,840

The general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. This mandate is also meant for any possible fund raising exercises including but not limited to further placement of shares, for purpose of funding current and/or future investment, working capital and/or acquisitions.

RESOLUTION 9

The Special Resolution 9, if passed, will render the Articles of Association of the Company to be in line with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the Proposed Amendments to the Articles of Association are set out in "Appendix B" attached with the Annual Report.

**STATEMENT ACCOMPANYING NOTICE OF THE NINTH
ANNUAL GENERAL MEETING**

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

- i. Dato' Megat Fairouz Junaidi Bin Megat Junid
- ii. Mr Yeo Wee Kiat
- iii. Encik Mohd Anuar Bin Mohd Hanadzlah
- iv. Dr Folk Jee Yoong
- v. Noor Shahwan Bin Saffwan

The profiles of the Directors who are standing for re-election is set out on page 5-8 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 2013 are disclosed in the Corporate Governance Statement set out on page 10 of this Annual Report.

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

Date of Meeting	Time of Meeting	Place of Meeting
Thursday, 26 December 2013	9.30 am	Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan

Notice of Nomination of New Auditors

Goh Boon Soo
25, Lorong Maarof Satu,
Bangsar Park,
Malaysia

Date: 27 November 2013

The Board of Directors

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

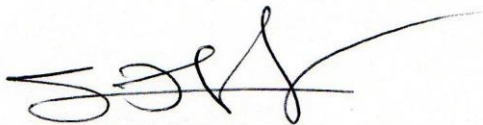
Dear Sirs,

RE: NOTICE OF NOMINATION OF NEW AUDITORS

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

“THAT Messrs. UHY be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Hasnan THL Wong & Partners, 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



Goh Boon Soo

SPECIAL RESOLUTION – AMENDMENTS TO THE COMPANY’S ARTICLES OF ASSOCIATION

THAT the Articles of Association of the Company is proposed to be amended in the following manner:-

Article No.	Existing Articles	Amended Articles												
To amend Article 2	<p style="text-align: center;">Interpretation</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">WORDS</td> <td style="width: 50%; text-align: center;">MEANINGS</td> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">No provisions</td> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">No provisions</td> </tr> </table>	WORDS	MEANINGS	-	No provisions	-	No provisions	<p style="text-align: center;">Interpretation</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">WORDS</td> <td style="width: 50%; text-align: center;">MEANINGS</td> </tr> <tr> <td style="text-align: center;">Share Issuance Scheme</td> <td style="text-align: center;">A Scheme involving a new issuance of shares to the employees</td> </tr> <tr> <td style="text-align: center;">Exempt Authorised Nominee</td> <td style="text-align: center;">An authorised nominee defined under the Central Depositories Act which is exempted from compliance with provisions of subsection 25A(1) of the Central Depositories Act.</td> </tr> </table>	WORDS	MEANINGS	Share Issuance Scheme	A Scheme involving a new issuance of shares to the employees	Exempt Authorised Nominee	An authorised nominee defined under the Central Depositories Act which is exempted from compliance with provisions of subsection 25A(1) of the Central Depositories Act.
WORDS	MEANINGS													
-	No provisions													
-	No provisions													
WORDS	MEANINGS													
Share Issuance Scheme	A Scheme involving a new issuance of shares to the employees													
Exempt Authorised Nominee	An authorised nominee defined under the Central Depositories Act which is exempted from compliance with provisions of subsection 25A(1) of the Central Depositories Act.													
To amend Article 63	<p>Requirement in notice calling meeting</p> <p>In every notice calling a General Meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him, and that a proxy may, but need not be a Member and that where a Member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a Member us an Authorised Nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.</p>	<p>Requirement in notice calling meeting</p> <p>In every notice calling a General Meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him, and that a proxy may, but need not be a Member and that where a Member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a Member us an Authorised Nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.</p> <p>Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.</p>												

Article No.	Existing Articles	Amended Articles
To amend Article 75	<p>Voting rights of Members</p> <p>Subject to Article 61, a Member shall be entitled to be present and to vote at any General Meeting in respect of any share or shares of which he is the registered holder and upon which all calls due to the Company have been paid. Subject to this Article and any special rights or restrictions as to voting attached to any class or classes of shares, at any General Meeting of the Company, each shareholder shall be entitled to vote in person or by proxy or by attorney and, on a show of hands, every person present who is a shareholder or a representative or proxy or attorney of a shareholder shall have one (1) vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each share held by him.</p>	<p>Voting rights of Members</p> <p>Subject to Article 61, a Member shall be entitled to be present and to vote at any General Meeting in respect of any share or shares of which he is the registered holder and upon which all calls due to the Company have been paid. Subject to this Article and any special rights or restrictions as to voting attached to any class or classes of shares, at any General Meeting of the Company, each shareholder shall be entitled to vote in person or by proxy or by attorney and, on a show of hands, every person present who is a shareholder or a representative or proxy or attorney of a shareholder shall have one (1) vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each share held by him.</p> <p>A proxy appointed to attend and vote at any General Meeting of the Company shall have the same rights as the member to speak at the meeting.</p>
To amend Article 76	<p>Instrument appointing proxy to be in writing</p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or an attorney duly or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.</p>	<p>Instrument appointing proxy to be in writing</p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or an attorney duly or under the hand of an officer or attorney duly authorised. A Member of a Company entitled to attend and vote at any General Meeting of the Company, or at a meeting of any class of Members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the Member of the meeting. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.</p>

Article No.	Existing Articles	Amended Articles
To amend Article 80	<p>Instrument appointing proxy to be left at the Office</p> <p>The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place as is specific for that purpose in the notice convening the General Meeting not less than forty-eight (48) hours before the time appointed for holding the General Meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of poll, and in default the instrument of proxy shall not be treated as valid.</p>	<p>Instrument appointing proxy to be left at the Office</p> <p>The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place as is specific for that purpose in the notice convening the General Meeting not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of poll, and in default the instrument of proxy shall not be treated as valid.</p> <p>The completed instrument of proxy once deposited will not preclude the Member from attending and voting in person at the General Meeting should the Member subsequently wish to do so. A Member who is not resident in Malaysia or Singapore may by cable or other telegraphic communication appoint a proxy/proxies to vote for him at any General Meeting of the Company PROVIDED:-</p> <p>a) Such cable or other telegraphic communication shall have been received forty-eight (48) hours before the time for the holding of the General Meeting or adjourned meeting as the case may be at which the person named in such cable or other telegraphic communication proposes to vote; and</p> <p>b) The Directors are satisfied as to the genuineness of such cable or other telegraphic communication.</p>

Article No.	Existing Articles	Amended Articles
To amend Article 85	<p>Retirement of Directors</p> <p>At the First Annual General Meeting of the Company all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year, save and except for the non-executive Directors who shall retire from office and be eligible for re-election at every subsequent Annual General Meeting, an election of directors shall take place and one-third (1/3) of the Directors for the time being, or, if their number is not three (3), or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors except the Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring director shall retain office until the close of the General Meeting at which he retires.</p>	<p>Retirement of Directors</p> <p>An election of Directors shall take place each year. At the first Annual General Meeting of the Company all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years, but shall be eligible for re-election.</p>



INIX TECHNOLOGIES HOLDINGS BERHAD

(Company No. 665797-D)

(Incorporated in Malaysia)

FORM OF PROXY

Ninth Annual General Meeting

I/We _____ of _____
 _____ being a member/members of **INIX TECHNOLOGIES HOLDINGS BERHAD** hereby appoint* the Chairman of the meeting or _____ of _____ failing whom _____ of _____ as my/our Proxy(ies) to vote for me/us and on my/our behalf at the

Ninth 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 Thursday, 26 December 2013 at 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 2013 together with the Directors' and Auditors' Reports thereon.		
2.	To re-elect Dato' Megat Fairouz Junaidi Bin Megat Junid 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 Yeo Wee Kiat as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 2	
4.	To re-elect Encik Mohd Anuar Bin Mohd Hanadzlah as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 3	
5.	To re-elect Dr Folk Jee Yoong as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 4	
6.	To re-elect Noor Shahwan Bin Saffwan as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 5	
7.	To re-appoint Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.	Resolution 6	
SPECIAL BUSINESS			
8.	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 7	

INIX TECHNOLOGIES HOLDINGS BERHAD
(Company No. 665797-D)

FORM OF PROXY (Cont'd)

Resolutions			For	Against
	SPECIAL BUSINESS			
9.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 8		
10.	Proposed Amendments to the Articles of Association of the Company	Resolution 9		

[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]

Number of ordinary shares held :
CDS Account No :

Dated thisday of.....2013

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 he 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. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. 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.
6. Only depositors whose names appear in the Record of depositors as at 20 December 2013 shall be registered as members and be entitled to attend the Ninth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf

STAMP

The Company Secretaries
INIX TECHNOLOGIES HOLDINGS BERHAD(665797-D)
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

ANNUAL REPORT 2013
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 2013. The Annual Report 2013 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