



# Annual Report 2014

**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*

Dr. Azman Bin Hussin *Chief Executive Officer / Executive Director*

Chow Hung Keey *Executive Director*

Mohd Anuar Bin Mohd Hanadzlah *Executive Director*

Yeo Wee Kiat *Independent Non-Executive Director*

Dr Folk Jee Yoong *Executive Director*

Noor Shahwan Bin Saffwan *Independent Non-Executive Director*

Wong Hua Choon *Independent Non-Executive Director*  
(Appointed w.e.f 19 June 2014)

### **Audit Committee**

Dato' Megat Fairouz Junaidi bin Megat Junid *Chairman*

Yeo Wee Kiat *Member*

Noor Shahwan Bin Saffwan *Member*

Wong Hua Choon *Member*  
(Appointed w.e.f. 19 June 2014)

### **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.inix.com.my](http://www.inix.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**

Messrs UHY (AF: 1411)  
11.05 Level 11 The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel: (603) 2279 3088  
Fax: (603)2279 3099

**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 2014.

### **Group Results**

Reflective of current weak global and regional economic conditions, The Group Sales still able to increase moderately to RM4.95 million for the financial year ended 31 July 2014, compared to RM4.67 million for the preceding year.

While the revenue increased, the cost increased highly due to a larger workforce expenses needed to implement projects and develop new software solutions. As a result, an audited after tax loss of RM1.389 million recorded in the current financial year, compared to an audited after tax profit of RM0.124 million for the financial year ended 31 July 2013.

### **Business Development**

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

Development efforts were mainly focussed on the e-commerce portal, new software integrated solution with mobile apps function and also enhancing some software developed while implementing customer-specific project into a product for higher resale value of opportunities.

The Group spent a total of RM5.0 million in R&D expenditure where approximately RM 4.5 million is related to human resource expenses incurred for the R&D for its financial year ended 31 July 2014, compared to RM3.7 million for the preceding year.

### **Prospects**

Thanks for the group heavily invested on its R&D, the group is confident with the future prospects of its software integration with mobile application function project. The group managed to get a contract of RM 500,000 for the above mentioned project during the year and the company is also in the mist of negotiating with other few potential customers for the software.

Against this backdrop, the management will apply more stringent consideration on the investment on R&D and also carefully plan on the strategic cost control budgeting.

Nevertheless, your Directors remain optimistically with 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 2015.

### **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  
8 December 2014

## **DIRECTORS' PROFILE**

### **Dato' Megat Fairouz Junaidi Bin Megat Junid**

Independent Non-Executive Chairman  
Malaysian, aged 49

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 four (4) out of five (5) Board meetings held during the financial year ended 31 July 2014.

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.

### **Dr. Azman Bin Hussin**

Executive Director / Chief Executive Officer  
Malaysian, aged 55

Dr. 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 three (3) out of five (5) Board meetings held during the financial year ended 31 July 2014.

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 26

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 four (4) out of five (5) Board meetings held during the financial year ended 31 July 2014.

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 56

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.

He attended all the five (5) Board meetings held during the financial year ended 31 July 2014.

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 53

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, AHB Holdings Berhad and Cybertowers Berhad which are public listed companies.

As he was appointed on 29 November 2013, he attended all the three (3) board meeting held during the financial year ended 31 July 2014.

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 67

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.

He attended four (4) out of five (5) Board meetings held during the financial year ended 31 July 2014.

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 64

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 attended two (2) out of three (3) board meeting held during the financial year ended 31 July 2014.

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.

**Wong Hua Choon**

Independent Non-Executive Director

Malaysian, aged 50

Wong Hua Choon was appointed as the Independent Non-Executive Director on 19 June 2014. He graduated with a Bachelor of Science In Mechanical Engineering from University of Idaho, USA, Master of Business Administration Degree at Nanyang Technological University, Singapore and Advanced Management Program Certification From NTU-Berkeley (Haas Business School, California)

He has more than 24 years of industrial engineering experience and has been in the forefront of some of the most advanced material science development cum applications for the oil & gas, power & energy engineering, semiconductor wafer fab & solar industry. Among which, his recent years of focus includes telco infrastructure projects such as fibre optic cable laying and distribution in Malaysia, telco tower turnkey installation in Indonesia, and providing a very wide spectrum of IT technological services across many countries in the Asia Pacific region.

He currently a board member of one public and private companies.

He was the sole recipient of the 2009 Furama Ltd Endowed Book Prize Award. He was the proud winner of the Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards 2009, and Spirit of Enterprise 2012 Award by SOE Singapore

As he was appointed on 19 June 2014, he did not attend any board meeting held during the financial year ended 31 July 2014.

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 9 of the Annual Report, illustrate a spectrum of experiences vital to the direction and management of INIX.

### **Composition**

The current Board consists of eight (8) members, comprising four (4) Executive Directors and four (4) 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 2013 to 31 July 2014, five (5) 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	4/5
Dr. Azman Bin Hussin	3/5
Chow Hung Keey	4/5
Mohd Anuar Bin Mohd Hanadzlah	5/5
Yeo Wee Kiat	4/5
Dr Folk Jee Yoong	3/3
Noor Shahwan Bin Saffwan	2/3
Wong Hua Choon ( <i>Appointed w.e.f. 19 June 2014</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 2014, besides from attending the briefings conducted by the Company Secretary 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	-	13,000	13,000
Non-Executive Directors	-	-	-
<b>Grand Total</b>	<b>-</b>	<b>13,000</b>	<b>13,000</b>

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 16 to 17 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:

Yeo Wee Kiat *Independent Non-Executive Director*

The Committee is responsible, inter-alia, to recommend candidates for directorship to the Board as well as membership to Board committees. The Committee assesses the Board collectively on an 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:

Dr. Azman bin Hussin *Executive Director*

Yeo Wee Kiat *Independent Non-Executive Director*

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

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](http://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 18 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 28 November 2014.



## AUDIT COMMITTEE REPORT

### Members

The Audit Committee comprises:

Chairman:

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

Members:

Yeo Wee Kiat *Independent Non-Executive Director*

Shahwan Bin Saffwan *Independent Non-Executive Director*

Wong Hua Choon *Independent Non-Executive Director (Appointed w.e.f. 19 June 2014)*

### 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	4/5
Yeo Wee Kiat	4/5
Noor Shahwan Bin Saffwan	2/3
Wong Hua Choon ( <i>Appointed w.e.f. 19 June 2014</i> )	N/A

### Summary of Activities

During the financial year ended 31 July 2014, 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 2014 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 2014 is RM3,600.

## **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.

**INIX TECHNOLOGIES HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**REPORT AND FINANCIAL STATEMENTS**

**31 JULY 2014**

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## **DIRECTORS' REPORT**

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2014.

### **Principal Activities**

The principal activities of the Company are investment holding and supply of hardware and software. The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

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

### **Financial Results**

	<b>Group RM</b>	<b>Company RM</b>
Net loss for the financial year		
- Attributable to owners of the parent	1,389,792	516,087
	<hr/>	<hr/>

### **Dividend**

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the financial year.

### **Reserves and Provisions**

There were no material transfers to or from reserves or provisions during the financial year.

### **Options Granted Over Unissued Shares**

No options were granted to any person to take up unissued shares of the Company during the financial year.

## Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid up share capital from RM12,644,500 to RM13,908,950 by the issuance of 12,644,500 new ordinary shares of RM0.10 each for cash arising from private placement exercise at an issue price of RM0.12 each.

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

There were no issues of debentures during the financial year.

## Directors

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

Dato' Megat Fairouz Junaidi Bin Megat Junid	
Azman Bin Hussin	
Chow Hung Keey	
Mohd Anuar Bin Mohd Hanadzlah	
Yeo Wee Kiat	
Dr. Folk Jee Yoong	(Appointed on 29.11.2013)
Noor Shahwan Saffwan	(Appointed on 29.11.2013)
Wong Hua Choon	(Appointed on 19.06.2014)
Wai Chin Yean	(Resigned on 29.11.2013)

## Directors' Interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			
	At 01.08.2013	Acquired	Disposed	At 31.07.2014
<b>The Company</b>				
<i>Direct interest</i>				
Yeo Wee Kiat	305,000	-	-	305,000
Mohd Anuar Bin Mohd Hanadzlah	-	2,000,000	(1,250,100)	749,900
<i>Indirect interest</i>				
Azman Bin Hussin*	21,249,311	-	-	21,249,311

\* Deemed Interest pursuant to Section 6A of the Companies Act, 1965 via eNCoral Digital Solutions Sdn Bhd.

## **Directors' Interests (Cont'd)**

By virtue of their interest in the shares of the Company, Yeo Wee Kiat and Azman Bin Hussin are also deemed to have interests in the shares of all the subsidiary companies to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## **Directors' Benefits**

Since the end of the previous financial year, no Director 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 Directors as shown 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 a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 19 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## **Other Statutory Information**

- (a) Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values 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.

## **Other Statutory Information (Cont'd)**

- (b) At the date of this report, the Directors are not aware of any circumstances:
  - (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.
- (c) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (e) In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 July 2014 have not been substantially affected by any item, transaction or event of a material and unusual nature, occurred in the interval between the end of the financial year and the date of this report.

## **Subsequent Event**

The subsequent event is disclosed in Note 28 to the financial statements.



**Auditors**

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 November 2014.

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DATO' MEGAT FAIROUZ JUNAIDI  
BIN MEGAT JUNID

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CHOW HUNG KEY

KUALA LUMPUR

**STATEMENT BY DIRECTORS**  
**Pursuant to Section 169(15) of the Companies Act, 1965**

We, the undersigned, being two of the Directors of the Company do hereby state that, in the opinion of the Directors, the financial statements set out on pages 30 to 84 are drawn up in accordance with Malaysian Financial Reporting Standards, 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 of the Company as of 31 July 2014 and of their financial performance and cash flows for the financial year ended.

The supplementary information set out on page 85 to the financial statements has been compiled 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 and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 November 2014.

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DATO' MEGAT FAIROUZ JUNAIDI BIN  
MEGAT JUNID

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CHOW HUNG KEEY

KUALA LUMPUR

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

I, Chow Hung Keey, being 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 30 to 84 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the )  
abovenamed at Kuala Lumpur in the )  
Federal Territory on 28 November 2014 )

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CHOW HUNG KEEY

Before me,

MOHAN A.S. MANIAM  
NO. W 521

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COMMISSIONER FOR OATHS

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

(Company No.: 665797-D)

(Incorporated in Malaysia)

### **Report on the Financial Statements**

We have audited the financial statements of Inix Technologies Holdings Berhad, which comprise the statements of financial position as at 31 July 2014 of the Group and of the Company, 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 financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 84.

#### *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 judgement, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
INIX TECHNOLOGIES HOLDINGS BERHAD (CONT'D)**

(Company No.: 665797-D)  
(Incorporated in Malaysia)

*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 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

*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 RM15,105,111 and RM19,630,057 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 followings:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies 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 subsidiary company of which we have not acted as auditors, as disclosed in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies 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 subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
INIX TECHNOLOGIES HOLDINGS BERHAD (CONT'D)**

(Company No.: 665797-D)

(Incorporated in Malaysia)

**Other Reporting Responsibilities**

The supplementary information set out on page 85 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.

**Other Matters**

The financial statements of the Group and of the Company as at 31 July 2013 were audited by another auditor whose report dated 22 November 2013, expressed an unqualified opinion with emphasis of matter paragraph on going concern on those statements.

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.

UHY

Firm Number: AF 1411

Chartered Accountants

CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

28 November 2014

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 JULY 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-Current Assets</b>					
Property, plant and equipment	4	66,073	43,072	35,271	35,969
Intangible assets	5	2,487,732	3,234,053	-	-
Investment in subsidiary companies	6	-	-	2	2
		<u>2,553,805</u>	<u>3,277,125</u>	<u>35,273</u>	<u>35,971</u>
<b>Current Assets</b>					
Inventories	7	22,322	424	-	-
Trade receivables	8	4,505,125	4,086,616	-	-
Other receivables	9	1,104,639	1,298,175	30,100	30,100
Amount due from subsidiary companies	10	-	-	4,188,512	3,455,173
Cash and bank balances		660,855	192,262	104,059	25,432
		<u>6,292,941</u>	<u>5,577,477</u>	<u>4,322,671</u>	<u>3,510,705</u>
<b>Total Assets</b>		<u>8,846,746</u>	<u>8,854,602</u>	<u>4,357,944</u>	<u>3,546,676</u>
<b>Equity</b>					
Share capital	11	13,908,950	12,644,500	13,908,950	12,644,500
Share premium	12	8,910,750	8,657,860	8,910,750	8,657,860
Accumulated losses		(15,105,111)	(13,715,319)	(19,630,057)	(19,113,970)
<b>Total Equity</b>		<u>7,714,589</u>	<u>7,587,041</u>	<u>3,189,643</u>	<u>2,188,390</u>
<b>Current Liabilities</b>					
Trade payables	13	5,475	200,000	-	-
Other payables	14	648,053	441,206	280,401	320,386
Amount due to a Director	15	-	150,000	-	150,000
Amount due to a related party	16	478,629	476,355	-	-
Amount due to a subsidiary company	10	-	-	887,900	887,900
<b>Total Liabilities</b>		<u>1,132,157</u>	<u>1,267,561</u>	<u>1,168,301</u>	<u>1,358,286</u>
<b>Total Equity and Liabilities</b>		<u>8,846,746</u>	<u>8,854,602</u>	<u>4,357,944</u>	<u>3,546,676</u>

The accompanying notes form an integral part of the financial statements.

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014**

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	17	4,951,951	4,668,712	10,900	11,150
Cost of sales	18	(254,975)	(25,990)	-	(10,822)
Gross profit		<u>4,696,976</u>	<u>4,642,722</u>	<u>10,900</u>	<u>328</u>
Other income		18,959	13,433	2,961	84
Administration expenses		(5,515,705)	(837,669)	(529,948)	(196,898)
Research and development expenses		(590,000)	(3,694,638)	-	-
(Loss)/Profit before taxation	19	<u>(1,389,770)</u>	<u>123,848</u>	<u>(516,087)</u>	<u>(196,486)</u>
Taxation	20	(22)	-	-	-
Net (loss)/profit for the financial year, representing total comprehensive income for the financial year		<u>(1,389,792)</u>	<u>123,848</u>	<u>(516,087)</u>	<u>(196,486)</u>
<b>Net (loss)/profit for the financial year attributable to:</b>					
Owners of the parent		<u>(1,389,792)</u>	<u>123,848</u>		
<b>(Loss)/Earnings Per Share attributable to owners of the parent (sen)</b>	22				
Basic		<u>(1.05)</u>	<u>0.10</u>		
Fully diluted		<u>N/A</u>	<u>N/A</u>		

The accompanying notes form an integral part of the financial statements.



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014**

Group	Note	Attributable to Owners of the Parent			
		Share Capital RM	Non-distributable		Total Equity RM
			Share Premium RM	Accumulated Losses RM	
At 1 August 2013		12,644,500	8,657,860	(13,715,319)	7,587,041
Net loss for the financial year, representing total comprehensive income for the financial year		-	-	(1,389,792)	(1,389,792)
Issue of ordinary shares	11	1,264,450	252,890	-	1,517,340
At 31 July 2014		<u>13,908,950</u>	<u>8,910,750</u>	<u>(15,105,111)</u>	<u>7,714,589</u>
At 1 August 2012		12,644,500	8,657,860	(13,839,167)	7,463,193
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	123,848	123,848
At 31 July 2013		<u>12,644,500</u>	<u>8,657,860</u>	<u>(13,715,319)</u>	<u>7,587,041</u>

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014 (CONT'D)**

<b>Company</b>	<b>Note</b>	<b>Share Capital RM</b>	<b>Share Premium RM</b>	<b>Accumulated Losses RM</b>	<b>Total Equity RM</b>
At 1 August 2013		12,644,500	8,657,860	(19,113,970)	2,188,390
Net loss for the financial year, representing total comprehensive income for the financial year		-	-	(516,087)	(516,087)
Issue of ordinary shares	11	1,264,450	252,890	-	1,517,340
At 31 July 2014		<u>13,908,950</u>	<u>8,910,750</u>	<u>(19,630,057)</u>	<u>3,189,643</u>
At 1 August 2012		12,644,500	8,657,860	(18,917,484)	2,384,876
Net loss for the financial year, representing total comprehensive income for the financial year		-	-	(196,486)	(196,486)
At 31 July 2013		<u>12,644,500</u>	<u>8,657,860</u>	<u>(19,113,970)</u>	<u>2,188,390</u>

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014**

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Cash Flows From Operating Activities</b>				
(Loss)/Profit before taxation	(1,389,770)	123,848	(516,087)	(196,486)
Adjustments for:				
Depreciation of property, plant and equipment	13,982	7,186	4,248	1,180
Amortisation of intangible assets	746,321	497,546	-	-
Gain on disposal of a subsidiary company	-	(2,329)	-	-
Impairment loss on trade receivables	-	10,000	-	-
Interest income	(123)	-	-	-
Operating (loss)/profit before working capital changes	(629,590)	636,251	(511,839)	(195,306)
<b>Changes in working capital:</b>				
Inventories	(21,898)	168	-	-
Trade and other receivables	(224,973)	83,165	-	(30,100)
Amount due from/to subsidiary companies	-	-	(733,339)	97,995
Amount due to a related party	2,274	-	-	-
Amount due to a Director	(150,000)	150,000	(150,000)	150,000
Trade and other payables	12,322	(204,398)	(39,985)	22,480
	(382,275)	28,935	(923,324)	240,375
Cash (used in)/from operations	(1,011,865)	665,186	(1,435,163)	45,069
Interest received	123	-	-	-
Tax paid	(22)	-	-	-
Net cash (used in)/from operating activities	(1,011,764)	665,186	(1,435,163)	45,069

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014 (CONT'D)**

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b>Cash Flows From Investing Activities</b>					
Purchase of property, plant and equipment		(36,983)	(37,149)	(3,550)	(37,149)
Investment in a subsidiary company		-	-	-	(2)
Net cash outflow from disposal of a subsidiary company	6	-	(2)	-	-
Increase in intangible assets		-	(589,797)	-	-
Net cash used in investing activities		<u>(36,983)</u>	<u>(626,948)</u>	<u>(3,550)</u>	<u>(37,151)</u>
<b>Cash Flows From Financing Activities</b>					
Proceeds from issue of shares		1,517,340	-	1,517,340	-
Net cash from investing activities		<u>1,517,340</u>	<u>-</u>	<u>1,517,340</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>		468,593	38,238	78,627	7,918
<b>Cash and cash equivalents at beginning of the financial year</b>		<u>192,262</u>	<u>154,024</u>	<u>25,432</u>	<u>17,514</u>
<b>Cash and cash equivalents at end of the financial year</b>		<u>660,855</u>	<u>192,262</u>	<u>104,059</u>	<u>25,432</u>
<b>Cash and cash equivalents at end of the financial year comprises:</b>					
Cash and bank balances		<u>660,855</u>	<u>192,262</u>	<u>104,059</u>	<u>25,432</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Corporate Information

The Company is a public limited liability company, incorporated in Malaysia under the Companies Act, 1965 and is domiciled in Malaysia and is listed on the ACE Market of the Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and supply of software development and system integration. The principal activities of the subsidiary companies are disclosed in Note 6. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at Level 2, Towel 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 Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.

### 2. Basis of Preparation

#### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

As at 31 July 2014, the Group and the Company recorded an accumulated losses of RM15,105,111 and RM19,630,057 (2013: RM13,715,319 and RM19,113,970) respectively. The equity attributable to the shareholders as at 31 July 2014 remained positive at RM7,714,589 and RM3,189,643 (2013: 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 of the Company on a going concern basis on the assumption that the Group and the Company will be able to generate sufficient cash flow from their operations to meet their obligations as and when they fall due.

## 2. Basis of Preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

During the financial year, the Group and the Company have adopted the following new Malaysian Financial Reporting Standards (“MFRSs”), Issues Committee (“IC”) Interpretations and amendments to MFRSs and IC Interpretations which are effective and mandatory for current financial year:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119 (2012)	Employee Benefits
MFRS 127 (2012)	Separate Financial Statements
MFRS 128 (2012)	Investments in Associates and Joint Ventures
MFRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
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 101	Amendments to MFRS 101
Amendments to MFRSs	contained in the document entitled “Annual Improvements 2009 – 2012 Cycle”

The effects of the adoption of applicable MFRSs and amendments to MFRSs above are summarised below:

#### MFRS 10 Consolidated Financial Statements

Under MFRS 10, an investor controls an investee when the investor has:

- (i) The power by investor over an investee;
- (ii) Exposure, or rights, to variable returns from investor’s involvement with the investee; and
- (iii) Ability to affect those returns through its power over investee.

This new control model differs from how previously companies were assessed to be a subsidiary company. Under MFRS 127, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

## 2. Basis of Preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

Upon adoption of the new MFRSs, the Group has reviewed the relationships with its investments in other entities to assess whether the conclusion to consolidate is different under MFRS 10 than under MFRS 127, and noted no material differences were found for any of the investments

#### MFRS 12 Disclosure of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

#### MFRS 127 Separate Financial Statements (as amended in November 2011)

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiary company, joint ventures and associates in separate financial statements. This standard affects disclosures only and has no impact on the Group's financial position or performance.

#### MFRS 13 Fair Value Measurements

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in as an exit price, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

#### Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time (e.g. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (e.g. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

## 2. Basis of Preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and the Company:

	<u>Effective date for financial periods beginning on or after</u>
Amendments to Investment Entities MFRS 10, MFRS 12 and MFRS 127	1 January 2014
Amendments to Offsetting Financial Assets and MFRS 132 Financial Liabilities	1 January 2014
Amendments to Recoverable Amount Disclosures for MFRS 136 Non-Financial Assets	1 January 2014
Amendments to Novation of Derivatives and MFRS 139 Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to Defined Benefits Plans: Employee MFRS 119 Contributions	1 July 2014
Annual Improvements 2010-2012 Cycle	1 July 2014
Annual Improvements 2011-2013 Cycle	1 July 2014
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to Accounting for Acquisitions of MFRS 11 Interests in Joint Operations	1 January 2016
Amendments to Agriculture: Bearer Plants MFRS 116 and MFRS 141	1 January 2016
Amendments to Clarification of Acceptable Methods MFRS 116 and of Depreciation and Amortisation MFRS 138	1 January 2016
Amendments to Equity Method in Separate Financial MFRS 127 Statements	1 January 2016
Amendments to Sale or Contribution of Assets MFRS 10 and between an Investor and its MFRS 128 Associate or Joint Venture	1 January 2016
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018



## 2. **Basis of Preparation (Cont'd)**

### (a) **Statement of compliance (Cont'd)**

The Group and the Company intends to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

#### MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 (2009)) introduced new requirements for the classification and measurement of financial assets. It was subsequently amended by MFRS 9 (IFRS 9 (2010)) to include requirements for the classification and measurement of financial liabilities and for derecognition, and MFRS 9 (IFRS 9 as amended by IASB in November 2013) to include new requirements for general hedge accounting. Another version of MFRS 9 (IFRS 9 issued by IASB in July 2014) was issued to include:

- (a) impairment requirements for financial assets; and
- (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- (a) all recognised financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment that is not held for trading in other comprehensive income, with only dividend income generally recognised in profit or loss.

## 2. Basis of Preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

- (b) with regard to the classification and measurement of financial liabilities and derecognition of financial instruments, these requirements have been relocated from MFRS 139, without change, except for financial liabilities that are designated as at fair value through profit or loss. Entities with financial liabilities designated as at fair value through profit or loss recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income, unless it would create or enlarge an accounting mismatch in profit or loss. There is no subsequent recycling of the amounts in other comprehensive income to profit or loss, but accumulated gains or losses may be transferred within equity. Under MFRS 139, the entire amount of the change in fair value of the financial liabilities designated as at fair value through profit or loss was presented in profit or loss.
- (c) in relation to impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- (d) the new general hedge accounting represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements.

An entity is allowed to change the accounting for financial liabilities that it has elected to measure at fair value, before applying any of the other requirements in MFRS 9.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

### MFRS 15 Revenue from Contracts with Customers

MFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue from contracts with customers. It supersedes current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and related Interpretations. Its core principle is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

## 2. **Basis of Preparation (Cont'd)**

### (a) **Statement of compliance (Cont'd)**

A five-step approach to revenue recognition is required:

- (a) Identify the contract(s) with a customer.
- (b) Identify the performance obligations in the contract.
- (c) Determine the transaction price.
- (d) Allocate the transaction price to the performance obligations in the contract.
- (e) Recognise revenue when (or as) performance obligations are satisfied.

MFRS 15 also includes requirements for accounting for costs related to a contract with a customer. These are recognised as an asset if certain criteria are met. Furthermore, MFRS 15 also significantly expands the current disclosure requirements about revenue recognition.

An entity may choose to adopt MFRS 15 retrospectively or through a cumulative effect adjustment as of the start of the first period for which it first applies the Standard. The Group is in the process of assessing the impact of this Standard.

Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141) [only disclose this if the entity has oil palms, coconut trees, rubber trees, tea bushes, sugarcane or other trees that bears fruits]

The amendments introduce a new category for biological asset, i.e. the bearer plants. A bearer plant is seen as similar to an item of machinery as it is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce. Therefore, bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses, similar to property, plant and equipment. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows. The Group is in the process of assessing the impact of the amendments.

The Group is in the process of assessing the impact of the adoption of these Standards, since the effects would only be observable in future financial years.

### (b) **Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia (“RM”) which is the Group’s and the Company’s functional currency and all values has been rounded to the nearest thousand except otherwise stated.

## 2. Basis of Preparation (Cont'd)

### (c) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The Directors exercise their judgement in the process of applying the Group's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

#### (i) Useful lives of property, plant and equipment

Management estimates the useful lives of the property, plant and equipment to be within 3 to 10 years and reviews the useful lives of depreciable assets at the end of each reporting period. The management assesses that the useful lives represent the expected utilisation of the assets to the Group. Actual results, however, may vary due to change in the business plan and strategies, expected level of usage and technological developments, resulting in the adjustment to the Group's assets. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying amount of property, plant and equipment.

#### (ii) Useful lives of intangible assets

The directors have assessed the carrying amount of intangible assets for any indication of impairment in accordance with the policy. 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.

## 2. Basis of Preparation (Cont'd)

### (c) Significant accounting estimates and judgements (Cont'd)

#### (iii) Impairment of investment in subsidiary companies

The carrying amounts of investment in subsidiary companies and the related goodwill are reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### (iv) Impairment of loans and receivables

The Group assesses at the end of the reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of significant financial difficulties of the debtor and default or significant delay in payments.

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.

#### (v) Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next reporting period.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and appropriate adjustment to asset-specific risk factors.

#### (vi) Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

## 2. **Basis of Preparation (Cont'd)**

### (c) **Significant accounting estimates and judgements (Cont'd)**

#### (vii) **Income taxes**

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## 3. **Significant Accounting Policies**

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

### (a) **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies, which have been prepared in accordance with the Group's accounting policies, and are all drawn up to the same reporting period.

#### (i) **Subsidiary companies**

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

### 3. Significant Accounting Policies (Cont'd)

#### (a) Basis of consolidation (Cont'd)

##### (ii) Consolidation

The acquisition method of accounting is used to account for business combination. The consideration transferred for acquisition of a subsidiary company is the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition.

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid is recognised directly in equity.

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

### 3. **Significant Accounting Policies (Cont'd)**

#### (a) **Basis of consolidation (Cont'd)**

##### (ii) **Consolidation (Cont'd)**

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

##### (iii) **Goodwill on consolidation**

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

##### (iv) **Non-controlling interests**

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary company's equity since the date of combination.

All earnings and losses of the subsidiary companies are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.



### 3. Significant Accounting Policies (Cont'd)

#### (b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(h)(i).

##### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

##### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

### 3. Significant Accounting Policies (Cont'd)

#### (b) Property, plant and equipment (Cont'd)

##### (iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Furniture and fittings	10 years
Renovation	10 years
Motor vehicle	6 - 7 years
Software	3 - 4 years
Computer equipment	6 - 7 years
Office equipment	10 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period 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 property, plant and equipment.

#### (c) 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 reporting period.

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 (Cont'd)

#### (c) Intangible assets (Cont'd)

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.

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 assets;
- (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 assets 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.

### 3. Significant Accounting Policies (Cont'd)

#### (d) Financial assets

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

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depending on the purpose for which they were acquired at initial recognition into loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

#### *Regular way purchase or sale of financial assets*

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

#### *Derecognition of financial assets*

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

### 3. Significant Accounting Policies (Cont'd)

#### (e) Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Changes in the carrying value of these liabilities are recognised in the profit or loss.

The Group and the Company classify their financial liabilities at initial recognition, into the following category:

##### (i) Other liabilities measured at amortised cost

Other financial liabilities are non-derivatives financial liabilities. The Group's and the Company's other financial liabilities comprise trade and other payables and amount due to a related party and subsidiary company. Other financial liabilities are classified as current liabilities; except for maturities more than 12 months after the end of the reporting period, in which case they are classified as non-current liabilities.

Other liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

##### (ii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially at fair value and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. Subsequently, the carrying amount is measured at the higher of the best estimate of the obligation under the contract in accordance with MFRS 137 at the end of the reporting period and the initial amount recognised less accumulated amortisation. If the carrying amount of the financial guarantee contract is lower than the obligation, the carrying amount is adjusted to the obligation amount and accounted for as a provision.

### 3. **Significant Accounting Policies (Cont'd)**

#### (e) **Financial liabilities (Cont'd)**

##### (ii) Financial guarantee contracts (Cont'd)

###### *Derecognition of financial liabilities*

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

###### *Offsetting of financial instruments*

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### (f) **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.

#### (g) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

### 3. Significant Accounting Policies (Cont'd)

#### (h) Impairment of assets

##### (i) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives, these are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

##### (ii) Financial assets

All financial assets, other than those at fair value through profit or loss, investment in subsidiary companies, are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

### 3. Significant Accounting Policies (Cont'd)

#### (h) Impairment of assets (Cont'd)

##### (ii) Financial assets (Cont'd)

###### 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 considers factors such as the probability of insolvency or significant financial difficulties of the receivable 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 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 defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

##### (i) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.



### 3. Significant Accounting Policies (Cont'd)

#### (j) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

#### (k) Employee benefits

##### (i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

##### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

### 3. Significant Accounting Policies (Cont'd)

#### (l) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

##### (i) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the period.

##### (ii) Sales of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

##### (iii) Interest income

**Interest income is recognised on accruals basis using the effective interest method.**

##### (iv) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

### 3. Significant Accounting Policies (Cont'd)

#### (n) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

### 3. **Significant Accounting Policies (Cont'd)**

#### (o) **Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the parent and the weighted average number of ordinary shares in issue adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

#### (p) **Contingent liabilities**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent asset or liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent asset or liability unless the probability of outflow of economic benefits is remote.

4. **Property, Plant and Equipment**

	<b>Furniture and fittings RM</b>	<b>Renovation RM</b>	<b>Motor vehicles RM</b>	<b>Software RM</b>	<b>Computer equipment RM</b>	<b>Office equipment RM</b>	<b>Total RM</b>
<b>Group</b>							
<b>2014</b>							
<b>Cost</b>							
At 1 August 2013	60,552	28,000	38,519	1,399	-	-	128,470
Additions	-	-	-	-	31,525	5,458	36,983
Written off	(4,053)	-	-	-	-	-	(4,053)
At 31 July 2014	56,499	28,000	38,519	1,399	31,525	5,458	161,400
<b>Accumulated depreciation</b>							
At 1 August 2013	45,170	933	38,518	777	-	-	85,398
Charge for the financial year	4,915	2,800	-	466	5,043	758	13,982
Written off	(4,053)	-	-	-	-	-	(4,053)
At 31 July 2014	46,032	3,733	38,518	1,243	5,043	758	95,327
<b>Carrying amount</b>							
At 31 July 2014	10,467	24,267	1	156	26,482	4,700	66,073

4. **Property, Plant and Equipment (Cont'd)**

	<b>Furniture and fittings RM</b>	<b>Renovation RM</b>	<b>Motor vehicles RM</b>	<b>Software RM</b>	<b>Total RM</b>
<b>Group</b>					
<b>2013</b>					
<b>Cost</b>					
At 1 August 2012	51,403	-	38,519	1,399	91,321
Additions	9,149	28,000	-	-	37,149
At 31 July 2013	<u>60,552</u>	<u>28,000</u>	<u>38,519</u>	<u>1,399</u>	<u>128,470</u>
<b>Accumulated depreciation</b>					
At 1 August 2012	40,923	-	36,978	311	78,212
Charge for the financial year	4,247	933	1,540	466	7,186
At 31 July 2013	<u>45,170</u>	<u>933</u>	<u>38,518</u>	<u>777</u>	<u>85,398</u>
<b>Carrying amount</b>					
At 31 July 2013	<u>15,382</u>	<u>27,067</u>	<u>1</u>	<u>622</u>	<u>43,072</u>

4. **Property, Plant and Equipment (Cont'd)**

	<b>Furniture and fittings RM</b>	<b>Renovation RM</b>	<b>Office equipment RM</b>	<b>Total RM</b>
<b>Company</b>				
<b>2014</b>				
<b>Cost</b>				
At 1 August 2013	9,149	28,000	-	37,149
Addition	-	-	3,550	3,550
At 31 July 2014	<u>9,149</u>	<u>28,000</u>	<u>3,550</u>	<u>40,699</u>
<b>Accumulated depreciation</b>				
At 1 August 2013	247	933	-	1,180
Charge for the financial year	915	2,800	533	4,248
At 31 July 2014	<u>1,162</u>	<u>3,733</u>	<u>533</u>	<u>5,428</u>
<b>Carrying amount</b>				
At 31 July 2014	<u>7,987</u>	<u>24,267</u>	<u>3,017</u>	<u>35,271</u>
<b>2013</b>				
<b>Cost</b>				
At 1 August 2012	-	-	-	-
Additions	9,149	28,000	-	37,149
At 31 July 2013	<u>9,149</u>	<u>28,000</u>	<u>-</u>	<u>37,149</u>
<b>Accumulated depreciation</b>				
At 1 August 2012	-	-	-	-
Charge for the financial year	247	933	-	1,180
At 31 July 2013	<u>247</u>	<u>933</u>	<u>-</u>	<u>1,180</u>
<b>Carrying amount</b>				
At 31 July 2013	<u>8,902</u>	<u>27,067</u>	<u>-</u>	<u>35,969</u>

## 5. Intangible Assets

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>Software development</b>		
<b>Cost</b>		
At 1 August/31 July	<u>3,731,599</u>	<u>3,731,599</u>
<b>Accumulated amortisation</b>		
At 1 August	497,546	-
Amortisation for the financial year	<u>746,321</u>	<u>497,546</u>
At 31 July	<u>1,243,867</u>	<u>497,546</u>
<b>Carrying amount</b>	<u>2,487,732</u>	<u>3,234,053</u>

Software development represents costs incurred on development projects relating to the design and testing of new or improved products. 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.

For the purpose of impairment testing, the recoverable amount of software development has been determined using the income approach which recognises that the current value of the asset is premised on the expected receipt of future economic benefits generated over its remaining life. There is no impairment loss incurred on the intangible assets during the current year.

Key assumptions made in determining the value-in-use are as follow:

- (i) Cash flows were projected based on actual operating results and a five-year business plan;
- (ii) Revenue was projected at anticipated annual revenue growth of approximately 3% per annum;
- (iii) A pre-tax discount rate of 25% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of individual unit.

With regards to the assessments of value-in-use of these CGUs, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable



## 6. Investment in Subsidiary Companies

	Company	
	2014 RM	2013 RM
<b>In Malaysia</b>		
Unquoted shares, at cost	9,051,000	9,051,000
Options granted to employees of subsidiaries	1,232,210	1,232,210
	10,283,210	10,283,210
Less: Accumulated impairment loss	(10,283,208)	(10,283,208)
	2	2

All the subsidiary companies are incorporated in Malaysia and the subsidiary company and shareholdings therein are as follows:

Name of company	Effective interest		Principal activities
	2014 %	2013 %	
<i>Direct holding:</i>			
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. (formerly known as Interflagship Sdn. Bhd.)	100	100	System integration, information technology management consultancy and other related professional services

\* Subsidiary company not audited by UHY.

6. **Investment in Subsidiary Companies (Cont'd)**

In the previous financial year, 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:

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

7. **Inventories**

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
<b>At cost:</b>		
Finished goods	<u>22,322</u>	<u>424</u>

8. **Trade Receivables**

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Trade receivables		
- Third parties	117,875	204,867
- Related party	4,397,250	4,085,249
	<u>4,515,125</u>	<u>4,290,116</u>
Less: Accumulated impairment	(10,000)	(203,500)
	<u>4,505,125</u>	<u>4,086,616</u>

Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

## 8. Trade Receivables (Cont'd)

The Group's normal trade credit terms range from 60 days to 120 days (2013: 60 days to 120 days). Other credit terms are assessed and approved on a case by case basis.

The Group's credit exposures are concentrated mainly on 1 (2013: 1) debtor which is a related party to the Group, which accounted for 99% (2013: 99%) of total trade receivables.

Analysis of the trade receivables ageing is as follows:

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Neither past due nor impaired	3,501,548	2,541,367
Past due but not impaired:		
91 to 120 days	-	1,030,000
More than 121 days	1,003,577	515,249
	1,003,577	1,545,249
Impaired	10,000	203,500
	4,515,125	4,290,116

### 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. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

### Receivables that are past due but not impaired

As at 31 July 2014, trade receivables of RM1,003,577 (2013: RM1,545,249) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM10,000 (2013: RM203,500), related to customers that are in financial difficulties, have defaulted on payments and/ or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

## 8. Trade Receivables (Cont'd)

Movements in impairment on trade receivables (individually impaired) are as follows:

	<b>Group</b>	
	<b>2014</b> <b>RM</b>	<b>2013</b> <b>RM</b>
At 1 August	203,500	193,500
Charge for the financial year	-	10,000
Written off	<u>(193,500)</u>	<u>-</u>
At 31 July	<u>10,000</u>	<u>203,500</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

	<b>Group</b>		<b>Company</b>	
	<b>2014</b> <b>RM</b>	<b>2013</b> <b>RM</b>	<b>2014</b> <b>RM</b>	<b>2013</b> <b>RM</b>
Other receivables	1,074,265	1,268,415	1,140	1,140
Less: Accumulated impairment	<u>(1,140)</u>	<u>(1,140)</u>	<u>(1,140)</u>	<u>(1,140)</u>
	1,073,125	1,267,275	-	-
Deposits	<u>31,514</u>	<u>30,900</u>	<u>30,100</u>	<u>30,100</u>
	<u>1,104,639</u>	<u>1,298,175</u>	<u>30,100</u>	<u>30,100</u>

Included in other receivables of the Group is an amount of RM1,061,875 (2013: RM1,267,275) due from a company which arise from the disposal of a subsidiary company in the previous financial year.

10. **Amount Due From/(To) Subsidiary Companies**

	<b>Company</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>(a) Due from:</b>		
<b>Ansi Systems Sdn. Bhd.</b>		
<i>Due from:</i>		
Non-trade related	12,759,392	12,759,392
Less: Accumulated impairment	<u>(8,125,874)</u>	<u>(8,125,874)</u>
	4,633,518	4,633,518
<i>Due to:</i>		
Non-trade related	<u>(1,196,197)</u>	<u>(1,180,845)</u>
	<u>3,437,321</u>	<u>3,452,673</u>
 <b>Inix Network Sdn. Bhd.</b>		
<i>Due from:</i>		
Non-trade related	<u>751,191</u>	<u>2,500</u>
	<u>4,188,512</u>	<u>3,455,173</u>
 <b>(b) Due to:</b>		
<b>NCSOFT Sdn. Bhd.</b>		
<i>Due to:</i>		
Non-trade related	(1,002,900)	(1,002,900)
<i>Due from:</i>		
Non-trade related	<u>115,000</u>	<u>115,000</u>
	<u>(887,900)</u>	<u>(887,900)</u>

The amount due from subsidiary companies comprises expenses paid on behalf by the Company and advances provided to the subsidiary companies. These are unsecured, interest free and repayment on demand.

The amount due to subsidiary company represents expenses paid on behalf of the Company by the subsidiary company and advances provided by a subsidiary company to the Company. These are unsecured, interest free and repayment on demand.

## 11. Share Capital

	<b>Group and Company</b>			
	<b>Number of shares</b>		<b>Amount</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Unit</b>	<b>Unit</b>	<b>RM</b>	<b>RM</b>
<b>Ordinary shares</b>				
<b>of RM0.10 each</b>				
<b>Authorised:</b>				
At 1 August/31 July	<u>250,000,000</u>	<u>250,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
<b>Issued and fully paid</b>				
At 1 August	126,445,000	126,445,000	12,644,500	12,644,500
Issued during the financial year	<u>12,644,500</u>	<u>-</u>	<u>1,264,450</u>	<u>-</u>
At 31 July	<u>139,089,500</u>	<u>126,445,000</u>	<u>13,908,950</u>	<u>12,644,500</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

During the financial year, the Company increased its issued and paid up ordinary share capital from RM12,644,500 to RM13,908,950 by the issue of 12,644,500 new ordinary shares of RM0.10 each for cash arising from private placement exercise at an issue price of RM0.12 each.

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

## 12. Share Premium

	<b>Group and Company</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
At 1 August	8,657,860	8,657,860
Issued of share during the financial year	<u>252,890</u>	<u>-</u>
At 31 July	<u>8,910,750</u>	<u>8,657,860</u>

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.

13. **Trade Payables**

The normal credit terms granted to the Group are range from 30 days to 60 days (2013: 30 days to 60 days). Other credit terms are assessed and approved on a case by case basis.

14. **Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	295,801	313,992	261,685	294,670
Accruals	352,252	127,214	18,716	25,716
	<u>648,053</u>	<u>441,206</u>	<u>280,401</u>	<u>320,386</u>

15. **Amount Due To a Director**

The amount due to a Director is unsecured advances, interest free and repayable on demand.

16. **Amount Due To Related Party**

The related party is eNCoral Digital Solutions Sdn. Bhd. The amount is non-trade in nature and it is unsecured, interest free and repayment on demand.

17. **Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Sales of hardware and software	165,174	11,150	-	11,150
Sales of books	5,677	17,062	-	-
Software development and system integration	4,781,100	4,640,500	10,900	-
	<u>4,951,951</u>	<u>4,668,712</u>	<u>10,900</u>	<u>11,150</u>

18. **Cost of Sales**

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

19. **(Loss)/ Profit Before Taxation**

(Loss)/profit before taxation is derived at after charging/(crediting):

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Auditors' remuneration	72,000	51,800	18,000	18,000
Amortisation of intangible assets	746,321	497,546	-	-
Impairment loss on trade receivables	-	10,000	-	-
Depreciation of property, plant and equipment	13,982	7,186	4,248	1,180
Director's remuneration	13,000	35,000	13,000	35,000
Interest income	(123)	-	-	-
Gain on foreign exchange - Realised	(44)	-	-	-
Gain on disposal of a subsidiary company	-	(2,329)	-	-
Office rental	70,000	35,000	70,000	35,000
	<u>70,000</u>	<u>35,000</u>	<u>70,000</u>	<u>35,000</u>

20. **Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Tax expense recognised in profit and loss:				
Under provision in prior year	22	-	-	-
	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>

Current income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profits for the financial year.



20. **Taxation (Cont'd)**

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
(Loss)/Profit before taxation	<u>(1,389,770)</u>	<u>123,848</u>	<u>(516,087)</u>	<u>(196,486)</u>
Tax at current income tax rate of 25%	(347,443)	30,962	(129,022)	(49,122)
Tax effects of:				
- Non-deductible expenses	280,512	135,023	50,142	24,590
- Under provision of taxation in respect of prior year	22	-	-	-
- Deferred tax assets not recognised during the financial year	78,880	44,323	78,880	24,532
- Reversal of deferred tax asset not recognised	<u>(11,949)</u>	<u>(210,308)</u>	<u>-</u>	<u>-</u>
Tax expense for the financial year	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31 July 2014, the Group has a tax exempt account of approximately RM11,497,400 (2013: RM11,497,400) to frank the payment of tax exempt dividends, which are subject to the agreement of the Inland Revenue Board.

The Group and the Company has the following unused tax losses and unutilised capital allowances available for set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unused tax losses	5,296,143	5,039,700	411,952	97,880
Unutilised capital allowances	<u>13,999</u>	<u>10,500</u>	<u>12,699</u>	<u>9,149</u>
	<u>5,310,142</u>	<u>5,050,200</u>	<u>424,651</u>	<u>107,029</u>

## 21. Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unused tax losses	5,296,143	5,039,700	411,952	97,880
Unutilised capital allowances	13,999	10,500	12,699	9,149
	<u>5,310,142</u>	<u>5,050,200</u>	<u>424,651</u>	<u>107,029</u>

## 22. Earnings Per Share

### (a) Basic (loss)/earnings per share

The basic earnings per share has been calculated based on the consolidated loss for the financial year attributable to the owners of the parent of RM1,389,792 (2013: profit of RM123,848) and the weighted average number of ordinary shares in issue during the financial year of 132,767,250 (2013: 126,445,000).

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
(Loss)/Profit attributable to owners of parent	<u>(1,389,770)</u>	<u>123,848</u>
Weighted average number of ordinary shares	<u>132,767,650</u>	<u>126,445,000</u>
Basic (loss)/earnings per share (sen)	<u>(1.05)</u>	<u>0.10</u>

### (b) Diluted (loss)/earnings per share

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares.

23. **Employee Benefits**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<i>Employee benefit</i>				
<i>(excluding Directors)</i>				
Salaries and allowances	3,305,516	2,958,357	-	-
Contribution to defined contribution plan	349,280	336,447	-	-
SOCSO	38,205	39,983	-	-
Insurance, medical and other benefits	82,113	61,389	-	-
	<u>3,775,114</u>	<u>3,396,176</u>	<u>-</u>	<u>-</u>

24. **Related Party Disclosure**

(a) Identity of related party

For the purposes of these financial statements, parties are considered to be related to the Group or to the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group and the Company have related party relationship with its subsidiary companies and Directors' related company.

24. **Related Party Disclosure (Cont'd)**

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Trade receivables</u>				
Software development fees receivables from EDSSB	4,397,250	4,085,249	-	-
<u>Amount due from/(to) subsidiaries</u>				
Advances provided to ASSB for working capital purposes	-	-	9,170,000	9,170,000
Advances provided by NCSSB	-	-	(1,000,998)	(1,000,998)
Expenses paid on behalf of				
- ASSB	-	-	3,589,392	3,589,392
- NCSSB	-	-	115,000	115,000
- INSB	-	-	40,656	2,500
Expenses paid on behalf by				
- ASSB	-	-	(1,197,112)	(1,180,845)
- NCSSB	-	-	(1,902)	(1,902)
	<u>-</u>	<u>-</u>	<u>10,715,036</u>	<u>10,693,147</u>
<u>Related party</u>				
Fees received/ receivable on software development in progress	3,480,000	4,600,000	-	-
<u>Related companies</u>				
Expenses paid/ payable	<u>(16,267)</u>	<u>-</u>	<u>-</u>	<u>(39,460)</u>

## Related Party Disclosure (Cont'd)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year (Cont'd)

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

- (a) Ansi Systems Sdn Bhd (“ASSB”), Inix Network Sdn Bhd (“INSB”) and NCSOFT Sdn. Bhd. (“NSSB”), being subsidiary companies of the Company; and
- (b) eNCORAL Digital Solutions Sdn. Bhd. (“EDSSB”) being a related party by virtue of certain directors of the Company, ASSB, INSB and NSSB being key management personnel of EDSSB.

EDSSB is also a substantial shareholder of the Company. A director of EDSSB with substantial financial interest in EDSSB is an executive director of the Company.

- (c) Information regarding outstanding balances arising from related party transactions as at 31 July 2014 is disclosed in Notes 10, 15 and 16.
- (d) 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; and
- (b) The key management personnel of EDSSB comprise the Directors of the company and certain members of senior management of the company.

## 25. Segment Information

For management purposes, the main business segments of the Group comprise the following:

Software	Software development and system integration
Books	Sales of books
Corporate	Investment holding and others

Except as indicated above, no operating segments have been aggregated to form the above reporting operating segments.

Performance is measured based on segment profit before taxation, interest and depreciation, as included in the internal management reports that are reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

### *Geographical Information - Malaysia*

			<u>Non-current assets</u>		<u>Current asset</u>
	<b>Revenue</b>	<b>Loss before</b>	<b>Property,</b>	<b>Intangible</b>	<b>Trade</b>
	<b>RM</b>	<b>taxation</b>	<b>plant and</b>	<b>assets</b>	<b>receivables</b>
		<b>RM</b>	<b>equipment</b>	<b>RM</b>	<b>RM</b>
			<b>RM</b>	<b>RM</b>	
2014	4,951,951	(1,389,770)	66,073	2,487,732	4,505,125
2013	4,668,712	123,848	43,072	3,234,053	4,086,616

### *Major customer*

The Group has 1 (2013: 1) major customer contributing approximately RM3,480,000 (2013: RM4,600,000) of total sales revenue.

25. Segment Information (Cont'd)

<b>2014</b>	<b>Software RM</b>	<b>Books RM</b>	<b>Corporate RM</b>	<b>Eliminations RM</b>	<b>Total RM</b>
<b>Operating segments</b>					
<b>Revenue</b>					
External customers	4,935,374	5,677	10,900	-	4,951,951
<b>Results</b>					
Depreciation of property, plant and equipment	(9,734)	-	(4,248)	-	(13,982)
Amortisation of intangible assets	(746,321)	-	-	-	(746,321)
Interest income	123	-	-	-	123
Segment profit/(loss)	(873,683)	-	(516,087)	-	(1,389,770)
<b>Assets</b>					
Amount due from related company	416,657	-	-	(416,657)	-
Amount due from holding company	912,365	-	-	(912,365)	-
Amount due from subsidiaries	-	-	4,188,512	(4,188,512)	-
Segment assets	(1,028,732)	-	4,357,944	5,517,534	8,846,746
<b>Liabilities</b>					
Amount due to holding company	12,337,936	-	-	(12,337,936)	-
Amount due to subsidiary company	-	-	887,900	(887,900)	-
Amount due to related company	3,603,728	-	-	(3,603,728)	-
Amount due to related party	(2,274)	-	-	2,274	-
Segment liabilities	(16,863,434)	-	1,168,301	16,827,290	1,132,157

25. Segment Information (Cont'd)

<b>2013</b>	<b>Software RM</b>	<b>Books RM</b>	<b>Corporate RM</b>	<b>Eliminations RM</b>	<b>Total RM</b>
<b>Operating segments</b>					
<b>Revenue</b>					
External customers	4,640,500	17,062	11,150	-	4,668,712
<b>Results</b>					
Depreciation of property, plant and equipment	(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 company	-	-	2,329	-	2,329
Segment profit/(loss)	(270,095)	(8,106)	(200,114)	602,163	123,848
<b>Assets</b>					
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
<b>Liabilities</b>					
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



## 26. Financial Instruments

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	<b>Group</b>		<b>Company</b>	
	<b>Loans and receivables RM</b>	<b>Other financial liabilities at amortised costs RM</b>	<b>Loans and receivables RM</b>	<b>Other financial liabilities at amortised costs RM</b>
<b>2014</b>				
<b>Financial assets</b>				
Trade and other receivables	5,609,764	-	30,100	-
Amount due from subsidiary companies	-	-	4,188,512	-
Cash and bank balances	660,855	-	104,059	-
	6,270,619	-	4,322,671	-
<b>Financial liabilities</b>				
Trade and other payables	-	653,528	-	280,401
Amount due to a related party	-	478,629	-	-
Amount due to a subsidiary company	-	-	-	887,900
	-	1,132,157	-	1,168,301
<b>2013</b>				
<b>Financial assets</b>				
Trade and other receivables	5,384,791	-	30,100	-
Amount due from subsidiary companies	-	-	3,455,173	-
Cash and bank balances	192,262	-	25,432	-
	5,577,053	-	3,510,705	-
<b>Financial liabilities</b>				
Trade and other payables	-	641,206	-	320,386
Amount due to a Director	-	150,000	-	150,000
Amount due to a related party	-	476,355	-	-
Amount due to a subsidiary company	-	-	-	887,900
	-	1,267,561	-	1,358,286

## 26. Financial Instruments (Cont'd)

### (b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and cash flows risk. The Group operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovenamed financial risks and the objectives, policies and processes for the management of these risks.

#### (i) Credit risk

Financial assets that are primarily exposed to credit risks are receivables, inter-company balances and deposits, cash and bank balances.

Credit risk arises when sales are made on deferred credit terms. The Group seeks to control 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 below.

#### 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 (2013: 1 customer) representing 99% (2013: 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:

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Malaysia	<u>4,397,250</u>	<u>4,085,249</u>

## 26. Financial Instruments (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The financial liabilities of the Group and of the Company are either repayable with one year or on demand.

#### (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.

At the Group and the Company have no significant interest bearing financial assets and financial liabilities, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rate, and has minimal exposure to interest rate risk at the end of the reporting period.

#### (iv) Technological and market risk

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.

## 26. Financial Instruments (Cont'd)

### (c) Fair values of financial instruments

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

## 27. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group's management manage its capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintains an optimal capital structure, so as to maximise shareholder value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholder, return capital to shareholder or issue new shares.

Total capital managed at Group level consists of shareholders' equity and cash and cash equivalents. There were no changes in the Group's approach to capital management during the financial year. The Group is not subject to any externally imposed capital requirements.

The gearing ratio was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade payables	5,475	200,000	-	-
Other payables	648,053	441,206	280,401	320,386
Amount due to a Director	-	150,000	-	150,000
Amount due to a related party	478,629	476,355	-	-
Less: Cash and cash equivalents	<u>(660,855)</u>	<u>(192,262)</u>	<u>(104,059)</u>	<u>(25,432)</u>
Net debts	<u>471,302</u>	<u>1,075,299</u>	<u>176,342</u>	<u>444,954</u>
Equity attributable to the owners of the parent	<u>7,714,589</u>	<u>7,587,041</u>	<u>3,189,643</u>	<u>2,188,390</u>
Capital and net debt	<u>8,185,891</u>	<u>8,662,340</u>	<u>3,365,985</u>	<u>2,633,344</u>
Gearing ratio (times)	<u>0.06</u>	<u>0.12</u>	<u>0.05</u>	<u>0.17</u>

## **28. Subsequent Events**

The Company proposed to explore the following exercise, comprising:-

- (i) Proposed renounceable rights issues of up to 139,089,500 ordinary shares of RM0.10 each in Inix (“Right Shares”) together with up to 139,089,500 free detachable warrants (“Warrants”) on the basis of one Right Share at an issue price of RM0.10 per Rights Share together with one Warrant (exercisable into new Inix share at exercise price of RM0.12 per Warrant for one new Inix Share within the exercise period of two years from the date of issuance of the Warrants) for every one ordinary share of RM0.10 each in Inix (“Inix Share”);
- (ii) Proposes increase in the authorised share capital of the Company from RM25,000,000 comprising 250,000,000 Inix Share to RM100,000,000 comprising 1,000,000 Inix Shares and the amendments to the Memorandum and Articles of Association; and
- (iii) Proposed acquisition of 51,000 shares of Indonesian Rupiah 10,000 each in PT Daya Putra SukaPura (“PT Daya”) representing 51% equity interest in PT Daya for a cash consideration of up to RM7,000,000.

The above proposals are yet to be completed at the date of this report.

## **29. Comparative Figure**

Financial statements of the Company for the financial year ended 31 July 2013 were audited by another firm of chartered accountants.

## **30. Date of Authorisation for Issue**

The financial statements of the Group and of the Company for the financial year ended 31 July 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 28 November 2014.

## Supplementary Financial Information on the Disclosure of Realised and Unrealised Profits or Losses

The breakdown of the retained earnings of the Group and of the Company as of 31 July 2014 and 31 July 2013 into realised and unrealised amounts is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Total accumulated losses of the Company and its subsidiary companies				
- Realised	<u>(15,105,111)</u>	<u>(13,715,319)</u>	<u>(19,630,057)</u>	<u>(19,113,970)</u>

The disclosure of realised and unrealised profits or losses is solely compiled in accordance to the Malaysian Institute of Accountants Guidance of 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 issued on 20 December 2010.

The disclosure of realised and unrealised profits and losses is solely for the purpose of disclosure requirements of Bursa Malaysia Securities Berhad Listing Requirements and should not be applied for any other purpose.

**ANALYSIS OF SHAREHOLDINGS**

As at 25 November 2014

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	9	390	0.00
100 to 1,000	97	67,059	0.05
1,001 to 10,000	294	1,799,600	1.29
10,001 to 100,000	422	20,007,394	14.38
100,001 to below 5%	173	95,965,746	69.00
5% and above	1	21,249,311	15.28
	996	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.	Dr. Azman bin Hussin	-	-	21,249,311*	15.28

\* 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	-	-	-	-
Dr. Azman bin Hussin	-	-	21,249,311*	15.28
Chow Hung Keey	-	-	-	-
Mohd Anuar Bin Mohd Hanadzlah	749,900	0.54	-	-
Yeo Wee Kiat	305,000	0.22	-	-
Dr Folk Jee Yoong	-	-	-	-
Noor Shahwan Bin Saffwan	-	-	-	-
Wong Hua Choon^	-	-	-	-

\* Deem interested via his shareholdings in eNcoral Digital Solutions Sdn Bhd

^ Appointed as Director on 19 June 2014.

**Top Thirty Shareholders**  
**(without aggregating securities from different securities accounts belonging to the same holder)**

	<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>%</b>
1.	ENCORAL DIGITAL SOLUTIONS SDN BHD	21,249,311	15.28
2.	SP JUTAJAYA SDN BHD	4,614,100	3.32
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR CIMB FOR BARKATH STORES (PENANG) SDN BERHAD)	4,500,000	3.24
4.	GOH BOON SOO @ GOH YANG ENG	4,400,000	3.16
5.	TA NOMINEES (ASING) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR MEGAWORLD VENTURES LIMITED)	3,825,500	2.75
6.	DIGITAL ZILLION SDN BHD	3,699,000	2.66
7.	TAN CHEE PHIN	3,384,000	2.43
8.	LADUE NAKIAH OSMAN	2,560,000	1.84
9.	ANTHONY GOH SHEE HIANG	2,000,000	1.44
10.	TEOH CHOO KANG	1,953,300	1.40
11.	MERCSEC NOMINEES (TEMPATAN) SDN BHD	1,913,900	1.38
12.	KENANGA NOMINEES (TEMPATAN) SDN BHD	1,500,000	1.08
13.	OOI CHIN KEAT	1,403,800	1.01
14.	PHOO MENG KHAW	1,401,946	1.01
15.	WAN SARA BINTI MOHD SAID	1,395,000	1.00
16.	ELLYNA MERICAN BINTI ZULZURIN MERICAN	1,385,000	1.00
17.	KEK LAI HUAT	1,350,000	0.97
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR OCBC SECURITIES PRIVATE LIMITED )	1,230,000	0.88
19.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR ABDEL AZIZ @ ABDUL AZIZ BIN ABU BAKAR)	1,200,000	0.86
20.	GOH BOON SOO & GOH YANG ENG	1,200,000	0.86
21.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR CHOONG BIH SING)	1,188,200	0.85
22.	OOI CHIN KEAT	1,123,400	0.81
23.	HLB NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG TAK KEONG)	1,095,000	0.79
24.	LOW SHOOK YEE	1,060,000	0.76
25.	FARIZA AINI MERICAN	1,005,000	0.72
26.	TANG WAY KEONG	1,002,000	0.72
27.	ANTHONY GOH SHEE HIANG	1,000,000	0.72
28.	TAM CHEN KIEN	998,000	0.72
29.	NG HO FATT	904,900	0.65
30.	HEW YOONG SHIANG	893,300	0.64
		<u>76,434,657</u>	<u>54.95</u>



## **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. Utilisation of Proceeds**

There were no proceeds raised from any corporate proposal for the financial year ended 31 July 2014.

### **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 2014.

### **4. Depository Receipt Programme**

The Company did not sponsor any depository receipt programme for the financial year ended 31 July 2014.

### **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 2014.

### **6. Non-Audit Fees**

There were no non-audit fees payable to the External Auditors for the financial year ended 31 July 2014.

### **7. Variation of Results**

There were no profit estimates, forecast or projection made by the Company during the financial year ended 31 July 2014.

There were no material variance between the results for the financial year ended 31 July 2014 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 2014.

### **9. Material Contracts**

During the financial year ended 31 July 2014, 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 2014.

## **Additional Compliance Information (Cont'd)**

### **10. Revaluation Policy**

The Company did not revalue any of its property, plant and equipment during the financial year ended 31 July 2014.

### **11. Material Properties**

The Company and the Group does not own any landed property for the financial year ended 31 July 2014.

### **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 2014.

## Notice of Tenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of INIX Technologies Holdings Berhad (“the Company”) will be held at Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan on Tuesday, 30th December 2014 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 2014 together with the Directors’ and Auditors’ Reports thereon.
2. To re-elect the following Directors who retire in accordance with Article 85 of the Company’s Articles of Association of the Company and being eligible, offer themselves for re-election:-
  - i. Dr. Azman Bin Hussin *Resolution 1*
  - ii. Chow Hung Keey *Resolution 2*
  - iii. Yeo Wee Kiat *Resolution 3*
3. To re-elect Wong Hua Choon who retires in accordance with Article 92 of the Articles of Association of the Company, and being eligible, offer himself for re-election. *Resolution 4*
4. To re-appoint Messrs. UHY as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Resolution 5*

### 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 6*

“**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 8 December 2014, provided that:-

- (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.

## Notice of Tenth Annual General Meeting (Cont'd)

**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 7*

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

### **ANY OTHER BUSINESS:**

7. 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  
8 December 2014

**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 23 December 2014 shall be registered as members and be entitled to attend the Tenth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf.*

**EXPLANATORY NOTES ON SPECIAL BUSINESS:**

**RESOLUTION 6**

The Ordinary Resolution No. 6, 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 8 December 2014 attached to the Annual Report.

**RESOLUTION 7**

The Ordinary Resolution 7, if passed will give the Directors of the Company from the date of the above Meeting, authority to allot and issue ordinary shares for the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

The 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.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 26 December 2013.

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

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

- i. Dr. Azman Bin Hussin
- ii. Mr Chow Hung Keey
- iii. Mr. Yeo Wee Kiat

The profiles of the Directors who are standing for re-election is set out on page 5-9 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 2014 are disclosed in the Corporate Governance Statement set out on page 11 of this Annual Report.

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

<b>Date of Meeting</b>	<b>Time of Meeting</b>	<b>Place of Meeting</b>
Tuesday, 30 December 2014	9.30 am	Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan

**INIX TECHNOLOGIES HOLDINGS BERHAD**

(Company No. 665797-D)

(Incorporated in Malaysia)

**FORM OF PROXY****Tenth Annual General Meeting**

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of **INIX TECHNOLOGIES HOLDINGS BERHAD** hereby appoint\* the Chairman of the meeting or \_\_\_\_\_ of \_\_\_\_\_ or \_\_\_\_\_ failing whom \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy(ies) to vote for me/us and on my/our behalf at the Tenth 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 Tuesday, 30 December 2014 at 9.30 a.m. and at any adjournment thereof.

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

<b>Resolutions</b>			<b>For</b>	<b>Against</b>
<b>ORDINARY BUSINESS</b>				
1.	To receive the Audited Financial Statements for the financial year ended 31st July 2014 together with the Directors' and Auditors' Reports thereon.			
2.	To re-elect Dr. Azman Bin Hussin as the Director who is retiring in accordance with Article 85 of the Company's Articles of Association.	Resolution 1		
3.	To re-elect Mr. Chow Hung Keey as the Director who is retiring in accordance with Article 85 of the Company's Articles of Association.	Resolution 2		
4.	To re-elect Mr. Yeo Wee Kiat as the Director who is retiring in accordance with Article 85 of the Company's Articles of Association.	Resolution 3		
5.	To re-elect Mr. Wong Hua Choon as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 4		
6.	To re-appoint Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.	Resolution 5		
<b>SPECIAL BUSINESS</b>				
7.	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 6		
8.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 7		

[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]

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

**FORM OF PROXY (Cont'd)**

Number of ordinary shares held :
CDS Account No :

Dated this .....day of.....2014

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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 23 December 2014 shall be registered as members and be entitled to attend the Tenth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf



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**STAMP**

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

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**ANNUAL REPORT 2014**  
**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 2014. The Annual Report 2014 is also available for access and download at [www.inix.com.my](http://www.inix.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