

The House of Innovations

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INIX Technologies Holdings Berhad
(Incorporated in Malaysia)



bizapp
YOUR BUSINESS APPLICATION

2020
ANNUAL REPORT

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Corporate Information

BOARD OF DIRECTORS

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

Zhang Yang *Managing Director*
(Appointed on 17 January 2020)

Dato' Zhang Li *Executive Director*
(Retired on 31 December 2018 and Re-appointed on 15 February 2019)

Lee Yueh Shien *Independent Non-Executive Director*
(Retired on 31 December 2018 and Re-appointed on 15 February 2019)

Edwin Silvester Das *Independent Non-Executive Director*
(Appointed on 15 February 2019)

Dr. Azman Bin Hussin *Non-Independent Non-Executive Director*
(Re-designated from Chief Executive Officer to Non-Independent Non-Executive Director on 6 March 2019)
(Vacated Office on 24 June 2019)

Mohd Anuar Bin Mohd Hanadzlah *Non-Independent Non-Executive Director*
(Re-designation from Executive Director to Managing Director on 22 March 2019)
(Re-designated from Managing Director to Non-Independent Non-Executive Director on 17 January 2020)
(Suspension on 18 March 2020)

Prof Datuk Dr Dominic Lau Hoe Chai *Independent Non-Executive Director*
(Retired on 31 December 2018)

Norizam Bin Tukiman *Independent Non-Executive Director*
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

Dr. Wong Jeh Shyan *Independent Non-Executive Director*
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

Corporate Information (cont'd)

AUDIT COMMITTEE

Lee Yueh Shien (*Chairman*)
(Ceased on 31 December 2018 and Re-appointed on 6 March 2019)

Dato' Megat Fairouz Junaidi Bin Megat Junid
Edwin Silvester Das
(Appointed on 6 March 2019)

Prof Datuk Dr Dominic Lau Hoe Chai
(Retired on 31 December 2018)

Dr. Wong Jeh Shyan
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

REMUNERATION COMMITTEE

Dato' Megat Fairouz Junaidi Bin Megat Junid
(*Chairman*)

Lee Yueh Shien
(Ceased on 31 December 2018 and Re-appointed on 6 March 2019)

Dato' Zhang Li (Appointed on 6 March 2019)

Dr. Azman Bin Hussin
(Removed on 6 March 2019)

Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)

Dr. Wong Jeh Shyan
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

Norizam Bin Tukiman
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

NOMINATION COMMITTEE

Dato' Megat Fairouz Junaidi Bin Megat Junid
(*Chairman*)

Lee Yueh Shien
(Ceased on 31 December 2018 and Re-appointed on 6 March 2019)

Edwin Silvester Das
(Appointed on 6 March 2019)

Prof Datuk Dr Dominic Lau Hoe Chai
(Retired on 31 December 2018)

Dr. Wong Jeh Shyan
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

Norizam Bin Tukiman
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

RISK MANAGEMENT COMMITTEE

Lee Yueh Shien (*Chairman*)
(Ceased on 31 December 2018 and Re-appointed 6 March 2019)

Dato' Megat Fairouz Junaidi Bin Megat Junid
Edwin Silvester Das
(Appointed on 6 March 2019)

Prof Datuk Dr Dominic Lau Hoe Chai
(Retired on 31 December 2018)

Dr. Wong Jeh Shyan
(Appointed on 31 December 2018 and Resigned on 22 January 2019)

Corporate Information (cont'd)

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
 Lot 10, The Highway Centre
 Jalan 51/205
 46050 Petaling Jaya
 Selangor Darul Ehsan
 Tel: (603) 7784 3922
 Fax: (603) 7784 1988
 Email: binawin@hotmail.com

AUDITORS

Jamal, Amin & Partners (AF 1067)
 No. 62-2, 1st Floor, Jalan 2/23A
 Off Jalan Genting Klang
 Taman Danau Kota, Setapak
 53300 Kuala Lumpur
 Tel: (603) 4142 1626
 Fax: (603) 4142 1601

PRINCIPAL BANKERS

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

LISTING

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

COMPANY SECRETARY

Agnes Wong Ling Lee (MIA 14927)
 (Appointed on 10 January 2019 and Resigned on
 23 January 2019)

Hazwani Izzati Binti Ahmad (LS 0010322)
 (Appointed on 23 January 2019 and Resigned 25
 September 2019)

Mohd Zakie Bin Soad (LS 0008268)
 (Appointed on 23 January 2019)

Wong Youn Kim (Resigned on 10 January 2019)

REGISTERED OFFICE

Unit 1119 (Entrance 5), 11th Floor
 Block A, Damansara Intan
 No. 1, Jalan SS20/27
 47400 Petaling Jaya
 Selangor Darul Ehsan
 Tel : 603-27226888
 Fax : 603-27227118

EMPLOYEE SHARE OPTION SCHEME

Dato' Zhang Li (*Chairman*)
 (Appointed on 6 March 2019)

Dato' Megat Fairouz Junaidi Bin Megat Junid
 (Appointed on 6 March 2019)

Mohd Anuar Bin Mohd Hanadzah
 (Appointed on 6 March 2019)
 (Suspension on 18 March 2020)

PRINCIPAL OFFICES

506, Block D
 Pusat Dagangan Phileo Damansara 1
 No. 9, Jalan 16/11
 Off Jalan Damansara
 46350 Petaling Jaya
 Selangor Darul Ehsan
 Tel: 603-79315701

Letter to Shareholders

DEAR SHAREHOLDERS

I am pleased to present, on behalf of the Board of Directors of the Company, the Annual Report and the Audited Financial Statements for the financial period ended 31 January 2020 of Inix Technologies Holdings Berhad.

On Behalf of the Board of Directors, I wish to extend my thanks to the staff and management in their dedication in carrying out their duties over the past year. I would like to thank our customers, shareholders, business partners, government authorities and business associates for their continue support and trust.

Further information of Inix's performance in the financial year is detailed in the Management Discussion and Analysis on pages 6 and 7

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

Management Discussion and Analysis

On behalf of the Board of Directors of Inix Technologies Holdings Berhad, it is my pleasure to present to you the Management Discussion and Analysis (“MDA”) on the Group. The objective of this MDA is to provide shareholders with a better understanding and an overview of the Group’s business, operations, financial position in the year 2020 and the outlook for the year 2021.

OVERVIEW

Inix Technologies Holdings Berhad, (INIX) is listed on the ACE Market of Bursa Securities under the Industrial Products category. The Company has an issued share capital of RM 42,274,374 comprising 298,254,750 shares at 15/06/2020.

FINANCIAL RESULTS REVIEW

The Group recorded a revenue of RM 8.049 mil for financial year ended (FYE) 31 January 2020 as compared to RM 9.448 mil registered in FYE 31 July 2018. The financial period under review cover for 18 months transaction compared with 12 months for FYE 2018. Group revenue represent a decrease of RM 1.399 mil or 14.81%. The group registered a loss after tax and controlling interest of RM 2.738 mil as compared to losses of RM 15.294 mil in FYE 2018. The decrease in losses is due to the reduction in the impairment of receivable and administrative expenses.

Total current assets of the Group increased from RM3.160 mil in FYE 2018 to RM 6.953 mil in FYE 2020 due to lower impairment of other receivables. Noncurrent assets registered at RM9.116 mil compared with RM12.707mil in FYE 2018 due to disposal of Associate company.

The Group’s other payables decreased by 0.563mil to RM 2.428 mil from RM 2.991 mil in year 2018. However, trade payables remained relatively unchanged compared with previous year.

The Group currently has no short term and long-term borrowings and has funds for working capital requirement.

BUSINESS OVERVIEW, GROWTH & STRATEGY

INIX Group is principally involved in the IT Industry and principally involved in software development, system integration. IT management consultancy and other IT related professional service.

The financial year 31 January 2020 has been a challenging year for the group. The company extends its 12 months financial period to 18 months period. During the year under review, INIX disposed of Galactic Maritime (M) Sdn Bhd, the associate company, to a third party due to unsatisfactory financial results. INIX refocused its IT segment and continue strengthening its market shares to support long term sustainability and growth path. To achieve it, our commitment to provide quality services in IT related solutions will be relentless.

ANSI Sytems Sdn Bhd partially specialized in developing Mobile tools called BizApp to help SME’s manage business using their smart mobile phone. Since inception of the App, the company noted the number of subscribers has been increasing at a faster path. ANSI is committed towards developing another new App to support SME’s business and segment industry.

Management Discussion and Analysis (cont'd)

FUTURE PROSPECTS

The Management will continue its efforts on operational efficiency and effective cost management in order to maintain the Group's competitive edge and further improve the financial performance. The Group will continue to seek new business opportunities and IT related projects in similar segment in order to diversify its revenue base. The Group has intention to joint venture with any other entity if the outcome of the ventures yield positive returns.

As expected, it is a tough year for most companies in Malaysia and globally due to the unprecedented outbreak of Covid-19 pandemic. To curb the spread of the Covid-19, the government enforced Movement Control Order (MCO). The impact from the MCO has yet to be fully financially materialized but Malaysia economy is expected experiencing a negative growth of GDP for fiscal year 2020. Moving forward, we expect the financial performance of the Group will be on gradual improvement after year 2020.

SUSTAINABILITY STATEMENT

Business Philosophy

INIX Technologies Holdings Berhad ("INIX") was incorporated in Malaysia under the Companies Act, 2016 on April 2003 as a private limited company under the name of Inix Technologies Sdn Bhd. Subsequently, on September 2004, it converted to a public limited company.

INIX Technologies Holdings Berhad is an investment holding company and Its major subsidiaries are involved in Research & Development. Efforts are being focused on e-commerce portal, software integrated solutions with mobile app functions and implementing customer specific projects into a products of higher resale value.

QUALITY

INIX have built quality checks in each and every step of the Research and Development process particularly on the Integrated Software Solutions. Stringent process controls are implemented right from initial stage up to final product solutions. As an added value, we are equipped with a full set of quality control equipment. Coupled with highly skilled manpower for sound judgement, The Company thrives to eliminate nonconformance in our quest to achieve maximum returns and zero defects products.

While ensuring that investors' needs are taken care of, INIX also practices good business ethics and transparency, taking into consideration the welfare of its employees while ensuring an inclusive and holistic approach towards building a sustainable business that is both beneficial to the society the environment. In line with the United Nation's 17 Sustainable Development Goals, INIX made every possible effort to include these SDGs into our daily operations.

Corporate Governance

The Company conducts business responsibly and fairly, adhering to the long-standing business philosophy of providing our customers with the highest quality at the most competitive price. The Company upholds the principles of corporate governance, the Code of ethic and compliance and adheres to anti-corruption and anti-trust practices. Corporate Governance is incorporated into our Company's working culture to ensure sustainability.

Corporate Social Responsibility (CSR)

INIX's CSR activities reflects the ever-changing needs of the society by holding dialogues with its employees and stakeholders to build trust and to better the overall conditions of the existing communication structure. The Company recognizes the need to improve social conditions by working in partnership with the local communities. When implementing policies, the Company takes into consideration the social, economic and environmental impact to the society to generate better social values.

SUSTAINABILITY STATEMENT (cont'd)

Education / Quality Training

The Company sends technical and programmer staffs for periodical trainings to upgrade their skills. Acquiring knowledge will enhance their performance and productivity while at the same time, increase their value and future marketability. Our Company utilizes an integrated and accurate procurement and accounting management system which eases streamlines the workflow.

The Company is committed to staff development by providing on-the-job training and external training for all level of staff in order to improve their skills and knowledge enhancement. The Company will review the adequacy and suitability of the training program requirements for all staff on a regular basis.

Climate Action, Green Effort and Waste Management

Today the world has recognized climate change as an importance evolution and practically affects everyone. The Company contribute an active role in promoting a green and healthy living. Energy saving LED lights are being used to reduce wastage in the organization. Water and electricity consumption are monitored closely; and technical errors are minimized to prevent unnecessary use of materials and resources. Our employees are also reminded to reduce stationery and paper usage to protect the environment.

The Company recognizes the importance of pollution prevention and environmental protection by reducing the usage of the hazardous compounds in materials.

Employee Welfare, Well-being, Gender Equality and Anti-Discrimination Policies

The Company adopts a non-discriminatory policy for hiring and promoting employees. The company offer attractive benefits packages to retain and attract staff with relevant experience and expertise to continue serving the company. Our Human Resource Department also offer jobs to persons with disabilities, especially to those who are autistic. To recognize the efforts and to boost the morale of our employees, the Company holds annual dinners in appreciation of all of our employees who are have tirelessly worked to meet the demands of their jobs. The annual dinner provides a platform for staff from all departments and subsidiaries to get together and knowing one another. The Company encourages a bottom-up hierarchy.

Health and Safety

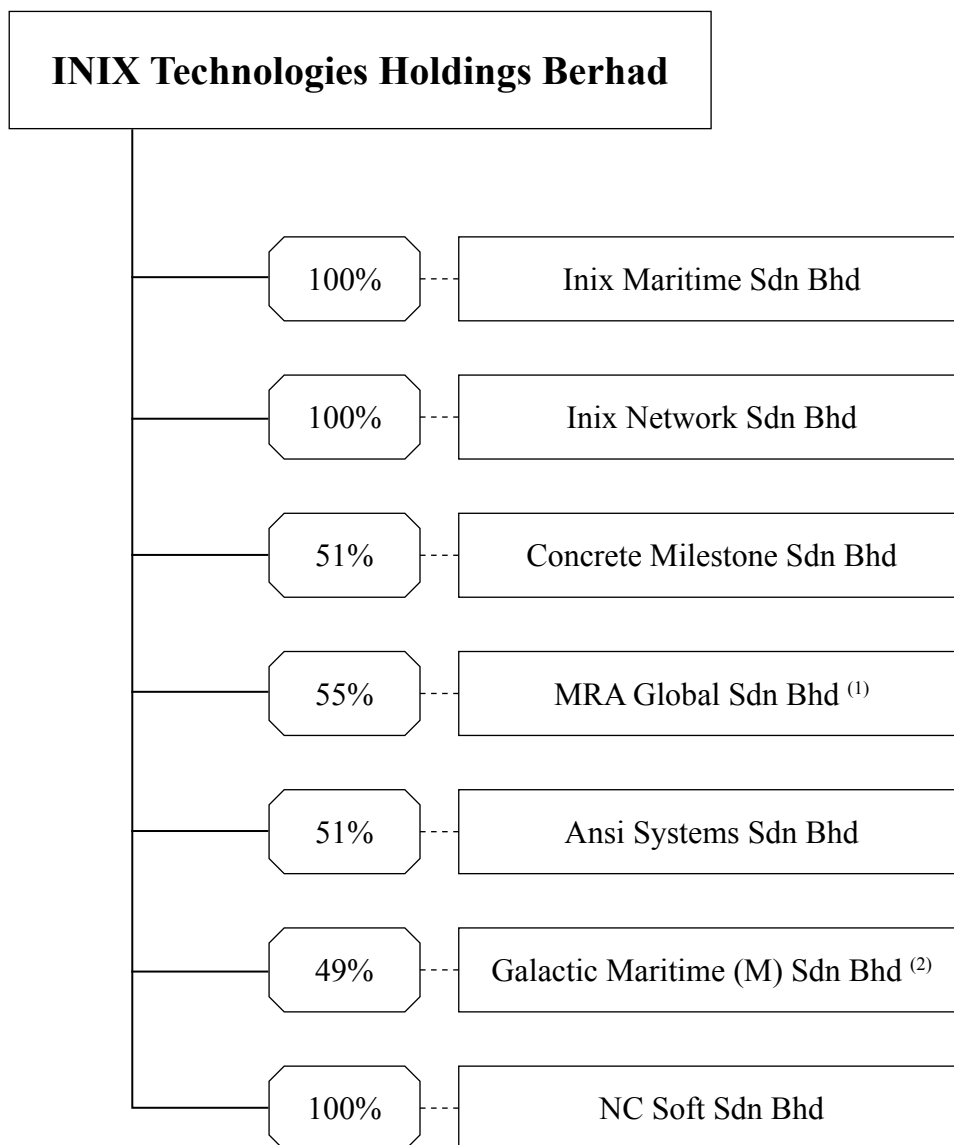
INIX rented office at a strategic location in the urban area fully equipped with CCTVs and place fire extinguishers to ensure safety. The building management are responsible for a safe working environment. No smoking signs are placed at intervals, and the floorplan of our premises are prominently displayed for evacuation purposes. The Company also carry out mock fire drills and mock emergency situations to prepare our employees in case of unforeseen circumstances such as fire, chemical spill, explosion, medical emergency and injury.

Economic Growth

While the world is facing with Covid-19 pandemic, couple with US and China trade ties continue to threaten global economic stability especially in the manufacturing sector. INIX plan to diversify into other activities that can provide for greater economic value to the Company.

GROUP STRUCTURE

as at 15 June 2020



(1) Acquired on 24 October 2019

(2) Disposed on 13 November 2019

Directors' Profile

Dato' Megat Fairouz Junaidi Bin Megat Junid

Senior Independent Non-Executive Chairman

Male, aged 55, Malaysian

Dato' Megat Fairouz Junaidi Bin Megat Junid was appointed as Independent Non-Executive Chairman on 17 June 2005. He re-designated as Senior Independent Non-Executive Chairman on 18 September 2018. He also the Chairman Nomination Committee and Remuneration Committee and Member of Audit Committee and Risk Management 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.

Dato' Megat has many years of experience in the corporate sector and is currently the Senior Independent Non-Executive Director of Destini Berhad.

He has attended six (6) out of seven (7) Board meetings held during the financial period ended 31 January 2020.

Zhang Yang

Managing Director

Male, aged 36, China

Zhang Yang was appointed as the Managing Director on 17 January 2020. He holds a Doctorate, major in Business Management from Asian Institution of Management & Science, China.

He is the Sales Director of EMG Group of Companies in March 2013, he joined Fragrant Prosperity PLC as Operation Director in August 2013. Thereafter, he was the Chief Executive Officer in TF Marketing (HK) Limited in July 2015.

Zhang Yang is not a director of any other public or public listed companies. He is the substantial shareholder of the Company, holdings direct 16,174,8000 ordinary shares. He is the son of Dato' Zhang Li, the Executive Director of the Company.

Directors' Profile (cont'd)

Dato' Zhang Li

Executive Director

Female, aged 60, China

Dato' Zhang Li was retired as Executive Director on 31 December 2018 and re-appointed as Executive Director on 15 February 2019. She is also member of Remuneration Committee. Dato' Zhang Li has completed her education in Xiaman, China.

She joined the business world since 1990 in Huadong, China operating a franchise in health supplements, In 2003, Dato' Zhang Li was involved in multilevel marketing company as its Marketing Advisor in Guan Fang International Marketing (M) Sdn Bhd and a Director in Top Creation property Sdn Bhd involved in real estate development services. Dato' Zhang Li was the non-executive director of Raya International Bhd, a public company listed on the ACE Market of Bursa Malaysia from 2008 to 2012. Dato' Zhang Li has been a director of Top Creation Investment Ltd, a Public Company involved in property development in Melaka Since its admission on AIM of the London Stock Exchange in 2011.

Dato' Zhang Li is not a director of any other public or public listed companies. She holds direct 3,800,000 ordinary shares and has deemed interest of 16,174,800 ordinary shares in the Company via her son, Zhang Yang's direct shareholdings in the Company. She is mother of Zhang Yang, the Managing Director of the Company.

She has attended six (6) out of six (6) Board meetings held during the financial period ended 31 January 2020.

Lee Yueh Shien

Independent Non-Executive Director

Male, aged 45, Malaysian

Lee Yueh Shien was retired as Independent Non-Executive Director on 31 December 2018 and re-appointed as Independent Non-Executive Director on 15 February 2019. He is also the Chairman of the Audit Committee and Risk Management Committee and Member of Nomination Committee and Remuneration Committee.

He is a member of the Malaysia Institute of Accountants and member of the Association of Chartered Certified Accountants.

He has over 20 years of accounting and financial experience in various sectors including property investment, education, food and beverage, journalism. He was Senior Executive of AMDB Berhad from June 2018 to March 2010. He then joined APMG KL Sdn. Bhd. (APMG) as an Accountant in June 2010. He left APMG and joined BIG Sdn. Bhd. as an Accountant in January 2016. Currently he run his own accounting firm specialising in property management accounting.

He is not a director of any other public or public listed companies.

He has attended six (6) out of six (6) Board meetings held during the financial period ended 31 January 2020.

Directors' Profile (cont'd)

Mohd Anuar Bin Mohd Hanadzlah

Non-Independent Non-Executive Director

Male, aged 62, Malaysian

Mohd Anuar Bin Mohd Hanadzlah was appointed as Executive Director on 12th September 2013. He re-designated to Managing Director on 22 March 2019 and was then re-designated to Non-Independent Non-Executive Director on 17 January 2020. He graduated in Accounting from MARA Institute of Technology (now known as Universiti Teknologi MARA). He started his early career as an Auditor with Azman Wong Salleh & Co and has been there for three (3) years. Thereafter, he joined several other private companies namely, Mafira Holdings Sdn. Bhd., Ipoh as an Assistant Accountant for three (3) years, and as an Assistant Manager of Permodalan Perak Bhd for a short period of nine (9) years.

Subsequently, he ventured overseas and joined PT. Wapoga Mutiara Industries, Indonesia as the Branch Manager for three (3) years and was with Precision Logging Ltd in Papua New Guinea as an Accountant for six (6) months. Joining all these companies have allowed Encik Mohd Anuar to gain great exposure and vast working experiences in the various fields and industries such as in accounting, finance, sales and marketing, wholesale and retail trading, personnel and general administrations, mining, sawmilling, plywood and woodworking.

He was appointed as Advisor to Worldgate Express Services Sdn Bhd in 2007. In June 2007, he joined Avic Tech Corporation Sdn. Bhd. as its Marketing Manager and was appointed as General Manager from January, 2008 to 31st August 2008. He was previously the Executive Director of Envair Holding Berhad from July, 2011 till June, 2012.

He is presently the Independent Non-Executive Chairman of Milux Corporation Berhad and has been its Independent Non-Executive Director since 23rd June 2015.

He has attended all the seven (7) Board meetings held during the financial period ended 31 January 2020.

Directors' Profile (cont'd)

Edwin Silvester Das

Independent Non-Executive Director

Male, aged 62, Malaysian

Edwin Silvester Das was appointed as Independent Non-Executive Director on 15 February 2019. He is also the Member of Audit Committee, Nomination Committee and Risk Management Committee. He holds Degree, major in Bachelors of Science Business & Administration from Southern Illinois University at Carbondale.

He had a proliferated banking career for more than 26 years and has been exposed to both commercial and investment banking, risk management, restructuring and corporate finance both locally and abroad. He was a Director of Charter One Bank in South Sudan where he took the bank to greater heights. He has vast experience and skills in restructuring and risk management, and has been exposed to various industries.

He is not a director of any other public or public listed companies.

He has attended four (4) out of four (4) Board meetings held during the financial period ended 31 January 2020.

Other Information

- 1) Save for Zhang Yang and Dato' Zhang Li, there are no family relationships amongst the Directors and / or major shareholders of the Company.
- 2) Save for Zhang Yang and Dato' Zhang Li, none of the Directors has any conflict of interest with the Company.
- 3) None of the Directors of the Company has been convicted of any offence other than traffic offences, within the past 5 years, if any, or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Corporate Governance Overview Statement

The Malaysian Code of Corporate Governance defines corporate governance as “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders.”

The Board of Directors remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Company and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Company.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance (“MCCG”) during the financial period 31 January 2020. This statement is prepared in compliance with ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Corporate Governance Report 2019 of the Company which is available on Inix Technologies Holdings Berhad (“INIX”)’s website at www.inix.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board 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 has delegated specific responsibilities to various Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Share Issuance Scheme Committee whose functions are within their respective terms of reference approved by the Board. The said terms of reference are periodically reviewed by the Board, as and when necessary and the Board appoints the Chairman and members of each committees. These Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective committees’ terms of reference and responsibilities. The terms of reference of the Board Committees are available at the Company’s website.

The Board of Directors adopted the Code of Conduct and Ethics for Company Directors and employees within the Group that published on the Company’s website at www.inix.com.my for stakeholders’ information. This Code of Conduct and Ethics provides good guidance for a standard of ethical behaviour for Directors based on trustworthiness and honest values that are acceptable and to uphold the spirit of responsibility including social responsibility in line with the legislation, regulations and guidelines for administrating a company.

The Board had adopted the Whistleblowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal acts observed in the Group but not limited to financial malpractice or fraud, non-compliance, criminal activity and corruption. The Whistleblowing Policy is reviewed annually and is available on the Company’s website. There were no reported incidents pertaining to whistleblowing during the financial year.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

The Group aims to ensure a balance of power and authority between the Chairman and Executive Directors with a clear division of responsibility between the running of the Board and the Company's business respectively. The Group also emphasizes and practices a division of responsibility between the Executive and Non-Executive Directors.

All Directors have the right to access to information within the Group and the individual Director or the Board as a whole has unrestricted access to all information pertaining to the Group's business and affair. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, in furtherance of their duties, at the expense of the Group.

Board Composition

The current Board consists of five (5) members, comprising two (2) Executive Directors and three (3) Independent Non-Executive Directors. The optimal size with mixture of high calibre individuals with extensive experiences from various professions from both private and public sectors.

The Board acknowledges the call by the Government and MCCG for boards to comprise at least 30% woman on board. The Board does not have specific policy on diversity policy and measures. However, the issue of diversity is discussed by the Nomination Committee. The Board will take steps towards formalising such policy, targets and measures to reflect the Company's commitment towards gender diversity.

In connection with this policy, the Board have appointed additional one woman director to the Board during the financial year end, which represent 20% of the total number of board members.

In accordance to Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment as Director. In the event the Board wishes to retain the independence status of an Independent Director who has served for more than nine (9) years, Board justification and shareholders' approval are required. Two tier voting process will be applied in the Annual General Meeting ("AGM") for retaining any Independent Director serving beyond twelve (12) years.

The Company currently does not have a policy to limit the tenure of its Independent Directors. Nevertheless, the Board has considered the independence of the Independent Directors whose tenure had exceeded nine (9) years, namely Dato' Megat Fairouz Junaidi Bin Megat Junid ("Dato' Megat"). Dato' Megat confirmed that he do not has personal interest or conflict of interest and has not entered or expected to enter into any transaction or contract with the Company or with the Group and do not assist the Company in any operational matters of the Group. In addition to that, Dato' Megat confirmed that he has his own business which are not same industry as the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

Based on the assessment, the Board generally satisfied with the level of independence demonstrated by Dato' Megat. In view thereof, the Company will seek shareholders' approval to retain Dato' Megat who had served as Independent Directors for more than twelve (12) years during the financial year 2020 had abstained from any deliberations or voting pertaining to his independence at the Board level. None of the Directors of the Company hold more than five (5) directorships of listed companies as provided under Rule 15.06 of the AMLR.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the AMLR. The Board met seven (7) occasions during the financial period ended 31 January 2020 and the details of attendance at Board Meetings is set out below:-

Name of Directors	Meeting attended
Dato' Megat Fairouz Junaidi Bin Megat Junid	6/7
Zhang Yang (Appointed on 17 January 2020)	N/A
Dato' Zhang Li (Retired on 31 December 2018 and Re-appointed on 15 February 2019)	6/6
Dr. Azman Bin Hussin (Vacated office on 24 June 2019)	1/5
Mohd Anuar Bin Mohd Hanadzlah (Suspension on 18 March 2020)	7/7
Lee Yueh Shien (Retired on 31 December 2018 and Re-appointed on 15 February 2019)	6/6
Edwin Silvester Das (Appointed on 15 February 2019)	4/4
Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)	1/2
Norizam Bin Tukiman (Appointed on 31 December 2018 and Resigned on 22 January 2019)	1/1
Dr. Wong Jeh Shyan (Appointed on 31 December 2018 and Resigned on 22 January 2019)	1/1

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. The Directors are aware that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.

All Directors of the Company had attended the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of public listed companies.

During the financial period ended 31 January 2020, besides from attending the briefings conducted by the Company Secretary pertaining to the updates on the Listing Requirements and Section 17A of the MACC Act, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's financial Statement.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Company Secretary

The Board is supported by a qualified secretary who is the license secretary of Companies Commission of Malaysia (“CCM”) and is qualified to act as Company Secretary under the Companies Act, 2016. As a practicing company secretary, she has also attended continuous professional development programmes as required by CCM.

The Company Secretary supports the Board in carrying out their fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. The Company Secretary also served as an advisory role to the Board, particularly with regards to the Company’s Articles of Association, Board’s policies and procedures and various compliance with regulatory requirement, codes, guidelines, legislation and the principles of corporate governance practices.

The Company Secretary circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board’s reference and brief the Board quarterly on these updates, where applicable at Board meetings. Throughout their period in office, the Directors are continually updated on the Group’s business and the regulatory requirements.

The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company’s shares, in accordance with Rule 14 of the AMLR of Bursa Securities. Deliberations during the Board and Board Committees’ meetings were properly minuted and documented by the Company Secretary.

Nomination Committee

The Company’s Nomination Committee (“NC”) comprised three (3) Independent Non-Executive Directors. The members of the NC are as follows:-

1. Dato’ Megat Fairouz Junaidi Bin Megat Junid (Chairman)
2. Lee Yueh Shien (Appointed on 6 March 2019)
3. Edwin Silvester Das (Appointed on 6 March 2019)
4. Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)

The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.

Based on the assessment, the NC concluded that the current structure, size and composition of the Board, which comprises people who possess a wide range of expertise, experience and skills in various fields to enable them to discharge their duties and responsibilities effectively. The Board Chairman had performed in an excellent manner and contributed to the Board.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination Committee (cont'd)

Full details of the NC's duties and responsibilities are stated in the terms of reference which is available on the Company's website at www.inix.com.my.

The NC meets as and when required, at least once a year. During the financial period, one (1) meeting was held with full attendances from all its members.

The Company's Articles of Association provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his role as a director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent non-executive directors.

Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) Members, majority of whom are Independent Directors. The members of the RC are as follows:-

1. Dato' Megat Fairouz Junaidi Bin Megat Junid (Chairman)
2. Dato' Zhang Li (Appointed on 6 March 2019)
3. Lee Yueh Shien (Appointed on 6 March 2019)
4. Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the company is in. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Directors and performance of the Group. Individual Director does not participate in the decisions regarding his individual remuneration.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee (cont'd)

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, and after giving due consideration to the Group's performance.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The details of the Directors' remuneration comprising remuneration received from the Company in the financial period ended 31 January 2020 as are follows:-

Category	Directors Fees and Meeting Fees (RM)	Salaries and others remuneration (RM)	Statutory Contribution (RM)	Total (RM)
Executive Directors				
Zhang Yang (Appointed on 17 January 2020)	-	-	-	-
Dato' Zhang Li (Appointed 15 February 2019)	198,000	-	-	198,000
Non-Executive Directors				
Dato' Megat Fairouz Junaidi Bin Megat Junid	22,000	-	-	22,000
Dr. Azman Bin Hussin (Vacated Office on 24 June 2019)	-	64,500	-	64,500
Mohd Anuar Bin Mohd Hanadzlah (Suspension on 18 March 2020)	1,355	120,484	8,233	130,072
Lee Yueh Shien (Appointed on 15 February 2019)	46,500	-	-	46,500
Edwin Silvester Das (Appointed on 15 February 2019)	34,500	-	-	34,500
Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)	-	-	-	-
Norizam Bin Tukiman (Resigned on 22 January 2019)	-	-	-	-
Dr. Wong Jeh Shyan (Resigned on 22 January 2019)	-	-	-	-

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee (cont'd)

The details of the remuneration of the top Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000.00 during the financial period ended 31 January 2020 are as follows:-:

Range of Remuneration (RM)	Designation of Top Senior Management
150,001 – 200,000	
200,001 – 250,000	

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Board is assisted by the Audit Committee (“AC”) which comprises exclusively three (3) Independent Non-Executive Directors, to oversee the Group’s financial reporting process. In line with the principles of the MCCG, the terms of reference of the AC was amended to include a policy that requires a former key audit partner who was part of the engagement team to observe a cooling-off period of at least 2 years before being appointed as a member of the AC.

The Chairman of the AC is not the Chairman of the Board. The AC Chairman is able to assess to the Executive Directors, Senior Management, External Auditors and Internal Auditors.

The composition of the AC is reviewed annually with the view to maintain an independent and effective AC, and in line with the principles of the MCCG, all members of the AC have continuously improved their financial literacy by attending trainings on the developments and changes in the Malaysian Financial Reporting Standards in order for them to discharge their duties effectively.

The independence, suitability and appointment/re-appointment of the External Auditors are reviewed by the AC annually based on the External Auditors Appointment.

Risk Management and Internal Control Framework

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 Risk Management Committee has been formed to assist the Board on the ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process is regularly reviewed and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.

The Executive Directors and Senior Management are responsible for the identification and evaluation of key risks applicable to their areas of business activities on a continuous basis. Risks identified are reported in a timely manner during the periodic management meetings to enable corrective actions to be taken.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control Framework (cont'd)

The Internal Audit Function is carried out by Insight Advisory Services Sdn Bhd., an internal audit consulting firm. The internal audit function is headed by a Director who is assisted by a manager. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The AC will review the engagement between the Group and the Internal Auditors to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

The Board is of the view that the system of internal control and risk management is in place, is sound and sufficient in safeguarding the Group's assets and shareholders' investment and interests of all stakeholders.

The Statement on Risk Management and Internal Control furnished on pages 23 to 26 of this Annual Report provides an overview on the state of risk management and internal controls within the Group.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

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.inix.com.my to enable easy and convenient access to up to-date information relating to the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction with shareholders, AGM also serves as an important platform for the shareholders to exercise their rights in the Company. The notice of AGM and Annual Report are sent 28 days prior to the AGM, so as to provide sufficient time for shareholders to read through the Annual Report and make the necessary attendance and voting arrangements. Concurrently, The notice of AGM is advertised in a nationally circulated English daily newspaper.

The shareholders are given the opportunity to raise issues and questions pertaining to the Group's strategy or developments during the AGM. All the Directors and key management personnel are available to provide responses to questions raised by the shareholders during the AGM. The Company's External Auditors also attend the AGM and are available to address any relevant queries raised by the shareholders pertaining to the audit matters and audit report.

In compliance with AMLR of Bursa Securities, voting for all resolutions set out in the Notice of the AGM shall be conducted by poll as it fairly reflects shareholders' views by ensuring that every vote is recognized, in accordance with the "one share one vote" principle which enforces greater shareholders' rights. As the number of shareholders is not large, the Company currently conduct manual poll voting instead of electronic poll voting. At least one (1) independent scrutineer is appointed to validated the votes cast at the meeting.

The outcome of the meeting will be announced to Bursa Securities on the same day, the same is also accessible on the Company's website.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

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, 2016 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.

The Directors are required by the Companies Act, 2016 and the AMLR, to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

Corporate Governance Overview Statement (cont'd)

COMPLIANCE STATEMENT

The Board has complied most of the recommended practices of the MCCG throughout the financial period, except for the following:-

- 1) Step Up 4.3 – to have a policy to limit the tenure of independent directors to nine (9) years;
- 2) Practice 4.5 – to have a policy on gender diversity, its targets and measures to meet those targets;
- 3) Practice 7.2 – to disclose the top five (5) senior management’s remuneration in bands of RM50,000 on a named basis;
- 4) Step Up 7.3 – fully disclose the detailed remuneration of each senior management personnel on a named basis;
- 5) Practice 11.2 – to adopt integrated reporting based on a globally recognised framework; and
- 6) Practice 12.3 – to leverage on technology to facilitate voting in absentia and remote shareholders’ participation at general meetings.

The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Corporate Governance Overview Statement and CG Report was approved by the Board on 23 June 2020.

Additional Compliance Information

The following is provided in compliance with the AMLR of Bursa Securities:-

1. Non-audit fees

There were no non-audit fees paid to the Group's external auditors during the financial year period 31 January 2020.

2. Material contracts

There were no material contracts entered into by the Company and/or its subsidiaries that involve Directors' or substantial shareholders' interests either still subsisting at the end of the financial year period ended 31 January 2020 or entered into since the end of the previous financial year.

3. Share Buy-back

There was no share buy-back by the Company during the financial period ended 31 January 2020.

4. Utilisation of Proceeds Raised from Corporate Proposals

On 21 August 2019, the Company had announced its proposal to undertake a private placement comprising the issuance of up to 37,545,700 new ordinary shares ("Placement Shares") representing not more than ten (10) per centum of the total number of issued to third parties to be identified ("Proposed Private Placement"), and made an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities.

On 30 September 2019, Bursa Securities granted approval for the listing of and quotation of the Placement Shares on the ACE Market of Bursa Securities. As at the date of this report, the status of utilization of proceed raised from Proposed Private Placement is as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation (from listing date)
Expense on Potential business opportunity	250	250	Within 3 months
Expenses for acquisition of Aircomaster Sdn Bhd	350	350	Within 6 months
Working Capital	660	660	Within 12 months
Expenses for Proposed Private Placement	150	150	Within 1 month
Total gross proceeds	1,410	1,410	

Additional Compliance Information (cont'd)

5. Employees Share Option Scheme

During the financial period ended 31 January 2020, a total of 33,809,264 options over the ordinary shares were exercised pursuant to the Company's Employees' Share Issuance Scheme ("ESOS").

The total number of options granted, exercised and outstanding under the ESOS as at 31 January 2020 are set out in the table below:-

Description	Number of Options as at 31 January 2020	
	Total	Staff
Granted	12,000,000	12,000,000
Exercised	12,000,000	12,000,000
Outstanding	Nil	Nil

Percentage of options applicable to Directors and Senior Management under the ESOS:-

Directors and Senior Management	During the financial period 31 January 2020	Since commencement up to 31 January 2020
Aggregate maximum allocation	Nil	80%
Actual granted	Nil	80%

6. Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during the financial period ended 31 January 2020, which exceeded the materiality threshold stipulated in Rule 10.09 (2)(b) of the AMLR of Bursa Securities.

7. Material Properties

The Company and the Group does not own any landed property for the financial period ended 31 January 2020.

Statement On Risk Management And Internal Control

INTRODUCTION

The Malaysia Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investment, the Group's assets and the interest of other stakeholders.

The Board of Directors of Inix Technologies Holdings Berhad is pleased to present its Statement on Risk Management and Internal Control which outlines the Group's internal control framework and risk management systems for the financial year ended 31 January 2020 as required by Bursa Malaysia Securities Berhad ("Bursa Securities"). This Statement has been prepared pursuant to Chapter 15.26(b) of ACE Market Listing Requirements, and in accordance with the Statement on Risk Management & Internal Control - Guideline for Directors of Listed Issuers (the Guidelines").

BOARD RESPONSIBILITY

The Board recognizes the importance of a sound system of internal control risk management practices for a good corporate governance. The Board acknowledges that the overall responsibility of maintaining a reliable system of risk management and internal control lies with them and is achieved through the process of reviewing controls which includes the establishment of an appropriate control environment and framework, and the review of the effectiveness, adequacy and integrity. The system of risk management and internal control is meant to effectively manage business risk towards the achievement of objectives, to enhance the value of shareholders' investments and to safeguard the Group's assets.

Due to the inherent limitations of the system of internal control, such system is designed to manage rather than to eliminate the risks of failure to achieve the Group's corporate objectives. Therefore, in pursuing these objectives, the system can only provide a reasonable and not absolute assurance against the occurrence of any material misstatement or losses and fraud.

RISK MANAGEMENT FRAMEWORK

The Board recognizes the importance of the risk management framework to manage the risk within the Group and regards as an integral part of business operations. and to identify, evaluate and manage significant risks of the Group which will be an on-going process of identifying, assessing and managing risks faced.

The functional management is given a clear line of accountability and delegated authorities were established as part of the internal control efforts through the standard operating practices. The internal audit function supports the review and assists the Audit Committee in conducting their review more effectively and not to engage in speculative transactions.

Statement On Risk Management And Internal Control (cont'd)

INTERNAL CONTROL SYSTEM

The Board maintains an organizational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures. The Board meets regularly and has a schedule of matters that are brought to it for decision making process in order to ensure effective control over strategic, financial, operation and compliance issues can be maintained.

The following outlines the main elements of the Group's internal control system:

- i. Having an organizational structure that ensures segregation of duties among employees so that there is an appropriate level of checks and balances on the activities of individual employee.
- ii. Supplying comprehensive financial and management reports to the Audit Committee and the Board on a quarterly basis for review, monitoring, decision making and facilitate effective discussion at Board meeting.
- iii. Stringent recruitment policy is set to ensure that only capable and competent staffs are employed which in turn ensures each operating unit is functioning effectively.
- iv. The Group's performance is monitored through management meeting attended by Head Of Department (HOD). Head of Department within the group exercise a hand-on approach
- v. On the operational and financial affairs of the Group. The Executive Directors are involved and oversee the day to day operations of the Group.
- vi. Internal policies and procedures are updated regularly to reflect changing risk or to resolve operational deficiencies.

The Group's internal control systems are continuously reviewed to ensure that changes in the Group's business and operating environment are adequately managed.

The Board has also received assurance from the Executive Chairman that the risk management and internal control system of the Company and its subsidiaries are operating adequately and effectively, in all material aspects, based on the risk management and internal control system adopted.

INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to an independent professional firm Insight Advisory services Sdn Bhd to carry out reviews and assess the adequacy and integrity of the system of internal control of the Group. The internal auditors report directly to the Audit Committee, who receives reports of issues and recommendations arising from each review. The internal auditors have also carried out follow-up reviews to ensure that recommendations for improving the internal control systems were being implemented satisfactorily. The cost incurred for internal audit for the financial year 2020 was RM6,000.00.

Statement On Risk Management And Internal Control (cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by the external auditors as required under Chapter 15.23 of ACE Market Listing Requirements for inclusion in the annual report. Their review was performed in accordance with Audit and Assurance Practice Guide 3 (Revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

AAPG 3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risk and control, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board and management thereon. The report from the External Auditors was made solely to the Board of Directors in connection with their compliance with the Bursa Malaysia Securities Berhad ACE Market Listing Requirement and for no other purpose or parties. The External Auditor do not assume responsibility to any person other than the Board in respect of any aspect of this statement.

CONCLUSION BY THE BOARD

The Board has reviewed the adequacy and effectiveness of the risk management and internal control systems based on the information provided by the key management in the Company and assurances provided by External Auditors.

No material losses were incurred during the financial year under review as a result of weaknesses in risk management and internal control systems. The Board and management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is satisfied that the risk management and internal control systems in place for a financial year ended 31 January 2020 are adequate and effective to safeguard shareholders' investments, the Group's assets and interest of other stakeholders.

This statement was made in accordance with a Board of Directors' Resolution dated 29 June 2020.

Audit Committee Report

COMPOSITION

The Audit Committee (“AC”) of Inix Technologies Holdings Berhad (“Inix” or “the Company”) is chaired by an Independent Director and comprises three members, all of whom are Independent Non-Executive Directors. The current composition meets the requirement of Rule 15.09 and 15.10 of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC currently comprises the following Independent Non-Executive Directors, namely:-

1. Lee Yueh Shien (Chairman) (Ceased on 31 December 2019 and Re-appointed on 6 March 2019)
2. Dato’ Megat Fairouz Junaidi Bin Megat Junid
3. Edwin Silvester Das (Appointed on 6 March 2019)
4. Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)

The AC is authorised by the Board to independently investigate any activity within its terms of reference and shall have unrestricted access to information pertaining to the Group, from the Internal and External Auditors, Management and all employees.

MEETINGS

During the financial period ended 31 January 2020, the AC conducted seven (7) meetings of which all were duly convened with sufficient notices given to all AC members together with the agenda, report and proposals for deliberation at the meetings. The Executive Directors were invited to all AC meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

Representatives from the External Auditors and Internal Auditors, as the case may be, were in attendance to present the relevant reports and proposals to the AC at the meetings which included inter alia, the Auditors’ audit plans and audit reports and the audited financial statements for the financial period ended 31 January 2020.

In the AC meetings, the External Auditors were given opportunities to raise any matters and gave unrestricted access to the External Auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Minutes of the AC meetings were tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

Details of attendance of the AC members at the AC meetings during the financial year ended 31 January 2020 are as follows:

Committee Member	Meeting attended
Lee Yueh Shien (Ceased on 31 December 2018 and Re-appointed on 6 March 2019)	6/6
Dato’ Megat Fairouz Junaidi Bin Megat Junid	7/7
Edwin Silvester Das (Appointed on 6 March 2019)	4/4
Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)	1/1
Dr. Wong Jeh Shyan (Appointed on 31 December 2018 and Resigned on 22 January 2019)	1/1

Audit Committee Report (cont'd)

SUMMARY ACTIVITIES

The AC activities during the financial year under review comprised the following:-

Quarterly Financial Statements and Audited Financial Statements

- reviewed the audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board; and
- reviewed the unaudited financial results before recommending them for Board's approval, focusing particularly on:-
 - Any change in accounting policies
 - Significant adjustments arising from audit
 - Compliance with accounting standards and other legal requirements

External Auditors

- reviewed the External Audit Planning Memorandum, outlining the audit scope, audit process and areas of emphasis based on the external auditors' presentation of audit plan;
- reviewed the External Audit Review Memorandum and the response from the Management;
- consideration and recommendation to the Board for approval of the audit fees payable to the external auditors;
- reviewed the performance and effectiveness of the external auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of external auditors; and
- reviewed and evaluated the factors relating to the independence of the external auditors.

The AC recommended to the Board for approval of the audit fee of RM110,000.00 in respect of the financial period ended 31 January 2020.

The Board at its meeting held on 28 November 2019, approved the audit fee based on the recommendation of the AC.

Internal Auditors

The Group outsources its Internal Audit Function to a professional services firm. The Internal Auditors were engaged to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group.

The Internal Audit Report directly to the AC, the appointed Internal Auditors are given full access to all the documents relating to the Company and Group's governance, financial statements and operational assessments.

Audit Committee Report (cont'd)

Internal Auditors (cont'd)

The AC had reviewed:-

- internal audit on the area of Operation (production) Management of the Group.
- follow-up audit on Inventory Management of the Group.
- suggestion on improvement opportunities in the areas of internal controls, systems, adequacy and efficiency improvements.

Internal Control and Risk Management

- reviewed the internal audit plan for adequacy scope and coverage and risk areas;
- reviewed risk management report and internal audit reports;
- reviewed the effectiveness and adequacy of risk management, operational and compliance processes; and
- reviewed the adequacy and effectiveness of corrective actions taken by the Management on all significant matters raised.

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the AC reviewed the recurrent related party transactions (“RPT”) and conflict of interest situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

The AC review the RPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction. The AC also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction.

INTERNAL AUDIT FUNCTION

The purpose of the Internal Audit function is to provide the Board, through the AC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To ensure that the responsibilities of internal auditors are fully discharged, the AC reviews the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.

The Internal Auditors also highlighted to the AC the audit findings which required follow-up action by Management as well as outstanding audit issues which required corrective action to ensure an adequate and effective internal control system within the Group.

All Internal Audit activities in financial period ended 31 January 2020 were outsourced to an independent assurance provider and the total costs incurred were amounted to RM6,000.

REPORT AND FINANCIAL STATEMENTS

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Directors' Report

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 January 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. The principal activities of its subsidiaries companies are disclosed in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial period	<u>(3,359,542)</u>	<u>(7,684,948)</u>
Attributable to:		
Owners of the Parent	(2,738,840)	(7,684,948)
Non-controlling interests	<u>(620,702)</u>	-
	<u><u>(3,359,542)</u></u>	<u><u>(7,684,948)</u></u>

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial period.

The directors do not recommend the payment of any dividends in respect of the financial period ended 31 January 2020.

ISSUES OF SHARES AND DEBENTURES

During the financial period:

- i) there was an issuance of 27,114,000 new ordinary shares ("Placement Shares") representing not more than ten (10) per centum of the total number of issued to third parties to be identified ("Proposed Private Placement"), and made an application to Bursa Malaysia Securities Berhad ("Bursa Securities"). Placement Shares being placed out as follows:

Tranche	No. of Placement Shares	Issue price of Placement Shares (RM)	Listing date
1 st	13,557,000	0.056	25 October 2019
2 nd	13,557,000	0.053	5 December 2019
Total	27,114,000		

Directors' Report (cont'd)

ISSUES OF SHARES AND DEBENTURES (CONT'D)

ii) there was an issuance of 12,000,000 ordinary shares arising from exercise of employees share options at exercise price of RM0.10 per ordinary shares.

iii) There is no issuance of debentures in respect of the financial period ended.

OPTIONS GRANTED OVER UNISSUED SHARES

Options were granted to any person to take up unissued shares of the Company during the financial period apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

The salient features and other terms of the SIS are disclosed in the Note 25 to the financial statements.

The name of option holders who have been granted and exercised options to subscript year are as follows:

Name	Grant Date	Exercised Price RM	Granted UNIT	Exercised UNIT	As at 31.01.2020 UNIT
Chong Chen Kong	26 March 2020	0.10	12,000,000	(12,000,000)	-

DIRECTORS

The Directors who served since the date of the last report and at the date of this report are as follows:

Dato' Megat Fairouz Junaidi Bin Megat Junid

Dato' Zhang Li (Retired on 31/12/2018 and reappointed on 15/02/2019)

Lee Yueh Shien (Retired on 31/12/2018 and reappointed on 15/02/2019)

Edwin Silvester Das (Appointed on 15 February 2019)

Zhang Yang (Appointed on 17 January 2020)

Mohd Anuar Bin Mohd Hanadzlah (Suspension on 18 March 2020)

Norizam Bin Tukiman (Resigned on 22 January 2019)

Dr. Wong Jeh Shyan (Resigned on 22 January 2019)

Dr. Azman Bin Hussin (Vacated on 24/06/2019)

Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31/12/2018)

Directors' Report (cont'd)

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 spouse or children) according to the Register of directors' Shareholdings were as follows:

The Company	Number of ordinary shares with no par value			At 31.01.2020
	At 01.08.2018	Acquired	Sold	
Direct Interest:				
Zhang Yang	-	16,174,800	-	16,174,800
Mohd Anuar Bin Mohd Hanadzlah	200,000	-	(200,000)	-
Dato' Zhang Li	-	3,800,000	-	3,800,000
Indirect Interest:				
Dato' Zhang Li	-	16,174,800	-	16,174,800
Dr. Azman Bin Hussin*	16,873,952	-	(1,019,600)	15,854,352

*Deemed interest by virtue of his substantial shareholdings in eNCoral Digital Solutions Sdn. Bhd.

None of the other Directors in office at the end of the financial period held any interest in the shares of the Company and its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit 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 as certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and legal fee paid to a firm in which a Director is a member as disclosed in Note 29 to the financial statements.

Neither during nor at the end of the financial period, was the Company a party to any arrangement whose object was 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.

DIRECTORS' REMUNERATIONS

The details of Directors' remuneration are disclosed in Note 24 of the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the Director, officer or auditor of the Company.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION

- a) Before the financial statements of the Group and of the Company were prepared, 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 there were no bad debts to be written off and no allowance for doubtful debts was required; and
 - ii) to ensure that any current assets which were unlikely to realise their values 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.
- b) At the date of this report, the Directors are not aware of any circumstances:
- i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
 - ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - iv) 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.
- 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 period which secures the liabilities of any other person; or
 - ii) any contingent liability of the Group and of the Company that has arisen since the end of the financial period.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

- d) In the opinion of the Directors:
- i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of eighteen months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
 - ii) the results of the operations of the Group and of the Company during the financial period 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 period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

SUBSIDIARY COMPANIES

The details of subsidiary companies are disclosed in Note 7 to the financial statements.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	Group RM	Company RM
Statutory audit	110,000	55,000

Directors' Report (cont'd)

AUDITORS

The auditors, Messrs. Jamal, Amin & Partners have indicated their willingness to accept appointment in accordance with section 267 (4) of Companies Act, 2016.

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

ZHANG YANG

DATO' ZHANG LI

Kuala Lumpur

Dated: 23 June 2020

Statement by Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, ZHANG YANG and DATO' ZHANG LI, being two of the directors of INIX TECHNOLOGIES HOLDINGS BERHAD., do hereby state that, in the opinion of the Directors, the financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at year ended 31 January 2020 and of its financial performance and cash flows for the financial period then ended.

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

ZHANG YANG

DATO' ZHANG LI

Kuala Lumpur

Dated: 23 June 2020

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act, 2016

I, DATO' ZHANG LI, being the Director primarily responsible for the financial management of INIX TECHNOLOGIES HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements are 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 DATO')
ZHANG LI at Kuala Lumpur in the state of Federal)
Territory on)

DATO' ZHANG LI

Before me,

Independent Auditors' Report

To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements INIX TECHNOLOGIES HOLDINGS BERHAD, which comprise the statements of financial position as at 31 January 2020 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 82.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants ("IESBA Code")*, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Independent Auditors' Report (cont'd)

To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD (Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial Statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation and impairment of property, plant and equipment

The Group has piling machines with aggregate carrying values of RM1,353,109 as at 31 January 2020 (Note 5 to the financial statements).

We focused on this area as an assessment of impairment property, plant and equipment because it involved in management judgements and estimation of uncertainty in determining the fair value of asset by considering the recoverable amount and cash generating unit produces.

Following a review of the business, outlook for the industry and Group's operating plans, management has assessed these carrying values.

How we addressed the Key Audit Matters

Our procedures in relation to management's impairment assessment of piling machines included:

- Verified Fixed Asset Register and ensure that costs and accumulated depreciations were correctly recorded;
- Performed physical sightings on the conditions and existence of the asset;
- Assessing the methodologies used by the management and the external valuer to estimate resale values,
- Evaluated the independent external valuer's competence, capabilities and objectivity;
- Assessed the Group's assumptions and estimates used to determine the recoverable amount of PPE and any impairment losses recognized, using our judgement;
- Considering the appropriateness of the resale values estimated by the management and external valuer based on our knowledge of the industry;

Based on available evidence we found management's assumptions in relations to the fair value less cost of disposal and value in use calculations to be reasonable. We found the disclosures in note 5 to be appropriate.

Independent Auditors' Report (cont'd)

To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD

(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (cont'd)

To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report (cont'd)

To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Independent Auditors' Report (cont'd)

To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD

(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

JAMAL, AMIN & PARTNERS

(No: AF 1067)

Chartered Accountants

AHMAD HILMY BIN JOHARI

(No: 2977/03/22(J))

Chartered Accountant

Kuala Lumpur

Dated: 23 June 2020

Statement of Financial Position

As at 31 January 2020

	Note	GROUP		COMPANY	
		2020 RM	2018 RM	2020 RM	2018 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	1,416,264	1,537,713	6,450	21,447
Intangible assets	6	-	2,083	-	-
Investment in subsidiaries	7	-	-	886,052	5
Investment in associate	8	-	3,467,116	-	10,620,000
Other investment	9	7,700,000	7,700,000	7,700,000	7,700,000
		<u>9,116,264</u>	<u>12,706,912</u>	<u>8,592,502</u>	<u>18,341,452</u>
CURRENT ASSETS					
Trade receivables	10	600,262	1,910,441	-	-
Other receivables	11	5,189,912	525,790	4,068,049	34,649
Amount due from associate company	12	-	53,000	103,000	53,000
Amount due from subsidiaries	13	-	-	-	-
Cash and cash equivalent	14	1,162,511	671,353	50,543	569,918
		<u>6,952,685</u>	<u>3,160,584</u>	<u>4,221,592</u>	<u>657,567</u>
TOTAL ASSETS		<u>16,068,949</u>	<u>15,867,496</u>	<u>12,814,094</u>	<u>18,999,019</u>
EQUITY					
Share capital	15	42,274,374	38,996,661	42,274,374	38,996,661
Accumulated losses		<u>(18,806,369)</u>	<u>(16,067,529)</u>	<u>(29,856,091)</u>	<u>(22,171,143)</u>
Equity attributable to owners of the parent		23,468,005	22,929,132	12,418,283	16,825,518
Non-controlling interests		(9,823,507)	(10,052,805)	-	-
TOTAL EQUITY		<u>13,644,498</u>	<u>12,876,327</u>	<u>12,418,283</u>	<u>16,825,518</u>

(The accompanying notes form an integral part of the financial statements)

Statement of Financial Position (cont'd)**As at 31 January 2020**

	Note	GROUP		COMPANY	
		2020 RM	2018 RM	2020 RM	2018 RM
CURRENT LIABILITIES					
Trade payables	16	24,905	24,905	-	-
Other payables	17	2,252,076	1,615,307	254,339	255,763
Amount due to subsidiaries	13	-	-	126,305	1,416,781
Amount due to director	18	146,513	1,350,000	14,210	500,000
Tax payables		957	957	957	957
		<u>2,424,451</u>	<u>2,991,169</u>	<u>395,811</u>	<u>2,173,501</u>
TOTAL EQUITY AND LIABILITIES		<u>16,068,949</u>	<u>15,867,496</u>	<u>12,814,094</u>	<u>18,999,019</u>

(The accompanying notes form an integral part of the financial statements)

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year 31 January 2020

	Note	GROUP		COMPANY	
		From 01.08.2018 to 31.01.2020 RM	2018 RM	From 01.08.2018 to 31.01.2020 RM	2018 RM
Revenue	19	8,049,105	9,447,744	-	-
Cost of sales	20	(6,457,207)	(5,952,834)	-	-
Gross profit		1,591,898	3,494,910	-	-
Other income		1,912,190	731,295	2,842,738	703,989
Selling and marketing expenses		(16,270)	-	-	-
Administrative expenses		(6,597,360)	(13,255,375)	(10,277,686)	(2,951,658)
Research and development expenses		(250,000)	(250,743)	(250,000)	-
Loss from operation		(3,359,542)	(9,279,913)	(7,684,948)	(2,247,669)
Share of results of associate company		-	(6,897,252)	-	-
Loss before tax	21	(3,359,542)	(16,177,165)	(7,684,948)	(2,247,669)
Taxation	22	-	(957)	-	(957)
Loss for the financial period, representing total comprehensive income for the financial period		(3,359,542)	(16,178,122)	(7,684,948)	(2,248,626)
Net loss for the financial period attributable to:					
Owners of the parent		(2,738,840)	(15,329,781)	(7,684,948)	(2,248,626)
Non-controlling interests		(620,702)	(848,341)	-	-
		<u>(3,359,542)</u>	<u>(16,178,122)</u>	<u>(7,684,948)</u>	<u>(2,248,626)</u>
Loss per share					
Basic loss per share (sen)	23	(0.92)	(5.92)		

(The accompanying notes form an integral part of the financial statements)

Statements of Changes in Equity

For the Financial Year Ended 31 January 2020

GROUP

At 1 August 2018

Loss for the financial period, representing total comprehensive income for the financial period

Issuance of ordinary share

- Ordinary shares

- Share options exercised

Changes in ownership interest in subsidiary companies

At 31 January 2020

	Share capital RM	Accumulated losses RM	Non-controlling interests RM	Total equity RM
	(Note 15) 38,996,661	(16,067,529)	(10,052,805)	12,876,327
	-	(2,738,840)	(620,702)	(3,359,542)
	1,477,713	-	-	1,477,713
	1,800,000	-	-	1,800,000
	-	-	850,000	850,000
	<u>42,274,374</u>	<u>(18,806,369)</u>	<u>9,823,507</u>	<u>13,644,498</u>

(The accompanying notes form an integral part of the financial statements)

Statements of Changes in Equity (cont'd)

For the Financial Year Ended 31 January 2020

GROUP

	Share capital RM	Share premium RM	Warrant reserve RM	Other reserve RM	Share issuance scheme option reserve RM	Accumulated losses RM	Non-controlling interests RM	Total equity RM
At 1 August 2017	37,903,527	-	12,309,421	(12,309,421)	458,613	(737,748)	(9,204,464)	28,419,928
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	(15,329,781)	(848,341)	(16,178,122)
Issuance of ordinary share	598,650	-	-	-	-	-	-	598,650
- Share options exercised	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-
Share-based payment transaction	-	-	-	-	35,871	-	-	35,871
Acquisition of subsidiary company	-	-	-	-	-	-	-	-
Equity-settled share option arrangements	494,484	-	-	-	(494,484)	-	-	-
At 31 July 2018	38,996,661	-	12,309,421	(12,309,421)	-	(16,067,529)	(10,052,805)	12,876,327

(The accompanying notes form an integral part of the financial statements)

Statements of Changes in Equity (cont'd)

For the Financial Year Ended 31 January 2020

COMPANY

At 1 August 2018

Loss for the financial period, representing total comprehensive income for the financial period
Issuance of shares

- Ordinary shares
- Share options exercised

At 31 January 2020

	Share capital RM (Note 15)	Accumulated losses RM	Total equity RM
	38,996,661	(22,171,143)	16,825,518
	-	(7,684,948)	(7,684,945)
	1,477,713	-	1,477,713
	1,800,000	-	1,800,000
	42,274,374	(29,856,091)	12,418,283

(The accompanying notes form an integral part of the financial statements)

Statements of Changes in Equity (cont'd)

For the Financial Year Ended 31 January 2020

COMPANY

	Share capital RM	Share premium RM	Warrant reserve RM	Other reserve RM	Share issuance scheme option reserve RM	Accumulated losses RM	Total equity RM
At 1 August 2017	(Note 15) 37,903,527	-	12,309,421	(12,309,421)	458,613	(19,922,517)	18,439,623
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	(2,248,626)	(2,248,626)
Issuance of ordinary share	598,650	-	-	-	-	-	598,650
- Share options exercised	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	35,871	-	35,871
Equity-settled share option arrangements	494,484	-	-	-	(494,484)	-	-
At 31 July 2018	38,996,661	-	12,309,421	(12,309,421)	(494,484)	(22,171,143)	16,825,518

(The accompanying notes form an integral part of the financial statements)

Statement of Cash Flows

For the Financial Year Ended 31 January 2020

	Note	GROUP		COMPANY	
		2020 RM	2018 RM	2020 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(3,359,542)	(16,177,165)	(7,684,948)	(2,247,669)
Adjustments for:					
Amortisation of intangible assets		2,083	273,775	2	-
Depreciation of property, plant and equipment		262,043	364,989	6,431	5,545
Dividends income		(1,075,000)	(700,000)	(1,075,000)	(700,000)
Equity-settled share-based payment expenses		-	35,871	-	35,871
Loss on disposal of investment in associate company		467,116	-	7,620,000	-
Impairment of trade receivables		-	2,527,749	-	-
Impairment of other receivables		324,440	1,875,283	-	1,140,000
Impairment on vessel		-	4,950,000	-	-
Interest income		(645)	(564)	(421)	(519)
Impairment loss of investment in subsidiaries		-	-	2	-
Reversal of impairment on trade receivable		(224,910)	(7,000)	-	-
Reversal of impairment loss on amount due from subsidiary		-	-	(1,521,950)	(8,090,578)
Share of results of associate		-	6,897,252	-	-
Operating profit / (loss) before working capital changes		(3,604,415)	40,190	(2,655,886)	(9,857,350)
<i>Changes in working capital</i>					
Trade receivables		1,535,089	(1,481,146)	-	-
Other receivables		(4,988,562)	(74,746)	(4,035,900)	-
Other payables		636,769	70,447	(1,421)	5,798
Amount due from subsidiary		-	-	760,355	8,406,459
Amount due from associate		53,000	-	(50,000)	-
Amount due to subsidiary companies		-	-	(514,673)	-
Amount due from director		-	-	2,500	-
Amount due to director		(1,203,487)	1,350,000	(500,000)	500,000
Cash (used in) / generated from operations		(7,571,606)	(95,255)	(6,995,025)	(945,093)
Interest received		645	564	421	519
Net cash (used in) / generated from operating activities		(7,570,961)	(94,691)	(6,994,604)	(944,574)

(The accompanying notes form an integral part of the financial statements)

Statement of Cash Flows (cont'd)

For the Financial Year Ended 31 January 2020

	Note	GROUP		COMPANY	
		2020 RM	2018 RM	2020 RM	2018 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(156,498)	(856,521)	(2,400)	(325)
Disposal of property, plant and equipment		15,904	-	10,966	-
Dividends received		1,075,000	700,000	1,075,000	700,000
Proceed from disposal of investment in associate		3,000,000	-	3,000,000	-
Investment in subsidiary		-	-	(886,049)	-
Investment in associate		850,000	-	-	-
Net cash (used in) / generated from investing activities		<u>4,784,406</u>	<u>(156,521)</u>	<u>3,197,517</u>	<u>699,675</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in share capital		3,277,713	-	3,277,713	-
Proceeds from issuance of shares		-	598,650	-	598,650
Net cash generated from financing activities		<u>3,277,713</u>	<u>598,650</u>	<u>3,277,713</u>	<u>598,650</u>
CASH AND CASH EQUIVALENTS					
Net increase / (decrease)		491,158	347,438	(519,374)	353,751
At 1 August 2018/ 1 August 2017		<u>671,353</u>	<u>323,915</u>	<u>569,918</u>	<u>216,167</u>
At 31 January 2020/ 31 July 2018	14	<u><u>1,162,511</u></u>	<u><u>671,353</u></u>	<u><u>50,544</u></u>	<u><u>569,918</u></u>

(The accompanying notes form an integral part of the financial statements)

Notes to the Financial Statements

31 January 2020

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 registered office of the Company is located at Unit 1119, 11th Floor Block A, Damansara Intan No. 1 Jalan SS20/27 Petaling Jaya 47400 Selangor Malaysia

The corporate place of business of the Company is located at 506, Block D, Pusat Dagangan Phielo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya, Selangor Daruh Ehsan.

The principal activities of the Company are investment holding. The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the company and its subsidiary companies during the financial period.

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, 2016 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 significant accounting policies below.

The financial statements are presented in Ringgit Malaysia.

Notes to the Financial Statements (cont'd)

31 January 2020

2 BASIS OF PREPARATION (CONT'D)

a) Statement of compliance (Cont'd)

Adoption of new and amended standards

During the financial period, the Group and the Company has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period:

		Effective dates for financial periods beginning on or after
- MFRS 16	Leases	1 January 2019
- Amendments to MFRS 3	Business Combinations	1 January 2019
- Amendments to MFRS 9	Financial Instrument – Prepayment features with Negative comparison	1 January 2019
- Amendments to MFRS 11	Joint Arrangements	1 January 2019
- Amendments to MFRS 112	Income Taxes	1 January 2019
- Amendments to MFRS 123	Borrowing Costs	1 January 2019
- Amendments to MFRS 128	Investments in Associates and Joint Ventures	1 January 2019
- IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
- Amendments to MFRS 119	Employee Benefits	1 January 2019

Adoption of above amendments to MFRS did not have any material impact on the financial statements of the Group and the Company.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17	Insurance Contracts
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Notes to the Financial Statements (cont'd)

31 January 2020

2 BASIS OF PREPARATION (CONT'D)

a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements
- MFRS 128 Investment in Associates and Joint Ventures Sales or Contribution of Assets between an Investor and its Associate and Joint Venture.

The Group and the Company will apply the above MFRSs, Amendments and Interpretations that are applicable once they become effective. The initial application of application of the above MFRSs, Amendments and Interpretations is not expected to have any significant impact on the financial statements of the Group and the Company

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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

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. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

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(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary company

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss.

b) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Investment in associate (cont'd)

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single assets, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Investment in associate (cont'd)

In the Company's separate financial statements, investments in associates 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 4(i) to the financial statements on impairment of non-financial assets.

c) 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(i).

(i) Recognition and measurement

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

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

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

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

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) **Property, plant and equipment (cont'd)**

(i) Recognition and measurement (cont'd)

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

(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.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Furniture and fittings	10%
Renovation	10%
Motor vehicles	20%
Computer equipment and software	20%
Office equipment	10%
Plant and machinery	10%
Vessel	5%

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

d) Intangible assets

(i) Internally-generated intangible assets – research and development costs.

Research costs are expensed as incurred. Development expenditure on an individual projects are recognised as in intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Intangible assets (cont'd)

(i) Internally-generated intangible assets – research and development costs (cont'd)

Following initial recognition if the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) Intangible assets acquired separately

Intangible assets with indefinite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(i) to the financial statements on impairment of non-financial assets for intangible assets.

e) 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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial assets (cont'd)

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

(i) 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 included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified 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 losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends from an available- for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial assets (cont'd)

(ii) Available-for-sale financial assets (cont'd)

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 and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has 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.

f) 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 other financial liabilities measured at amortised cost.

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

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

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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Financial liabilities (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.

g) 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.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and demand deposits. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged deposits.

i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers 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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Impairment of assets (Cont'd)

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

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

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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Impairment of assets (cont'd)

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investment in subsidiary companies and associates, are assessed at each reporting date 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.

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. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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 in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Impairment of assets (cont'd)

(ii) Financial assets (cont'd)

Available-for-sale financial assets

Significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognized in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously. When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value of equity instrument, if any, subsequent to impairment loss is recognised other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss

j) 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.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Provision

Provisions are recognised when there is a present legal or constructive obligation 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 each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that full 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 statements of profit or loss and other comprehensive income net of any reimbursement.

l) 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 contribute 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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Employee benefits (cont'd)

(iii) Share-based payment transactions

Equity-settled Share-based Payment Transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

m) 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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m) Revenue (cont'd)

(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) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

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 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.

Notes to the Financial Statements (cont'd)

31 January 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Income taxes (cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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.

o) 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.

Notes to the Financial Statements (cont'd)

31 January 2020

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and of the Company's financial statements requires management 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.

Judgement

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

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation 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 reporting period are set out below:

i) Useful lives of property, plant and equipment

The Company 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 of property, plant and equipment is disclosed in Note 5.

ii) Income taxes

Judgement 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 Company recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements (cont'd)

31 January 2020

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Key sources of estimation uncertainty (Cont'd)

iii) Fair value measurement of contingent consideration

Contingent consideration, resulting from business combination, is valued at fair value at the acquisition date as part of the business combination. It is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions taken into consideration include the probability of meeting each performance target and the discounted factor. The carrying amount of contingent consideration is disclosed in Note 8.

Notes to the Financial Statements (cont'd)**31 January 2020****5 PROPERTY, PLANT AND EQUIPMENT****GROUP****2020****COST**

	Balance at 01/08/2018 RM	Additions RM	Disposal RM	Impairment RM	Balance at 31/01/2020 RM
Furniture and fittings	7,895	8,807	-	-	16,702
Renovation	28,000	-	(28,000)	-	-
Motor vehicles	38,519	-	-	-	38,519
Computer equipment and software	54,850	36,431	-	-	91,281
Office equipment	12,715	-	(9,819)	-	2,896
Machinery	1,605,976	111,260	-	-	1,717,236
Vessel	5,500,000	-	-	-	5,500,000
	<u>7,247,955</u>	<u>156,498</u>	<u>(37,819)</u>	<u>-</u>	<u>7,366,634</u>

Notes to the Financial Statements (cont'd)

31 January 2020

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP

2020

	Balance at 01/08/2018 RM	Additions RM	Disposal RM	Impairment RM	Balance at 31/01/2020 RM
ACCUMULATED DEPRECIATION					
Furniture and fittings	5,894	743	-	-	6,637
Renovation	14,933	2,101	(17,034)	-	-
Motor vehicles	38,518	-	-	-	38,518
Computer equipment and software	33,391	6,742	-	-	40,133
Office equipment	5,401	435	(4,881)	-	955
Machinery	112,105	252,022	-	-	364,127
Vessel	5,500,000	-	-	-	5,500,000
	<u>5,710,242</u>	<u>262,043</u>	<u>(21,915)</u>	<u>-</u>	<u>5,950,370</u>

Notes to the Financial Statements (cont'd)

31 January 2020

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**GROUP****2018****COST**

	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Impairment RM	Balance at 31/07/2018 RM
Furniture and fittings	7,570	325	-	-	7,895
Renovation	28,000	-	-	-	28,000
Motor vehicles	38,519	-	-	-	38,519
Computer equipment and software	48,654	6,196	-	-	54,850
Office equipment	12,715	-	-	-	12,715
Machinery	755,976	850,000	-	-	1,605,976
Vessel	5,500,000	-	-	-	5,500,000
	<u>6,391,434</u>	<u>856,521</u>	<u>-</u>	<u>-</u>	<u>7,247,955</u>

Notes to the Financial Statements (cont'd)

31 January 2020

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP

2018

ACCUMULATED DEPRECIATION	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Impairment RM	Balance at 31/07/2018 RM
Furniture and fittings	5,680	214	-	-	5,894
Renovation	12,133	2,800	-	-	14,933
Motor vehicles	38,518	-	-	-	38,518
Computer equipment and software	22,529	10,862	-	-	33,391
Office equipment	4,886	515	-	-	5,401
Machinery	36,507	75,598	-	-	112,105
Vessel	275,000	275,000	-	4,950,000	5,500,000
	<u>395,253</u>	<u>364,989</u>	<u>-</u>	<u>4,950,000</u>	<u>5,710,242</u>

Notes to the Financial Statements (cont'd)**31 January 2020****5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)****GROUP****NET BOOK VALUE**

	<u>Cost at</u> <u>31/01/2020</u> RM	<u>Accumulated</u> <u>Depreciation</u> <u>31/01/2020</u> RM	<u>Net Book</u> <u>Value</u> <u>31/01/2020</u> RM	<u>Net Book</u> <u>Value</u> <u>31/07/2018</u> RM
Furniture and fittings	16,702	6,637	10,065	2,000
Renovation	-	-	-	13,067
Motor vehicles	38,519	38,518	1	1
Computer equipment and software	91,281	40,133	51,148	21,459
Office equipment	2,896	955	1,941	7,314
Machinery	1,717,236	364,127	1,353,109	1,493,872
Vessel	5,500,000	5,500,000	-	-
	<u>7,366,634</u>	<u>5,950,370</u>	<u>1,416,264</u>	<u>1,537,713</u>

Notes to the Financial Statements (cont'd)

31 January 2020

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY

2020

<u>COST</u>	Balance at <u>01/08/2018</u> RM	<u>Additions</u> RM	<u>Disposal</u> RM	Balance at <u>31/01/2020</u> RM
Furniture and fittings	2,424	1,800	-	4,224
Renovation	28,000	-	(28,000)	-
Computer equipment and software	12,657	600	-	13,257
Office equipment	-	-	-	-
	<u>43,081</u>	<u>2,400</u>	<u>(28,000)</u>	<u>17,481</u>
<u>ACCUMULATED DEPRECIATION</u>	Balance at <u>01/08/2018</u> RM	<u>Additions</u> RM	<u>Disposal</u> RM	Balance at <u>31/01/2020</u> RM
Furniture and fittings	424	393	-	817
Renovation	14,933	2,101	(17,034)	-
Computer equipment and software	6,277	3,937	-	10,214
Office equipment	-	-	-	-
	<u>21,634</u>	<u>6,431</u>	<u>(17,034)</u>	<u>11,031</u>

Notes to the Financial Statements (cont'd)**31 January 2020****5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)****COMPANY****2018**

<u>COST</u>	Balance at <u>01/08/2017</u> RM	<u>Additions</u> RM	<u>Disposal</u> RM	Balance at <u>31/07/2018</u> RM
Furniture and fittings	2,099	325	-	2,424
Renovation	28,000	-	-	28,000
Computer equipment and software	12,657	-	-	12,657
Office equipment	-	-	-	-
	<u>42,756</u>	<u>325</u>	<u>-</u>	<u>43,081</u>
<u>ACCUMULATED DEPRECIATION</u>	Balance at <u>01/08/2017</u> RM	<u>Additions</u> RM	<u>Disposal</u> RM	Balance at <u>31/07/2018</u> RM
Furniture and fittings	210	214	-	424
Renovation	12,133	2,800	-	14,933
Computer equipment and software	3,746	2,531	-	6,277
Office equipment	-	-	-	-
	<u>16,089</u>	<u>5,545</u>	<u>-</u>	<u>21,634</u>
<u>NET BOOK VALUE</u>	Cost at <u>31/01/2020</u> RM	<u>Accumulated Depreciation</u> <u>31/01/2020</u> RM	<u>Net Book Value</u> <u>31/01/2020</u> RM	<u>Net Book Value</u> <u>31/07/2018</u> RM
Furniture and fittings	4,224	817	3,407	2,000
Renovation	-	-	-	13,067
Computer equipment and software	13,257	10,214	3,043	6,380
Office equipment	-	-	-	-
	<u>17,481</u>	<u>11,031</u>	<u>6,450</u>	<u>21,447</u>

Notes to the Financial Statements (cont'd)

31 January 2020

6 INTANGIBLE ASSET

GROUP

2020

<u>COST</u>	Balance at 01/08/2018 RM	Additions RM	Disposal RM	Balance at 31/01/2020 RM
Software and development	3,731,599	-	-	3,731,599
License	50,000	-	-	50,000
	<u>3,781,599</u>	<u>-</u>	<u>-</u>	<u>3,781,599</u>
<u>ACCUMULATED AMORTISATION</u>	Balance at 01/08/2018 RM	Additions RM	Disposal RM	Balance at 31/01/2020 RM
Software and development	3,731,599	-	-	3,731,599
License	47,917	2,083	-	50,000
	<u>3,779,516</u>	<u>2,083</u>	<u>-</u>	<u>3,781,599</u>
<u>2018</u>				
<u>COST</u>	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Balance at 31/07/2018 RM
Software and development	3,731,599	-	-	3,731,599
License	50,000	-	-	50,000
	<u>3,781,599</u>	<u>-</u>	<u>-</u>	<u>3,781,599</u>
<u>ACCUMULATED AMORTISATION</u>	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Balance at 31/07/2018 RM
Software and development	3,482,824	248,775	-	3,731,599
License	22,917	25,000	-	47,917
	<u>3,505,741</u>	<u>273,775</u>	<u>-</u>	<u>3,779,516</u>

Notes to the Financial Statements (cont'd)**31 January 2020****6 INTANGIBLE ASSET (CONT'D)****GROUP**

<u>CARRYING AMOUNT</u>	<u>Cost at</u>	<u>Accumulated</u>	<u>Carrying</u>	<u>Carrying</u>
	<u>31/01/2020</u>	<u>Amortisation</u>	<u>Amount</u>	<u>Amount</u>
	<u>RM</u>	<u>31/01/2020</u>	<u>31/01/2020</u>	<u>31/07/2018</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>
Software and development	3,731,599	3,731,599	-	-
License	50,000	50,000	-	2,083
	<u>3,781,599</u>	<u>3,781,599</u>	<u>-</u>	<u>2,083</u>

Software development represents costs incurred on development projects relating to the design and testing of new or improved products. Capitalised development costs are amortised when the asset is ready for use on a straight-line basis over its estimated useful lives of 5 years.

License relates to the mobile game soft code license where the Company have unlimited usage and modification rights to the Intellectual Property. The estimated useful lives are 2 years.

7 INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2020	2018
	RM	RM
In Malaysia:		
At cost		
Unquoted shares	2,735,299	4,502,281
Options granted to employees of subsidiaries	-	1,232,210
	<u>2,735,299</u>	<u>5,734,491</u>
Add: Addition of investment in subsidiaries	999	-
Less: Accumulated impairment losses	<u>(1,850,246)</u>	<u>(5,734,486)</u>
	<u>886,052</u>	<u>5</u>

Notes to the Financial Statements (cont'd)

31 January 2020

7 INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiary companies, which are incorporated in Malaysia are as follows:-

<u>Name of subsidiaries</u> Direct holding:	<u>Country of Incorporation</u>	<u>Effective Equity Interest (%)</u>		<u>Principal Activities</u>
		2020	2018	
# Ansi Systems Sdn. Bhd.	Malaysia	51	51	Software development, system integration and selling of books.
NCSOFT Sdn. Bhd.	Malaysia	100	100	Software development, system integration, information technology management consultancy and other related professional services.
Inix Network Sdn. Bhd.	Malaysia	100	100	System integration, information technology management consultancy and other related professional services.
Inix Maritime Sdn. Bhd.	Malaysia	100	100	Dredging and land reclamation.
Concrete Milestone Sdn. Bhd.	Malaysia	51	51	Concrete and piling activities.
# MRA Global Sdn. Bhd.	Malaysia	55	-	Dormant

Not Audited by Jamal, Amin & Partners.

Notes to the Financial Statements (cont'd)**31 January 2020****7 INVESTMENT IN SUBSIDIARIES (CONT'D)****(b) Material partly-owned subsidiaries**

Set out below are the Group's subsidiary companies that have material non-controlling interests:

<u>Name of subsidiaries</u>	<u>Proportion of ownership interests and voting rights held by non-controlling interests</u>		<u>Loss allocated to non-controlling interests</u>		<u>Non- controlling interests</u>	
	<u>2020</u>	<u>2018</u>	<u>2020</u>	<u>2018</u>	<u>2020</u>	<u>2018</u>
	<u>%</u>	<u>%</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Ansi Systems Sdn. Bhd.	49	49	(1,116,770)	(2,094,549)	(547,217)	(711,297)
Concrete Milestone Sdn. Bhd.	49	49	(149,969)	(35,217)	(73,485)	(35,217)
Total non-controlling interests			(1,266,739)	(2,129,766)	(620,702)	(746,514)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(i) Summarized statements of financial position

	Ansi System Sdn. Bhd.	Concrete Milestone Sdn. Bhd.
	2020	2020
	RM	RM
Non-current assets	52,429	1,354,901
Current assets	1,825,365	155,319
Current liabilities	(16,545,237)	(157,436)
Net liabilities	(14,667,443)	1,352,784

Notes to the Financial Statements (cont'd)

31 January 2020

7 INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Material partly-owned subsidiaries (cont'd)

(ii) Summarized statements of profit or loss and other comprehensive income

	Ansi System Sdn. Bhd.	Concrete Milestone Sdn. Bhd.
	2020	2020
	RM	RM
Revenue	7,743,730	283,575
Net loss for the financial period	<u>(1,116,770)</u>	<u>(149,969)</u>
Total comprehensive profit for the financial period	<u>6,626,960</u>	<u>133,606</u>

(iii) Summarized statements of cash flows

	Ansi System Sdn. Bhd.	Concrete Milestone Sdn. Bhd.
	2020	2020
	RM	RM
Net cash from operating activities	1,078,438	(1,705,922)
Net cash used in investing activities	(66,404)	-
Net cash from financing activities	<u>-</u>	<u>1,735,000</u>
Net increase in cash and cash equivalent	<u>1,012,034</u>	<u>29,078</u>

8 INVESTMENT IN ASSOCIATE

Details of the associate company are as follows:

	GROUP		COMPANY	
	2020	2018	2020	2018
	RM	RM	RM	RM
At cost				
Unquoted shares in Malaysia	-	10,620,000	-	10,620,000
Share of post-acquisition reserve	<u>-</u>	<u>(7,152,884)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>3,467,116</u>	<u>-</u>	<u>10,620,000</u>

Notes to the Financial Statements (cont'd)**31 January 2020****8 INVESTMENT IN ASSOCIATE (CONT'D)**

<u>Name of subsidiaries</u>	<u>Country of Incorporation</u>	<u>Effective Equity Interest (%)</u>		<u>Principal Activities</u>
		2020	2018	
Direct holding:				
Galactic Maritime (M) Sdn. Bhd.	Malaysia	-	49	Contractor of sand barrier project.

On 13 November 2019, the Company has made an agreement of selling 49% of Galactic Maritime (M) Sdn. Bhd. ("GMSB").

The summarised financial information represents the amounts in MFRS financial statements of the associate company and not the Group's share of those amounts.

(a) Summarised statements of financial position

	2020	2018
	RM	RM
Non-current assets	-	11,283,821
Current assets	-	8,964,051
Non-current liabilities	-	(1,642,000)
Current liabilities	-	(8,864,743)
Net assets	<u>-</u>	<u>9,741,129</u>

(b) Summarised statements of profit or loss and other comprehensive income

	2020	2018
	RM	RM
Revenue	-	4,571,663
Net loss for the financial period	<u>-</u>	<u>(14,076,023)</u>

Notes to the Financial Statements (cont'd)

31 January 2020

9 OTHER INVESTMENT

	GROUP / COMPANY	
	2020	2018
	RM	RM
In Malaysia:		
At cost		
Unquoted shares	<u>7,700,000</u>	<u>7,700,000</u>

On 1 April 2016, the Company has acquired 25% equity interests in Hyper QB Sdn. Bhd. (“Hyper QB”) with a cash consideration of RM7,700,000. This acquisition is classified as other investment as the Company does not have significant influence due to following:

- (a) The Company has limited influence in term of voting right and have no board representative in the board of directors in Hyper QB;
- (b) The Company has no authority to participate in the financial statement and operation activity of Hyper QB; and
- (c) There are no material transactions entered into between the Company and Hyper QB.

There have been no significant movement of the investment during the financial period.

10 TRADE RECEIVABLES

	GROUP		COMPANY	
	2020	2018	2020	2018
	RM	RM	RM	RM
Trade receivables				
- Third parties	800,534	27,825	656,750	656,750
- Retention sum	191,632	159,720	-	-
- Related party	<u>4,635,668</u>	<u>6,892,844</u>	<u>-</u>	<u>-</u>
	5,627,834	7,080,389	656,750	656,750
Less: Accumulated impairment losses	<u>(5,027,572)</u>	<u>(5,169,948)</u>	<u>(656,750)</u>	<u>(656,750)</u>
At 31 Jan/ 31 July	<u>600,262</u>	<u>1,910,441</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (cont'd)**31 January 2020****10 TRADE RECEIVABLES (CONT'D)**

Trade receivables are non-interest bearing and are generally on 60 to 120 days (2017: 60 to 120 days). They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	GROUP		COMPANY	
	2020 RM	2018 RM	2020 RM	2018 RM
At 1 August	5,169,948	2,649,199	656,750	656,750
Impairment losses recognized	82,534	2,527,749	-	-
Reversal during the year	(224,910)	(7,000)	-	-
At 31 Jan/ 31 July	<u>5,027,572</u>	<u>5,169,948</u>	<u>656,750</u>	<u>656,750</u>

Analysis of the trade receivables ageing as at end of the financial period is as follow:

	GROUP		COMPANY	
	2020 RM	2018 RM	2020 RM	2018 RM
Neither past due nor impaired	249,742	228,536	-	-
Past due but not impaired:				
61 to 90 days	17,667	1,375	-	-
91 to 120 days	12,669	12,629	-	-
More than 121 days	320,184	1,667,901	-	-
	<u>350,520</u>	<u>1,681,905</u>	-	-
	600,262	1,910,441	-	-
Impaired	<u>5,027,572</u>	<u>5,169,948</u>	<u>656,750</u>	<u>656,750</u>
	<u>5,627,834</u>	<u>7,080,389</u>	<u>656,750</u>	<u>656,750</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 January 2020, trade receivables of the Group and of the Company are RM350,520 and Nil (2018: RM1,681,905 and Nil) respectively were past due but not impaired. The management is confident that the amounts are recoverable as these accounts are still active.

Notes to the Financial Statements (cont'd)

31 January 2020

10 TRADE RECEIVABLES (CONT'D)

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM5,027,572 and RM656,750 (2018: RM5,169,948 and RM656,750) respectively, 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 debt recovery process.

11 OTHER RECEIVABLES

	GROUP		COMPANY	
	2020 RM	2018 RM	2020 RM	2018 RM
Other receivables				
- Related party	3,552,649	274,649	3,449,649	-
- Third parties	2,286,600	1,549,240	-	34,649
	<u>5,839,249</u>	<u>1,823,889</u>	<u>3,449,649</u>	<u>34,649</u>
Less: Accumulated impairment losses	(1,743,508)	(1,501,898)	-	-
	<u>4,095,741</u>	<u>321,991</u>	<u>3,449,649</u>	<u>34,649</u>
Deposits	780,260	200,687	615,900	-
Prepayment	313,911	3,112	-	-
At 31 Jan/ 31 July	<u>5,189,912</u>	<u>525,790</u>	<u>4,065,549</u>	<u>34,649</u>

Included in prepayment is the amount of RM NIL (2018: RM1,140,000) representing perform of purchase consideration retained by the Group as per disclosed in Note 8.

Movements in the allowance for impairment losses of other receivables are as follows:

	GROUP		COMPANY	
	2020 RM	2018 RM	2020 RM	2018 RM
At 1 August	1,501,898	766,615	-	-
Impairment losses recognized	241,906	735,283	-	-
At 31 Jan/ 31 July	<u>1,743,804</u>	<u>1,501,898</u>	<u>-</u>	<u>-</u>

Other receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

Notes to the Financial Statements (cont'd)**31 January 2020****12 AMOUNT DUE FROM AN ASSOCIATE COMPANY**

Amount due from an associate company is unsecured, non-interest bearing and repayable on demand.

13 AMOUNT DUE FROM/ (TO) SUBSIDIARIES

(a) Amount due from subsidiary companies

	COMPANY	
	2020	2018
	RM	RM
Non-trade related	10,198,971	11,720,921
Less: Accumulated impairment losses	<u>(10,198,971)</u>	<u>(11,720,921)</u>
	<u>-</u>	<u>-</u>

Amount due from subsidiary companies represent advances and payment made on behalf, which are unsecured, non-interest bearing and repayable on demand.

Movement in the allowances for impairment losses of amount due from subsidiary companies are as follows:

	COMPANY	
	2020	2018
	RM	RM
At 1 August	11,720,921	19,811,499
Impairment losses recognised	-	-
Impairment losses recovered	<u>(1,521,950)</u>	<u>(8,090,578)</u>
	<u>10,198,971</u>	<u>11,720,921</u>

Subsidiary companies that are individually determined to be impaired at the end of the reporting period.

Notes to the Financial Statements (cont'd)

31 January 2020

13 AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

(b) Amount due to subsidiary companies

	COMPANY	
	2020 RM	2018 RM
Non-trade related	<u>(126,305)</u>	<u>(1,416,781)</u>

Amount due to subsidiary companies represent non-trade transactions, advances and payment made on behalf, which are unsecured, non-interest bearing and repayable on demand.

14 CASH AND CASH EQUIVALENT

	Group		Company	
	2020 RM	2018 RM	2020 RM	2018 RM
Cash and bank balances	<u>1,162,511</u>	<u>671,353</u>	<u>50,543</u>	<u>569,918</u>

Notes to the Financial Statements (cont'd)**31 January 2020****15 SHARE CAPITAL**

	GROUP / COMPANY	
	2020	2018
	RM	RM
Issued and fully paid shares		
Ordinary share		
At 1 August	38,996,661	37,903,527
New share issued:		
-Pursuant to right issue (“Proposed Private Placement”)	1,477,713	-
-Share issuance scheme exercised	1,800,000	598,650
Exercised of share issuance scheme option reserve	-	494,484
At 31 Jan/ 31 July	<u>42,274,374</u>	<u>38,996,661</u>

The new Companies Act, 2016 (the “Act”), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital.

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

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 asset

Notes to the Financial Statements (cont'd)

31 January 2020

16 TRADE PAYABLES

	GROUP		COMPANY	
	2020 RM	2018 RM	2020 RM	2018 RM
Trade payables	24,905	24,905	-	-

Credit terms of trade payables of the group range from 30 to 60 days (2017: 30 to 60 days) depending on the terms of the contracts.

17 OTHER PAYABLES

	GROUP		COMPANY	
	2020 RM	2018 RM	2020 RM	2018 RM
Other payables:				
- Third parties	306,532	404,862	242,006	199,965
- Related party	489,391	490,190	11,333	798
	<u>795,923</u>	<u>895,052</u>	<u>253,339</u>	<u>200,763</u>
Accruals	1,456,153	720,255	1,000	55,000
	<u>2,252,076</u>	<u>1,615,307</u>	<u>254,339</u>	<u>255,763</u>

The related party is eNCoral digital solutions Sdn. Bhd (“EDSSB”) by virtue of certain directors of the company, as being the key management personnel of EDSSB. The amount due to related party is non-trade in nature and is unsecured, non-interest bearing and repayable on demand.

18 AMOUNT DUE TO DIRECTOR

The amount due to Director is unsecured and has no fixed term of repayment.

19 REVENUE

	GROUP	
	From 1.8.2018 to 31.1.2020 RM	2018 RM
Sales of hardware and software	21,800	1,093,490
Software development and system integration	7,743,730	8,354,254
Other Service Activities	283,575	-
	<u>8,049,105</u>	<u>9,447,744</u>

Notes to the Financial Statements (cont'd)**31 January 2020****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 determined after charging/(crediting) amongst other, the following items:

	GROUP		COMPANY	
	From 1.8.2018 to 31.1.2020 RM	2018 RM	From 1.8.2018 to 31.1.2020 RM	2018 RM
Auditors' remuneration				
- Statutory	110,000	117,000	55,000	55,000
Overprovision of depreciation	-	(56,698)	-	-
Amortization of intangible assets	2,083	273,775	-	-
Dividend income	(1,075,000)	(700,000)	(1,075,000)	(700,000)
Depreciation of property, plant and equipment	262,043	364,989	6,431	5,545
Impairment loss on				
- Trade receivables	-	2,527,749	-	-
- Other receivables	324,440	1,875,283	-	-
- Property, plant and equipment	-	4,950,000	-	-
Reversal of impairment on:				
- Trade receivables	-	(7,000)	-	-
- Amount due from subsidiaries	-	-	(1,521,950)	-
Interest income	(645)	(563)	(421)	(519)
Office rental	86,800	135,600	86,800	75,600
Loss on disposal of investment in associate company	-	-	7,620,000	-

Notes to the Financial Statements (cont'd)

31 January 2020

22 TAXATION

	GROUP		COMPANY	
	From 1.8.2018 to 31.1.2020 RM	2018 RM	From 1.8.2018 to 31.1.2020 RM	2018 RM
Tax expense recognized in profit and loss:				
Provision for current year	-	957	-	957

Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profits for the financial period.

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 of the Group and the Company are as follows:

	GROUP		COMPANY	
	From 1.8.2018 to 31.1.2020 RM	2018 RM	From 1.8.2018 to 31.1.2020 RM	2018 RM
Loss before taxation	<u>(3,359,542)</u>	<u>(16,177,165)</u>	<u>(7,684,948)</u>	<u>(2,247,669)</u>
Tax at current income tax rate of 24% (2018: 24%)	(806,290)	(3,882,520)	(1,844,388)	(539,441)
Tax effect of:				
- Non-deductible expenses	806,290	3,883,477	1,844,388	540,398
- Income not subject to tax	-	-	-	-
- Deferred tax assets not recognized during the financial period	-	-	-	-
Tax expense for the financial period	<u>-</u>	<u>957</u>	<u>-</u>	<u>957</u>

Notes to the Financial Statements (cont'd)**31 January 2020****23 LOSS PER SHARE**

a) Basis loss per share

The basic loss per share are calculated based on the consolidated loss for the financial period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period as follows:

	GROUP	
	2020	2018
	RM	RM
Loss attributable to owner of parent	<u>(2,738,840)</u>	<u>(15,329,781)</u>
Issued ordinary shares at 1 August (*)	259,140,750	221,197,525
Effect of ordinary share issued during the financial period	<u>39,114,000</u>	<u>37,943,225</u>
Weighted average number of ordinary shares at 31 Jan/31 July	<u>298,254,750</u>	<u>259,140,750</u>
Basic loss per ordinary share (in sen)	<u>(0.92)</u>	<u>(5.92)</u>

(*) The weighted average number of ordinary shares is after taking into effect of the share consolidation which was completed on 29th September, 2016.

b) Dilute loss per share

The diluted loss per share is not presented in the financial statements as the effect of the assumed conversion of the Warrants 2015/2020 and SIS Options during the financial period is anti-dilutive.

Notes to the Financial Statements (cont'd)

31 January 2020

24 STAFF COSTS

	GROUP		COMPANY	
	From 1.8.2018 to 31.1.2020 RM	2018 RM	From 1.8.2018 to 31.1.2020 RM	2018 RM
Salaries and allowances	849,390	1,150,900	849,390	459,218
Defined contribution plan	52,216	74,776	52,216	33,108
Social security contribution	5,940	8,072	5,940	3,558
Other benefits	-	292,145	-	791
	<u>907,546</u>	<u>1,525,893</u>	<u>907,546</u>	<u>496,675</u>

Included in staff costs is aggregate amount if remuneration received and receivable by the executive directors of the company and of the subsidiary companies during the financial period as below:

	GROUP		COMPANY	
	From 1.8.2018 to 31.1.2020 RM	2018 RM	From 1.8.2018 to 31.1.2020 RM	2018 RM
Directors				
<u>Existing Directors of the Company</u>				
Fees	375,088	-	375,088	-
Salaries and other emoluments	120,484	243,652	120,484	243,652
	<u>495,572</u>	<u>243,652</u>	<u>495,572</u>	<u>243,652</u>
<u>Existing Director of the subsidiary Company</u>				
Fees	-	-	-	-
Salaries	391,884	161,820	-	-
Defined contribution plan	-	100,087	-	-
	<u>391,884</u>	<u>261,907</u>	<u>-</u>	<u>-</u>
Total Executive Directors' remuneration	<u>887,456</u>	<u>505,559</u>	<u>495,572</u>	<u>243,652</u>
<u>Non-executive Directors' remuneration</u>				
- fees	<u>168,855</u>	<u>20,000</u>	<u>168,855</u>	<u>20,000</u>

Notes to the Financial Statements (cont'd)

31 January 2020

25 SHARE ISSUANCE SCHEME (“SIS”)

At an extraordinary general meeting held on 29th September, 2016, the company’s shareholders approved the establishment of SIS for eligible Directors and employee of the Group.

The salient features of the SIS scheme are as follows:

- (a) Any employees of the Group (excluding dormant subsidiaries) shall be eligible to participate if as at the date of offer, the employees of the Group:
- (b) Any Directors of the Group shall be eligible to participate it as at the date of offer, the Directors of the Group:
 - i. is at least eighteen (18) years old;
 - ii. has been appointed as a Director of a company within the Group, which is not dormant; and
 - iii. fulfils any other criteria that the Option Committee may from time to time determine at its discretion.
- (c) The maximum number of new shares to be issued pursuant to exercise of the SIS Options which may be granted under the SIS shares shall not exceed thirty percent (30%) of the total issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point of time throughout the duration of the SIS;
- (d) The Scheme shall be in force for a period of five (5) years commencing from the effective date. The Scheme may be extended by the Board of Directors, upon the recommendations of the SIS Committee, without having to obtain approval from the Company’s shareholders, for a further period up to five (5) years immediately from the expiry of the first five (5) years but will not in aggregate exceed ten (10) years.
- (e) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be multiple of and not less than 100 shares.
- (f) The new Company’s shares of RM0.10 each (“new Shares”) to be allotted and issued upon the exercise of the SIS Option shall, upon allotment and issue, rank pari passu in all respects with the existing Company’s ordinary share of RM0.10 each save and except that the new Shares will not be entitled to any distributions made or paid to the date of allotment of new Shares. The SIS Options shall not carry any right to vote at a general meeting of the Company.

Notes to the Financial Statements (cont'd)

31 January 2020

25 SHARE ISSUANCE SCHEME (“SIS”) (CONT'D)

Movement in the number of share options and the weighted average exercise process as follows:

Date of Offer	Exercise price	Number of options over ordinary shares			
		At 01.08.2018	Granted	Exercised	At 31.01.2020
26 March 2019	RM0.10	-	12,000,000	(12,000,000)	-
		-	12,000,000	(12,000,000)	-

Details of sis options outstanding at end of the financial period are as follows:

SIS Options	Weighted average exercise price		Exercise period
	2020 RM	2018 RM	
29 September 2016	0.10	0.10	29.9.2016 - 25.11.2020

The fair value of services received in return for share options granted during the financial period is based on the fair value of share options granted, estimated by the management using trinomial option pricing model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	2020	2018
Fair value granted date:		
29 September 2016	0.095	0.095
Weighted average share price (RM)	0.070	0.0997
Weight average exercise price (RM)	0.100	0.0850
Expected volatility (%)	136.659	136.659
Expected life rate (%)	4 years	4 years
Risk free rate (%)	2.90	3.136
Expected dividend yield (%)	Nil	Nil

Notes to the Financial Statements (cont'd)**31 January 2020****25 SHARE ISSUANCE SCHEME (“SIS”) (CONT’D)**

The expected life of the share options is based on historical data, has been adjusted according to management’s best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which not reflective of its long term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Director of the company and other members of key management have been granted the following number options under sis:

	2020	2018
	UNIT	UNIT
At 1 August	-	5,552,220
Granted	12,000,000	-
Restated	-	434,280
Exercised	<u>(12,000,000)</u>	<u>(5,986,500)</u>
At 31 Jan/ 31 July	<u>-</u>	<u>-</u>

26 RELATED PARTY DISCLOSURES**a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint 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. 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 comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

Notes to the Financial Statements (cont'd)

31 January 2020

26 RELATED PARTY DISCLOSURES (CONT'D)

b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 10, 11,12,13, 20 and 24 to the financial statements, the significant related party transactions of the Company are as follows:

	GROUP		COMPANY	
	2020 RM	2018 RM	2020 RM	2018 RM
Transactions with subsidiary companies				
Repayment of working capital from	41,993	380,348	41,993	15,000
Expenses paid on behalf of	725,069	5,548,524	725,069	5,533,621
Expenses paid on behalf by	64,500	(364,500)	64,500	(364,500)
Transaction with related party				
Fees received/receivable on software development in progress	773,788	2,282,111	-	-
Purchases	-	32,376	-	-
Rental expenses	-	60,000	-	-
Expense paid/ payable	-	-	-	-

c) Compensation of key management personnel

Key management personnel comprise executive and non-executive Directors of the Group and of the Company which their compensation has been disclosed in Notes 27 to the financial statements.

Notes to the Financial Statements (cont'd)

31 January 2020

27 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

Software & Books	Software development and system integration and sales of books and e-books
Piling Works	Piling and construction related
Dredging	Dredging and land reclamation
Corporate	Investment holding and others

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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 period.

Notes to the Financial Statements (cont'd)

31 January 2020

27 SEGMENT INFORMATION (CONT'D)

	Software & Books RM	Piling Works RM	Dredging RM	Corporate RM	Adjustments/ Eliminations RM	Total RM
2020 Revenue						
External customers	<u>7,765,530</u>	<u>283,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,049,105</u>
Results						
Amortisation of intangible assets	(2,083)	-	-	-	-	(2,083)
Impairment loss on property, plant and equipment	-	-	-	-	-	-
Depreciation of property, plant and equipment	(29,384)	-	-	(259,744)	-	(289,128)
Segment profit/(loss)	<u>(1,353,367)</u>	<u>(149,969)</u>	<u>(15,197)</u>	<u>(1,841,009)</u>	<u>-</u>	<u>(3,359,542)</u>
Segment assets	<u>3,103,415</u>	<u>1,510,220</u>	<u>15,172</u>	<u>13,214,095</u>	<u>(1,773,953)</u>	<u>16,068,949</u>
Segment liabilities	<u>18,485,108</u>	<u>157,436</u>	<u>5,560,480</u>	<u>795,811</u>	<u>(22,574,384)</u>	<u>2,424,451</u>
Other non-cash items						
Impairment loss on trade receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (cont'd)**31 January 2020****27 SEGMENT INFORMATION (CONT'D)**

	Software RM	Books RM	Dredging RM	Corporate RM	Adjustment/ Eliminations RM	Total RM
2018						
Revenue						
External customers	<u>9,447,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,447,744</u>
Results						
Amortisation of intangible assets	(273,775)	-	-	-	-	(273,775)
Impairment loss on property, plant and equipment	-	-	(4,950,000)	-	-	(4,950,000)
Depreciation of property, plant and equipment	(7,986)	-	(275,000)	(82,003)	-	(364,989)
Segment profit/(loss)	<u>(1,577,663)</u>	<u>-</u>	<u>(5,241,292)</u>	<u>(2,460,958)</u>	<u>(6,898,209)</u>	<u>(16,178,122)</u>
Segment assets	<u>3,524,801</u>	<u>-</u>	<u>-</u>	<u>20,556,518</u>	<u>(8,213,823)</u>	<u>15,867,496</u>
Segment liabilities	<u>17,553,127</u>	<u>-</u>	<u>5,571,057</u>	<u>3,963,248</u>	<u>(24,096,263)</u>	<u>2,991,169</u>
Other non-cash items						
Impairment loss on trade receivables	<u>2,527,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,527,749</u>

Notes to the Financial Statements (cont'd)

31 January 2020

28 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 4 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 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 2020	Available for sale RM	Loans and Receivables RM	Financial Liabilities Measured at Amortized Cost RM	Total RM
Financial Assets				
Other investment	7,700,000	-	-	7,700,000
Trade receivables	-	600,262	-	600,262
Other receivables	-	5,189,912	-	5,189,912
Amount due from associate company	-	-	-	-
Cash and bank balances	-	1,162,511	-	1,162,511
	<u>7,700,000</u>	<u>6,952,685</u>	<u>-</u>	<u>14,652,685</u>
Financial Liabilities				
Trade payables	-	-	24,905	24,905
Other payables	-	-	2,252,076	2,252,076
Amount due to director	-	-	146,513	146,513
	<u>-</u>	<u>-</u>	<u>2,423,494</u>	<u>2,423,494</u>

Notes to the Financial Statements (cont'd)

31 January 2020

28 FINANCIAL INSTRUMENTS (CONT'D)

a) Classification of financial instruments (cont'd)

GROUP	Available for sale RM	Loans and Receivables RM	Financial Liabilities Measured at Amortized Cost RM	Total RM
2018				
Financial Assets				
Other investments	7,700,000	-	-	7,700,000
Trade receivables	-	1,910,441	-	1,910,441
Other receivables	-	525,790	-	525,790
Amount due from associate company	-	53,000	-	53,000
Cash and bank balances	-	671,353	-	671,353
	<u>7,700,000</u>	<u>3,160,584</u>	<u>-</u>	<u>10,860,584</u>
Financial Liabilities				
Trade payables	-	-	24,905	24,905
Other payables	-	-	1,615,307	1,615,307
Amount due to director	-	-	1,350,000	1,350,000
	<u>-</u>	<u>-</u>	<u>2,990,212</u>	<u>2,990,212</u>
COMPANY				
2020				
Financial Assets				
Other investment	7,700,000	-	-	7,700,000
Other receivables	-	-	-	-
Amount due from associate company	-	103,000	-	103,000
Cash and bank balances	-	50,543	-	50,543
	<u>7,700,000</u>	<u>4,068,049</u>	<u>-</u>	<u>11,768,049</u>

Notes to the Financial Statements (cont'd)

31 January 2020

28 FINANCIAL INSTRUMENTS (CONT'D)

a) Classification of financial instruments (cont'd)

	Available for sale RM	Loans and Receivables RM	Financial Liabilities Measured at Amortized Cost RM	Total RM
COMPANY				
2020				
Financial Liabilities				
Other payables	-	-	254,339	254,339
Amount due to subsidiaries	-	-	126,305	126,305
Amount due to director	-	-	14,210	14,210
	<u>-</u>	<u>-</u>	<u>394,854</u>	<u>394,854</u>
2018				
Financial Assets				
Other investments	7,700,000	-	-	7,700,000
Other receivables	-	-	-	-
Amount due from associate company	-	34,649	-	34,649
Cash and bank balances	-	53,000	-	53,000
	<u>7,700,000</u>	<u>657,567</u>	<u>-</u>	<u>8,357,567</u>
Financial Liabilities				
Other payables	-	-	255,763	255,763
Amount due to subsidiaries	-	-	1,416,781	1,416,781
Amount due to director	-	-	500,000	500,000
	<u>-</u>	<u>-</u>	<u>2,172,544</u>	<u>2,172,544</u>

Notes to the Financial Statements (cont'd)

31 January 2020

28 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management objectives and policies

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

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

i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial period represent the Group's and the Company's maximum exposure to credit risk.

Notes to the Financial Statements (cont'd)

31 January 2020

28 FINANCIAL INSTRUMENTS (CONT'D)

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

ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. 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.

iii) Interest rate risk

The Group's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short- and long-term deposits.

A change in interest rates at the end of the reporting period would not significantly affect profit or loss in view that variable rate financial liabilities are not significant as at the reporting date.

iv) Technology 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.

Notes to the Financial Statements (cont'd)

31 January 2020

28 FINANCIAL INSTRUMENTS (CONT'D)

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.

29 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Group's approach to capital management during the financial period.

The Group is not subject to any externally imposed capital requirement.

Notes to the Financial Statements (cont'd)

31 January 2020

30 SIGNIFICANT EVENT

During mid-March 2020, the Government of Malaysia had enforced the nation total lockdown due to the COVID-19 outbreak. The outbreak has had an impact on almost all entities either directly or indirectly including INIX. The businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services which have triggered significant disruptions to business and resulting in an economic slowdown.

The Group has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 January 2020 have not been adjusted to reflect the above impact.

31 CHANGE OF FINACIAL YEAR END

The financial year end of the Company and its subsidiary companies has been changed from 31 July 2018 to 31 January 2020 during the financial period.

32 AUTHORISATIONS OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 January 2020 were authorised for issue in accordance with a resolution of the directors on 23 June 2020.

Analysis of Shareholdings

As at 15 June 2020

Issued Paid-up Capital	:	RM42,274,374
Number of Issued Shares	:	298,254,750
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share held

Distribution of Shareholdings

	No. of Shareholders	% Shareholdings		%
Less than 100	61	3.01	2,676	0.00
100 – 1,000	189	9.33	112,725	0.04
1,001 – 10,000	488	24.14	2,843,000	0.96
10,001 – 100,000	912	45.01	41,727,947	13.99
100,001 to less than 5% of issued share capital	373	18.41	204,882,250	68.69
5% and above of issued share capital	3	0.10	48,686,152	16.32
Total	2,026	100.00	298,254,750	100.00

Substantial Shareholders

As per the Register of Substantial Shareholders

No.	Name of Substantial Shareholder	Direct Interest	%	Indirect Interest	%
1.	Zhang Yang	16,174,800	5.42	-	-
2.	Dato' Zhang Li	3,800,000	1.40	16,174,800 ^(a)	5.42
3.	eNcoral Digital Solutions Sdn Bhd	15,854,352	5.32	-	-
4.	Dr. Azman Bin Hussin	-	-	15,854,352 ^(b)	5.32
5.	Jacqueline Lee Fei Fei	16,657,000	5.58	-	-

Notes:-

(a) Deemed interested by virtue of her son, Zhang Yang's direct shareholding in the Company.

(b) Deemed interested pursuant to Section 8 of the Companies Act, 2016.

Directors' Interests in Shares

As per the Register of Directors' Shareholdings

Name of Directors	Direct Interest	%	Indirect Interest	%
Dato' Megat Fairouz Junaidi Bin Megat Junid	-	-	-	-
Zhang Yang	16,174,800	5.42	-	-
Dato' Zhang Li	3,800,000	1.40	16,174,800 ^(a)	5.42
Lee Yuen Shien -	-	-	-	-
Edwin Silvester Das	-	-	-	-

Notes:-

(a) Deemed interested by virtue of her son, Zhang Yang's direct shareholding in the Company

Analysis of Shareholdings (cont'd)

As at 15 June 2020

Thirty (30 Largest Shareholders)

No.	Name	Shareholdings	%
1.	JACQUELINE LEE FEI FEI	16,657,000	5.58
2.	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG YANG (029)	16,174,800	5.42
3.	ENCORAL DIGITAL SOLUTIONS SDN BHD	15,854,352	5.32
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TAI TEAN SENG	13,557,000	4.55
5.	AZAM KHAN BIN AYOB MOHAMED	10,105,400	3.39
6.	CHAN CHOOI FOON	7,013,900	2.35
7.	LIZALINA CHEW SIN WEI	7,000,000	2.35
8.	TYE YIEN YIN	4,500,000	1.51
9.	LEONG PEY LI	3,967,800	1.33
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH CHEE TEONG	3,904,800	1.31
11.	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG LI	3,800,000	1.27
12.	TYE SOK CIN	3,448,600	1.16
13.	CHAN TOW NGOH	3,400,000	1.14
14.	TEE CHEE TEONG	3,300,000	1.11
15.	NG YEW CHOY	3,048,000	1.02
16.	CHIANG SIEW ENG @ LE YU AK EE	2,500,000	0.84
17.	HAN FOO JUAN	2,350,000	0.79
18.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR BARKATH STORES (PENANG) SDN BERHAD (PB)	2,250,000	0.75
19.	WAN YEW CHEONG	2,200,000	0.74
20.	DIGITAL ZILLION SDN BHD	1,849,500	0.62
21.	TAN CHEE PHIN	1,638,250	0.55
22.	LEANG LUNG YE	1,629,800	0.55
23.	LADUE NAKIAH OSMAN	1,550,000	0.52
24.	LOW MENG SUN	1,500,000	0.50
25.	NGUYEN THI PHUONG	1,500,000	0.50
26.	YONG SIW YA	1,500,000	0.50
27.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AIMRAN BIN RATIM (REM 133-MARGIN)	1,404,900	0.47
28.	CHIENG YU SOON	1,400,000	0.47
29.	PAUZI BIN MAMAT	1,385,000	0.46
30.	CHIN WEE SHAN	1,350,000	0.45
		141,739,102	47.52

Analysis of Warrant Holdings

As at 15 June 2020

Number of outstanding warrants	:	104,317,125	
		Pursuant to the Right Issue with Warrants on the basis of three (3) Warrant for every four (4) Rights Share subscribe	
Exercise price per warrant	:	RM0.10 per ordinary share	
Exercise period of warrants	:	Period of five (5) years expiring on 8 October 2020	
Voting Rights	:	None unless warrant holders exercise their warrants for new ordinary shares	

Distribution of Warrant Holdings

	No. of Shareholders	% Shareholdings		%
Less than 100	74	10.07	3,212	0.00
100 – 1,000	38	5.17	13,888	0.01
1,001 – 10,000	115	15.65	671,217	0.64
10,001 – 100,000	337	45.85	15,530,272	14.89
100,001 to less than 5% of issued share capital	169	22.99	76,590,786	73.43
5% and above of issued share capital	2	0.27	11,507,750	11.03
Total	735	100.00	104,317,125	100.00

Substantial Warrant Holders

As per the Register of Substantial Warrant Holders

No.	Name of Substantial Warrant Holder	Direct Interest	%	Indirect Interest	%
1.	Azam khan Bin Ayob Mohamed	6,150,750	5.90	-	-
2.	Ahmad Farish Bin Amri	5,357,000	5.14	-	-

Analysis of Warrant Holdings (cont'd)

As at 15 June 2020

Thirty (30 Largest Warrant Holders

No.	Name	Shareholdings	%
1.	AZM KHAN BIN AYOB MOHAMED	6,150,750	5.90
1.	AZAM KHAN BIN AYOB MOHAMED	6,150,750	5.90
2.	AHMAD FARISH BIN AMRI	5,357,000	5.14
3.	ONG LOO CHOON	4,709,000	4.51
4.	LEE KIN PENG	3,121,000	2.99
5.	ZAIDI BIN MOHD ZIN	2,000,000	1.92
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN ABDULLAH	1,800,000	1.73
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AIMRAN BIN RATIM (REM 133-MARGIN)	1,692,450	1.62
8.	RAMLI BIN AB GHANI	1,500,000	1.44
9.	MOHAMAD HUSNI BIN WAHID	1,200,000	1.15
10.	MOHD AZHAN BIN JUSOH	1,172,000	1.12
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK MOHD FAIZ BIN SAPIAA @ MD NORDIN	1,150,000	1.10
12.	ABDUL AFIQ BIN ABBUL RAHMAN	1,000,000	0.96
13.	ASKAPARY A/P T.RAJARATNAM	1,000,000	0.96
14.	MOHD SAHID BIN MASTUKI	1,000,000	0.96
15.	MOHD SAM BIN MOHD YUSOF	1,000,000	0.96
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHONG ANN	985,000	0.94
17.	NIK MOHD FAIZ BIN SAPIAA @ MD NORDIN	968,700	0.93
18.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG HUI SHAN (STA 2)	952,800	0.91
19.	TEE CHEE BOON	900,000	0.86
20.	WAN MOHD EFFENDI BIN WAN	900,000	0.86
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR P.PREM ANAND PILLAI	886,000	0.85
22.	WONG SIEW PENG	880,200	0.84
23.	TAN CHEE PHIN	850,500	0.82
24.	KAMARUL ASRI BIN IBRAHIM	824,700	0.79
25.	TAM TZE SHEONG	820,000	0.79
26.	SONG TIAN FWU	758,000	0.73
27.	TAN EE PENG	744,900	0.71
28.	TANG WAY KEONG	714,000	0.68
29.	CHONG WEN CHIEH	700,000	0.67
30.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN JAMAL (MARGIN)	700,000	0.67
		46,437,000	44.52

Notice of Fifteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting (“the Meeting”) of Inix Technologies Holdings Berhad (“the Company”) will be conducted fully virtual at the Broadcast Venue at Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 29 July 2020 at 11.00 a.m. to transact the following businesses:-

As Ordinary Business

1. To receive the Audited Financial Statements for the financial period from 1 August 2018 to 31 January 2020 together with the Reports of the Directors and Auditors thereon. *Please refer to Note (a)*
2. To approve the payment of Directors’ fees and benefits for the financial period from 1 August 2018 to 31 January 2020. *Resolution 1*
3. To approve the Directors’ fees and benefits payable up to an amount of RM504,000 for the period from 1 February 2020 until the next Annual General Meeting of the Company to be held in 2021. *Resolution 2*
4. To re-elect Dato’ Megat Fairouz Junaidi Bin Megat Junid who retires in accordance with Article 85 of the Company’s Articles of Association of the Company and being eligible, offer himself for re-election. *Resolution 3*
5. To re-elect the following Directors who retire pursuant to Article 92 of the Company’s Articles of Association:-
 - 4.1 Dato’ Zhang Li *Resolution 4*
 - 4.2 Mr. Lee Yueh Shien *Resolution 5*
 - 4.3 Mr. Edwin Silvester Das *Resolution 6*
 - 4.4 Mr. Zhang Yang *Resolution 7*
6. To re-appoint Messrs. Jamal, Amin & Partners as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Resolution 8*

As Special Business

To consider and, if thought fit, to pass with or without modifications, the following Resolutions:-

Notice of Fifteenth Annual General Meeting (cont'd)

7. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016** *Resolution 9*

“**THAT** subject always to the Companies Act, 2016 (“Act”), and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 76 of the Act to allot shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being.”

8. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** *Resolution 10*

“**THAT** subject to the passing of Ordinary Resolution 3 and based on application of Practice 4.2 of the Malaysian Code of Corporate Governance, Dato’ Megat Fairouz Junaidi Bin Megat Junid who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 17 June 2005 be and is hereby retained as an Independent Non-Executive Director of the Company.”

9. **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY (“PROPOSED ADOPTION OF NEW CONSTITUTION”)** *Special Resolution*

“**THAT** the existing Company’s Memorandum and Articles of Association be deleted in its entirety and that the new Constitution as set out in Appendix A to Shareholders accompanying the Company’s 2020 Annual Report be replaced thereof and adopted as the new Constitution of the Company with immediate effect.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and take such steps that may be necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution with full power to assent to any conditions, modifications, and/or amendments as may be required by any relevant authorities.”

10. 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, 2016.

BY ORDER OF THE BOARD

Mohd Zakie Bin Soad
(LS 0008268)
Company Secretary

Kuala Lumpur
30 June 2020

Notice of Fifteenth Annual General Meeting (cont'd)

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies [but not more than two (2)] to attend and vote in his stead.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of shareholdings to be represented by each proxy. Each proxy appointed shall represent a minimum of 1,000 shares held by the member.
3. 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.
4. This Form of Proxy must be deposited at the Registered Office of the Company, Unit No 1119, 11th Floor, Block A, Damansara Intan, No 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor, Malaysia not less than forty-eight (48) hours before the time appointed for the holding of the Meeting.
5. Only depositors whose names appear in the Record of Depositors as at 22 July 2020 shall be entitled to attend the Fifteenth Annual General Meeting.

Explanatory Notes on Special Business:-

- (a) Audited Financial Statements for the Financial Period from 1 August 2018 to 31 January 2020

The Audited Financial Statements under Agenda 1 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only as the approval of shareholders is not required, Hence, this Agenda is not put forward for voting by the shareholders of the Company.

- (b) Ordinary Resolutions 1 & 2 - Pursuant to Section 230(1) of the Act, the fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Fifteenth Annual General Meeting ("AGM") on the Directors' fees and benefits in two (2) separate resolutions as below:-
- Ordinary Resolution 1 on payment of Directors' fees and benefits for the period from 1 August 2018 to 31 January 2020; and
 - Ordinary Resolution 2 on payment of Directors' fees and benefits for the period commencing from the date of the forthcoming Annual General Meeting until the next Annual General Meeting in year 2021.

The Directors' fees and benefits consist of

- Monthly fixed fee for duties as Director; and
- Meeting allowance for each Board/ Board Committee meeting attended.

The Directors' fees and benefits are estimated not to exceed RM504,000.00. The calculation is based on the estimated number of scheduled Board / Board Committee meetings and on assumption that the number of Directors will remain the same until the next AGM in year 2021.

- (c) Ordinary Resolution 9 – Authority for Directors to issue and allot shares in the Company pursuant to Section 76 of the Companies Act, 2016

The Proposed Ordinary Resolution 8, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten (10) per centum of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

Notice of Fifteenth Annual General Meeting (cont'd)

This authority will expire at the conclusion of the next AGM of the Company or at the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

On 21 August 2019, the Company had announced its proposal to undertake a private placement comprising the issuance of up to 37,545,700 new ordinary shares (“Placement Shares”) representing not more than ten (10) per centum of the total number of issued to third parties to be identified (“Proposed Private Placement”), and made an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities.

On 30 September 2019, Bursa Securities granted approval for the listing of and quotation of the Placement Shares on the ACE Market of Bursa Securities. As at the date of this report, the status of utilization of proceed raised from Proposed Private Placement is as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation (from listing date)
Expenses on potential business opportunity	250	250	Within 3 months
Expenses for acquisition of Aircomaster Sdn Bhd	350	350	Within 6 months
Working Capital	660	660	Within 12 months
Expenses for Proposed Private Placement	150	150	Within 1 month
Total gross proceeds	1,410	1,410	

(d) Ordinary Resolution 10 – Retention of Independent Non-Executive Director

The Board of Directors applied Practice 4.2 of the Malaysian Code on Corporate Governance (“MCCG”) and seeks the shareholders’ approval to continue retain Dato’ Megat Fairouz Junaidi Bin Megat Junid (“Dato’ Megat”), who has served as Independent Non-Executove Director of the Company for a cumulative term of office of more than twelve (12) years through a Two-tier Voting Process at this AGM.

The Board through the Nomination Committee (“NC”), has determined that Dato’ Megat is fair and impartial in carrying out their duties to the Company. As Director, they continue to bring independent and objective judgements to Board deliberations and decision-making process as a whole. Dato’ Megat also has vast and diverse range of experiences and brings the right mix of skills to the Board. The Board therefore, endorsed the NC’s recommendation for Dato’ Megat to be retained as Independent Director.

(e) Special Resolution – Proposed Adoption of New Constitution

The Special Resolution will align the Constitution of the Company with the relevant provisions of the Companies Act, 2016, the updated ACE Market Listing Requirements of Bursa Securities and the prevailing statutory and regulatory requirements, as well as to provide clarity and consistency. The proposed New Constitution is set out in the Appendix A accompanying the Annual Report.

Statement Accompanying the Notice of Annual General Meeting

1. Fifteenth Annual General Meeting of the Company will be will be conducted fully virtual at the Broadcast Venue at Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 29 July 2020 at 11.00 a.m.
2. The Directors who are standing for re-election at the Fifteenth Annual General Meeting of the Company pursuant to Article 92 of the Articles of Association of the Company are:-
 - a) Dato' Zhang Li
 - b) Mr. Lee Yueh Shien
 - c) Mr. Edwin Silvester Das
 - d) Mr. Zhang Yang

The details of the above Directors seeking re-election are set out in the Profile of Directors as disclosed on pages 8 and 9 of this Annual Report.

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial period from 1 August 2018 to 31 January 2020 are disclosed in the Corporate Governance Overview Statement set out on page 14 of this Annual Report



INIX TECHNOLOGIES HOLDINGS BERHAD

[200401027289 (665797-D)]

CDS Account No.	
No of Shares Held	

FORM OF PROXY

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

Telephone number _____ Email address _____ being a Member/
Members of INIX TECHNOLOGIES HOLDINGS BERHAD hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

NRIC/Passport No. _____ of _____
(FULL ADDRESS)

Telephone number _____ Email address _____ or failing whom,
_____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

Telephone number _____ Email address _____

or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company ("the Meeting") to be conducted fully virtual at the Broadcast Venue at Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 29 July 2020 at 11.00 a.m. and at any adjournment thereof.

I / We direct my / our proxy to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder:

Resolutions	For	Against
1. Payment of Directors' Fees and Benefits for the financial period from 1 August 2018 to 31 January 2020		
2. Payment of Directors' Fees and Benefit from 1 February 2020 up to the next Annual General Meeting of the Company to be held in 2021.		
3. Re-election of Dato' Zhang Li		
4. Re-election of Mr. Lee Yueh Shien		
6. Re-election of Mr. Edwin Silvester Das		
7. Re-election of Mr. Zhang Yang		
8. Re-appointment of Auditors		
9. Authority to Issue Shares Pursuant to Section 76 of the Companies Act, 2016		
10. Retention of Dato' Megat Fairouz Junaidi Bin Megat Junid as Independent Non-Executive Director		
11. Proposed adoption of New Constitution		

Dated this.....day of.....2020.

.....
Signature/ common seal of shareholder

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies [but not more than two (2)] to attend and vote in his stead.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of shareholdings to be represented by each proxy. Each proxy appointed shall represent a minimum of 1,000 shares held by the member.
3. 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.
4. This Form of Proxy must be deposited at the Registered Office of the Company, Unit No 1119, 11th Floor, Block A, Damansara Intan, No 1, Jalan SS20/27 47400 Petaling Jaya, Selangor, Malaysia not less than forty-eight (48) hours before the time appointed for the holding of the Meeting.
5. Only depositors whose names appear in the Record of Depositors as at 22 July 2020 shall be entitled to attend the Fifteenth Annual General Meeting.

Fold along the line

Affix
Postage
Stamp
Here

THE REGISTERED OFFICE
COMPUTERAID MANAGEMENT SERVICES SDN BHD

Unit 1119 (Entrance 5), 11th Floor
Block A, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

Fold along the line

INIX Technologies Holdings Berhad

[200401027289 (665797-D)]

506, Block D, Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11 Off Jalan Damansara
46350 Petaling Jaya, Selangor Darul Ehsan

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