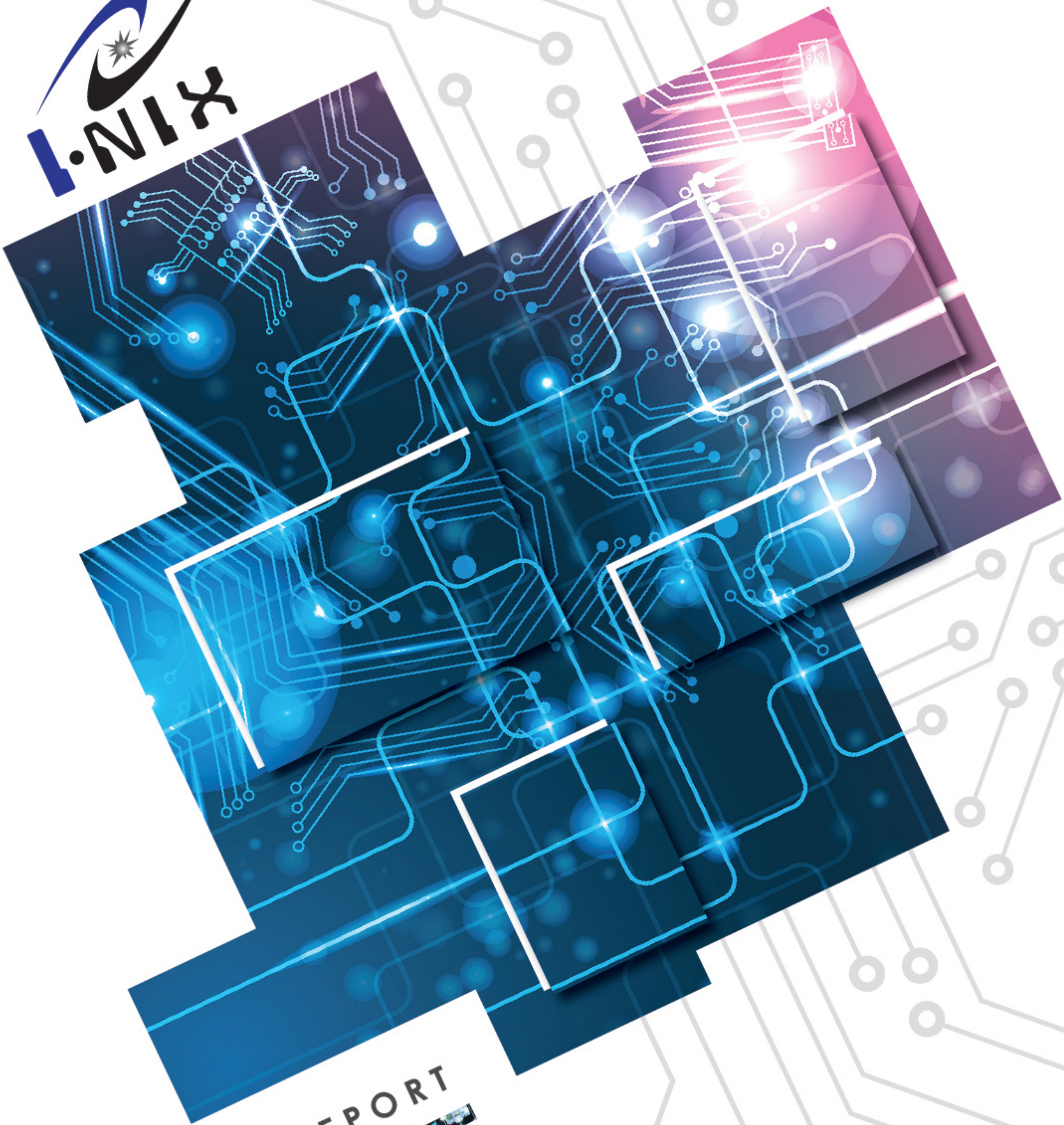

ANNUAL REPORT 2015

INIX TECHNOLOGIES HOLDINGS BERHAD

(665797-D) (Incorporated in Malaysia)

Contents

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*

Dr Folk Jee Yoong *Executive Director*

Yeo Wee Kiat *Independent Non-Executive Director*

Dato' Zaidi Bin Mat Isa @ Hashim *Independent Non-Executive Director*
(Appointed w.e.f. 2 July 2015)

Noor Shahwan Bin Saffwan *Independent Non-Executive Director*
(Resigned w.e.f. 5 February 2015)

Wong Hua Choon *Independent Non-Executive Director*
(Resigned w.e.f 3 April 2015)

Audit Committee

Dato' Megat Fairouz Junaidi bin Megat Junid *Chairman*

Dato' Zaidi Bin Mat Isa @ Hashim *Member*
(Appointed on 2 July 2015)

Yeo Wee Kiat *Member*

Noor Shahwan Bin Saffwan *Member*
(Resigned w.e.f. 5 February 2015)

Wong Hua Choon *Member*
(Resigned w.e.f. 3 April 2015)

Group Head Office

No. 38, Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan
Tel: (603) 90593800
Fax: (603) 90593900
Web: 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

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 the 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 2015.

Group Results

Reflective of current weak global and regional economic conditions, The Group Sales still able to increase moderately to RM5.23 million for the financial year ended 31 July 2015, compared to RM4.95 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 RM0.04 million recorded in the current financial year, compared to an audited after tax loss of RM1.39 million for the financial year ended 31 July 2015.

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 RM0.32 million in R&D expenditure where it is related to human resource expenses incurred for its financial year ended 31 July 2015, compared to RM0.59 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 0.66 million 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, the 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 the 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

DIRECTORS' PROFILE

Dato' Megat Fairouz Junaidi Bin Megat Junid
Independent Non-Executive Chairman
Malaysian, aged 50

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

He attended all the five (5) Board meetings held during the financial year ended 31 July 2015.

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 56

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 four (4) out of five (5) Board meetings held during the financial year ended 31 July 2015.

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.

Chow Hung Keey
Executive Director
Malaysian, aged 27

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 all the five (5) Board meetings held during the financial year ended 31 July 2015.

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 57

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 2015.

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 Folk Jee Yoong
Executive Director
Malaysian, aged 54

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.

He attended four (4) out of five (5) Board meetings held during the financial year ended 31 July 2015.

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 68

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 he gaining wide experience in both private and corporate fields. He then join 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 2015.

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.

Dato' Zaidi Bin Mat Isa @ Hashim
Independent Non-Executive Director
Malaysian, aged 46

Dato' Zaidi Bin Mat Isa @ Hashim was appointed as the Independent Non-Executive Director on 2 July 2015. He completed his Diploma in Electrical Engineering in Institute Tenaga Malaysia and Diploma in Business Studies in Darul Aman Multi Media College, Alor Setar.

Dato Zaidi started his career in year 1991 to 1992 with Lembaga Letrik Negara (TNB). After leaving TNB, in year 1993 to 1994 he set up his own business and from year 1995 to 2000 he became the Director of Kumpulan Darul Aman Group, Managing Director of Darul Aman Consolidated Bhd and subsidiaries of Darul Aman Group.

Dato Zaidi became the Chief Executive Officer ("CEO") of My Prima Group of Companies in year 2001 until 2008. He was appointed as the CEO of Bintang Puspa Sdn Bhd from year 2009 to June 2011. From June 2011 till to-date, he serve as Vice President of Corporate Planning & Strategy with Radiant Growth Investment Limited Jersey London.

He has been served as Group Managing Director for six (6) years and has gain twenty (20) years experience in Corporate Finance and having good networking in the corporate world. Presently he is the Producer for TV programmes and dramas for local TV productions with Jong Emas Productions Sdn Bhd.

As he was appointed on 2 July 2015, he did not attend any board meeting held during the financial year ended 31 July 2015.

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

CORPORATE GOVERNANCE STATEMENT

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

Directors

INIX is led and managed by an experienced Board of Directors comprising members with a wide range of business, information technology, financial and technical backgrounds. This brings depth and diversity in expertise and perspectives to the stewardship of a highly challenging information technology company. The profiles of the members of the Board, appearing on pages 5 to 8 of the Annual Report, illustrate a spectrum of experiences vital to the direction and management of INIX.

Composition

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

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

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

Duties and Responsibilities

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

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

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

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 2014 to 31 July 2015, 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	5/5
Dr. Azman Bin Hussin	4/5
Chow Hung Keey	5/5
Mohd Anuar Bin Mohd Hanadzlah	5/5
Yeo Wee Kiat	4/5
Dr Folk Jee Yoong	4/5
Noor Shahwan Bin Saffwan *(Resigned w.e.f. 5 February 2015)*	1/3
Wong Hua Choon *(Resigned w.e.f.3 April 2015)*	2/4
Dato' Zaidi Bin Mat Isa @ Hashim *(Appointed w.e.f. 2 July 2015)*	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 Secretary. 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.

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 2015, 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	Salaries, other emoluments and benefits	Total
	RM	RM	RM
Executive Directors	-	65,000	65,000
Non-Executive Directors	-	-	-
Grand Total	-	65,000	65,000

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

	Executive Directors	Non-Executive Directors
RM50,000 and below	2	-
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.

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.

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

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

Accountability and Audit

Financial Reporting

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

Directors' Responsibility Statement

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

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

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

Risk Management and Internal Control Statement

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

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 19 November 2015.

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*
Dato' Zaidi Bin Mat Isa @ Hashim *(Appointed w.e.f. 2 July 2015)*
Shahwan Bin Saffwan *Independent Non-Executive Director (Resigned w.e.f. 5 February 2015)*
Wong Hua Choon *Independent Non-Executive Director (Resigned w.e.f. 3 April 2015)*

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;

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 *(Resigned w.e.f 5 February 2015)*	1/3
Wong Hua Choon *(Resigned w.e.f. 3 April 2015)*	2/4
Dato' Zaidi Bin Mat Isa @ Hashim *(Appointed w.e.f. 2 July 2015)*	N/A

Summary of Activities

During the financial year ended 31 July 2015, 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 2015 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 2015 is RM14,400.

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)

REPORTS AND FINANCIAL STATEMENTS

31 JULY 2015

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INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

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 2015.

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

	Group RM	Company RM
Net loss for the financial year		
- Attributable to owners of the parent	47,897	243,777

Dividend

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

Reserves and Provisions

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

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

There were no issues of shares or 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	
Dr. Azman Bin Hussin	
Chow Hung Keey	
Mohd Anuar Bin Mohd Hanadzlah	
Yeo Wee Kiat	
Dr. Folk Jee Yoong	
Dato' Zaidi Bin Mat Isa @ Hashim	(Appointed on 2 July 2015)
Noor Shahwan Bin Saffwan	(Resigned on 5 February 2015)
Wong Hua Choon	(Resigned on 3April 2015)

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:

	Number of ordinary shares of RM0.10 each			
	At 01.08.2014	Acquired	Disposed	At 31.07.2015
The Company				
Direct interest				
Yeo Wee Kiat	305,000	-	-	305,000
Mohd Anuar Bin Mohd Hanadzlah	749,900	-	(249,900)	500,000
Indirect interest				
Dr. Azman Bin Hussin*	21,249,311	-	-	21,249,311

* Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his substantial shareholdings in eNCoral Digital Solutions Sdn Bhd.

Directors' Interests (Cont'd)

By virtue of their interest in the shares of the Company, Dr. Azman Bin Hussin is 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 25(c) 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 allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

    (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had 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 the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; 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) In the opinion of the Directors:

  (i) no contingent liability or other liability of the Group and of the Company has become enforceable or are 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;

  (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

Subsequent Events

The subsequent events are disclosed in Note 29 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 19 November 2015.

DATO' MEGAT FAIROUZ JUNAIDI BIN MEGAT JUNID	CHOW HUNG KEEY

KUALA LUMPUR

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

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 11 to 68 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 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 32 to the financial statements on page 68 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, 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 19 November 2015.

DATO' MEGAT FAIROUZ JUNAIDI BIN MEGAT JUNID	CHOW HUNG KEEY

KUALA LUMPUR

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

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 11 to 68 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 19 November 2015.	)))	CHOW HUNG KEEY

Before me,

W 409
LEONG CHIEW KEONG

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 2015 of the Group and of the Company, and the statements of profit or loss and other 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 11 to 68.

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.

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 2015 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 RM15,153,008 and RM19,873,834 respectively. These conditions, along with the matters as set out in Note 2(a) to the financial statements, 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 the subsidiary company of which we have not acted as auditors, which are indicate 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.

Other Reporting Responsibilities

The supplementary information set out in Note 32 on page 68 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 Disclosures 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

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
19 NOVEMBER 2015

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Non-Current Assets					
Property, plant and equipment	4	59,013	66,073	35,584	35,271
Intangible assets	5	1,741,412	2,487,732	-	-
Investment in subsidiary companies	6	-	-	2	2
		1,800,425	2,553,805	35,586	35,273
Current Assets					
Inventories	7	446	22,322	-	-
Trade receivables	8	6,501,019	4,505,125	656,750	-
Other receivables	9	1,643,956	1,093,389	750,100	30,100
Amount due from subsidiary companies	10	-	-	3,987,474	4,188,512
Fixed deposit with a licensed bank	11	11,250	11,250	-	-
Cash and bank balances		122,800	660,855	94,671	104,059
		8,279,471	6,292,941	5,488,995	4,322,671
Total Assets		10,079,896	8,846,746	5,524,581	4,357,944

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2015 (CONT'D)

		Group		Company	
		2015	**2014**	**2015**	**2014**
	Note	**RM**	**RM**	**RM**	**RM**
Equity					
Share capital	12	13,908,950	13,908,950	13,908,950	13,908,950
Share premium	13	8,910,750	8,910,750	8,910,750	8,910,750
Accumulated losses		(15,153,008)	(15,105,111)	(19,873,834)	(19,630,057)
Total Equity		7,666,692	7,714,589	2,945,866	3,189,643
Non-Current Liability					
Deferred tax liability	14	2,857	-	-	-
Current Liabilities					
Trade payables	15	24,905	5,475	-	-
Other payables	16	699,724	648,053	277,815	280,401
Amount due to a Director	17	1,200,000	-	1,200,000	-
Amount due to a related party	18	485,718	478,629	-	-
Amount due to a subsidiary company	10	-	-	1,100,900	887,900
		2,410,347	1,132,157	2,578,715	1,168,301
Total Liabilities		2,413,204	1,132,157	2,578,715	1,168,301
Total Equity and Liabilities		10,079,896	8,846,746	5,524,581	4,357,944

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

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2015

		Group		Company	
		2015	**2014**	**2015**	**2014**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	19	5,229,530	4,951,951	443,750	10,900
Cost of sales	20	(69,059)	(254,975)	-	-
Gross profit		5,160,471	4,696,976	443,750	10,900
Other income		87,192	18,959	70,897	2,961
Administrative expenses		(4,967,852)	(5,515,705)	(751,488)	(529,948)
Research and development expenses		(324,851)	(590,000)	(6,936)	-
Loss before taxation	21	(45,040)	(1,389,770)	(243,777)	(516,087)
Taxation	22	(2,857)	(22)	-	-
Net loss for the financial year, representing total comprehensive loss for the financial year		(47,897)	(1,389,792)	(243,777)	(516,087)
Net loss for the financial year attributable to:					
Owners of the parent		(47,897)	(1,389,792)		
Loss per share attributable to owners of the parent (sen)	23				
Basic		(0.03)	(1.05)		
Fully diluted		N/A	N/A		

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

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2015

		Attributable to Owners of the Parent			
			Non-distributable		
		Share Capital	Share Premium	Accumulated Losses	Total Equity
Group	**Note**	**RM**	**RM**	**RM**	**RM**
At 1 August 2014		13,908,950	8,910,750	(15,105,111)	7,714,589
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	(47,897)	(47,897)
At 31 July 2015		13,908,950	8,910,750	(15,153,008)	7,666,692
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 loss for the financial year		-	-	(1,389,792)	(1,389,792)
Issue of ordinary shares	12	1,264,450	252,890	-	1,517,340
At 31 July 2014		13,908,950	8,910,750	(15,105,111)	7,714,589

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

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2015 (CONT'D)

Company	Note	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total Equity RM
At 1 August 2014		13,908,950	8,910,750	(19,630,057)	3,189,643
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	(243,777)	(243,777)
At 31 July 2015		13,908,950	8,910,750	(19,873,834)	2,945,866
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 loss for the financial year		-	-	(516,087)	(516,087)
Issue of ordinary shares	12	1,264,450	252,890	-	1,517,340
At 31 July 2014		13,908,950	8,910,750	(19,630,057)	3,189,643

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

INIX TECHNOLOGIES HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2015

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash Flows From Operating Activities				
Loss before taxation	(45,040)	(1,389,770)	(243,777)	(516,087)
Adjustments for:				
Depreciation of property, plant and equipment	12,370	13,982	4,547	4,248
Amortisation of intangible assets	746,320	746,321	-	-
Impairment loss on other receivable	59,319	-	-	-
Interest income	(849)	(123)	(797)	-
Operating profit/(loss) before working capital changes	772,120	(629,590)	(240,027)	(511,839)
Changes in working capital:				
Inventories	21,876	(21,898)	-	-
Trade receivables	(1,995,894)	(418,509)	(656,750)	-
Other receivables	(609,886)	446,426	(720,000)	-
Amount due from/to subsidiary companies	-	-	414,038	(733,339)
Amount due to a related party	7,089	2,274	-	-
Amount due to a Director	1,200,000	(150,000)	1,200,000	(150,000)
Trade payables	19,430	(194,525)	-	-
Other payables	51,671	206,847	(2,586)	(39,985)
	(1,305,714)	(129,385)	234,702	(923,324)
Cash used in operations	(533,594)	(758,975)	(5,325)	(1,435,163)
Interest received	849	123	797	-
Tax paid	-	(22)	-	-
Net cash used in operating activities	(532,745)	(758,874)	(4,528)	(1,435,163)

INIX TECHNOLOGIES HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2015 (CONT'D)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Cash Flows From Investing Activity				
Purchase of property, plant and equipment representing net cash used in investing activity	(5,310)	(36,983)	(4,860)	(3,550)
Cash Flows From Financing Activity				
Proceeds from issue of shares, representing net cash from financing activities	-	1,264,450	-	1,517,340
Net (decrease)/increase in cash and cash equivalents	(538,055)	468,593	(9,388)	78,627
Cash and cash equivalents at the beginning of the financial year	660,855	192,262	104,059	25,432
Cash and cash equivalents at the end of the financial year	122,800	660,855	94,671	104,059
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	122,800	660,855	94,671	104,059
Fixed deposit with a licensed bank	11,250	11,250	-	-
	134,050	672,105	94,671	104,059
Less: Fixed deposit pledge with a licensed bank	(11,250)	(11,250)	-	-
	122,800	660,855	94,671	104,059

1. Corporate Information

The Company is a public limited liability company, incorporated and 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 of the company and its subsidiary companies 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 requirements of 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 2015, the Group and the Company recorded an accumulated losses of RM15,153,008 and RM19,873,834 (2014: RM15,105,111 and RM19,630,057) respectively. The equity attributable to the shareholders as at 31 July 2015 remained positive at RM7,666,692 and RM2,945,866 (2014: RM7,714,589 and RM3,189,643) 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)**

Adoption of new and amended standards and IC Interpretation

During the financial year, the Group and the Company have adopted the following amendments to MFRSs and IC Interpretation that are mandatory for current financial year:

Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
Amendment to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendment to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies
Amendments to MFRS 119	Defined Benefits Plans: Employee Contributions
Annual Improvements 2010 - 2012 Cycle	
Annual Improvements 2011 - 2013 Cycle	

Adoption of the above amendments to MFRSs and IC Interpretation did not have any significant impact on the financial statements of the Group and of the Company.

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

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

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that are not yet effective for the Group and the Company:

		Effective date for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its 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 2018
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)**

Standards issued but not yet effective (cont'd)

The Group and the Company intend 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* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS *139 Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

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.

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

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

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Group is in the process of assessing the impact of this Standard.

(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 RM except otherwise stated.

(c) **Significant accounting judgements, estimates and assumptions**

The preparation of the Group's financial statements requires managements to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(i) Judgements

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

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

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

(ii) Key sources of estimation uncertainty

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:

Useful lives of property, plant and equipment

The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment are disclosed in Note 4.

Impairment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment and deferred development costs are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

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 judgements, estimates and assumptions (Cont'd)**

(ii) Key sources of estimation uncertainty (cont'd)

Impairment of investment in subsidiary companies

The Company has recognised impairment loss in respect of its investments in subsidiary companies. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units to which the investments in subsidiary companies belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 6.

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. The carrying amounts at the reporting date for loans and receivables are disclosed in Notes 8, 9 and 10.

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.

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

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

(ii) Key sources of estimation uncertainty (cont'd)

Contingent liabilities

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

Income taxes

Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group 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. Details of income tax expense are disclosed in Note 22.

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**

(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. 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.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, 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 *Financial Instruments: Recognition and Measurement* either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

(i) Subsidiary companies (Cont'd)

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(h) to the financial statements on impairment of non-financial assets.

(ii) Goodwill on consolidation

The excess of the aggregate 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 identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. 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. See accounting policy Note 3(h) to the financial statements on impairment of non-financial assets.

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)(ii).

(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 years
Software	3 years
Computer equipment	6 years
Office equipment	6 - 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

A financial asset is 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 classified according to the substance of the contractual arrangements entered into and the definition of 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.

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

(i) Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities comprise trade and other payables and loans and borrowings.

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

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the 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 as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

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

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

(ii) Financial guarantee contracts (Cont'd)

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is 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.

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

(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.

(h) **Impairment of assets**

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. 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 or cash-generating unit.

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

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

(i) Non-financial assets (cont'd)

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the 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 or amortisation, 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.

Interim dividends on ordinary shares are recognised as liabilities when declared. Proposed final dividends are accrued as liabilities only after approval by shareholders.

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**

(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) **Segments 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**

	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Software RM	Computer equipment RM	Office equipment RM	Total RM
Group							
2015							
Cost							
At 1 August 2014	56,499	28,000	38,519	1,399	31,525	5,458	161,400
Additions	-	-	-	-	450	4,860	5,310
At 31 July 2015	56,499	28,000	38,519	1,399	31,975	10,318	166,710
Accumulated depreciation							
At 1 August 2014	46,032	3,733	38,518	1,243	5,043	758	95,327
Charge for the financial year	3,199	2,800	-	155	5,109	1,107	12,370
At 31 July 2015	49,231	6,533	38,518	1,398	10,152	1,865	107,697
Carrying amount							
At 31 July 2015	7,268	21,467	1	1	21,823	8,453	59,013

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

	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Software RM	Computer equipment RM	Office equipment RM	Total RM
Group							
2014							
Cost							
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
Accumulated depreciation							
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
Carrying amount							
At 31 July 2014	10,467	24,267	1	156	26,482	4,700	66,073

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

	Furniture and fittings RM	Renovation RM	Office equipment RM	Total RM
Company				
2015				
Cost				
At 1 August 2014	9,149	28,000	3,550	40,699
Addition	-	-	4,860	4,860
At 31 July 2015	9,149	28,000	8,410	45,559
Accumulated depreciation				
At 1 August 2014	1,162	3,733	533	5,428
Charge for the financial year	915	2,800	832	4,547
At 31 July 2015	2,077	6,533	1,365	9,975
Carrying amount				
At 31 July 2015	7,072	21,467	7,045	35,584
2014				
Cost				
At 1 August 2013	9,149	28,000	-	37,149
Additions	-	-	3,550	3,550
At 31 July 2014	9,149	28,000	3,550	40,699
Accumulated depreciation				
At 1 August 2013	247	933	-	1,180
Charge for the financial year	915	2,800	533	4,248
At 31 July 2014	1,162	3,733	533	5,428
Carrying amount				
At 31 July 2014	7,987	24,267	3,017	35,271

5. **Intangible Assets**

	Group	
	2015	**2014**
	RM	**RM**
Software development		
Cost		
At 1 August/31 July	3,731,599	3,731,599
Accumulated amortisation		
At 1 August	1,243,867	497,546
Amortisation for the financial year	746,320	746,321
At 31 July	1,990,187	1,243,867
Carrying amount	1,741,412	2,487,732

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.

6. **Investment in Subsidiary Companies**

	Company	
	2015	**2014**
	RM	**RM**
In Malaysia		
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

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

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

Name of company	Effective interest 2015 %	Effective interest 2014 %	Principal activities
Direct holding:			
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.	100	100	System integration, information technology management consultancy and other related professional services

* Subsidiary company not audited by UHY.

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:

	Group 2014 RM
Cash and bank balances	2
Other payables	(2,331)
Net assets disposed	(2,329)
Gain on disposal of a subsidiary company	2,329
Total disposal consideration	-
Less: cash and bank balances	(2)
Net cash outflow from disposal of a subsidiary company	(2)

7. Inventories

	Group 2015 RM	Group 2014 RM
Finished goods	446	22,322

8. Trade Receivables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables				
- Third parties	871,270	117,875	656,750	-
- Related party	5,639,749	4,397,250	-	-
	6,511,019	4,515,125	656,750	-
Less: Accumulated impairment	(10,000)	(10,000)	-	-
	6,501,019	4,505,125	656,750	-

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

The Group's normal trade credit terms range from 60 days to 120 days (2014: 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 (2014: 1) debtor which is a related party to the Group, which accounted for 99% (2014: 99%) of total trade receivables.

Analysis of the trade receivables ageing is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Neither past due nor impaired	2,332,000	3,501,548	-	-
Past due but not impaired:				
More than 121 days	4,169,019	1,003,577	656,750	-
Impaired	10,000	10,000	-	-
	6,511,019	4,515,125	656,750	-

8. **Trade Receivables (Cont'd)**

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.

Receivables that are past due but not impaired

As at 31 July 2015, trade receivables of the Group and of the Company are RM4,169,019 and RM656,750 (2014: RM1,003,577 and RMNil) respectively 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 (2014: RM10,000), 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.

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

	Group	
	2015	**2014**
	RM	**RM**
At 1 August	10,000	203,500
Written off	-	(193,500)
At 31 July	10,000	10,000

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**

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Other receivables				
- related party	889,956	1,059,275	-	-
- third party	62,759	3,740	1,140	1,140
	952,715	1,063,015	1,140	1,140
Less: Accumulated impairment	(60,459)	(1,140)	(1,140)	(1,140)
	892,256	1,061,875	-	-
Deposits	751,700	31,514	750,100	30,100
	1,643,956	1,093,389	750,100	30,100

Included in other receivables of the Group is an amount of RMNil (2014: RM1,061,875) due from a company which arise from the disposal of a subsidiary company in the previous financial year.

Included in deposits of the Group and of the Company is an amount of RM720,000 and RM720,000 respectively for the proposed acquisition of 30% equity interest in Galactic Maritime (Malaysia) Sdn. Bhd as disclosed in Note 29 (a) (ii).

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
At 1 August	1,140	1,140	1,140	1,140
Charge for the financial year	59,319	-	-	-
At 31 July	60,459	1,140	1,140	1,140

Other 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.

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

	Company 2015 RM	2014 RM
(a) Amount Due from Subsidiary companies		
Non-trade related	12,113,348	12,314,386
Less: Accumulated impairment	(8,125,874)	(8,125,874)
	3,987,474	4,188,512
(b) Amount Due to Subsidiary companies		
Non-trade related	(1,100,900)	(887,900)

(a) 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 repayable on demand.

(b) 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 repayable on demand.

11. **Fixed Deposit With a Licensed Bank**

Fixed deposit with a licensed bank amounted to RM11,250 (2014: RM11,250) is pledged to the licensed bank as security for bank guarantee facility granted to the Group.

12. **Share Capital**

	Group and Company			
	Number of shares		Amount	
	2015 Unit	2014 Unit	2015 RM	2014 RM
Ordinary shares of RM0.10 each				
Authorised:				
At 1 August/31 July	250,000,000	250,000,000	25,000,000	25,000,000
Issued and fully paid				
At 1 August	139,089,500	126,445,000	13,908,950	12,644,500
Issued during the financial year	-	12,644,500	-	1,264,450
At 31 July	139,089,500	139,089,500	13,908,950	13,908,950

12. **Share Capital (Cont'd)**

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.

13. **Share Premium**

	Group and Company	
	2015	**2014**
	RM	**RM**
At 1 August	8,910,750	8,657,860
Issued of share during the financial year	-	252,890
At 31 July	8,910,750	8,910,750

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.

14. **Deferred Tax Liability**

	Group/Company	
	2015	**2014**
	RM	**RM**
At 1 August	-	-
Recognised in profit or loss (Note 22)	2,857	-
At 31 July	2,857	-

14. **Deferred Tax Liability (Cont'd)**

The estimated deferred tax liability/(assets) arising from temporary differences as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Excess of capital allowances over corresponding depreciation of property, plant and equipment	6,291	6,917	508	758
Other deductible temporary differences	(3,434)	(6,917)	(508)	(758)
	2,857	-	-	-

The deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Other deductible temporary difference	(2,378)	(5,662)	(2,031)	(3,031)
Unutilised tax losses	4,393,658	5,043,023	447,553	225,883
Unabsorbed capital allowances	32,192	6,025	7,453	4,725
	4,423,472	5,043,386	452,975	227,577

15. **Trade Payables**

The normal credit terms granted to the Group are range from 30 days to 60 days (2014: 30 days to 60 days). Other credit terms are assessed and approved on a case by case basis.

16. **Other Payables**

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Other payables	400,576	295,801	259,815	261,685
Accruals	299,148	352,252	18,000	18,716
	699,724	648,053	277,815	280,401

17. **Amount Due To a Director**

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

18. **Amount Due To a 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 repayable on demand.

19. **Revenue**

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Sales of hardware and software	66,275	165,174	-	-
Sales of books	2,252	5,677	-	-
Software development and system integration	5,161,003	4,781,100	443,750	10,900
	5,229,530	4,951,951	443,750	10,900

20. **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.

21. **Loss Before Taxation**

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

	Group		**Company**	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration	72,000	72,000	18,000	18,000
Amortisation of intangible assets	746,320	746,321	-	-
Impairment loss on other receivables	59,319	-	-	-
Depreciation of property, plant and equipment	12,370	13,982	4,547	4,248
Director's remuneration	13,000	13,000	13,000	13,000
Interest income	(849)	(123)	(797)	-
Gain on foreign exchange - Realised	-	(44)	-	-
Rental income	(70,100)	-	(70,100)	-
Commision income	(13,000)	-	-	-
Office rental	91,000	70,000	91,000	70,000

22. Taxation

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Tax expense recognised in profit and loss:				
Under provision in prior year	-	22	-	-
Deferred taxation (Note 14)				
Origination and reversal of temporary differences	(1,221)	-	-	-
Under provision in prior year	4,078	-	-	-
	2,857	22	-	-

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expense applicable to loss 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:

	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Loss before taxation	(45,040)	(1,389,770)	(243,777)	(516,087)
Tax at current income tax rate of 25% (2014: 25%)	(11,260)	(347,443)	(60,944)	(129,022)
Tax effects of:				
- Non-deductible expenses	208,864	280,512	5,527	50,142
- Utilisation of previously unrecognised deferred tax assets	(250,976)	(11,949)	-	-
- Under provision of taxation in respect of prior year	-	22	-	-
- Under provision of deferred taxation in respect of prior year	4,078	-	-	-
- Deferred tax assets not recognised during the financial year	52,151	78,880	55,417	78,880
Tax expense for the financial year	2,857	22	-	-

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

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.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unused tax losses	4,393,658	5,043,023	447,553	225,883
Unutilised capital allowances	32,192	6,025	7,453	4,725
	4,425,850	5,049,048	455,006	230,608

23. **Loss Per Share**

(a) Basic loss per share

The basic loss per share has been calculated based on the consolidated loss for the financial year attributable to the owners of the parent of RM41,581 (2014: profit of RM1,389,792) and the weighted average number of ordinary shares in issue during the financial year of 132,767,250 (2014: 132,767,250).

	Group	
	2015 RM	2014 RM
Loss attributable to owners of parent	(47,897)	(1,389,792)
Weighted average number of ordinary shares	139,089,500	132,767,650
Basic loss per share (sen)	(0.03)	(1.05)

(b) Diluted loss per share

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

24. Employee Benefits

	Group 2015 RM	Group 2014 RM
Employee benefit (excluding Directors)		
Salaries and allowances	2,736,951	3,305,516
Contribution to defined contribution plan	291,547	349,280
SOCSO	30,946	38,205
Insurance, medical and other benefits	42,738	82,113
	3,102,182	3,775,114

25. Related Party Disclosure

(a) Identifying 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.

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

(b) In addition to related party balances disclosed in Note 8,9,10,17 and 18, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Amount due from/(to) subsidiary companies				
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	-	-	149,943	40,656
Expenses paid on behalf by				
- ASSB	-	-	(1,197,986)	(1,197,112)
- NCSSB	-	-	(1,902)	(1,902)
Related party				
Fees received/ receivable on software development in progress	4,285,000	3,480,000	-	-
Expenses paid/ payable	(875)	(16,267)	-	(39,460)

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

(b) In addition to related party balances disclosed in Note 8,9,10,17 and 18, 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) 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 subsidiary companies and their remuneration are disclosed in Note 21; and

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

26. **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

			Non-current assets		Current asset
	Revenue RM	**Loss before taxation RM**	**Property, plant and equipment RM**	**Intangible assets RM**	**Trade receivables RM**
2015	5,229,530	(45,040)	59,013	1,741,412	6,501,019
2014	4,951,951	(1,389,770)	66,073	2,487,732	4,505,125

Major customer

The Group has 1 (2014: 1) major customer contributing approximately RM3,480,000 (2014: RM4,600,000) of total sales revenue.

26. **Segment Information (Cont'd)**

2015	**Software RM**	**Books RM**	**Corporate RM**	**Eliminations RM**	**Total RM**
Operating segments					
Revenue					
External customers	4,783,528	2,252	443,750	-	5,229,530
Results					
Depreciation of property, plant and equipment	(7,823)	-	(4,547)	-	(12,370)
Amortisation of intangible assets	(746,320)	-	-	-	(746,320)
Segment profit/(loss) before taxation	198,737	-	(243,777)	-	(45,040)
Assets					
Amount due from holding company	887,900	-	-	(887,900)	-
Amount due from subsidiary companies	-	-	3,987,474	(3,987,474)	-
Segment assets	(320,059)	-	5,524,581	4,875,374	10,079,896
Liabilities					
Amount due to holding company	12,114,223	-	-	(12,114,223)	-
Amount due to subsidiary companies	-	-	889,690	(889,690)	-
Amount due to a related party	485,718	-	-	(485,718)	-
Segment liabilities	(13,655,142)	-	2,578,715	13,489,631	2,413,204

26. **Segment Information (Cont'd)**

2014	**Software RM**	**Books RM**	**Corporate RM**	**Eliminations RM**	**Total RM**
Operating segments					
Revenue					
External customers	4,935,374	5,677	10,900	-	4,951,951
Results					
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 loss before taxation	(873,683)	-	(516,087)	-	(1,389,770)
Assets					
Amount due from related company	416,657	-	-	(416,657)	-
Amount due from holding company	912,365	-	-	(912,365)	-
Amount due from subsidiary companies	-	-	4,188,512	(4,188,512)	-
Segment assets	(1,028,732)	-	4,357,944	5,517,534	8,846,746
Liabilities					
Amount due to holding company	12,337,936	-	-	(12,337,936)	-
Amount due to subsidiary companies	-	-	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

27. **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:

	Group		**Company**	
	Loans and receivables RM	**Other financial liabilities at amortised costs RM**	**Loans and receivables RM**	**Other financial liabilities at amortised costs RM**
2015				
Financial assets				
Trade receivables	6,501,019	-	656,750	-
Other receivables	1,643,956	-	750,100	-
Amount due from subsidiary companies	-	-	3,987,474	-
Cash and bank balances	122,800	-	94,671	-
	8,267,775	-	5,488,995	-
Financial liabilities				
Trade payables	-	24,905	-	-
Other payables	-	699,724	-	277,815
Amount due to a subsidiary company	-	-	-	1,100,900
	-	724,629	-	1,378,715

27. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (cont'd)

	Group		Company	
	Loans and receivables RM	Other financial liabilities at amortised costs RM	Loans and receivables RM	Other financial liabilities at amortised costs RM
2014				
Financial assets				
Trade receivables	4,505,125	-	-	-
Other receivables	1,093,389	-	30,100	-
Amount due from subsidiary companies	-	-	4,188,512	-
Cash and bank balances	660,855	-	104,059	-
	6,259,369	-	4,322,671	-
Financial liabilities				
Trade payables	-	5,475	-	-
Other payables	-	648,053	-	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) 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.

27. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

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 (2014: 1 customer) representing 99% (2014: 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:

	Group	
	2015	**2014**
	RM	**RM**
Malaysia	5,639,749	4,397,250

(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 within one year or on demand.

27. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (cont'd)

(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.

As 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.

(c) Fair values of financial instruments

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

It was impractical to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

28. **Capital Management**

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

28. **Capital Management (Cont'd)**

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:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Trade payables	24,905	5,475	-	-
Other payables	699,724	648,053	277,815	280,401
Amount due to Directors	1,200,000	-	1,200,000	-
Amount due to a related party	485,718	478,629	-	-
Less: Cash and cash equivalents	(122,800)	(660,855)	(94,671)	(104,059)
Net debts	2,287,547	471,302	1,383,144	176,342
Equity attributable to the owners of the parent	7,666,692	7,714,589	2,945,866	3,189,643
Capital and net debt	9,954,239	8,185,891	4,329,010	3,365,985
Gearing ratio (times)	0.23	0.06	0.32	0.05

29. **Subsequent Events**

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

(i) Proposed renounceable rights issues of up to 278,179,000 new ordinary shares of RM0.10 each in Inix Technologies Holdings Berhad ("Inix") on the basis of two Right Shares for every one existing Inix Share held, together with up to 208,634,250 free detachable warrants on the basis of three warrants for every four rights shares subscribed at an entitlement date to be determined later;

(ii) Proposed acquisition of 30% equity interest in Galactic Maritime (Malaysia) Sdn. Bhd. ("Galactic") comprising 4,050,000 ordinary shares of RM1.00 each in Galactic for a purchase consideration of RM7,200,000 to be satisfied in cash;

(iii) Proposed diversification of the business of Inix to include the provision of dredging and land reclamation services; and

(iv) Proposed establishment of a share issuance scheme of up to thirty percent (30%) of Inix's total issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the scheme for the directors and employees of Inix and its subsidiaries (excluding dormant subsidiaries).

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

(b) On 21 August 2015, the Company increased its authorised ordinary share capital from RM25,000,000 to RM100,000,000 through the creation of 750,000,000 ordinary shares of RM0.10 each.

30. **Comparative Information**

The following comparative figures have been reclassified to conform with current year's presentation:

	As previously stated RM	Reclassification RM	As restated RM
Group			
Statements of financial position			
Other receivables	1,104,639	(11,250)	1,093,389
Fixed deposit with a licensed bank	-	11,250	11,250

31. **Date of Authorisation for Issue**

The financial statements of the Group and of the Company for the financial year ended 31 July 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 19 November 2015.

32. Supplementary Information on the Disclosure of Realised and Unrealised Profits or Losses

The breakdown of the accumulated losses of the Group and of the Company as of 31 July 2015 and 31 July 2014 into realised and unrealised amounts is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Total accumulated losses of the Company and its subsidiary companies				
- Realised	(15,153,008)	(15,105,111)	(19,873,834)	(19,630,057)
- Unrealised	2,857	-	-	-
	(15,150,151)	(15,105,111)	(19,873,834)	(19,630,057)

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 19 November 2015

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	11	310	0.00
100 to 1,000	120	76,585	0.05
1,001 to 10,000	411	2,654,400	1.91
10,001 to 100,000	785	36,617,194	26.33
100,001 to below 5%	198	78,491,700	56.43
5% and above	1	21,249,311	15.28
	1,526	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	-	-	-	-
Azman bin Hussin	-	-	21,249,311*	15.28
Chow Hung Keey	-	-	-	-
Mohd Anuar Bin Mohd Hanadzlah	500,000	0.36	-	-
Yeo Wee Kiat	305,000	0.22	-	-
Dr Folk Jee Yoong	-	-	-	-
Dato' Zaidi Bin Mat Isa @ Hashim^	-	-	-	-
Wong Hua Choon^	-	-	-	-

** Deem interested via his shareholdings in eNcoral Digital Solutions Sdn Bhd*
^Appointed as Director on 2 July 2015.

Top Thirty Shareholders

	Name of Shareholder	No. of Shares	%
1.	ENCORAL DIGITAL SOLUTIONS SDN BHD	21,249,311	15.28
2.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (BENEFICIARY: CIMB FOR BARKATH STORES (PENANG) SDN BERHAD) (PB)	4,500,000	3.24
3.	DIGITAL ZILLION SDN BHD	3,699,000	2.66
4.	TEOH CHOO KANG	2,553,300	1.84
5.	LADUE NAKIAH OSMAN	2,060,000	1.48
6.	KOPERASI POLIS DIRAJA MALAYSIA BERHAD	2,000,000	1.44
7.	MERCSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG KIAN TECK)	1,913,900	1.38
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (BENEFICIARY: CIMB BANK FOR MOHD NOOR ZAIMI BIN ZAINOL) (M64020)	1,820,000	1.31
9.	SHEIKH AHMAD DARABI BIN SULAIMAN	1,726,700	1.24
10.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (BENEFICIARY: CIMB BANK FOR ELLYNA MERICAN BINTI ZULZURIN MERICAN (MY2082)	1,385,000	1.00
11.	LAW SIEW PENG	1,300,000	0.93
12.	KEK LAI HUAT	1,205,000	0.87
13.	TAN CHEE PHIN	1,008,500	0.73
14.	FARIZA AINI MERICAN	1,005,000	0.72
15.	AMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR AZAM KHAN BIN AYOB MOHAMED)	1,001,000	0.72
16.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR TEDDY ROBIN LOJIKIM (8069268)	1,000,000	0.72
17.	KHOR LEONG KEE	1,000,000	0.72
18.	HEW YOONG SHIANG	893,300	0.64
19.	LEW MEI YEE	855,600	0.62
20.	WOON SIEW PING	835,000	0.60
21.	GAN LAY POH	800,000	0.58
22.	LIM POH FONG	799,200	0.57
23.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (BENEFICIARY: CIMB FOR TAN KOK PIN @ KOK KHONG) (PB)	750,000	0.54
24.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (BENEFICIARY: CIMB BANK FOR LYDIAN SAW LEE TENG) (M93018)	700,000	0.50
25.	NG KOK BOON	700,000	0.50
26.	SP JUTAJAYA SDN BHD	611,900	0.44
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR PHUNG JEE KIONG @ PHUNG JEE CHIANG) (E-BTL)	600,000	0.43
28.	TA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR ABD RASHID BIN HARON)	600,000	0.43
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR ONG YOKE CHEE)	550,000	0.40
30.	SUA TIEN FONG	515,000	0.37
		59,636,711	42.88

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

As at the date of this report, the status of utilisation of proceed raised from the corporate exercises are as follows:-

Corporate Exercise	Purpose	Approved Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Rights Issue with Warrants	a) Purchase consideration for acquisition of 30% equity interest in Galactic (Malaysia) Sdn Bhd	7,200	-	7,200
	b) Purchase of a new vessel	5,500	-	5,500
	c) Expansion of Inix Group's existing IT business	8,000	-	8,000
	d) Working capital for Iniix Group	6,318	-	6,318
	e) Estimated expenses in relation to the corporate exercises	800	-	800

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 2015.

However, the shareholders of the Company had during its Extraordinary General Meeting held on 19 August 2015 approved:-

a) the establishment of the Share Issuance Scheme of up to thirty (30%) of the Company's total issued and paid-up share capital.

b) Renounceable Rights Issue of up to 278,179,000 new ordinary shares of RM0.10 in the Company on the basis of two (2) Rights Shares for every one (1) existing Inix share hele, together with up to 208,634,250 free detachable warrants on the basis of three (3) warrants for every four (4) rights shares.

4. Depository Receipt Programme

The Company did not sponsor any depository receipt programme for the financial year ended 31 July 2015.

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 2015.

6. Non-Audit Fees

There were no non-audit fees payable to the External Auditors for the financial year ended 31 July 2015.

7. Profit Estimates, Forecast or Projection

There were no profit estimates, forecast or projection made by the Company during the financial year ended 31 July 2015.

8. Variation of Results

There were no material variance between the results for the financial year ended 31 July 2015 and the unaudited results previously announced by the Company.

9. Profit Guarantee

The Group and the Company had not issued any profit guarantee in respect of the financial year ended 31 July 2015.

10. Material Contracts

During the financial year ended 31 July 2015, 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 2015.

11. Revaluation Policy

The Company did not revalue any of its property, plant and equipment during the financial year ended 31 July 2015.

12. Material Properties

The Company and the Group does not own any landed property for the financial year ended 31 July 2015.

13. 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 2015.

Notice of Eleventh Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of INIX Technologies Holdings Berhad ("INIX") will be held at Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan on Monday, 28 December 2015 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 2015 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. Dato' Megat Fairouz Junaidi Bin Megat Junid — *Resolution 1*
   ii. Mohd Anuar Bin Mohd Hanadzlah — *Resolution 2*

3. To re-elect Dato' Zaidi Bin Mat Isa @ Hashim who retires in accordance with Article 92 of the Articles of Association of the Company, and being eligible, offer himself for re-election. — *Resolution 3*

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 4*

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 5*

   "**THAT** authority be and is hereby given pursuant to Rule 10.09 of Chapter 10 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and its subsidiaries ("Group") or any of them to enter into and give effect to the categories of recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 4 December 2015, 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.

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 6*

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

ANY OTHER BUSINESS:

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
4 December 2015

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 22 December 2015 shall be registered as members and be entitled to attend the Eleventh Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf.*

EXPLANATORY NOTES ON SPECIAL BUSINESS:

RESOLUTION 5

The Ordinary Resolution No. 5, if passed will give authority to the Company and its subsidiaries to enter into with specific classes of related parties and to give effect to specified recurrent related party transactions of a revenue or trading nature which are necessary for the Company and its subsidiaries' day-to-day operations. This authority will, unless revoked or varied by the Company in General Meeting will expire at the next Annual General Meeting. The detail explanatory is set out in the Circular to Shareholders dated 4 December 2015 attached to the Annual Report.

RESOLUTION 6

The Ordinary Resolution 6, 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 30 December 2014.

STATEMENT ACCOMPANYING NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

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

   i. Dato' Megat Fairouz Junaidi Bin Megat Junid
   ii. Encik Mohd Anuar Bin Mohd Hanadzlah
   iii. Dato' Zaidi Bin Mat Isa @ Hashim

   The profiles of the Directors who are standing for re-election is set out on page 5, 6 and 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 2015 are disclosed in the Corporate Governance Statement set out on page 11 of this Annual Report.

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

Date of Meeting	Time of Meeting	Place of Meeting
Monday, 28 December 2015	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

Eleventh 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 Eleventh 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 Monday, 28 December 2015 at 9.30 a.m. and at any adjournment thereof.

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

Resolutions			For	Against
ORDINARY BUSINESS				
1.	To receive the Audited Financial Statements for the financial year ended 31st July 2015 together with the Directors' and Auditors' Reports thereon.			
2.	To re-elect Dato' Megat Fairouz Junaidi Bin Megat Junid as the Director who is retiring in accordance with Article 85 of the Company's Articles of Association.	Resolution 1		
3.	To re-elect Encik Mohd Anuar Bin Mohd Hanadzlah as the Director who is retiring in accordance with Article 85 of the Company's Articles of Association.	Resolution 2		
4.	To re-elect Dato' Zaidi Bin Mat Isa @ Hashim as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	Resolution 3		
5.	To re-appoint Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.	Resolution 4		
	SPECIAL BUSINESS			
6.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature to be entered with eNcoral Digital Solutions Sdn Bhd ("ENCORAL") and persons connected with ENCORAL.	Resolution 5		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 6		

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

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.................................2015

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 22 December 2015 shall be registered as members and be entitled to attend the Eleventh Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf*

STAMP

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

ANNUAL REPORT 2015
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 2015. The Annual Report 2015 is also available for access and download at **www.ansi.com.my**

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

ANNUAL REPORT

2015

INIX TECHNOLOGIES HOLDINGS BERHAD (665797-D)

P (603) 9059 3800 FAX (603) 9059 3900

ADDS No 38, Jalan Dagang SB4/2, Taman Sungai Besi Indah,
43300 Seri Kembangan, Selangor Dahrul Ehsan.