ZEN TECH INTERNATIONAL BERHAD
[Registration No. 200401027289 (665797-D)]
(Formerly known as INIX Technologies Holdings Berhad)

2022 ANNUAL REPORT

PRIORITISING WHAT MATTERS

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SCAN ME

CHAIRMAN'S STATEMENT

"

On behalf of the Board of Directors ("Board"), it is my privilege to share the Annual Report and Audited Financial Statements of Zen Tech International Berhad (formerly known as INIX Technologies Holdings Berhad) ("Zen Tech" or the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2022 ("FY2022").

"

Firstly, I would like to thank the Board and Management team for the support given to me to lead this Company in this competitive market and we will endeavor to enhance the brand in the eyes of investors and our external stakeholders.

The COVID-19 pandemic lingered on for more than 18 months and it nearly brought the global and domestic economic activities almost to a halt. Many businesses ceased operations albeit not able to withstand the closure of economic activities as a result of restrictions on movements, both global and local during the many months of lockdowns.

As we are striving to overcome these unprecedented challenges, the global economy and the way businesses operate have irrevocably changed in many ways. We are now faced with post-pandemic and economic issues such as inflation, supply chain disruption, geopolitical tensions, intensifying ESG activism, accelerating digitalization, etc. which are all occurring simultaneously – an unprecedented trend and development in modern business practices and a serious potential threat to organisational sustainability.

CHAIRMAN'S STATEMENT (CONT'D)

The Group's resilience, capability to navigate and resolve these various adversities in this challenging environment have been instrumental in our effort to rise above any obstacles, allowing the Group to stay stronger and fully committed to achieve a sustainable growth moving forward.

This year also saw the rebranding of the Group from INIX Technologies Holding Berhad to Zen Tech International Berhad. The new name reflects our bold intentions and as part of the ongoing evolution of the Group to be a known brand as a glovemaker and eCommerce specialist.

The performance of our gloves has been encouraging and expected to grow with our new production lines expecting completion, that is with the completion of three (3) production lines in the first quarter of 2023, and another two (2) lines to be installed progressively and commissioned by the second quarter of 2023. The Group is looking forward to having a total of 11 production lines in operation with an estimated annual capacity of 1.060 billion pieces of examination gloves by 2024. This expansion will allow us to gain greater economies of scale, which translates into lower production costs and to be able to maintain a healthy and consistent demand.

The production of gloves are expected to increase in 3rd and 4th quarter of 2022, and we are gradually moving back to a normal level of production post-pandemic. Demand for gloves continues to be strong, mainly due to higher awareness of hygiene and safety which contributed to the usage of gloves across most industries ranging from healthcare, hospitality, food and beverage, retirement homes, etc. This is expected to persist over the long term, particularly in countries with lower glove usage per capita.

For our eCommerce initiatives, the Group is constantly looking into establishing strategic collaborations, partnerships with organisations that require our expertise as we have seen the growing of use technology in the last 2 years in the retail and services sector during the pandemic. The Group is also working on several innovative solutions for the retail sector in the glove industry.

Moving forward, the Group will continuously work towards overcoming the challenges it faces and strives to turnaround the Group's financial performance in the coming years to better figures through various measures and strategies.

On behalf of the Board, I would like to express our sincere thanks to our employees for their unwavering dedication and commitment to the direction and goals of the Group, as we continually adapt to the challenging business environment.

I would like to extend our deepest appreciation to our shareholders, partners and stakeholders for their confidence, trust, and on-going support. To my colleagues on the Board, many thanks for their deliberations and wise counsel.

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
Independent Non-Executive Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
Independent Non-Executive Chairman

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

YBhg Dato' Zhang Li
Executive Director

Mr. Siva Kumar Kalugasalam
Executive Director

Mr. Chow Hung Keey
(Appointed on 21 December 2021)
Executive Director

Mr. Edwin Silvester Das
Independent Non-Executive Director

Mr. Zhang Yang
Non-Independent and Non-Executive Director

AUDIT COMMITTEE

Chairman
Mr. Edwin Silvester Das

Members
- Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
- Dato' Megat Fairouz Junaidi Bin Megat Junid

NOMINATION COMMITTEE

Chairman
Dato' Megat Fairouz Junaidi Bin Megat Junid

Members
- Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
- Mr. Edwin Silvester Das

REMUNERATION COMMITTEE

Chairman
Dato' Megat Fairouz Junaidi Bin Megat Junid

Members
- Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
- Mr. Edwin Silvester Das

RISK MANAGEMENT AND INVESTMENT COMMITTEE

Chairman
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

Members
- Dato' Megat Fairouz Junaidi Bin Megat Junid
- Mr. Edwin Silvester Das

COMPANY SECRETARY

Tan Tong Lang (MAICSA 7045482)
(SSM PC No. 202208000250)

AUDITORS

SBY Partners PLT
9-B, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur.
Tel: 03-2693 8837
Fax: 03-2693 8836

REGISTERED OFFICE

Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam,
Selangor Darul Ehsan, Malaysia
Tel: 03 7890 0638
Fax: 03 7890 1032

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Tel: 03 7784 3922
Fax: 03 7784 1988
Email: binawin@hotmail.com

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 : ZENTECH
Stock Code: 0094

5-YEAR FINANCIAL HIGHLIGHTS

RM'000	01.08.2016 to 31.07.2017	01.08.2017 to 31.07.2018	01.08.2018 to 31.01.2020	01.02.2020 to 30.06.2021	01.07.2021 to 30.06.2022
Revenue	5,232	9,447	8,186	18,235	26,480
Profit / (Loss) before tax	(10,691)	(16,177)	(3,359)	(10,011)	(3,723)
Profit / (Loss) after tax	(10,691)	(16,178)	(3,359)	(10,653)	(4,926)
(Loss) Attributed to Shareholders	(10,691)	(16,178)	(2,738)	(11,393)	(6,375)
Total assets	29,989	15,867	16,068	37,991	58,658
Total current liability	1,589	2,981	2,424	9,167	22,620
Total non-current liability	-	-	-	3,313	4,127
Net assets	28,419	12,876	13,644	25,511	31,911
Total number of shares ('000)	238,590	259,140	298,254	466,604	513,264
Net assets per share (RM)	0.119	0.049	0.046	0.054	0.062
Basic earnings per share (sen)	(3.95)	(5.92)	(0.92)	(2.44)	(1.24)

NET ASSETS

RM 31.9 MIL

REVENUE

RM 26.4 MIL

PROFIT / (LOSS) BEFORE TAX

RM (3.7) MIL

NET ASSET PER SHARE

0.062 SEN

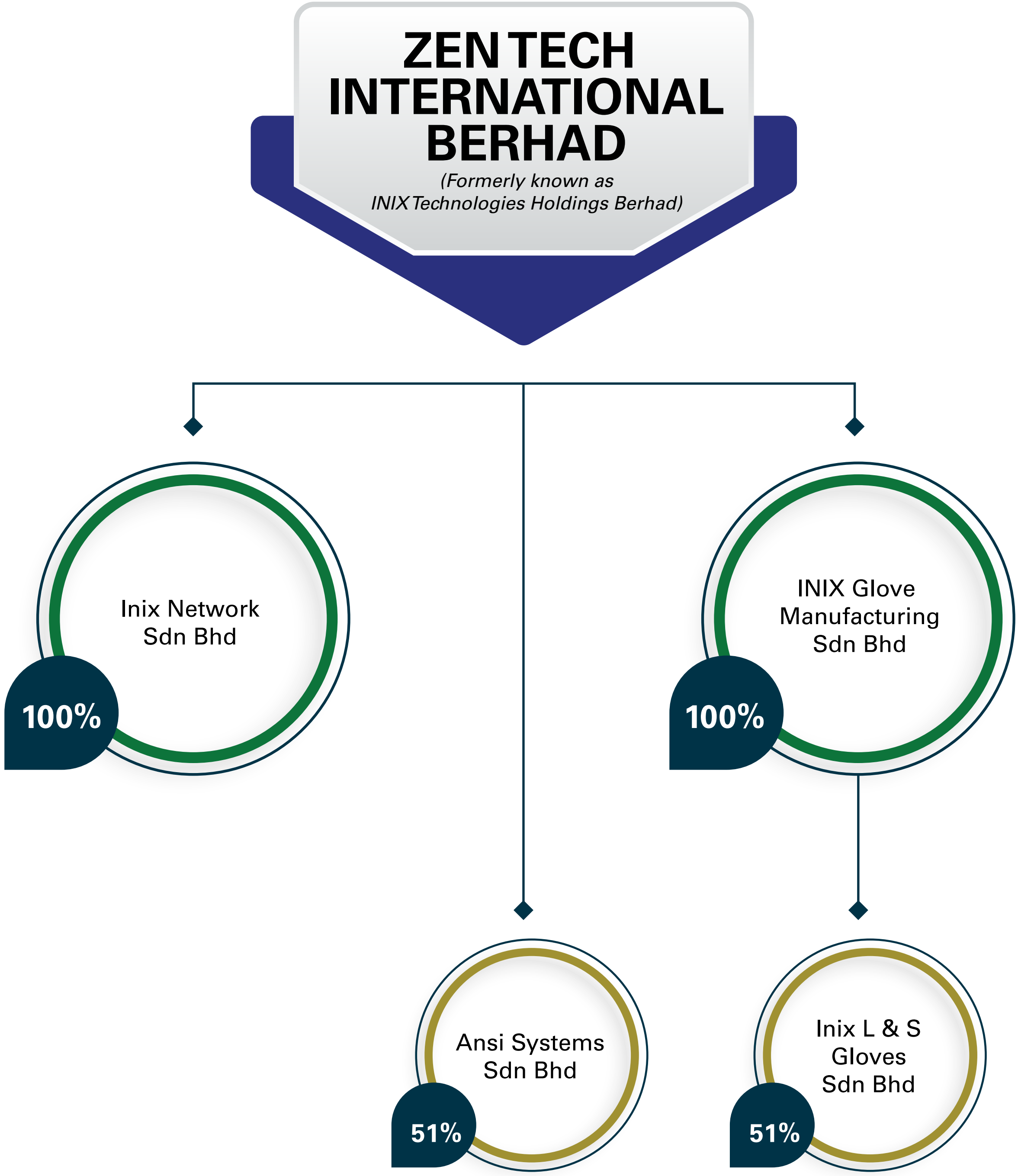
TOTAL ASSETS

RM 58.6 MIL

BASIC EARNING (LOSS) PER SHARE

(1.24) SEN

GROUP STRUCTURE



BOARD OF DIRECTORS' PROFILE

YBHG. TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR
Independent Non-Executive Chairman

Age : 74
Nationality : Malaysia
Gender : Male

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, is our Independent Non-Executive Chairman. He is the Chairman of Risk Management and Investment Committee, also a member of our Audit Committee, Nomination Committee and Remuneration Committee.

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir graduated with a Bachelor of Economics Degree majoring in Accountancy from the University of Tasmania, Australia in 1975. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir started his career with Petronas. He served in various positions there, rising to Head of Northern Region before leaving Petronas to venture into business.

Tan Sri Syed investments in the local business sphere have resulted in securing international chains like Hard Rock Cafe and Nobu into Malaysia. In the recent year his company saw to the opening of the prestigious Four Seasons Place in the KL Golden Triangle. He is an entrepreneur who has more than forty (40) years of experience in diverse areas such as property development, construction, media, entertainment, hotel management and hospitality, food and beverage, banking and information technology.

He was formerly the Chairman of Southern Bank Berhad and Killinghall (Malaysia) Bhd, a former Director of Southern Finance Berhad and AM Trustee Berhad. He is also on the Board of various private companies and a trustee of Yayasan Raja Muda Selangor, Yayasan Sultan Kelantan Darul Naim and Yayasan Toh Puan Zurina (Melaka). Currently, he is the Non-Independent & Non-Executive Director of Titijaya Land Berhad. He also sits on the Board of several private limited companies.

He does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE (CONT'D)

YBHG. DATO' MEGAT FAIROUZ JUNAIDI BIN MEGAT JUNID

Senior Independent Non-Executive Vice Chairman

Age : 57
Nationality : Malaysia
Gender : Male

Dato' Megat Fairouz Junaidi Bin Megat Junid was appointed as Independent Non-Executive Chairman on 17 June 2005. He was re-designated as Senior Independent Non-Executive Vice Chairman on 7 August 2020. He is also the Chairman of our Nomination Committee and Remuneration Committee, as well as a member of Audit Committee and Risk Management and Investment Committee.

He graduated from the Arkansas State University with a Bachelor of Science in Finance in 1987 and a Master in Business Administration in 1988.

He does not hold directorship in any other public listed companies and listed issuer. He does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE (CONT'D)

YBHG. DATO' ZHANG LI
Executive Director

Age : 62
Nationality : China
Gender : Female

Dato' Zhang Li retired as Executive Director on 31 December 2018 and re-appointed as Executive Director on 15 February 2019.

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 Securities Berhad 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 5,981,400 ordinary shares and has deemed interest of 27,703,500 ordinary shares in the Company via her son, Zhang Yang's direct shareholdings in the Company. She is mother of Zhang Yang, a Non-Independent and Non-Executive Director of the Company. She does not have any other family relationship with any major shareholders of the Company.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE (CONT'D)

MR. SIVA KUMAR KALUGASALAM
Executive Director

Age : 52
Nationality : Malaysia
Gender : Male

Siva Kumar Kalugasalam, is our Executive Director and he was appointed to the Board on 17 August 2020.

Siva Kumar Kalugasalam's experiences span over 26 years with Public Audit Firms and renowned corporate players in varied industries such as Aviation, Manufacturing, Construction, Security, Education, Talent Management, and International Trading (Import & Export) of FMCG who have local, regional and global presence.

Siva Kumar Kalugasalam was the Group Chief Executive Officer at APFT Berhad since mid-April 2019 until 31 July 2020. Siva Kumar started his career with APFT Berhad in 2016. In August 2018, he was appointed as the Chief Operating Officer.

Siva Kumar has a Bachelor of Business in Accounting from University of Technology, Graduate Diploma in Business and Management from University of Sunshine Coast / Segi University and Master of Business Administration from University of Wales Trinity St David, UK. Siva Kumar is also a Fellow of the Institute of Public Accountants, Australia, a Fellow of the Institute Financial Accountants, UK, a Member of the Management Institute of Malaysia, a Fellow of the Chartered Management Institute, UK and Member of Malaysian Institute of Human Resource Management. Currently, he is the Non-Independent and Non-Executive Director of AHB Holdings Berhad.

He does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE (CONT'D)

MR. CHOW HUNG KEEY
Executive Director

Age : 34
Nationality : Malaysia
Gender : Male

Mr. Chow Hung Keey, is our Executive Director and he was appointed to the Board on 21 December 2021. Mr. Chow started as an Audit Associate with KPMG Malaysia in 2010, before joining CIMB Bank as a Relationship Manager, advising on the accounts of selected high-net-worth clients in 2011. He was then promoted as Senior Relationship Manager in 2012.

Between 2012 to 2015, he was an Executive Director of a public company, listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), primarily engaged in software development, system integration, IT management consultancy and other related professional services.

Between 2015 to 2019, he was appointed as a Non-Executive Director for a public company, listed on the ACE Market of Bursa Securities, primarily engaged in track and trace solutions provider that utilizes Radio Frequency Identification (RFID).

He was also a Non-Executive Director of a company listed on the Main Board of Bursa Securities, principally engaged in Flight Training and Air Charter Services from 2017 to 2018. In 2019, he joined a bumiputra construction and property development company taking the roles as the Financial Advisor and subsequently promoted as the Corporate Development Director in 2020.

Mr. Chow is a member of the Association of Chartered Certified Accountants (ACCA), a member of the Malaysian Institute of Accountants (MIA), a member of the ASEAN Chartered Professional Accountant (ASEAN CPA) and also an affiliate member of the Asian Institute of Chartered Bankers (AICB). Currently, Mr. Chow is the Executive Director of AHB Holdings Berhad.

He holds direct 177,600 ordinary shares in the Company and does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE (CONT'D)

MR. EDWIN SILVESTER DAS
Independent and Non-Executive Director

Age : 64
Nationality : Malaysia
Gender : Male

Edwin Silvester Das was appointed as Independent Non-Executive Director on 15 February 2019. He is the Chairman of Audit Committee, Nomination Committee, Remuneration Committee, and Risk Management and Investment Committee.

Edwin Silvester Das had a long and distinguished banking and corporate career for more than 35 years both in Malaysia and abroad, with exposure to banks and various types of industries locally and abroad.

Edwin Silvester Das is a graduate (Dean's List) from Southern Illinois University at Carbondale, Illinois, USA. He started his banking career in 1985 and worked in the USA, Europe, Africa, India, Sri Lanka and Malaysia. He was also with Oracle Corporation USA as an industry expert for the financial services sector from 2000- 2002, before moving back to Malaysia in response to a job offer by another public listed company, Sitt Tatt Berhad. His role in Sitt Tatt was again in the area of financial and management restructuring.

In late 2004, he took up a position as CEO/MD with an international public listed company engaged in infrastructure projects in India and was based in India for 3 years. In 2007 he was appointed to the Board of PJBumi Berhad and Alam Flora Sdn Bhd. Both the companies were engaged in wastewater and municipal waste management.

In 2012- 2014, he was also appointed as a Board of Director to two International Commercial Bank in North Sudan (Khartoum) and South Sudan (Juba) where he was instrumental to help turn-around the banks with new products, banking and audit policies, risk management and taking both the banks into the international market. With his strengths, experience and knowledge in banking and restructuring of companies, he turned around both the banks which are today tier one banks. He was the Chairman of the Audit Committee for both the banks.

In November 2016 - January 2018, he was appointed as Executive Director to MQ Technology Berhad, a company listed on Bursa Malaysia Securities Berhad ("Bursa Securities"). In August 2017 - January 2019, he was appointed as Executive Director of APFT Berhad, an aviation company listed on Bursa Securities. In December 2020, He was appointed as Executive Director / Chief Executive Officer of Jiankun International Berhad, a company engaged in property development and construction and is listed on Bursa Securities Main Board.

He is a Fellow of the Institute of Corporate Directors Malaysia (ICDM-F).

He does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE (CONT'D)

MR. ZHANG YANG

Non-Independent and Non-Executive Director

Age : 38
Nationality : China
Gender : Male

Zhang Yang was appointed as the Managing Director on 17 January 2020. He was re-designated as Non-Independent Non-Executive Director on 18 September 2018. 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, holds direct 27,703,500 ordinary shares. He is the son of Dato Zhang Li, the Executive Director of the Company and he does not have any other family relationship with any major shareholders of the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2022.

KEY SENIOR MANAGEMENT'S PROFILE

MR. SIVA KUMAR KALUGASALAM

Executive Director

Mr. Siva Kumar is responsible for the management and operations of Zen Tech International Berhad *(formerly known as INIX Technologies Berhad)* ("Zen Tech" or the "Company"). He also oversees the operations of the Glove Division.

The profile of Mr Siva Kumar is shown under Director's Profile on Page 10 of this Annual Report.

YBHG DATO' ZHANG LI

Executive Director

Dato' Zhang Li is responsible of the management and operation Zen Tech. She also oversees the operations of the e-commerce division.

The profile of Dato' Zhang Li is shown under Director's Profile in Page 9 of this Annual Report.

MR. CHOW HUNG KEEY

Executive Director

Mr. Chow Hung Keey is responsible for the Operations and Administration of Zen Tech.

The profile of Mr. Chow Hung Keey is shown under Director's Profile in Page 11 of this Annual Report.

TEO XIONG SHENG

Operations Director (Glove)

He is a Director and shareholder of Inix L&S Gloves Sdn Bhd ("INIX L&S"). He oversees the production department as well as supervises and coordinates the repair and maintenance of production equipment.In 2019, he co-founded Inix L&S with his uncle, Teo Yoek Leong, and is responsible in overseeing the production processes and quality control standards. He has accumulated 13 years of experience in engineering and manufacturing in the glove industry which will drive the expansion of the Group's Glove.

Presently, he does not hold any directorship in any other public companies and listed issuer.
He has no family relationship with any Directors and/ or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him/her by any relevant regulatory bodies for the financial year ended 30 June 2022.

TEO YOEK LEONG

Marketing Director (Glove)

He is a Director and shareholder of INIX L&S . He is responsible for the formulation and implementing sales and marketing strategies of the company. He retired in 2014 and subsequently in 2019, he co-founded INIX L&S with his nephew, Teo Xiong Sheng, and is responsible for the company's quality control, marketing and communications strategies, as well as branding and image. He has vast experience in developing marketing and sales strategies which will drive the expansion of the Group's Glove Business.

Presently, he does not hold any directorship in any other public companies and listed issuer.

He has no family relationship with any Directors and/ or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him/her by any relevant regulatory bodies for the financial period year 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

"On behalf of the Board of Directors of Zen Tech International Berhad (formerly known as INIX Technologies Holdings Berhad) ("Zen Tech" or the "Company"), 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 Financial Year Ended 30 June 2022 ("FY2022") and the outlook for the following year."

Zen Tech is listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") under the Industrial Products category.

OVERVIEW OF GROUP BUSINESS AND OPERATIONS

Despite the challenging external environment during FY2022, the Group recorded a slight growth mainly due to the higher demand for our gloves. Even though the economic activity continued to normalize with the easing of containment measures, the demand for gloves continues to be strong, mainly due to higher awareness of hygiene and safety. The improvement is also in line with the recovery in the labour market and continued policy support via the roll-out of the National Recovery Plan directing Malaysia towards progressive economic recovery.

Malaysia is expected to supply 65% of global supply of gloves or 294 billion gloves for 2022 and retain its pole position of world's leading supplier of rubber gloves. Malaysian rubber glove exports stood at 187 billion pieces of gloves in 2021, amounting to RM55 billion in value terms. (Source: Malaysian

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Rubber Glove Manufacturers Association (MARGMA)) However, as the nation inches closer to pre-pandemic "normalcy", we are learning to embrace this new business landscape that has been reshaped by Covid-19 and the normalization of the rubber glove demand.

The Group have opened new markets such as China, India and Egypt and are exploring other new markets for its gloves and are continuously seeking for more collaborations and partnerships to further expand the service offering in the e-commerce sector. The Group will also continue its cost management initiatives throughout its operations to stabilize the financial performance and preserve cash flow.

<u>Glove Manufacturing Business</u>

The global market for Medical Gloves estimated at US$21.8 Billion in the year 2022, is projected to reach a revised size of US$29.8 Billion by 2026. (Source: Global Medical Disposable Gloves Market 2022-2026)

Although a commodity, the criticality of medical gloves continues to rise in wake of persistent increase in incidence of infectious and chronic diseases, rising concerns over personal safety and sanitation and strict regulations in place pertinent to the use of personal protective equipment are fueling demand for medical gloves. Also driving growth is the development of healthcare infrastructure in developing nations and the increase in number of hospitals and other care facilities.

The global market for Medical Gloves estimated at US$21.8 Billion in the year 2022, is projected to reach a revised size of US$29.8 Billion by 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

With the current six (6) production lines, the Group has an annual production capacity of 568.66 million and is expected increase its estimated annual capacity to 1.060 billion of examination gloves by 2024 upon the commissioning of an additional five (5) production line by the end of FY2023.

E-Commerce Solution Business

The Group had refocused its IT segment and continue to strengthen its market shares to support its long-term sustainability and growth path.

The Group is currently working on several innovative ecommerce solutions for the retail and service sector, which includes the glove industry, by taking advantage of new marketing opportunities to target a larger audience for their product or creating an affiliate marketing program for the product or services that are being offered.

FINANCIAL RESULTS REVIEW

Key Financial Indicators

Despite a challenging business landscape with protracted concerns and uncertainties the Group registered a commendable result for the FY2022 despite the start-stop of operations due to the movement controls during which several upgrading and enhancement to the production plan was put on hold.

The following review is to highlight and provide insights on the Group's key financial and operating information.

	17 Months Ending 2021 RM'000	FYE 2022 RM'000
Revenue	18,235	26,480
Profit/ (Loss) before interest & taxation	(9,955)	(3,382)
Profit/ (Loss) before taxation	(10,011)	(3,723)
Net Profit/(loss)	(10,653)	(4,926)
Net Profit/ (loss) attributable to equity holders	(11,393)	(6,375)
Net cash from (used in) operations	(6,247)	6,807
Total Shareholder's fund	34,336	39,289

Performance Analysis at Group Level

The Group recorded a revenue of RM 26.480 million for FY2022 as compared to RM 18.235 million registered in financial period ended, 30 June 2021 ("FY2021"). The Group revenue surged due to the demand for our gloves, and this resulted in an increase in revenue of RM8.245 million or 45 %. for the year compared to the previous period, the glove segment had contributed RM 24.366 million to the group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Group registered a loss after tax and controlling interest of RM 4.926 million as compared to the loss of RM 10.653 million in FY2021. The reduction of losses was due to the increase in revenue even though there were impairments of investment in associated company, investment in subsidiary and associate company.

Total current assets of the Group reduced from RM 11.253 million in FY2021 to RM 10.244 million in FY2022 due to lower impairment of other receivables. Non-current assets registered at RM 48.414 million compared with RM 26.737 million in FYE 2021 due to the investment in the property, plant, and equipment for the glove manufacturing.

The Group's other payables increased by RM 3.847 million to RM 9.348 million from RM 5.501 million in FY2021. However, trade payables increased by RM 2.300 million from RM 722,491 in FY 2021 to RM 3.023 million due to the increase in production for the glove business.

The Group currently has a short-term borrowing and a lease liability of RM 8.601 million due to the expansion of the production lines for the glove business and for working capital requirements.

GROWTH & STRATEGY

The global business will continue to be challenging in view of the concerns that is impacting the economy due to the COVID-19 pandemic.

The Group is mindful of the headwinds of our business sectors such as high inflation, aggressive interest rate hike, disruption of supply chain, escalating material prices, scarcity of workers and heightened financial market volatility that could dampen our plans for higher growth.

The Group is also mindful of the challenges inherent in the current operating environment and will continue to monitor closely both local and global developments and continue to emphasize on cost management and efficiency improvement across its business operations. The Group will remain cautious and will continue enhance and execute the various strategies that was adopted in FY2021 which includes its efforts to increase efficiency, cost rationalization and improving its business processes by adopting best management practices as these strategies have yielded some positive result for FY2022.

Recognizing the growth in the demand for our gloves, the Group truly believes in the prospect for the glove industry and will continue to focus on developing this sector.

With the expected completion of the five (5) production lines for our gloves by June 2023, the Group will have eleven (11) production line for our latex powdered and latex powder free polymer gloves.

The Management is expecting a turnover of approximately RM60 million in the next financial year with an approximate net profit of RM15 million for the glove manufacturing operation in anticipation of the increased demand from existing and new markets.

We are also expecting a RM4 million turnovers from our IT sector with RM1 million in profit.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE PROSPECTS

Moving forward, the Group expects the financial performance of the Group to continue to improve as given the positive and strong demand for our gloves from our existing markets, the opening of the new markets and completion of the production lines.

We also expect continued challenges arising from the increase in cost of latex and chemicals as well as from the notable increase in other input costs amid ongoing global supply chain pressures. In order to mitigate a portion of the impact of cost increases, we are implementing various measures such as locking in prices through advanced purchase agreements, and by implementing cost-saving measures. 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 other new business opportunities, whilst growing the glove sales; and e-Commerce segment in order to diversify its revenue base.

We are also constantly evaluating the Group's long-term strategies to ensure the Group is able to continue on a steady growth path.

MR SIVA KUMAR KALUGASALAM
Executive Director

SUSTAINABILITY STATEMENT

"This Sustainability Statement ("Statement") provides a narrative of the commitment of Zen Tech International Berhad (formerly known as INIX Technologies Holdings Berhad) (the "Company") and its subsidiaries (the "Group") towards addressing its Environmental, Social and Governance ("ESG") impacts as well as its financial and non-financial value creation for the financial year ended 30 June 2022 ("FY2022"). This Statement also encapsulates the Group's strategy in managing prioritised sustainability-related risks and opportunities. As we continue to recognise the importance of sustainability as an enabler in our business."

We have considered and reviewed the material sustainability matters relating to the three (3) pillars of ESG. We identified our material sustainability matters through a materiality assessment that takes into account our stakeholders' interests. The material matters are reviewed and endorsed by our Board of Directors ("Board") to ensure that the material matters are aligned with our sustainability ambition. Please refer to our "Stakeholder Engagement" and "Materiality Assessment" for our ESG approach.

Report Overview

The Group sustainability approach is consistent with obtaining the trust of stakeholders, increasing shareholder value by leveraging on emerging opportunities in the long term while mitigating risks from pressures of costs and competition both locally and regionally. The strengthening of our organisation's foundation for long term growth is embedded within our corporate responsibility and sustainability management of the company.

Our Sustainability Commitment reflected in this Statement is evidence that our core values are coherent to work practices across our operations which is illustrated in the Group's Sustainability Framework adapted from the Bursa Malaysia's Sustainability Reporting Requirements and Guideline (2nd edition).

In managing the sustainability outcomes, the Group leadership has also adopted the principles outlined in the Malaysian Code of Corporate Governance 2021 which underpins incorporating good sustainability practices in all its businesses.

SUSTAINABILITY STATEMENT (CONT'D)

Guidelines and References

Primarily this report is prepared in accordance with guidelines, references and frameworks which objectively communicates our economic, environmental, social and governance performance.

As this statement is the Group's second attempt in preparing a Sustainability Statement, we continued what we had initiated with in our previous year's goals, and adapted the changes accordingly in line with the Bursa Malaysia Sustainability Reporting Guide Supplementary Guidelines, Global Reporting Initiative (GRI) Standards and the United Nation's Sustainable Development Goals (SDGs). During the financial year, we had also reviewed the steps to incorporate standard disclosures in accordance with the Global Reporting Initiatives ("GRI") reporting guidelines in accordance to the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements on sustainability reporting.

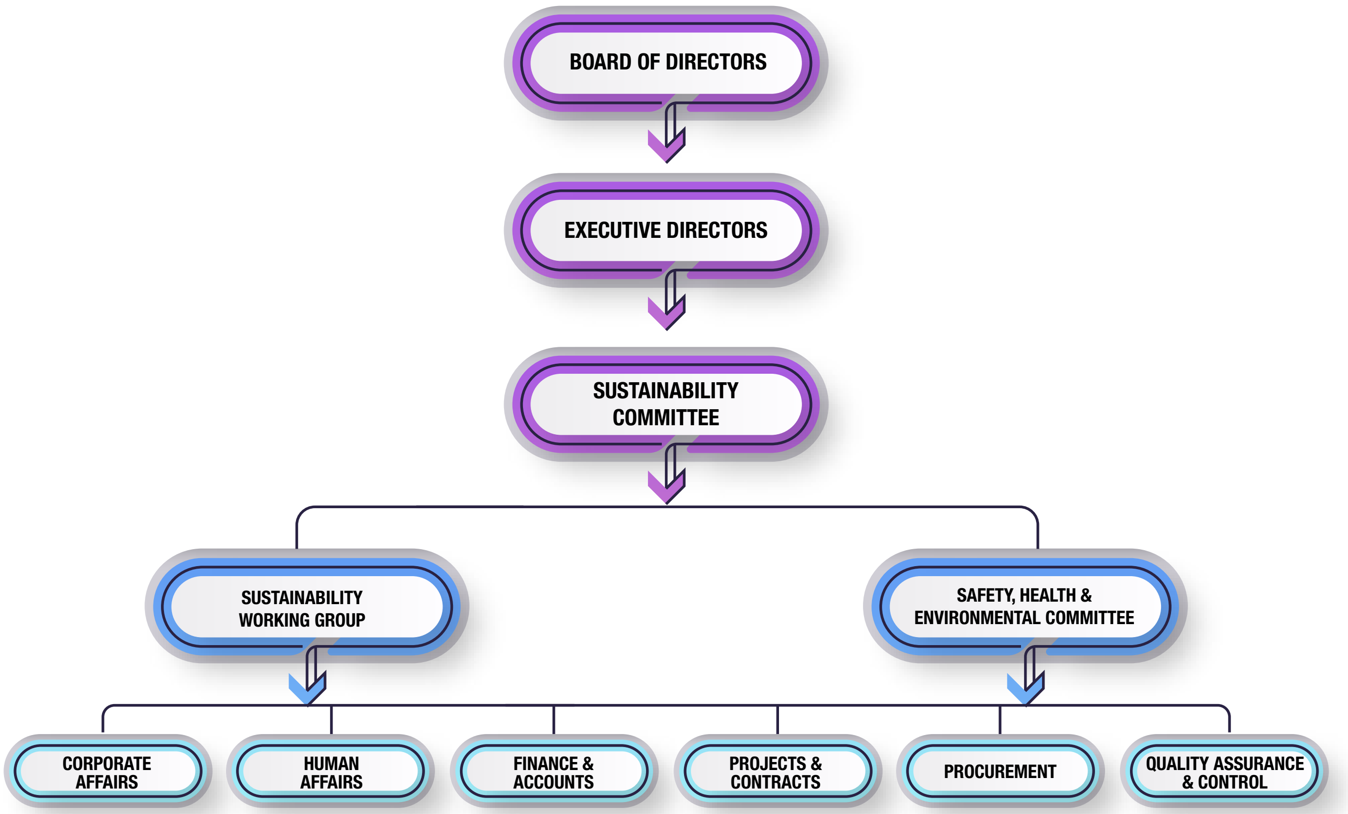
The Governance Structure at Zen Tech International Berhad

At Zen Tech, we believe that a realistic governance structure is vital to integrate ESG across the Group and to strengthen relationships with stakeholders and enhance overall accountability in our business operations.

At the highest level, our Board plays a key role in supervising and endorsing matters related to risk, audit, remuneration and corporate governance policies. It also oversees the sustainability performance of the Group and provides strategic guidance to the management team.

Our Executive Directors ("ED") leads and directs sustainability programmes, deploys the necessary resources to implement the programmes and reports the progress to the Board. He is assisted by the Sustainability Committee ("SC") comprising of heads of operating subsidiaries and other department's representatives. The SC operationalises the plans in the respective business units and divisions, coordinates and implements Group-wide sustainability .

The Group's sustainability governance structure is illustrated as follows:



As a move to remain resilient and competitive, the Group focused on prudence, transparency, and intelligence in connecting with timely information relating to the threats to business continuity.

The Group was prepared for unprecedented challenges, as the global business scene was prospectively reliant on local business recovery schemes offered by the government to level the survival rates. Cognizant that at a global level, climate change will affect sustainability the Group decided to carry forward the plans and goals for the Group's sustainability to the following financial year, while setting the stage for measures in the current financial year.

Given the numerous impacts to businesses and how it would affect reporting and compliance requirements, cost of doing business loomed as a potential crippling crisis which needs to resolute climate risks mitigation strategies- not only to survive the aftereffects of the health pandemic, but also to focus on the progression towards Net Zero initiatives in future amidst other challenges such as possibly a recession and political uncertainty in the country.

Determined towards positive progress, the Group continues to work towards business expansion into meeting a global demand for latex gloves. With an expanding demand, the Group extended into transforming business-as-usual from technology driven services into production capacity development in its new production lines as part of its rapid transformation. This demonstrates the agility of the leaders in the Group in spinning into action and leverage on change.

SUSTAINABILITY STATEMENT (CONT'D)

The brief narrative on sustainability performance and prospective figures are listed below to reflect on the Group's sustainability for FY2022 despite the headwinds faced by businesses all around the world, particularly within the country.

Stakeholders' Engagement

The Group defines stakeholders as individuals, entities or organisations that have the capability to impact and influence the Group's business operations and vice versa. We empower respective business divisions to assess the best approach to engage our stakeholders in our mission to achieve meaningful engagements that fulfil our stakeholders' needs. We constantly engage with our stakeholders across various methods and channels aimed at identifying key concerns of each group of stakeholders, as follows:

Key Stakeholders	Key Concerns & Interests	Engagement Methods & Channels
Customers (Existing and Potential)	• Product Quality	o Corporate Website
	• Customer Satisfaction	o Customer Service Channels
	• End-to-end customer experience	o Social Media
	• Complaints Resolution	o Customer Satisfaction Surveys
	• Company and Development Updates	o Marketing Events
	• Market Outlook	o Timely response to customer's feedback
		o Digitisation of customer engagement platforms
		o Adherence to quality standards
Community	• Sustainable Development	o Contributions to local communities
	• Community Engagement	o Collaboration with local higher education institutions
	• Corporate Social Responsibility	o Plenitude Scholarship
	• Health and Safety	o Community Events
	• Affordable Housing	o Residents' Association Meetings
	• Location Connectivity (accessibility)	o Social Media
	• Education	
Employees	• Career Progression	o Regular updates on company strategy and performance
	• Learning and Development	o Townhalls/ Meetings
	• Work-Life Integration	o Internal Emails
	• Employee Engagement	o Employee Handbook
	• Conducive Workplaces	Transparent performance appraisal process and rewarding scheme
	• Diversity and Inclusion	o Provision of training programmes
	• Job Satisfaction and Retention	
	• Effective Leadership	

Government and Regulatory Authority	• Regulatory Compliance	o Compliance with Legislated Framework
	• Labour Practices	o Regular Dialogue with Government Agencies
	• Occupational Safety and Health	
	• Environmental Management and Compliance	
	• Operating License	
Supply Chain (Suppliers and Contractors)	• Health and Safety	o Vendor evaluation and selection
	• Anti-corruption and Business Integrity	o Safety, health and environmental policy
	• Timely and Quality Delivery	o Fair and transparent tender process for all procurement
	• Sourcing of Materials	o Project Management Meetings
	• Job and Business Opportunities	o Client-consultant meeting
	• Environmental Management System	
	• Pricing and Timely Payments	
	• Fair Procurement	
Shareholders, Investors and Media	• Corporate Governance	o Annual General Meeting
	• Financial Performance	o Corporate Website
	• Risk Management	o Annual Report
	• Operational Efficiency	o Corporate Announcement
	• Effective Leadership	o Email Communication
		o Media Releases

Materiality Matrix

In accordance with the Bursa Malaysia Guideline on Sustainability Reporting Requirements, reflecting on the management approach disclosures emphasize on matters that matter to the organization's sustainability within a setting or operational boundary, while components represent potential measures of performance these evaluations and omissions are clearly explained in reporting documents for compliance disclosures.

In FY2022, we reviewed our materiality assessment to identify material ESG factors to identify if there have been any changes that may significantly impact the Group's business or substantially influence the decisions of stakeholders. Description below is aligned to the GRI 103 Management Approach.

- Disclosure 103-1 Explanation of the material topic and its Boundary
- Disclosure 103-2 The management approach and its components
- Disclosure 103-3 Evaluation of the management approach

Material topics reflect on an organization's significant economic, environment and social impacts which influences decisions of stakeholders. the Group undertook a review of the disclosure topics for FY 2022, as per GRI 102: General Disclosures and the Group's Statement on Risk Management and Internal Control (SORMIC) for its materiality topics.

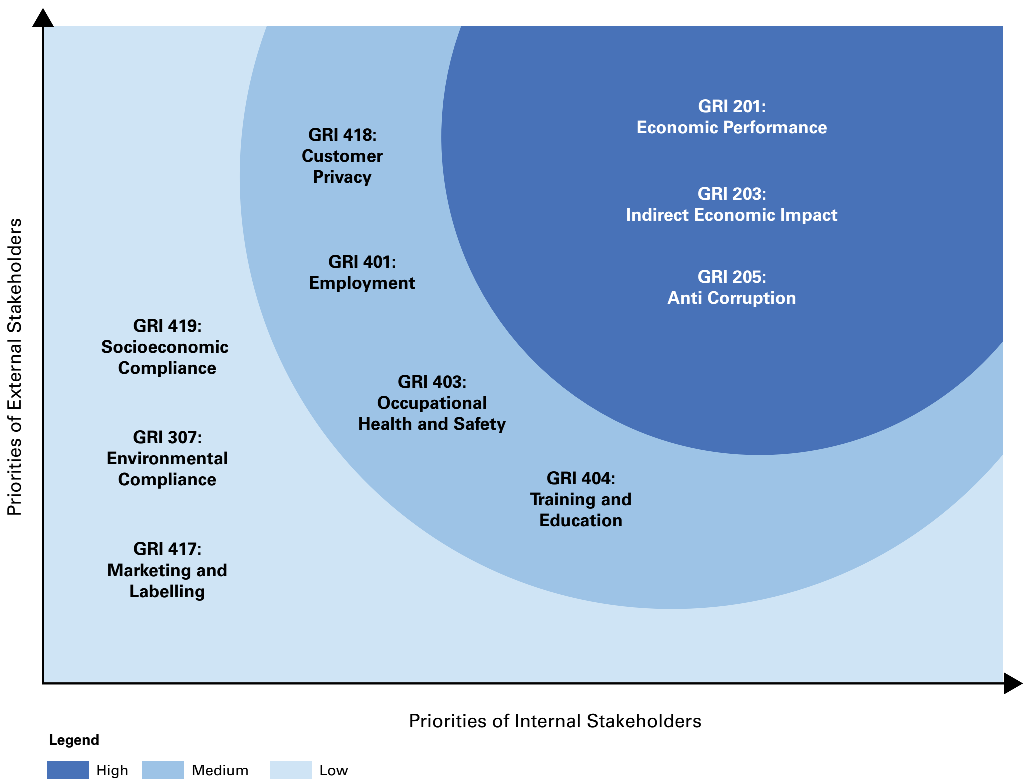
SUSTAINABILITY STATEMENT (CONT'D)

The board continued to lead governance with reasonable assurance that adverse impacts arising from a foreseeable future events or situations on the company's objectives is mitigated and managed. In order for the Group to make informed decisions, there are controls put into place to pursue business objectives. However, the Group's Board consists of cumulative intelligence of leaders in the industry therefore their focuses were not only on the downside risks, but also integrated leveraging on opportunities for improvement of business results. Although the aspects contained in the SORMIC document mainly focused on Operational Risk Management, this content served as identification of materiality in managing enterprise risk. Risks and opportunities have the potential to generate substantive changes in operations, revenue, or expenditure.

The Group's Board of Directors were provided with the Consolidated GRI Sustainability Reporting Standards (updated 2020) which listed all material matters to any business. The following 10 materiality topics continue to reverberate the discussions at our Board of Directors' meeting.

Economic	Environment	Social
201: Economic Performance	307: Environmental Compliance	401: Employment
203: Indirect Economic Impact		403: Occupational Health and Safety
205: Anti-corruption		404: Training and Education
		417: Marketing and Labelling
		418: Customer Privacy
		419: Socioeconomic Compliance

The targets and KPIs will be listed in the future report, where description of the significant impacts will be illustrated. This report only contains description of the processes involved such as due diligence, and potential identification of impacts to operations corresponding to the Management Disclosure and Analysis. (Pages 15 to 19 in this Annual Report)



Materiality Analysis

Few key material issues remained priority for the Group's going concern which is economic performance and regulatory requirements such as GRI 205 Anti-corruption and 419 Socioeconomic compliance. This demonstrates high integrity and ethics upheld by the Board despite trying times.

From here the shift towards customers as priority by ensuring our practices adhere to all Customer Privacy (GRI 408) and Marketing and Labelling (GRI 408) matters were adhered to as we serve clients in the region. As the Group continues to operate Profitability and Project Deliverables were reviewed by our team of competent employees who were our following materiality matters in view of subsections in the GRI framework for Employment (GRI 401), Occupational Health and Safety (GRI 403) and Training and Education (GRI 404).

Due to the nature of our operations which is within an office premise managed by a third-party building management company, we were mindful to comply with necessary Environmental Compliance requirements as prescribed by the building managers (GRI 307). In view of our expansion to a production site, we will be diligent with Environment Impact Assessment findings to improve quality of our compliance and reporting in the next financial year.

Materiality and Global Goals of Zen Tech International Berhad

In the future after further stakeholder engagement, the Group will decide to align appropriately with the 10 Global Principles of United Nation's Global Compact and the United Nation's Sustainable Development Goals (SDGs) to increase value for our stakeholders.

The Board realizes that by putting sustainability at the core of business growth trajectory, provides several opportunities such as expansion of market presence and recognizing newer commercial value which inextricably links to social governance as a responsible corporate citizen's behaviour. However, the intention to create impact and longer-term value requires careful planning and intricate goals setting and prioritization as the 10 principles and 17 goals are not easily attainable without appropriate funding and allocations or investments. Therefore, as a shared value initiative and industry engagement, the Group will prioritize these matters at a later period.

At this juncture the Group leadership is aware of and had collectively agreed that among the 10 Principles of UNGC that resounds with current operational impact will continue to add long term value to our business stakeholders. Out of the 10 Principles our current operations corresponds with;

Signinicant high impact Principles contributed by present day operations.

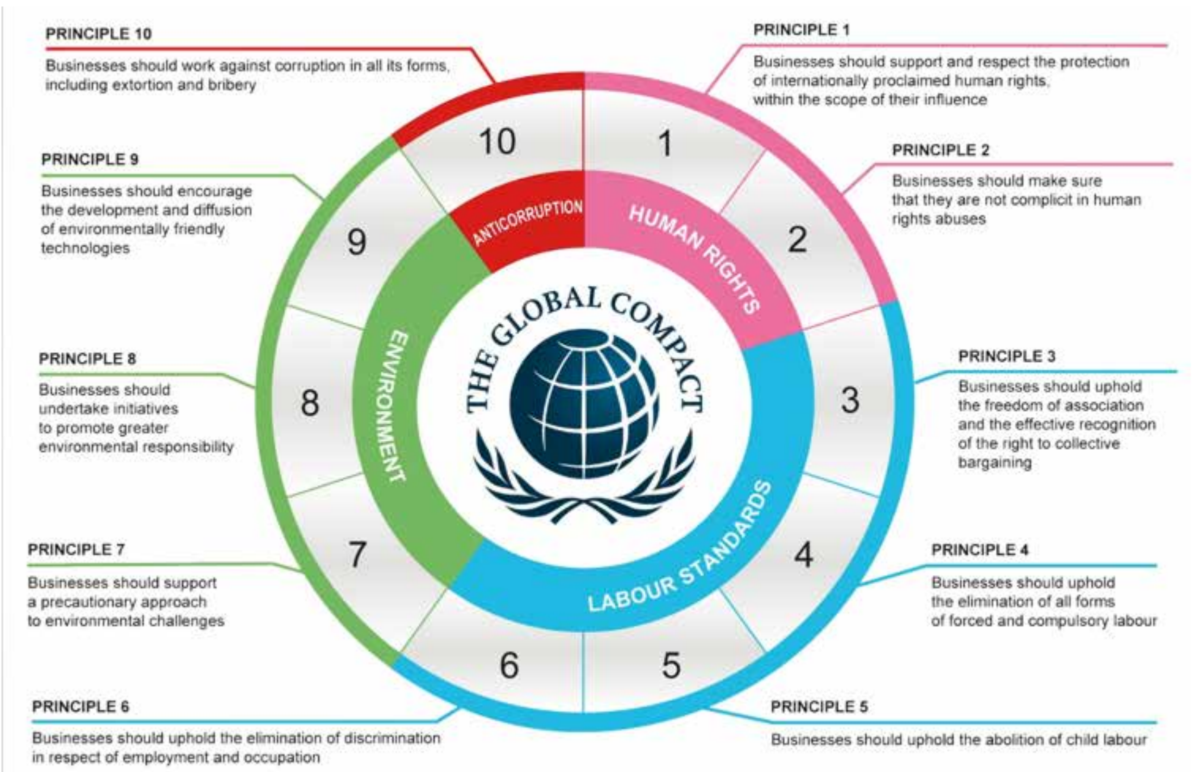
A. Labour
B. Anti Corruption

Low impact Principles in present day operations

A. Human Rights
B. Environment

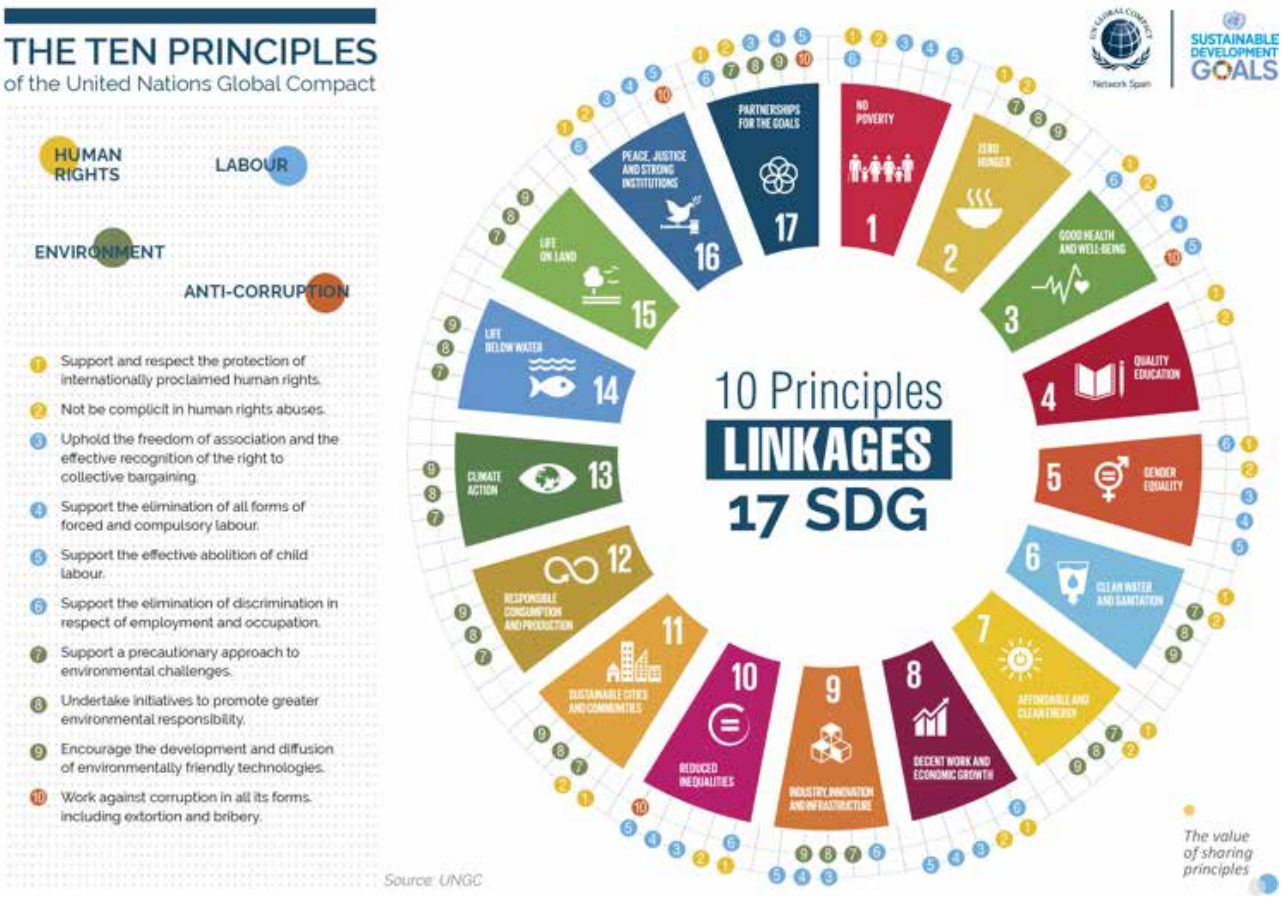
SUSTAINABILITY STATEMENT (CONT'D)

10 Principles according to 4 material aspects in operations		Having significant high impact in current operations
Human Rights		
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and	To be considered for the future Financual Year
Principle 2:	make sure that they are not complicit in human rights abuses.	
Labour		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Currently in Practice
Principle 4:	the elimination of all forms of forced and compulsory labour;	
Principle 5:	the effective abolition of child labour; and	
Principle 6:	the elimination of discrimination in respect of employment and occupation.	
Environment		
Principle 7:	Businesses should support a precautionary approach to environmental challenges;	To be considered for the future Financual Year
Principle 8:	undertake initiatives to promote greater environmental responsibility; and	
Principle 9:	encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	Currently in Practice



SUSTAINABILITY STATEMENT (CONT'D)

The leadership of the Group also understands that the businesses are operating with tremendous uncertainties both from the local and regional developments in geopolitical and socioeconomic aspects. The global challenges range from climate crises to supply chain threats that affects business sustainability. In need of solutions, private sector companies need to adapt innovatively. In the rush to transform business models and systems for a better future, integrity and values are significant for corporate citizenship. Therefore, the Group initiates progress by incorporating the Ten Principles of the UN Global Compact into strategies and operations with preliminary steps as realignment with SORMIC recommendations. This paves the way to advance the Group to making impactful progress with the UN's SDG agenda.



The United Nations Sustainable Development Goals was set to be achieved by 2030, however leaders in countries acknowledged that we are behind schedule. The Group reviewed the resonance of UN SDGs with its current operations and had found that there are overlapping acceleration actions that are possible to be adapted into future Sustainability Statements and as per the identification of impactful targets and KPIs to accelerate the progress for this Decade of Action that was done in the previous report.

The Group is resolute to develop futuristic strategies to enact change, and this is because the adoption of 10 Principles of UNGC alone is not sufficient to drive change. This commitment to develop strategies is a good start for a company that is beginning with its inaugural Sustainability Statement.

SUSTAINABILITY STATEMENT (CONT'D)

There will be policies to make progress on the Global Goals that are of direct impact to operational opportunities. The Group has also decided to be ambitious with scale and pace of change, big enough and fast enough based on the appropriate Goals and Targets to the business operations. The Group will set corporate goals, and monitor progress aligned with societal needs while eliminating negative impacts. The Group will review lower hanging fruits, for embedding UN SDGs with core operations by assessing goals that are aligned with operation impact. By fully integrating functions in operations, deliver on these Global Goals, the Group leaders are setting quality governance.

The UN SDGs identified as closely associated with direct impact to its operations and stakeholders of the Company. Further assessments of Targets and KPIs will take place in FY2023.

Conclusion

The Group continuously aims to integrate sustainability best practices in FY2022 to promote sound environmental and social practices while making economic progress. However, we will continue to demonstrate transparency over current conditions and leaders are accountable to contribute towards positive development of our business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Malaysian Code on 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 realizing 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 in order to achieve the objectives of the Company.

The Board is pleased to set out below on how the Group has applied the three main principles in the Malaysian Code on Corporate Governance 2021 ("MCCG") during the financial year ended 30 June 2022 ("FY2022"). 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 2022 of the Company which is available on Zen Tech International Berhad ("formerly known as INIX Technologies Holdings Berhad") website at www.ztech.com.my.

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

Strategic Aims, Values and Standards

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 and Investment 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 at www.ztech.com.my.

Chairman

The Chairman of the Company is an Independent Non-Executive Director and responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards high performing culture.

Separation of the positions of the Chairman and Executive Directors

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.

Chairman of the Board should not be a member of the Board Committees

Following Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee. Currently, the Chairman of the Board, Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir also a member of Audit Committee, Nomination Committee and Remuneration Committee. The Company is of the view that Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir is able to exercise his independent and objective view, and also to provide suggestions to the Company based on his vast experiences, despite of his role as the Chairman of the Board as well. Alternatively, the Board will look for suitable candidate, if there is a necessity on it.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Company Secretary

In compliance with MCCG, the Board is supported by qualified and competent Company Secretary. The Company Secretary of the Company is qualified to act as Company Secretary under Section 235 of the Companies Act, 2016 ("the Act"). The Company Secretary provides the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regard to the Company's Constitution, Board's policies and procedures as well as compliance with all regulatory requirements, MCCG, guidance and legislation.

The Directors may seek advice from the Company Secretary directly on issues under their respective purview or request further explanation, information or updates on any aspect of the Company's concerns.

The Board has ready and unrestricted access to the advice and services of the Company Secretary, who is considered capable of carrying out the duties to which the post entails. The Directors may seek advice from the Company Secretary directly on issues under their respective purview or request further explanation, information, or updates on any aspect of the Company's concerns.

The Company Secretary keeps the Board abreast with the latest regulatory updates and also ensure that deliberations at Board and Board Committee meetings are well documented.

The Company Secretary is accountable to the Board on all matters connected with the proper functioning of the Board and responsibility includes:

- assisting the Chairman and the Chairman of the Board Committees in developing the agendas for the meetings;
- administering, attending and preparing the minutes of meetings of the Board, Board Committees and shareholders and maintaining proper records of proceedings and resolutions passed;
- acting as liaison to ensure good information flow within the Board, between the Board and its Committees as well as between management and the Directors;
- advising on statutory and regulatory requirements and the resultant implication of any changes that have bearing on the Company and the Directors;
- advising on matters of corporate governance and ensuring Board policies and procedures are adhered to; and
- monitoring compliance with the Act, Listing Requirements and the Constitution of the Company;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Access to Information and Advice

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 Charter

The Board Charter has been formalised and adopted by the Board, serves as a primary reference which sets out the composition of the Board, appointments of Directors, re-election of Directors, roles and responsibilities of the Board, Board Committees, Chairman, Executive Directors and Independent Non-Executive Directors.

The roles and responsibilities of the Board Committees, as well as the issues and decisions which required the Board Committees collective decision are also spelled out in the Terms of Reference of the respective Board Committees.

The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current law and practices. The Board Charter is available on the Company's website at www.ztech.com.my.

Code of Conduct and Ethics

The Board of Directors adopted the Code of Conduct and Ethics for Company Directors and employees within the Group that is published on the Company's website at www.ztech.com.my for stakeholders' information. This Code of Conduct and Ethics provides good guidance for a standard of ethical behavior 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.

Whistle Blowing Policy and Procedures

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 at www.ztech.com.my. There were no reported incidents pertaining to whistleblowing during the financial year.

Anti-Bribery and Anti-Corruption Policy

The Group is committed to conduct business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption and hence has adopted an Anti-Bribery and Anti-Corruption Policy. The Anti-Bribery and Anti-Corruption Policy and Guidelines is available on the Company's website at www.ztech.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Directors' Fit and Proper Policy

Following the amendments to the AMLR of Bursa Securities, the Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website at www.ztech.com.my.

PART II - BOARD COMPOSITION

Composition of the Board

The Board comprises members who have vast experience in various industries as well as professionals in the finance and consulting sectors. The Board brings in a wide spectrum of diverse skills and expertise to the Group which allows it to meet its objectives.

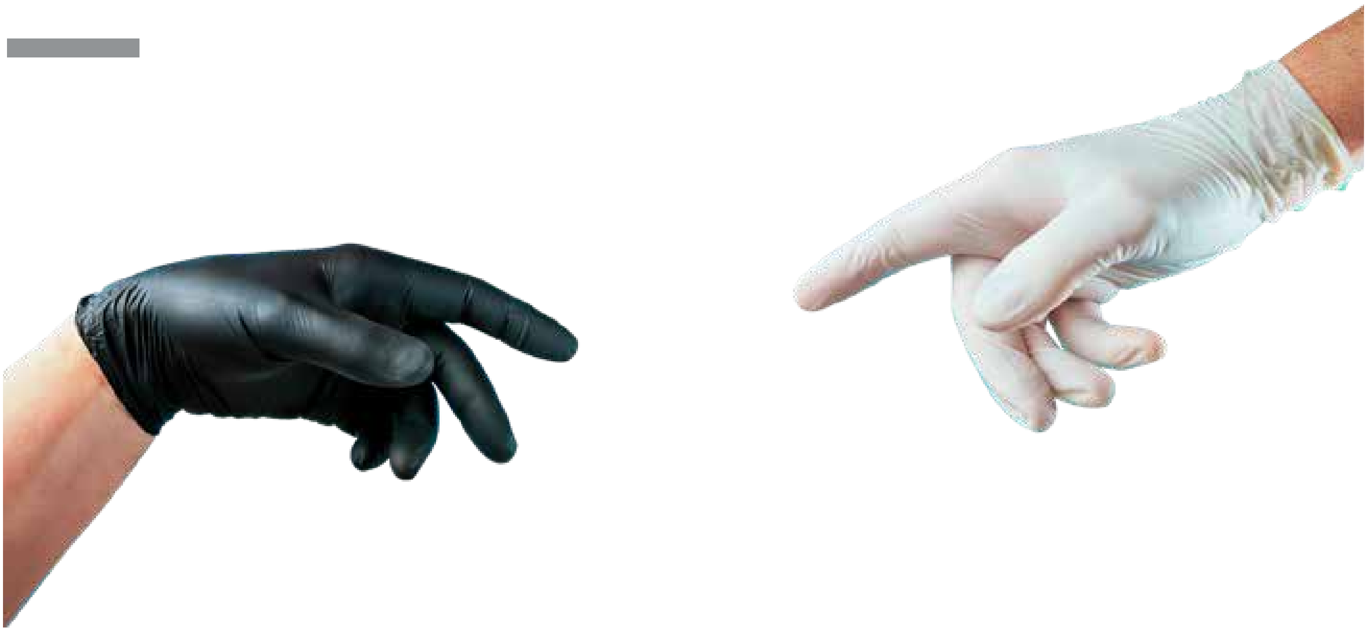
A brief profile of each Director is presented on pages 7 to 13 of this Annual Report.

The current Board consists of seven (7) members, comprising of one (1) Independent Non-Executive Chairman, one (1) Independent Non-Executive Vice-Chairman, three (3) Executive Directors, one (1) Non-Independent Non-Executive Directors. and one (1) Independent Non-Executive Director. The optimal size with mixture of high caliber 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 one woman director to the Board during the financial year end, which represent 14% of the total number of board members.

The MCCG recommends the practice of at least two (2) or one-third (1/3) of the Board comprises of Independent Directors. Currently, three (3) out of seven (7) of the Board members are Independent Directors. This composition is in line with the MCCG's



recommended practice and the requirement of the Rule 15.02 of the AMLR whereby the Company must have at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Directors.

Tenure of Independent Directors

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.

Policy of Tenure of Independent Directors

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 does 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.

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 2022 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Board Meetings

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 eight (8) occasions during the FY2022 and the details of attendance at Board Meetings is set out below: -

Name of Directors	Meetings Attended
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	8/8
Dato' Megat Fairouz Junaidi Bin Megat Junid	7/8
Dato' Zhang Li	6/8
Mr. Siva Kumar Kalugasalam	8/8
Zhang Yang	4/8
Edwin Silvester Das	8/8
Mr Chow Hung Keey (Appointed on 21 December 2021)	2/2

Directors' Training

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. The training programmes, courses, seminars, conferences, talks, briefing attended by Director during the FY2022 were as follow:-

Name of Director	Training programmes, courses, seminars, conferences, talks, briefing attended
Chow Hung Keey	- IFRS projects in progress
	- Crisis Management
	- Understanding Financial Instruments
	- IAS 2 - Inventories (Updated)
	- Build confidence & beat imposter syndrome at work
	- APAC Thought Leadership Virtual Forum - Fintech
	- Accounting for inflation
	- Courageous Conversations
	- What's on the radar looking forward? How to use risk hot spot updates
	- IFRS sustainability standards: are you ready?
	- The Principles and Methodology of Task Force on Climate Related Financial Disclosures (TCFD) in ESG Reporting
	- 10th ACCA Asia Pacific Thought Leadership Forum - 2022 Economic Outlook: A roaring Tiger or a Lazy Cat?
	- Reimagining financial services for 2035

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Save as disclosed above, all the other Directors were not able to attend any seminar and/or training programme during the financial year due to busy work schedule. However, the Company Secretary has briefed the Board pertaining to the updates on the AMLR, and the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's financial statement.

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. Tan Sri Syed Mohd Yusof Bin Syed Mohd Nasir
3. Edwin Silvester Das

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.ztech.com.my.

The NC meets as and when required, at least once a year. During the FY2022, one (1) meeting was held with full attendance from all its members.

Annual Evaluation

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.

Re-election of Directors

The Company's Constitution 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.

Upon the recommendation of the NC and the Board, the Directors who are standing for re-election at the forthcoming AGM of the Company are: -

1. Dato' Megat Fairouz Junaidi Bin Megat Junid
2. Dato' Zhang Li
3. Chow Hung Keey

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PART III – REMUNERATION

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. Tan Sri Syed Mohd Yusof Bin Syed Mohd Nasir
3. Edwin Silvester Das

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.

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.

Directors' Remuneration

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 FY2022 as are follows: -

	DIRECTORS RENUMERATION					
Name of Directors	Directors' Fee RM	Salary RM	Bonus RM	Benefit in Kind RM	Other Emoluments RM	Grand Total RM
Group and Company						
Executive Directors						
Dato' Zhang Li	-	228,000	-	-	54,000	282,000
Siva Kumar Kalugasalam	-	180,000	-	-	42,000	222,000
Chow Hung Keey *1	-	84,000	-	-	-	84,000
Non Executive Directors						
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	120,000	-	-	-	-	120,000
Dato' Megat Fairouz Junaidi Bin Megat Junid	60,000	-	-	-	-	60,000
Edwin Silvester Das	60,000	-	-	-	-	60,000
Zhang Yang	60,000	-	-	-	-	60,000
	300,000	492,000	-	-	96,000	888,000

Remuneration of Key Senior Management

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 FY2022 are as follows:-:

Range of Remuneration (RM)	Designation of Top Senior Management
150,001 — 200,000	-
200,001 — 250,000	2

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 were amended to include a policy that requires a former audit partner who was part of the engagement team to observe a cooling-off period of at least 3 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 and Investment 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.

Internal Audit Function

The Internal Audit Function is carried out by Vaersa Advisory 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 46 to 49 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 ("AGM") 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.ztech.com.my to enable easy and convenient access to up to-date information relating to the Group.

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 validate 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.

COMPLIANCE STATEMENT

The Board is of the view that the Group upholds adequate Corporate Governance and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate. This Corporate Governance Overview Statement was approved by the Board on 18 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

The following is provided in compliance with the ACE Market Listing Requirement ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"): -

1. Non-audit fees

There were no non-audit fees paid to the Group's external auditors during the financial year ended 30 June 2022 ("FY2022").

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 FY2022 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 FY2022.

4. Utilisation of Proceeds Raised from Corporate Proposals During FY2022

Bursa Securities had, vide its letter dated 22 April 2022, approved, amongst others, the listing and quotation of up to 186,619,200 new ordinary shares in the Company ("Zen Tech Shares") to be issued pursuant to the 30% Private Placement;

The Company had on 9 June 2022 obtained the approval from its shareholders at its Extraordinary General Meeting for, amongst others, the private placement of new Zen Tech Shares, representing up to 30% of the number of Zen Tech Shares in issue (excluding treasury shares, if any) ("30% Private Placement");

The 30% Private Placement which was subsequently completed on 18 July 2022 following the listing and quotation of 186,561,300 new Zen Tech Shares on the ACE Market of Bursa Securities at an issue price of RM0.0520 each.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

As at the date of this report, the status of utilization of proceed raised from 30% Private Placement is as follows: -

	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation
Purpose	**RM'000**	**RM'000**	**(from listing date)**
Expansion of the Glove Business	9,418	6,000	Within 12 months
Working capital for the Glove Business			
Estimated expenses for the Proposals	283	283	Within 1 months
Total gross proceeds	9,701	6,283	

5. Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during the FY2022, which exceeded the materiality threshold stipulated in Rule 10.09 (2)(b) of the AMLR of Bursa Securities.

6. Material Properties

The Company and the Group does not own any landed property for the FY2022.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee ("AC") of Zen Tech International Berhad (formerly known as INIX Technologies Holdings Berhad) ("ZenTech" 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 ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The AC currently comprises the following Independent Non-Executive Directors, namely: -

1. Edwin Silvester Das (Chairman)
2. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
3. Dato' Megat Fairouz Junaidi Bin Megat Junid

The AC is authorized by the Board of Directors ("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 year ended 30 June 2022 ("FY2022"), the AC conducted eight (8) 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 FY2022.

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 FY2022 are as follows :-

Committee Members	Meeting attended
Edwin Silvester Das	8/8
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	8/8
Dato' Megat Fairouz Junaidi Bin Megat Junid	8/8

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: -
  - o Any change in accounting policies Significant adjustments arising from audit
  - o Compliance with accounting standards and other legal requirements

External Auditors

i) Reviewed the Audit Planning Memorandum, outlining the audit scope, audit process and areas of emphasis based on the External Auditors' presentation of Audit Plan.
ii) Reviewed the Audit Review Memorandum and the response from the Management.
iii) Consideration and recommendation to the Board for approval of the audit fees payable to the external auditors.
iv) 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;
v) Reviewed and evaluated the factors relating to the independence of the External Auditors.
vi) Reviewed the financial year end statements with the External Auditors including audit issues and findings noted during the course of audit of the Group's financial statements and Management's response thereto;
vii) Reviewed, assessed and monitored the performance, suitability and independence of the External Auditors;
viii) Reviewed any material provision or allowance and writing off of bad debts in the quarterly financial statements and annual financial statements for Board approval;

The AC recommended to the Board for approval of the audit fee of RM 114,000.00 in respect of the FY2022.

Overseeing the Governance Practices in the Group

i) Reviewed the whistleblowing procedures and whistleblowing activities to monitor the actions taken in respect of whistleblowing reports received; and
ii) Reviewed the AC Report, Corporate Governance Overview Statement and Statement of Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report.
iii) Reviewed the related party transactions that may arise within the Company or the Group to ensure that they were not detrimental to the interests of the minority shareholders; and

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.

AUDIT COMMITTEE REPORT (CONT'D)

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.

Internal Auditors

The Group outsources its Internal Audit Function to a professional services firm Vaersa Advisory 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 Internal Audit report directly to the AC based on the approved annual Internal Audit Plan. 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.

During the FY2022, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

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

For the financial year under review, the total costs incurred by the Group for the internal audit functions was RM 14,000.

Internal Control and Risk Management

i) reviewed the Internal Audit Plan for adequacy scope and coverage and risk areas.
ii) reviewed the effectiveness and adequacy of risk management, operational and compliance processes; and
iii) 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.

This AC Report has been reviewed by the AC and approved by the Board on 18 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of Zen Tech International Berhad (formerly known as INIX Technologies Holdings Berhad) ("Zen Tech" of the "Company") and its subsidiaries (the "Group") is committed to maintain a sound, effective and comprehensive risk management framework and effective internal control system throughout the Group in ensuring shareholders' investment and the Group's assets are adequately safeguarded.

The Board of Directors of Zen Tech International 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 30 June 2022 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 acknowledges its responsibility to establish an acceptable risk management framework and a sound internal control system for the Group. This responsibility is being further enhanced by continuous efforts in establishing an appropriate control environment and framework which is systematically reviewed with regards to its adequacy, integrity, and improvement. Nonetheless, the internal control measures are designed to manage instead of eliminating the risks of failure to achieve the business objectives. Thus, such risk management and system of internal control can only provide reasonable and not absolute assurance against any material loss or failure.

The Board maintains its responsibility for the Group's risk management and internal control system. However, the Management has been empowered to ensure proper management of operations and business risks which include identification, evaluation and periodical review of the Group's risk profile. The Management is also being entrusted to ensure that a sound internal control system is being adhered to by all the subsidiaries in the Group.

The Board has received assurance from the Executive Directors that the Group's risk management and internal control systems are continuously being enhanced to ensure that that it is operating adequately and effectively.

RISK MANAGEMENT FRAMEWORK

The Board recognizes the importance of the risk management framework to manage the risk within the Group and regards it 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.

The Board believes that the function of a sound system of internal control and risk management policies, are built on a clear understanding and appreciation of the Group's risk management framework with the following key elements:

- Effective and efficient risk management processes contribute to good corporate governance and are integral to the achievement of business objectives.
- Risk management is embedded into day-to-day management processes and is extensively applied in decision making and strategic planning.
- Risk management processes take advantage of opportunities, manage uncertainties, and minimize threats; and
- Regular reporting and monitoring promote a sense of accountability and responsibility in managing risks and crisis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The top 6 key risks identified during the financial year and the risk descriptions are tabulated below:

Nature	Description of Risks
Escalating cost of production / raw materials	• Rising raw material cost – main materials include natural rubber latex, chemicals etc. Some of these globally traded materials are commodities and its availability does fluctuate, resulting in fluctuation of its prices.
Changes in customer preferences affecting finished good demands	• Changing customer tastes / preferences over time
Investments, Other Receivables and Deposits	• The amount owing from investments, other receivables, and deposits.
Human Resource Management	• Proper system of internal control of Human Resource Department in areas such as Policies and SOPs; Employment Documentations; Manpower Planning and Headcount Budgets: and Staff Performance Planning and Succession Planning.
Occupational Safety and Health (OSHA) Administration	• The availability of proper/adequate operational safety and health administration documentation ("OSHA") and the execution of OSHA process of the factory workers.
Pandemic to Endemic Risk	• Pandemic: Epidemic continue spreading over several countries or continents, affecting more people; and • Epidemic: An outbreak of disease that cause increasing number of affected peoples in communities at a short period.

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"). HOD within the group exercise a hand-on approach
v. On the operational and financial affairs of the Group. 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 Directors 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 Vaersa Advisory Sdn Bhd to carry out reviews and assess the adequacy and integrity of the system of internal control of the Group. The internal auditors conduct periodic audits with emphasis on risk-based areas, where weaknesses highlighted are rectified, and report directly to the Audit Committee ("AC") on a quarterly basis.

Findings from the internal audit reviews are discussed with the management, and the management's responses and the internal auditors' recommendations are incorporated in the Internal Audit Reports and presented to the AC on a bi-annual basis.

The AC took note of the results of the internal audit reviews together with its recommendations and improvements to the system of internal control which are also shared with the management and will be monitored and updated on a quarterly basis.

EMPLOYEES' COMPETENCY

Specific training and development programmes are conducted to ensure that employees are equipped with the necessary knowledge, skills and competency required for them to perform effectively.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by the external auditors as required under Rule 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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 ACE Market Listing Requirement of Bursa Securities 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.

STATE OF INTERNAL CONTROL DURING THE PERIOD UNDER REVIEW

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 30 June 2022 are adequate and effective to safeguard shareholders' investments, the Group's assets, and interest of other stakeholders.

This Statement on Risk Management and Internal Control was approved by the Board on 18 October 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required pursuant to Companies Act 2016 ("the Act") to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year, and of the results and cash flows of the Company and the Group for the financial year.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the Group and the Company's business;
- appropriate accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements;
- reviewing the adequacy and integrity of internal control systems and management information system in the Company and within the Group; and
- a going-concern basis has been adopted unless it is inappropriate to presume that the Group will continue its business.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to be complied with the requirements of the Act and have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Listing Requirements of Bursa Securities.

The Directors are also responsible for taking the necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2022, then Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS

Reports and Financial Statements 30 June 2022

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in Note 9 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

CHANGE OF NAME

On 15 June 2022, the Company has changed its name from Inix Technologies Holdings Berhad to Zen Tech International Berhad.

FINANCIAL RESULTS

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

	Group RM	Company RM
Loss for the financial year		
Attributable to:		
Owners of the Company	(6,374,772)	(3,213,881)
Non-controlling interests	1,448,854	-

DIVIDEND

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

MOVEMENTS ON RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has issued the followings:

(a) the issuance of 24,000,000 ordinary shares of RM0.097 each arising from the exercise of private placement;

(b) the issuance of 18,000,000 ordinary shares of RM0.102 each arising from the exercise of private placement; and

(c) the issuance of 4,660,300 ordinary shares of RM0.0958 each arising from the exercise of private placement.

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

There was no issuance of debentures by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No option has been granted during the financial year to take up the unissued shares of the Company.

DIRECTORS

The directors of the Company in office during the financial year and since the beginning of the financial year to the date of this report are:

- Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
- Dato' Megat Fairouz Junaidi Bin Megat Junid
- Dato' Zhang Li
- Edwin Silvester Das
- Siva Kumar A/L Kalugasalam
- Zhang Yang
- Chow Hung Keey (Appointed on 21.12.2021)

DIRECTORS OF SUBSIDIARIES

The directors of the subsidiaries in office since the beginning of the financial year to the date of this report (not including directors who are also directors of the Company) are:

- Mahfuzal Bin Othman
- Yew Jim How
- Teo Xiong Sheng
- Teo Yoek Leong
- Fateha Binti Jamaluddin (Resigned on 05.01.2022)
- Shansilah A/P Shanmugham (Resigned on 05.01.2022)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors who held office at the end of the financial year in the shares in the Company and its related corporations during the financial year were as follows:

	No. of Ordinary Shares			
Name of directors	Balance 01.07.2021	Bought	Sold	Balance 30.06.2022
Direct interest:				
Dato' Zhang Li [1]	5,981,400	-	-	5,981,400
Zhang Yang [1]	21,283,500	6,420,000	-	27,703,500
Chow Hung Keey	142,300	35,300	-	177,600
Indirect interest:				
Dato' Zhang Li [1]	21,283,500	6,420,000	-	27,703,500
Zhang Yang [1]	5,981,400	-	-	5,981,400

[1] Dato' Zhang Li is mother of Zhang Yang.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Zhang Li, Zhang Yang and Chow Hung Keey are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

None of the directors except Dato' Zhang Li, Zhang Yang and Chow Hung Keey holding office at the end of the financial year had interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee of the Company as shown under Directors' Remuneration section below and Note 30 to the financial statements), by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of the balances and transactions with companies in which certain directors of the Company are also directors and/or have substantial financial interests as disclosed in Note 32 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

FINANCIAL
STATEMENTS (CONT'D)

DIRECTORS' REMUNERATION

The directors' remuneration of the Group and of the Company for the financial year ended 30 June 2022 amounted to RM1,701,052 (2021: RM1,489,294) and RM906,625 (2021: RM723,196) respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or liability insurance effected for any directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

(c) 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

(d) 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.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

The significant events during the financial year and subsequent events after the financial year are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors' remuneration for the financial year ended 30 June 2022 of the Group and of the Company amounted to RM184,000 (2021: RM213,500) and RM114,000 (2021: RM114,000) respectively.

The auditors, Messrs SBY Partners PLT, Chartered Accountants, have expressed their willingness to continue in office.

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

....

DATO' ZHANG LI
Director

....

SIVA KUMAR A/L KALUGASALAM
Director

Kuala Lumpur,
Date: 31 October 2022

STATEMENT BY DIRECTORS

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

In the opinion of the directors, the financial statements set out on pages 66 to 145 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 30 June 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in Kuala Lumpur on 31 October 2022

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

....

DATO' ZHANG LI

....

SIVA KUMAR A/L KALUGASALAM

STATUTORY DECLARATION

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

I, Siva Kumar A/L Kalugasalam, being the director primarily responsible for the financial management of Zen Tech International Berhad (formerly known as Inix Technologies Holdings Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 66 to 145 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
abovenamed Siva Kumar A/L Kalugasalam
in Kuala Lumpur on 31 October 2022

SIVA KUMAR A/L KALUGASALAM

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEN TECH INTERNATIONAL BERHAD

(Formerly known as Inix Technologies Holdings Berhad)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zen Tech International Berhad (formerly known as Inix Technologies Holdings Berhad), which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 145.

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 30 June 2022, and of their financial performance and their cash flows for the financial year ended 30 June 2022 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial 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.

Risk area and rationale	Our response
Goodwill on consolidation *(Note 5 to the financial statements)*	
Impairment assessment of the carrying amount of goodwill on consolidation. The carrying amount of goodwill on consolidation as at 30 June 2022 amounted to RM6,319,438. We determined this to be a key audit matter as the process is complex and it requires significant judgments and estimates on the future results and key assumptions that is applied across the cash flow projections of the cash generating units (CGU) in determining the recoverable amounts. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each CGU, considering the impact of the COVID-19 pandemic.	Our audit procedures included, amongst others:- - compared prior year budgets to actual outcomes to assess reliability of management's forecasting process; - assessed and evaluated the key assumptions used in forecasting revenues, operating profits margins, growth rates and the production capacity of the factory; - assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, the market weighted average cost of capital and the relevant risk factors; - challenged and made enquiries on the management on the key inputs used in the measurement methods; - performed sensitivity analysis to stress test the key assumptions used in the cash flow projections to evaluate the impact on the impairment assessment; and - agreed the input data used by management to supporting evidence by verifying the actual results and financial budgets approved by the management.
Other Investment *(Note 10 to the financial statements)*	
Impairment assessment of the carrying amount of other investment. The carrying amount of other investment as at 30 June 2022 amounted to RM7,700,000.	Our audit procedures included, amongst others:- - compared prior year budgets to actual outcomes to assess reliability of management's forecasting process; - assessed and evaluated the key assumptions used in forecasting revenues, operating profits margins and the growth rates;

Risk area and rationale	Our response
Other Investment *(Note 10 to the financial statements)*	
We determined this to be a key audit matter as the process is complex and it requires significant judgments and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units (CGU) in determining the recoverable amounts of Hyper QB Sdn Bhd. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each CGU and considering the impact of the COVID-19 pandemic.	- assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, the market weighted average cost of capital and the relevant risk factors; - challenged and made enquiries on the management on the key inputs used in the measurement methods; - performed sensitivity analysis to stress test the key assumptions used in the cash flow projections to evaluate the impact on the impairment assessment; and - agreed the input data used by management to supporting evidence by verifying the actual results and financial budgets approved by the management.
Trade receivables and other receivables, deposits and prepayments *(Notes 12 and 13 to the financial statements)*	
The carrying amount of Group trade receivables and other receivables, deposits and prepayments as at 30 June 2022 amounted to RM302,400 and RM 6,190,046 respectively. We focused on this area as the significant judgements involved in determining the probability of default and recoverability of trade receivables and other receivables, deposits and prepayments and appropriate forward-looking information considering the impact of COVID-19 pandemic in assessing the expected credit loss.	Our audit procedures included, amongst others:- - recomputed the probability of default using the historical data and forward-looking information adjustment considering the impact of the COVID-19 pandemic applied by the Company; - challenged and made enquiries on the management on the key inputs used in the measurement methods and the rationale underlying the relationship between the forward-looking information used by the Company; - tested the accuracy and completeness of data used in the computation of the expected credit losses; - assessed the ageing analysis of trade receivables; and - reviewed the collection of trade receivables, other receivables and deposits subsequent to the financial year.

FINANCIAL STATEMENTS (CONT'D)

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 information included in the annual 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 other information 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 other information and, in doing so, consider whether the other information 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 the 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 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.

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 judgement and maintain professional scepticism 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's 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 and on 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.

- 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.

FINANCIAL
STATEMENTS (CONT'D)

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 financial 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.

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.

SBY PARTNERS PLT
Reg. No: 202206000003 (LLP0026726-LCA) AF: 0660
Chartered Accountants

SUKHPAL SINGH A/L KAUR SINGH
03494/05/2024 J
Chartered Accountant

Kuala Lumpur,
Date: 31 October 2022

STATEMENTS OF FINANCIAL POSITION
as at 30 June 2022

		Group		Company	
		30.6.2022	**30.6.2021**	**30.6.2022**	**30.6.2021**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
NON-CURRENT ASSETS					
Goodwill on consolidation	5	6,319,438	6,319,438	-	-
Property, plant and equipment	6	31,255,886	13,796,340	214,419	223,039
Right-of-use assets	7	3,138,310	2,771,705	387,544	702,835
Intangible assets	8	-	-	-	-
Investment in subsidiaries	9	-	-	15,824,108	1,330,026
Other investment	10	7,700,000	3,850,000	7,700,000	3,850,000
		48,413,634	26,737,483	24,126,071	6,105,900
CURRENT ASSETS					
Inventories	11	2,129,721	768,454	-	-
Trade receivables	12	302,400	1,915,596	-	-
Other receivables, deposits and prepayments	13	6,190,046	7,308,593	200,378	1,678,304
Amount due from subsidiaries	14	-	-	1,691,243	17,012,741
Fixed deposit with a financial institution	15	529,250	500,000	-	-
Cash and bank balances	16	1,092,631	760,495	6,606	52,512
		10,244,048	11,253,138	1,898,227	18,743,557
TOTAL ASSETS		58,657,682	37,990,621	26,024,298	24,849,457
EQUITY ANDLIABILITIES					
EQUITY					
Share capital	17	69,146,726	64,536,269	69,146,726	64,536,269
Accumulated losses		(29,857,916)	(30,199,731)	(44,767,686)	(41,553,805)
Total equity attributable to owners of the Company		39,288,810	34,336,538	24,379,040	22,982,464
Non-controlling interests		(7,377,392)	(8,826,246)	-	-
TOTAL EQUITY		31,911,418	25,510,292	24,379,040	22,982,464

FINANCIAL STATEMENTS (CONT'D)

		Group		Company	
		30.6.2022	30.6.2021	30.6.2022	30.6.2021
	Note	RM	RM	RM	RM
LIABILITIES					
NON-CURRENT LIABILITIES					
Lease liabilities	18	2,596,261	2,424,675	104,844	535,897
Hire purchase	19	325,783	442,845	-	-
Deferred tax liabilities	20	1,204,595	445,345	-	-
		4,126,639	3,312,865	104,844	535,897
CURRENT LIABILITIES					
Trade payables	21	3,023,655	722,491	-	-
Other payables and accruals	22	9,248,025	5,501,520	493,279	287,786
Amount due to directors	23	1,259,907	2,215,744	740,091	816,900
Lease liabilities	18	601,450	418,007	306,087	225,453
Hire purchase	19	118,127	111,990	-	-
Term loan	24	8,000,000	-	-	-
Current tax liabilities		368,461	197,712	957	957
		22,619,625	9,167,464	1,540,414	1,331,096
TOTAL LIABILITIES		26,746,264	12,480,329	1,645,258	1,866,993
TOTAL EQUITY AND LIABILITIES		58,657,682	37,990,621	26,024,298	24,849,457

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2022

	Note	Group		Company	
		From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM
REVENUE	25	26,479,924	18,235,369	-	-
COST OF SALES		(20,190,016)	(12,647,378)	-	-
CHANGE IN INVENTORIES		1,361,267	687,604	-	-
GROSS PROFIT		7,651,175	6,275,595	-	-
OTHER INCOME		4,124,088	2,229,600	10,770,751	7,917,861
ADMINISTRATIVE EXPENSES		(15,157,386)	(18,460,077)	(13,966,155)	(19,599,176)
LOSS FROM OPERATIONS		(3,382,123)	(9,954,882)	(3,195,404)	(11,681,315)
FINANCE COSTS	26	(341,077)	(56,187)	(18,477)	(16,399)
LOSS BEFORE TAXATION	27	(3,723,200)	(10,011,069)	(3,213,881)	(11,697,714)
INCOME TAX EXPENSE	28	(1,202,718)	(642,100)	-	-
LOSS FOR THE FINANCIAL YEAR/PERIOD, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR/PERIOD		(4,925,918)	(10,653,169)	(3,213,881)	(11,697,714)
ATTRIBUTABLE TO:					
Owners of the Company		(6,374,772)	(11,393,362)		
Non-controlling interests		1,448,854	740,193		
		(4,925,918)	(10,653,169)		
LOSS PER SHARE (Sen)					
Basic	29	(1.24)	(2.44)		
Diluted	29	(1.24)	(2.44)		

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

FINANCIAL
STATEMENTS (CONT'D)

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 30 June 2022

Group	Note	Share capital RM	Accumulated losses RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
At 1 February 2020		42,274,374	(18,806,369)	23,468,005	(9,823,507)	13,644,498
Transactions with owners:						
Issuance of shares pursuant to the exercise of warrants	17	9,747,698	-	9,747,698	-	9,747,698
Issuance of shares pursuant to the exercise of employees share issuance scheme	17	12,514,197	-	12,514,197	-	12,514,197
Changes in ownership interest in subsidiaries		-	-	-	257,068	257,068
Total transactions with owners		22,261,895	-	22,261,895	257,068	22,518,963
Total comprehensive loss for the financial period		-	(11,393,362)	(11,393,362)	740,193	(10,653,169)
At 30 June 2021/ 1 July 2021		64,536,269	(30,199,731)	34,336,538	(8,826,246)	25,510,292
Transactions with owners:						
Issuance of shares pursuant to the exercise of private placement	17	4,610,457	-	4,610,457	-	4,610,457
Realisation on disposal of subsidiaries		-	6,716,587	6,716,587	11,902	6,728,489
Total transactions with owners		4,610,457	6,716,587	11,327,044	11,902	11,338,946
Total comprehensive loss for the financal year		-	(6,374,772)	(6,374,772)	1,436,952	(4,937,820)
At 30 June 2022		69,146,726	(29,857,916)	39,288,810	(7,377,392)	31,911,418

FINANCIAL STATEMENTS (CONT'D)

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 30 June 2022

	Note	Share capital	Accumulated losses	Total equity
Company		**RM**	**RM**	**RM**
At 1 February 2020		42,274,374	(29,856,091)	12,418,283
Transactions with owners:				
Issuance of shares pursuant to the excersice of warrants	17	9,747,698	-	9,747,698
Issuance of shares pursuant to the exercise of employees shares issuance scheme	17	12,514,197	-	12,514,197
Total transactions with owners		22,261,895	-	22,261,895
Total comprehensive loss for the financial period		-	(11,697,714)	(11,697,714)
At 30 June 2021/1 July 202		64,536,269	(41,553,805)	22,982,464
Transactions with owners:				
Issuance of shares pursuant to the exercise of private placement		4,610,457	-	4,610,457
Total comprehensive loss for the financal year		-	(3,213,881)	(3,213,881)
At 30 June 2022		69,146,726	(44,767,686)	24,379,040

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

FINANCIAL STATEMENTS (CONT'D)

STATEMENTS OF CASH FLOWS
for the financial year ended 30 June 2022

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM Restated
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(3,723,200)	(10,011,069)	(3,213,881)	(11,697,714)
Adjustments for:				
Bad debts written off (Note 13)	399,999	991,164	399,999	991,164
Deposit written off	-	100	-	100
Depreciation:				
Property, plant and equipment	939,988	572,047	26,953	25,887
Right-of-use assets	548,801	309,698	283,620	200,810
Impairment loss:				
Amount due from subsidiaries	-	-	-	399,999
Property, plant and equipment	-	1,109,833	-	-
Investment in subsidiaries	-	-	2,982,184	7,750,500
Other investment	-	3,850,000	-	3,850,000
Trade receivables	-	143,784	-	-
Other receivables	1,292,700	3,950,000	1,292,700	3,950,000
Loss on disposal of investment in subsidiaries	6,448,932	-	6,366,002	-
Lease liability interest	88,849	45,972	18,477	16,399
Hire purchase interest	21,557	-	-	-
Term loan interest	230,575	-	-	-
Interest expense	96	10,215	-	-
Dividend income	(82,500)	-	(82,500)	-
Interest income	(12,218)	(2,726)	(117)	(2,724)
Reversal of impairment:				
Investment in subsidiaries	-	-	(6,437,219)	(1,000,002)
Other investment	(3,850,000)	-	(3,850,000)	-
Trade receivables	(125,984)	(656,750)	-	(656,750)
Amount due from subsidiaries	-	-	(399,999)	(6,211,943)
Operating profit/(loss) before working capital changes	2,177,595	312,268	(2,613,781)	(2,384,274)

STATEMENTS OF CASH FLOWS
for the financial year ended 30 June 2022

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM (Restated)
Inventories	(1,361,267)	(768,454)	-	-
Trade receivables	1,739,180	(973,705)	-	-
Other receivables, deposits and prepayments	(293,348)	(5,485,258)	267,726	(1,894,769)
Trade payables	2,301,164	(401,064)	-	-
Other payables and accruals	3,746,505	(992,927)	205,493	33,447
Amount due from subsidiaries	-	-	17,504,117	(761,595)
Amount due from an associate	-	-	-	103,000
Amount due to subsidiaries	-	-	-	(126,305)
Amount due to directors	(955,837)	2,069,231	(76,809)	802,690
Cash generated from/(used in) operations	7,353,992	(6,239,909)	15,286,746	(4,227,806)
Interest received	12,218	2,726	117	2,724
Interest paid	(96)	(10,215)	-	-
Tax paid	(272,719)	-	-	-
Net cash generated from/(used in) operating activities	7,093,395	(6,247,398)	15,286,863	(4,225,082)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of a subsidiary (Note 9)	-	(3,946,193)	-	-
Investment in subsidiaries	-	-	(17,605,049)	-
Purchase of property, plant and equipment	(18,530,184)	(11,640,462)	(18,333)	(242,476)
Proceed from disposal of subsidiaries	200,000	-	200,000	-
Net cash used in investing activities	(18,330,184)	(15,586,655)	(17,423,382)	(242,476)

FINANCIAL
STATEMENTS (CONT'D)

STATEMENTS OF CASH FLOWS
for the financial year ended 30 June 2022

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	**From 1.2.2020 to 30.6.2021 RM**	**From 1.7.2021 to 30.6.2022 RM**	**From 1.2.2020 to 30.6.2021 RM**
				(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loan	8,000,000	-	-	-
Proceed from exercise of employees share issuance scheme	-	12,514,197	-	12,514,197
Proceed from exercise of private placement	4,610,457	-	4,610,457	-
Proceed from exercise of warrants	-	9,747,698	-	9,747,698
Interest paid on lease liabilities	(88,849)	(45,972)	(18,477)	(16,399)
Interest paid on hire purchase	(21,557)	-	-	-
Interest paid on loan term	(230,575)	-	-	-
Amount due from subsidiaries	-	-	(2,182,619)	(17,633,674)
Repayment of hire purchase	(110,925)	(45,165)	-	-
Repayment of lease liabilities	(560,376)	(238,721)	(318,748)	(142,295)
Net cash generated from financing activities	11,598,175	21,932,037	2,090,613	4,469,527
Net increase/(decrease) in cash and cash equivalents	361,386	97,984	(45,906)	1,969
Cash and cash equivalents at the beginning of the financial year/period	1,260,495	1,162,511	52,512	50,543
Cash and cash equivalents at the end of the financial year/period	1,621,881	1,260,495	6,606	52,512
Cash and cash equivalents comprises:				
Fixed deposits with a financial institution	529,250	500,000	-	-
Cash and bank balances	1,092,631	760,495	6,606	52,512
	1,621,881	1,260,495	6,606	52,512

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

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in Note 9 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

On 15 June 2022, the Company has changed its name from Inix Technologies Holdings Berhad to Zen Tech International Berhad.

The address of the registered office of the Company is Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor.

The address of the principal place of business of the Company is Lot 3-40 & 3-41, Level 3, Viva Shopping Mall, No. 85 Jalan Loke Yew, 55200 Kuala Lumpur, Malaysia.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention, except as disclosed on Note 3 to the financial statements on significant accounting policies.

On 1 July 2021, the Group and the Company have adopted the following Amendment to MFRSs issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 July 2021:

Amendment to MFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above Amendment to MFRSs did not have any material impacts to the financial statements of the Group and of the Company.

MFRSs and Amendments to MFRSs that have been issued and applicable to the Group and the Company but are not yet effective.

The MFRSs and amendments to MFRSs that have been issued and applicable to the Group and Company but are not yet effective up to the date of issuance of the Group and the Company's financial statements are disclosed below. The Group and Company intend to adopt these standards when they become effective.

MFRSs and Amendments to MFRSs	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, plant and equipment – Property, plant and equipment – Proceeds before intended use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 Consolidated Financial Statements, MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of these MFRSs and Amendments to MFRSs that have been issued but not yet effective and applicable to the Group and of the Company are not expected to have a material impact to the financial statements of the Group and of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis of Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(i) Acquisition method of accounting for non-common control business combinations

Acquisition of subsidiary companies is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the years in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(ii) Non-controlling interest

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to owners of the Company.

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

(b) Investment in Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less any impairment, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to profit or loss.

Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the sold subsidiaries.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where applicable.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Computer equipment and software	20%
Furniture and fittings	10%
Plant and Machinery	10%
Motor vehicles	20%
Office equipment and telecommunication equipment	10% - 20%
Renovation	10%
Vessel	5%
TNB sub station	10%

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at each end of reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss in determining profit from operations.

(d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year for an intangible asset with a finite useful life is reviewed at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation year, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gain or losses arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(e) Impairment of Non-financial Assets

The carrying amounts of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at each end of the reporting year for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount.

A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

(f) Financial Assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

(ii) Amortised Cost and Effective Interest Method

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

(iii) Debt Instruments Classified as FVTOCI

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements of gains or losses in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Accumulated OCI is reclassified from equity to profit or loss and recognised in other gains/losses upon derecognition of the financial assets. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss within other gains/losses in the year in which it arises.

(iv) Equity Instruments

The Group and the Company subsequently measure all equity instruments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the instruments. Dividends from such instruments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gain/losses in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVTOCI are not reported separately from other changes in fair value.

(v) Financial Assets at FVTPL

This category comprises only in-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group and the Company do not have any assets held for trading nor do they voluntarily classify any financial assets as being at FVTPL.

(vi) Impairment of Financial Assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Any impairment gain or loss arising from such changes is to be recognised in profit or loss.

The Group and the Company always recognise lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(vii) Derecognition of Financial Assets

The Group and the Company derecognise a financial asset when the contractual right to the cash flows from the financial asset expired, or the Group and the Company transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and the Group and the Company do not retain control of the financial asset.

In the event the Group and the Company enter into transactions whereby the Group and the Company transfer assets recognised in statements of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(g) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) *Financial Liabilities At FVTPL*

This category comprises only out-of-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss. The Group and the Company do not have any liabilities held for trading nor have the Group and the Company designated any financial liabilities as being at FVTPL.

(ii) *Other Financial Liabilities*

Other financial liabilities include the following items:

- bank borrowings, where such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the year to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs as well as any interest payable while the liability is outstanding; and
- payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) *Derecognition Of Financial Liabilities*

The Group and the Company derecognise a financial liability when their contractual obligations are discharged or cancelled, or expired. The Group and the Company also derecognise a financial liability when their terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(h) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

All transactions with the owners of the Company are recorded separately within equity.

(j) Lease

The Group and the Company have applied MFRS 16 Leases using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained profits at 1 February 2020. Accordingly, the comparative information presented for financial year ended 31 January 2020 has not been related – i.e it is presented, as previously reported under MFRS 117 Leases and related interpretations.

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a year of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the year of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what the purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer as the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Recognition And Measurement

(i) Initial Measurement

As a Lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To clarify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration in the contract based on stand-alone selling prices.

When the Group and the Company is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use assets arising from head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the company applies the exemption described above, then it classifies the sublease as an operating lease.

As a Lessee

The Group and the Company recognise a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective company's incremental borrowing rate is used. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to early terminate the contract.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the year in which the performance or use occurs.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and lease of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

(ii) *Subsequent measurement*

As a Lessor

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

As a Lessee

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets is yearically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

When there is lease modification due to increase in the scope of lease by adding the right-to-use one or more underlying assets, the Group and the Company assess whether the lease modification shall be accounted for as a separate lease or similar to reassessment of lease liability. The Group and the Company account for lease modification as a separate lease when the consideration for the lease increases by an amount that commensurate with the stand-alone price for the increase in scope and any appropriate adjustments.

When there is lease modification due to decrease in scope, the Group and the Company decrease the carrying amount of the right-of-use assets and remeasure the lease liability to reflect the partial or full termination of the lease. The corresponding gain or loss shall be recognised in profit or loss. Lease liabilities are remeasured for all other lease modifications with corresponding adjustments to the right-of-use assets.

(k) Revenue Recognition

Revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and their customer have approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which the Group and the Company will be entitled to in exchange of those goods or services.

Recognition And Measurement

At the inception of each contract with customer, the Group and the Company assess the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and in the Company's customary business practices. A goods or services is distinct if:

- the customer can benefit from the goods or service either on its own or together with other resources that are readily available to the customer; and
- the Group's and the Company's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract.

If a goods or service is not distinct, the Group and the Company combine it with other promised goods or services until the Group and the Company identify a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured based on the consideration specified in contract with a customer excludes amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group and the Company estimate the amount of consideration that they expect to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group and the Company determine whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Controls over the goods or services are transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performances create or enhance a customer-controlled asset; or
- the Group's and the Company's performances do not create an asset with alternative use to the Group and the Company and the Group and the Company have a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The revenue recognition policies of the Group's and of the Company's major activities are described below:

(i) Revenue From Services Rendered

Revenue from services is recognised in the accounting year in which the services are rendered and the customer receives and consumes the benefits provided by the Group and the Company, and the Group and the Company have a present right to payment for the services.

(ii) Revenue From Sale of Goods

Revenue is measured at the fair value of consideration received or receivables, net of returns and allowances, trade discount and volume rebate. Revenue from sale of goods is recognised when the transfer of significant risks and rewards of ownership of the goods to the customer and there is no continuity management involvement with the goods.

(iii) Commission from Gateway Platform

Commission from gateway platform are recognised upon remittance of settlement of payment that are due to the merchants.

(l) <u>Dividend Income</u>

Dividend income is recognised when the right to receive dividend payment is established.

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(m) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(n) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Company and its subsidiary companies. 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 year. Past-service costs are recognised immediately in profit or loss.

(ii) Defined Contribution Plan

The Company's and its subsidiary companies' contributions to defined contribution plans regulated and managed by the government are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Company and its subsidiary companies have no further financial obligations.

(o) Income Tax Expense

Income taxes for the financial year comprise current and deferred taxes.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(p) Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity).

A related party is:

(i) a person or a close member of that person's family is related to a reporting entity if that person:

a. has control or joint control of the reporting entity;
b. has significant influence over the reporting entity; or
c. is a member of the key management personnel of the reporting entity or of a holding company of the reporting entity.

(ii) an entity is related to a reporting entity if any of the following conditions applies:

a. the entity and the reporting entity are members of the same group (which means that each holding company, subsidiary company and fellow subsidiary company is related to the others).
b. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
c. both entities are joint ventures of the same third party.
d. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
e. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
f. the entity is controlled or jointly controlled by a person identified in (i).
g. a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of the holding company of the entity).
h. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the holding company of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(q) Functional and Foreign Currency

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting year are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(r) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each end of reporting date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Any reimbursement that the Group or the Company 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 expense relating to any provision is presented in the profit or loss, net of any reimbursement.

(s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(t) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended years in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the year in which they incurred.

(u) Earnings Per Ordinary Share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, if any.

Diluted EPS is determine by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, if any, for the effect of all dilutive potential ordinary shares, which comprise warrants and share options granted to the employees.

(v) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenues.

(w) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
Level 2: fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
Level 3: fair value is estimated using unobservable inputs for the financial assets and liabilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation of Property, Plant and Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of property, plant and equipment is disclosed in Note 6.

(b) Measurement Of Right-of-use Assets And Lease Liabilities

The measurement of a lease liability and the corresponding right-of-use asset includes in-substance fixed payments, variable lease payments linked to an inflation-related index or rate, estimates of lease term, option to purchase, payments under residual value guarantee and penalties for early termination. The actual payments may not coincide with these estimates.

The Group and the Company reassess the lease liability for any change in the estimates and a corresponding adjustment is made to the right-of-use asset.

The carrying amounts of right-of-use asset and lease liabilities are disclosed in Notes 7 and Note 18.

(c) Impairment of Investment in Subsidiaries

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

(d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiary companies recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Group

The carrying amount of the current and deferred tax liabilities are RM368,461 and RM1,204,595 (2021: RM197,712 and RM445,345) respectively.

Company

There is no carrying amount of current tax liabilities during the financial year.

(e) Provision for ECL of Trade Receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(f) Fair Value of Financial Instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting year.

(g) Impairment of Other Receivables

The loss allowances for other financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting year.

(h) Impairment of Non-financial Assets

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

5. GOODWILL ON CONSOLIDATION

	Group	
	30.6.2022	**30.6.2021**
	RM	**RM**
At 1 July 2021/1 February 2020	6,319,438	-
Goodwill arising from the acquisition of a subsidiary (Note 9)	-	6,319,438
At 30 June	6,319,438	6,319,438

Goodwill on consolidation is accounted for using the proportionate method. After initial recognition, goodwill on consolidation is measured at cost less any accumulated impairment losses. The carrying amounts of goodwill amounted to RM6,319,438 (30.06.2021: RM6,319,438), has been allocated to the investment in Inix L&S Gloves Sdn. Bhd.

The recoverable amount of the CGUs is determined based on the value in use calculations using cash flow projections on financial budgets approved by directors for a five years period. The future cash flows are based on management's five years business plan, which is the best estimate of future performance.

The recoverable amounts of goodwill on consolidation of the CGU is determined based on the value in use calculations using the cash flow projections using the following assumptions:

(i) Budgeted revenue – Revenue is derived based on the 9 production lines, capacity of production of 11,222 gloves per line per hour, 19.91 hours per day and with the 97% capital efficiency of the factory production over the 5 years;

(ii) Budgeted gross margin – Gross margin is based on historical margin achieved and management target margin of 32%, which is probable to be achieved;

(iii) Growth rates -The growth rate is 2.45% per annum based on Malaysia Consumer Price Index; and

(iv) Pre-tax discount rate - Discount rate of 6.9% represents the cost of capital of the CGU.

The value assigned to the key assumptions which represents directors' assessment of future production lines, pricing mechanism, target margin and the market pricing of rubber gloves based on both external and internal sources.

The Group undertakes an annual test for impairment evaluation. No impairment loss was recognised for the aforesaid carrying amount of goodwill assessed at the reporting date as their recoverable amount were in excess of their carrying amounts.

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

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6. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

Group	**Computer equipment and software**	**Furniture and fittings**	**Plant and Machinery**	**Motor vehicles**
	RM	**RM**	**RM**	**RM**
Cost				
At 1 February 2020	91,281	16,701	1,717,237	38,519
Additions	77,425	29,616	1,117,820	387,008
Reclassification	-	-	332,180	-
Acquisition of a subsidiary (Note 9)	4,200	37,052	1,513,879	747,394
At 30 June 2021 / 1 July 2021	172,906	83,369	4,681,116	1,172,921
Additions	15,691	14,900	3,024,619	-
Disposal of subsidiaries	(4,300)	-	(1,717,237)	-
Reclassification	-	-	1,087,398	-
At 30 June 2022	184,297	98,269	7,075,896	1,172,921
Accumulated depreciation				
At 1 February 2020	40,133	6,637	364,127	38,518
Charge for the financial period	47,306	7,737	366,771	111,852
Acquisition of a subsidiary (Note 9)	420	-	-	630
At 30 June 2021 / 1 July 2021	87,859	14,374	730,898	151,000
Charge for the financial year	42,318	15,432	578,561	226,881
Disposal of subsidiaries	(4,300)	-	(607,404)	-
At 30 June 2022	125,877	29,806	702,055	377,881
Group				
Accumulated impairment				
At 1 February 2020 / 30 June 2021	-	-	1,109,833	-
Disposal of subsidiaries	-	-	(1,109,833)	-
At 30 June 2022	-	-	-	-
Net carrying amount				
At 30 June 2022	58,420	68,463	6,373,841	795,040
At 30 June 2021	85,047	68,995	2,840,385	1,021,921

* Included in the reclassification is the balance of RM130,650 which has been transferred to other receivables due to variation order

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Office equipment and telecommunication equipment	Renovation	TNB sub station	Vessel	Capital work-in-progress	Total
RM	RM	RM	RM	RM	RM
2,896	-	-	5,500,000	-	7,366,634
76,147	225,285	-	-	9,727,161	11,640,462
-	-	-	-	(332,180)	-
57,213	63,000	-	-	-	2,422,738
136,256	288,285	-	5,500,000	9,394,981	21,429,834
43,230	91,480	199,290	-	15,140,974	18,530,184
-	-	-	(5,500,000)	-	(7,221,537)
-	-	-	-	(1,218,048)	(130,650)
179,486	379,765	199,290	-	23,317,907	32,607,831
955	-	-	550,000	-	1,000,370
9,473	28,908	-	-	-	572,047
194	-	-	-	-	1,244
10,622	28,908	-	550,000	-	1,573,661
25,378	41,453	9,965	-	-	939,988
-	-	-	(550,000)	-	(1,161,704)
36,000	70,361	9,965	-	-	1,351,945
-	-	-	4,950,000	-	6,059,833
-	-	-	(4,950,000)	-	(6,059,833)
-	-	-	-	-	-
143,486	309,404	189,325	-	23,317,907	3 1,255,886
125,634	259,377	-	-	9,394,981	13,796,340

The net carrying amount of property, plant and equipment includes the following asset held under hire purchase agreement as disclosed in Note 19:

Group	2022 RM	2021 RM
Motor vehicles	522,088	667,787

Certain plant and machinery of the Group for the glove manufacturing line bearing the serial no: IG001/2021, IG002/2021, IG003/2021 and IG004/2021 has been charged as disclosed in Note 24 to the financial statements.

In previous financial year, the Group has impaired the piling machine owned by a subsidiary of the Company as the Board unable to justify the recoverable amount of the piling machine.

Company	Computer equipment and software RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Telecom-munication equipment RM	Total RM
Cost						
At 1 February 2020	13,257	4,224	-	-	-	17,481
Addition	8,266	8,516	-	225,285	409	242,476
At 30 June 2021 1 July 2021	21,523	12,740	-	225,285	409	259,957
Addition	9,743	-	8,590	-	-	18,333
At 30 June 2022	31,266	12,740	8,590	225,285	409	278,290
Accumulated depreciation						
At 1 February 2020	10,214	817	-	-	-	11,031
Charge for the financial period	3,808	1,301	-	20,758	20	25,887
At 30 June 2021/ 1 July 2021	14,022	2,118	-	20,758	20	36,918
Charge for the financial year	2,489	1,274	579	22,529	82	26,953
At 30 June 2022	16,511	3,392	579	43,287	102	63,871
Net carrying amount						
At 30 June 2022	14,755	9,348	8,011	181,998	307	214,419
At 30 June 2021	7,501	10,622	-	204,527	389	223,039

7. RIGHT-OF-USE ASSETS

The details of right-of-use assets are as follows:

Group	Office building RM	Factory RM	Total RM
Cost			
At 1 February 2020	-	-	-
Additions	903,645	2,177,758	3,081,403
At 30 June 2021/1 July 2021	903,645	2,177,758	3,081,403
Additions	-	947,077	947,077
Disposal	(31,671)	-	(31,671)
At 30 June 2022	871,974	3,124,835	3,996,809
Accumulated depreciation			
At 1 February 2020	-	-	-
Charge for the financial period	200,810	108,888	309,698
At 30 June 2021/1 July 2021	200,810	108,888	309,698
Additions	290,658	265,181	555,839
Disposal	(7,038)	-	(7,038)
At 30 June 2022	484,430	374,069	858,499
Net carrying amount			
At 30 June 2022	387,544	2,750,766	3,138,310
At 30 June 2021	702,835	2,068,870	2,771,705

(a) The Group and Company's leases the buildings of which the leasing activities are summarised below:

(i) Office Building

The Group and Company has entered into 3 years (2021: 3 years) renewable operating lease agreement for the use of the office building. The operating lease will be further renewed yearly at least one month before the expiry of the tenancy agreement.

(ii) Factory

The Group has entered into 2 lease agreements that has 10 years and 9 years (2021: 10 years) with an option to renew the lease after that date.

(b) The Group and Company has leases with lease terms of 12 months or less. The Group has applied the "short term lease" recognition exemption for these leases.

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Company	Office building
	RM
Cost	
At 1 February 2020	-
Addition	903,645
At 30 June 2021/At 1 July 2021	903,645
Disposals	(31,671)
At 30 June 2022	871,974
Accumulated depreciation	
At 1 February 2020	-
Charge for the financial period	200,810
At 30 June 2021/At 1 July 2021	200,810
Charge for the financial year	290,658
Disposals	(7,038)
At 30 June 2022	484,430
Net carrying amount	
At 30 June 2022	387,544
At 30 June 2021	702,835

The Group and the Company lease an office building and a factory. The remaining lease terms of the office building and factory is 2 years and 9 years (2021: 3 years and 10 years) respectively.

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8. INTANGIBLE ASSETS

Group	License RM	Software and development RM	Total RM
Cost			
At 1 February 2020/30 June 2021			
1 July 2021/30 June 2022	50,000	3,731,599	3,781,599
Accumulated amortisation			
At 1 February 2020/30 June 2021			
1 July 2021/30 June 2022	50,000	3,731,599	3,781,599
Net carrying amount			
At 30 June 2022	-	-	-
At 30 June 2021	-	-	-

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

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 life of 5 years.

9. INVESTMENT IN SUBSIDIARIES

	Company 30.6.2022 RM	Company 30.6.2021 RM
Unquoted shares in Malaysia, at cost		
At 1 July 2021/1 February 2020	2,736,298	2,736,298
Convert from equity distribution	5,679,950	-
Disposals of investment in subsidiaries	(6,566,002)	-
At 30 June	1,850,246	2,736,298
At 1 July 2021/1 February 2020	7,194,472	-
Add: Equity contribution to subsidiaries	17,605,049	7,194,472
Less: Convert to investment	(5,679,950)	-
At 30 June	19,119,571	7,194,472
	20,969,817	9,930,770
Less:Accumulated impairment losses		
At 1 July 2021/1 February 2020	8,600,744	1,850,246
Addition during the year/period	2,982,184	7,750,500
Reversal during the year/period	(6,437,219)	(1,000,002)
At 30 June	5,145,709	8,600,744
	15,824,108	1,330,026

Equity contribution to subsidiary companies

Equity contribution to subsidiary companies represents balances which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the holding company's net investment in the subsidiary companies.

During the financial year, the Management reassessed and reclassified these amounts from amount owing by subsidiary companies, as these amounts are part of the net investment in the subsidiary companies.

Impairment loss recognised

Impairment loss was provided for investment in subsidiary companies in which these subsidiary companies had accumulated losses and had deficits in their shareholders' equity. The forecasted financial position, financial performance and cash flows of these subsidiary companies are not expected to generate sufficient recoverable amount to justify the carrying amount of the investment in these subsidiary companies.

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Details of the subsidiary companies are as follows:

Name of subsidiary companies	Country of incorporation / place of business	Effective equity interest 30.6.2022	Effective equity interest 30.6.2021	Principal activities
		%	%	
Ansi Systems Sdn. Bhd. ("ASSB")	Malaysia	51	51	Software development and system integration.
Inix Glove Manufacturing Sdn. Bhd. ("Inix Glove")	Malaysia	100	100	Software development, system integration, information technology management consultancy and other related professional services.
Inix Network Sdn. Bhd. ("Inix Network")	Malaysia	100	100	System integration, information technology management consultancy and other related professional services.
Inix Maritime Sdn. Bhd. ("Inix Maritime")	Malaysia	-	100	Dredging and land reclamation.
Concrete Milestone Sdn. Bhd. ("CMSB")	Malaysia	-	51	Concrete and piling activities.
MRA Global Sdn. Bhd. ("MRA") *#	Malaysia	-	55	Dormant and has not commenced business operation.
Indirect holding:				
Subsidiaries of Inix Glove				
Inix L&S Gloves Sdn. Bhd.	Malaysia	51	51	Manufacturing of rubber gloves

* Subsidiary companies not audited by SBY Partners PLT.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

Disposal of subsidiaries

MRA Global Sdn. Bhd., a direct subsidiary of the Company, had ceased to be a subsidiary on 22 July 2021 pursuant to the completion of disposal of 55% equity interest pursuant to the sales of shares agreement.

Inix Maritime Sdn. Bhd., a direct subsidiary of the Company, had ceased to be a subsidiary on 11 March 2022 pursuant to the completion of disposal of 100% equity interest pursuant to the sales of shares agreement.

Concrete Milestone Sdn. Bhd., a direct subsidiary of the Company, had ceased to be a subsidiary on 11 March 2022 pursuant to the completion of disposal of 51% equity interest pursuant to the sales of shares agreement.

The disposal has the following effects on the Group's cash flows for the financial year ended 30 June 2022:

	2022 **RM**
Details of the disposal were as follows:	
Current Assets	
Amount due from related company	125,565
Cash and bank balances	44,467
Current liabilities	
Other payables and accruals	(23,163)
Amount owing to holding company	(49,224)
Trade payables	(5,707)
Amount owing to director	(132,303)
Amount owing to related companies	(125,565)
Other receivables and prepayments	32,015
Net liabilities	(133,915)
Controling interest	(8,422)
Less: Total disposal proceeds	(200,000)
	(208,422)
Non-controling interest	125,493
Loss on disposal of subsidiaries	(82,930)

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STATEMENTS (CONT'D)

Non-controlling interests

(a) The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:-

Name of subsidiary companies	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive income/(loss) attributable to non-controlling interests		Accumulated non-controlling interests	
	30.6.2022	31.6.2021	30.6.2022	31.6.2021	30.6.2022	31.6.2021
	%	%	RM	RM	RM	RM
ASSB	51	51	(442,141)	508,000	(10,420,362)	(9,978,221)
CMSB	-	51	-	(796,317)	-	(133,603)
L&S	51	51	1,883,059	1,028,510	3,168,637	1,285,578
			1,440,918	740,193	(7,251,725)	(8,826,246)

(b) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of the reporting year are as follows:-

	ASSB RM	CMSB RM	IL&S RM
Summarised statements of financial position			
30.6.2022			
Non-current assets	46,377	-	12,543,404
Current assets	1,080,652	-	5,566,796
Non-current liabilities	-	-	(1,530,378)
Current liabilities	(15,662,734)	-	(10,200,214)
Net (liabilities)/assets	(14,535,705)	-	6,379,608
30.6.2021			
Non-current assets	65,199	932	4,862,343
Current assets	2,420,343	29,335	4,183,882
Current liabilities	(15,887,564)	(300,947)	(5,424,650)
Net (liabilities)/assets	(13,402,022)	(270,680)	3,621,575.00

	ASSB RM	CMSB RM	IL&S RM
Summarised statements of profit or loss and other comprehensive income			
1.7.2021 to 30.6.2022			
Revenue	2,113,493	-	24,366,431
(Loss)/profit for the financial year	(902,328)	-	3,842,978
Total comprehensive loss for the financial year/period	1,211,165	-	28,209,409
Summarised statements of profit or loss and other comprehensive income			
1.2.2020 to 30.6.2021			
Revenue	8,028,581	-	10,585,241
Loss for the financial year	1,265,421	(1,625,136)	2,741,098
Total comprehensive loss for the financial year/period	9,294,002	(1,625,136)	13,326,339
Summarised statements of cash flows			
1.7.2021 to 30.6.2022			
Net cash generated from operating activities	271,205	-	9,233,745
Net cash used in investing activities	(11,889)	-	(8,483,672)
Net cash used in financing activities	-	-	(557,351)
Net increase in cash and cash equivalents	259,316	-	192,722
1.2.2020 to 30.6.2021			
Net cash (used in)/generated from operating activities	(11,530,736)	175	3,738,951
Net cash used in investing activities	(33,297)	-	(4,109,666)
Net cash (used in)/generated from financing activities	(26)	-	807,398
Net (decrease)/increase in cash and cash equivalents	(11,564,059)	175	436,683

10. OTHER INVESTMENT

	Group and Company 30.6.2022 RM	30.6.2021 RM
Unquoted shares, at cost		
In Malaysia		
At 1 July 2021/1 February 2020	7,700,000	7,700,000
Less: Accumulated impairment losses	-	(3,850,000)
At 30 June	7,700,000	3,850,000

FINANCIAL STATEMENTS (CONT'D)

On 1 April 2016, the Group and the Company have 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 Group and the Company do not have significant influence due to followings:

(a) The Group and the Company have limited influence in terms of voting right and have no board representative in Hyper QB;

(b) The Group and the Company have no authority to participate in the financial affairs and operational activities of Hyper QB; and

(c) There are no material transactions entered into between the Group and the Company and Hyper QB.

Movements in the accumulated impairment losses are as follows:

	Group and Company	
	30.6.2022	**30.6.2021**
	RM	**RM**
At 1 July 2021/1 February 2020	3,850,000	-
Addition during the financial period	-	3,850,000
Reversal during the financial year	(3,850,000)	-
At 30 June	-	3,850,000

Fair value of the other investment is categorised as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
Group and Company				
30.6.2022				
Financial asset at fair value				
<u>through profit or loss</u>				
Other investment	-	-	7,700,000	7,700,000
30.6.2021				
Financial asset at fair value				
<u>through profit or loss</u>				
Other investment	-	-	3,850,000	3,850,000

There were no transfers between Level 1 and Level 2 during the financial year ended 30 June 2022.

<u>Level 3 fair value</u>

Level 3 fair value is estimated using unobservable inputs of the 5 years cash flow projections of Hyper QB Sdn. Bhd.

The recoverable amount of the CGUs is determined based on the value in use calculations using cash flow projections on financial budgets approved by directors for a five years period. The future cash flows are based on management's five years business plan, which is the best estimate of future performance of Hyper QB Sdn. Bhd.

The recoverable amounts for Hyper QB Sdn Bhd's CGU is determined based on the value in use calculations using the cash flow projections using the following assumptions:

(i) Budgeted revenue – Revenue is derived based on the services rendered on consultation, consultancy and professional services in the areas of information technology, business technology, telecommunication and other related areas over the 5 years;

(ii) Budgeted gross margin – Gross margin is based on historical margin achieved and management target margin of 87%- 88%, which is probable to be achieved;

(iii) Growth rates -The growth rate is 2.45% per annum based on Malaysia Consumer Price Index; and

(iv) Pre-tax discount rate - Discount rate of 6.9% represents the cost of capital of the CGU.

The value assigned to the key assumptions which represents directors' assessment of future value of services that to be rendered and target margin based on both external and internal sources.

During the financial year ended 30 June 2022, no impairment loss was recognised for the aforesaid carrying amount of other investment as the recoverable amount were in excess of the carrying amounts. In previous financial year, impairment loss amounting to RM3,850,000 had been recognised in profit or loss as the carrying amount were in excess of the recoverable amounts.

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

11. INVENTORIES

	Group	
	30.6.2022	**30.6.2021**
	RM	**RM**
At cost:		
Raw materials	1,126,037	743,824
Packing materials	163,746	24,630
Finished goods	839,938	-
	2,129,721	768,454

Inventories recognised in cost of sales for the financial year ended 30 June 2022 amounted to RM14,102,947 (30.6.2021: RM7,275,663).

12. TRADE RECEIVABLES

	Group		Company	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM	RM	RM	RM
Trade receivables				
- Third parties	320,200	2,059,380	-	-
Less: Accumulated impairment losses	(17,800)	(143,784)	-	-
	302,400	1,915,596	-	-

Trade receivables are non-interest bearing and are generally on 30 to 120 days (30.6.2021: 60 to 120 days) credit terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the accumulated impairment losses are as follows:

	Group		Company	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM	RM	RM	RM
At 1 July 2021/ 1 February 2020	143,784	5,027,572	-	656,750
Additions during the year/period	-	143,784	-	-
Written off during the year/period	-	(5,027,572)	-	(656,750)
Adjustment during the year/period	(125,984)	-	-	-
At 30 June	17,800	143,784	-	-

The information about the credit exposure is disclosed in Note 33(a) to the financial statements.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM	RM	RM	RM
		Restated		*Restated*
Other receivables				
- Related parties	546,426	-	546,426	4,549
- Third parties	5,241,944	5,620,312	4,768,412	5,095,616
	5,388,371	5,620,312	5,314,838	5,100,165
Less: Bad debt written off	(399,999)	-	(399,999)	-
Deposits	6,427,841	5,750,989	1,568,239	1,568,139
	11,816,212	11,371,301	6,483,078	6,668,304
Less: Accumulated impairment losses	(6,592,700)	(5,300,000)	(6,282,700)	(4,990,000)
	5,223,512	6,071,301	200,378	1,678,304
Prepayments	966,534	1,237,292	-	-
	6,190,046	7,308,593	200,378	1,678,304

Group

Included in the deposits is the total earnest deposits of RM4,500,000 (30.6.2021: RM4,500,000) relating to new ventures of the Group. In previous financial period, a subsidiary of the Company has entered into a sale of business and assets agreement with Signature Healthland Sdn. Bhd., ("SHSB") and the Director of SHSB to purchase the business and assets of SHSB for a purchase consideration amounted to RM5million. In previous financial year, the subsidiary of the Company has paid a refundable deposit amounted to RM3,500,000 to SHSB. During the financial year ended 30 June 2022, the Board of Directors of the Company has accepted the extension of time offered by SHSB to complete the purchase of business and assets of SHSB as the Board of Directors of the Company do understand the impact of COVID-19 to the business of SHSB. As at 31 October 2022, the conditions precedent in relates to the sales of business and assets agreement with SHSB and its Director has yet to be satisfied.

Company

Included in deposits is an amount of RM1,000,000 (30.6.2021: RM1,000,000) in regards to the memorandum of agreement entered by the Company with World Glove International Group Sdn. Bhd., ("WGI"). On 28 May 2021, the Company has terminated the memorandum of agreement and the Company has entered into a settlement agreement to recover the refund of the earnest deposit amounted to RM1,000,000. Subsequently, on 10 November 2021, the Company has entered into a revised settlement payment.

During the financial year ended 30 June 2022, the Company has impaired the RM1,000,000 refundable deposit paid to WGI as WGI was unable to meet the revised settlement payment and consequently, the Company has commenced a legal proceeding against Goh Poh Seng and WGI to recover the refundable deposit of RM1,000,000.

Other receivables and deposits that are individually determined to be impaired relate to receivables that are in significant financial difficulties and have defaulted on payments and the directors are of the opinion that these are not recoverable.

Movements in the accumulated impairment losses are as follows:

	Group		Company	
	30.6.2022	**30.6.2021**	**30.6.2022**	**30.6.2021**
	RM	**RM**	**RM**	**RM**
		Restated		
At 1 July 2021/ 1 February 2020	5,300,000	1,743,508	4,990,000	1,040,000
Additions	1,292,700	5,300,000	1,292,700	3,950,000
Written off	-	(1,743,508)	-	-
At 30 June	6,592,700	5,300,000	6,282,700	4,990,000

14. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	30.6.2022	**30.6.2021**
	RM	**RM**
Amount due from subsidiaries	13,981,899	29,703,396
Less: Accumulated impairment losses	(12,290,656)	(12,690,655)
	1,691,243	17,012,741

Amount due from subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand. Movements in the accumulated impairment losses are as follows:

	Company	
	30.6.2022	**30.6.2021**
	RM	**RM**
At 1 July 2021/1 February 2020	12,690,655	18,502,599
Additions during the financial year/period	-	399,999
Reversal during the financial year/period	(399,999)	(6,211,943)
At 30 June	12,290,656	12,690,655

<u>Impairment loss recognised</u>

Impairment loss was provided for amount due from subsidiaries in which these subsidiaries had accumulated losses and had deficits in their shareholders' equity.

15. FIXED DEPOSITS WITH A FINANCIAL INSTITUTION

Group

The fixed deposits with a financial institution earn effective interest at 1.85% (30.6.2021: 1.85%) per annum and are pledged as securities for banking facilities granted to the Group.

16. CASH AND BANK BALANCES

	Group		Company	
	30.6.2022	**30.6.2021**	**30.6.2022**	**30.6.2021**
	RM	**RM**	**RM**	**RM**
Cash and cash equivalent	1,092,631	760,495	6,606	52,512

17. SHARE CAPITAL

	Group and Company			
	30.6.2022	**30.6.2021**	**30.6.2022**	**30.6.2021**
	Number of ordinary shares		**RM**	**RM**
Issued share capital:				
At 1 July 2021/ 1 February 2020	466,603,720	298,254,750	64,536,269	42,274,374
Issuance of shares pursuant to the exercise of warrants	-	97,476,970	-	9,747,698
Issuance of shares pursuant to the exercise of private placement	46,660,300	-	4,610,457	-
Issuance of shares pursuant to the exercise of employees share issuance scheme	-	70,872,000	-	12,514,197
At 30 June	513,264,020	466,603,720	69,146,726	64,536,269

During the financial year, the Company had issued the following:

(a) the issuance of 24,000,000 ordinary shares of RM0.097 each arising from the exercise of private placement;

(b) the issuance of 18,000,000 ordinary shares of RM0.102 each arising from the exercise of private placement; and

(c) the issuance of 4,660,300 ordinary shares of RM0.0958 each arising from the exercise of private placement.

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

The holders of the 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 regards to the Company's residual assets.

18. LEASE LIABILITIES

The lease liabilities are repayable as follows:

	Future instalments payable	Undue interest	Principal payable
Group	**RM**	**RM**	**RM**
30.6.2022			
Shown under current liabilities			
Within 1 year	689,388	(87,938)	601,450
Shown under non-current liabilities			
Between 2 to 5 years	1,593,796	(224,009)	1,369,787
More than 5 years	1,302,000	(75,526)	1,226,474
	2,895,796	(299,535)	2,596,261
	3,585,184	(387,473)	3,197,711
30.6.2021			
Shown under current liabilities			
Within 1 year	569,388	(151,381)	418,007
Shown under non-current liabilities			
Between 2 to 5 years	1,563,429	(193,569)	1,369,860
More than 5 years	1,239,000	(184,185)	1,054,815
	2,802,429	(377,754)	2,424,675
	3,371,817	(529,135)	2,842,682

Company	**Future instalments payable** RM	**Undue interest** RM	**Principal payable** RM
30.6.2022			
Shown under current liabilities			
Within 1 year	317,388	(11,301)	306,087
Shown under non-current liabilities			
Between 2 to 5 years	105,796	(952)	104,844
	423,184	(12,253)	410,931
30.6.2021			
Shown under current liabilities			
Within 1 year	317,388	(91,935)	225,453
Shown under non-current liabilities			
Between 2 to 5 years	555,429	(19,532)	535,897
	872,817	(111,467)	761,350

Movements of lease liabilities for the financial year are as follows:

	Group		**Company**	
	30.6.2022 RM	**30.6.2021** RM	**30.6.2022** RM	**30.6.2021** RM
At 1 July 2021/1 February 2020	2,842,682	-	761,350	-
Additions	947,076	3,081,403	-	903,645
Disposals	(31,671)	-	(31,671)	-
Accretion interest	88,849	45,972	18,477	16,399
Lease payments - principal portion	(560,376)	(238,721)	(318,748)	(142,295)
Interest paid	(88,849)	(45,972)	(18,477)	(16,399)
At 30 June	3,197,711	2,842,682	410,931	761,350

The Group and the Company lease office building and factory. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Interest rate of the lease liabilities of the Group and Company is 2.75% (2021: 2.75%)

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STATEMENTS (CONT'D)

19. HIRE PURCHASE

	Future instalments payable	Undue interest	Principal payable
Group	**RM**	**RM**	**RM**
30.6.2022			
Shown under current liabilities			
Within 1 year	132,912	(14,785)	118,127
Shown under non-current liabilities			
Between 2 to 5 years	343,254	(17,471)	325,783
	476,166	(32,256)	443,910
30.6.2021			
Shown under current liabilities			
Within 1 year	132,912	(20,922)	111,990
Shown under non-current liabilities			
Between 2 to 5 years	476,166	(33,321)	442,845
	609,078	(54,243)	554,835

Included in hire purchase of the Group is an amount of RM443,910 (30.06.2022: RM554,835) pledged against hire purchase financing for motor vehicles as disclosed in Note 6 to the financial statements. The interest of hire purchase is charged on 4.34% (30.06.2022: 4.09%) per annum.

20. DEFERRED TAX LIABILITIES

	Group	
	30.6.2022	**30.6.2021**
	RM	**RM**
At beginning of financial year/period	445,345	-
Realised to profit or loss (Note 28)	759,250	445,345
At end of financial year/period	1,204,595	445,345

The deferred tax liabilities are in respect of taxable temporary differences arising from the qualifying property, plant and equipment's total capital allowances claimed excess of corresponding accumulated depreciation.

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21. TRADE PAYABLES

	Group	
	30.6.2022	30.6.2021
	RM	RM
Trade payables	3,023,655	722,491

Trade payables are non-interest bearing and are generally on 90 days (30.6.2021: 30 to 60 days) credit terms.

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM	RM	RM	RM
Other payables				
- Third parties	7,840,623	2,460,488	343,783	205,790
Accruals	1,207,058	1,242,129	149,496	81,996
Deposits	200,344	1,798,903	-	-
	9,248,025	5,501,520	493,279	287,786

23. AMOUNT DUE TO DIRECTORS

Amount owing to directors is non-trade in nature, unsecured, interest free and repayable on demand.

24. TERM LOAN

	Group	
	2022	2021
	RM	RM
Shown under current liabilities		
Within 1 year	8,000,000	-

On 26 September 2021, a subsidiary of the Company has signed a moneylending agreement with a licensed money lender company, namely Southborn Capital Sdn. Bhd. ("SCSB") to obtain a secured loan amounted to RM8,000,000.

The repayment terms are as follows:

(a) The amount is repayable without demand at the end of the 12 months from the date of this agreement with option to roll-over for a similar period; and
(b) Any early repayment or partial repayment of the amount shall be first notified to the Lender in writing at least 30 days prior to the early repayment or partial repayment.

The term loan is secured by a charge on the Glove manufacturing line bearing the Serial No: IG001/2021, IG002/2021, IG003/2021 and IG004/2021.

The term loans bear effective interest rate at 4% per annum on a quarterly basis (2021: Nil) per annum.

On 4 July 2022, the proposed debt settlement with SCSB is deemed completed upon the listing and quotation od 108,607,122 settlement shares allotted to the holding company of SCSB as stated in Note 34 to the financial statement.

25. REVENUE

	Group	
	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM
Commissions from gateway platform	1,072,989	2,917,330
Sale of rubber gloves	24,366,431	10,585,241
Software development, system integration and system services	1,040,504	4,732,798
	26,479,924	18,235,369
Timing and recognition:		
- at a point in time	26,479,924	18,235,369

(a) Performance obligations

The performance obligation for sale of rubber gloves is satisfied upon delivery of goods.

The performance obligation for software development, system integration and system services are satisfied upon services are rendered.

The performance obligation for commissions from gateway platform is satisfied upon remittance of settlement of payment that are due to the merchants.

There were no remaining performance obligations unsatisfied as at the reporting date.

FINANCIAL STATEMENTS (CONT'D)

26. FINANCE COSTS

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM
Credit card interest	96	-	-	-
Hire purchase interest	21,557	10,215	-	-
Lease liabilities interest	88,849	45,972	18,477	16,399
Term loan interest	230,575	-	-	-
	341,077	56,187	18,477	16,399

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27. LOSS BEFORE TAXATION

	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM
Loss before taxation is stated after charging:				
Auditors' remuneration				
- current year/period provision	184,000	213,500	114,000	114,000
- (over)/under provision in respect of prior period	(32,500)	14,999	-	12,500
Bad debts written off	399,999	991,164	399,999	991,164
Deposit written off	-	100	-	100
Depreciation of property, plant and equipment	939,988	572,047	26,953	25,887
Depreciation of right-of-use assets	548,801	309,698	283,620	200,810
Impairment on				
- amount due from subsidiaries	-	-	-	399,999
- investment in subsidiaries	-	-	2,982,184	7,750,500
- trade receivables	-	143,784	-	-
- other receivables	1,292,700	3,950,000	1,292,700	3,950,000
- property, plant and equipment	-	1,109,833	-	-
- other investment	-	3,850,000	-	3,850,000
Loss on disposal of investment in subsidiaries	6,448,932	-	6,366,002	-
Rental of equipment	22,754	450	-	-
Rental of factory	21,000	-	-	-
Rental of hostel	51,100	31,760	-	-
Rental of machineries	-	45,600	-	-
Rental of office equipment	24,000	-	8,280	2,760
Rental of premises	-	158,583	-	121,633
Share based payment expenses	315,000	528	315,000	528
Employee benefit expenses (Note 30)	6,863,210	7,441,354	1,349,494	1,274,884
and crediting:				
Dividend income	82,500	-	82,500	-
Interest income	12,218	2,726	117	2,724
Reversal of impairment on				
- amount due from subsidiaries	-	-	399,999	6,868,693
- investment in subsidiaries	-	-	6,437,219	1,000,002
- other investment	3,850,000	-	3,850,000	-
- trade receivables	125,984	-	-	-

28. INCOME TAX EXPENSE

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	**From 1.2.2020 to 30.6.2021 RM**	**From 1.7.2021 to 30.6.2022 RM**	**From 1.2.2020 to 30.6.2021 RM**
Malaysian income tax:				
- current year/period provision	483,182	196,755	-	-
- over provision in respect of prior year	(39,714)	-	-	-
	443,468	196,755	-	-
Deferred tax liabilities (Note 20):				
- current year/period provision	738,866	445,345	-	-
- under provision in respect of prior year	20,384	-	-	-
	759,250	445,345	-	-
	1,202,718	642,100	-	-

Income tax is calculated based on the Malaysian statutory tax rate of 24% (30.6.2021: 24%) of the estimated assessable profits for the financial year.

FINANCIAL STATEMENTS (CONT'D)

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM
Loss before taxation	(3,723,200)	(10,011,069)	(3,213,881)	(11,697,714)
Income tax expense at Malaysian statutory tax rate of 24% (30.6.2021: 24%)	(893,568)	(2,402,657)	(771,331)	(2,807,451)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	4,014,382	3,015,452	2,984,835	4,239,956
- income not subject to tax	(2,488,732)	(522,889)	(2,584,732)	(1,888,487)
- deferred tax assets not recognised during the financial year/period	589,966	552,194	371,228	455,982
- under provision of deferred tax liabilities in prior period	20,384	-	-	-
	2,136,000	3,044,757	771,331	2,807,451
• Over provision of current income tax in respect of prior period	(39,714)	-	-	-
	1,202,718	642,100	-	-

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM
Excess of accumulated depreciation over corresponding capital allowances claimed	(48,204)	(42,747)	(23,459)	(11,401)
Excess of capital allowances claimed over corresponding accumulated depreciation	613,198	652,837	-	-
Unutilised capital allowances	1,133,640	1,045,842	51,962	35,810
Unabsorbed business losses	16,231,055	13,815,564	7,634,582	6,091,891
	17,929,689	15,471,496	7,663,085	6,116,300

The potential deferred tax assets in respect of these items have not been recognised as it is uncertain whether sufficient future taxable profits will be available against which certain subsidiaries can utilise the benefits. The unabsorbed business losses and unutilised capital allowances of the Company and of the Group are available for offsetting against future taxable profits of respective subsidiaries, subject to no substantial changes in shareholdings of those entities under the Income Tax Act 1967 and subject to the relevant provision of Income Tax Act 1967.

The expiry terms of the unabsorbed business losses of the Group have been extended from 7 years to 10 years, therefore the unabsorbed business losses will now be available for carry forward for a period of 10 (2021: 7) consecutive years. Upon expiry of the 10 (2021: 7) years, the unabsorbed business losses will be disregarded. The expiry terms of the unabsorbed business losses of the Group and Company is until 2029.

29. LOSS PER SHARE

Basic loss per share

The basic loss per ordinary share as at 30 June 2022 is arrived at by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	From 01.07.2021 to 30.06.2022	From 01.02.2020 to 30.06.2021
Loss attributable to owners of the Company (RM)	(6,374,772)	(11,393,362)
Weighted average number of ordinary shares (units):		
Ordinary shares as at 1 July 2021/1 February 2020	466,603,720	298,254,750
Effect of new ordinary shares issued during the financial year/period	46,660,300	168,348,970
Weighted average number of ordinary shares as at 30 June	513,264,020	466,603,720
Basic loss per share (Sen)	(1.24)	(2.44)

Diluted Loss Per Share

The diluted loss per ordinary share calculation is equivalent to the basic loss per share as the Company does not have potential ordinary shares outstanding at the end of the reporting year.

30. EMPLOYEE BENEFIT EXPENSES

The employee benefit expenses recognised in profit or loss are as follows:

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM	From 1.7.2021 to 30.6.2022 RM	From 1.2.2020 to 30.6.2021 RM
Salaries, bonus, wages and allowances	4,912,446	5,517,304	554,951	557,773
Defined contribution plan	299,751	433,489	61,538	64,839
Other employee benefits	1,651,013	1,490,561	733,005	652,272
	6,863,210	7,441,354	1,349,494	1,274,884

Included in employee benefit expenses are directors' remuneration who are also the key management personnel of the Group and of the Company:

	Group		Company	
	From 1.7.2021 to 30.6.2022 RM	**From 1.2.2020 to 30.6.2021 RM**	**From 1.7.2021 to 30.6.2022 RM**	**From 1.2.2020 to 30.6.2021 RM**
Directors' remuneration				
- fees	542,000	547,000	542,000	547,000
- salaries and other emoluments	1,159,052	942,294	364,625	176,196
	1,701,052	1,489,294	906,625	723,196

31. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Director as chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Software and books	-	Involved in software development and system integration.
Corporate	-	Investment holding and others.
Gloves	-	Manufacturing of rubber gloves

For the purpose of making decisions about resource allocation, the Executive Director assesses the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Executive Director is of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

Group 30.6.2022	Software and system integration RM	Corporate RM	Gloves RM	Elimination RM	Total RM
Revenue					
External customers	2,113,493	-	24,366,431	-	26,479,924
Results					
Depreciation of property, plant and equipment	(109,445)	(26,953)	(803,017)	(573)	(939,988)
Segment profit/(loss)	(1,030,145)	(3,213,881)	2,779,777	(3,461,669)	(4,925,918)
Segment assets	4,898,180	26,024,298	45,908,050	(18,172,846)	58,657,682
Segment liabilities	15,724,742	1,645,258	27,418,977	(18,042,713)	26,746,264
Other non-cash items					
Depreciation of right-of-use assets	-	(283,620)	(265,181)	-	(548,801)
Impairment loss on other receivables	-	(1,292,700)	-	-	(1,292,700)
Loss on disposal of investment in subsidiaries	-	(6,361,054)	-	-	(6,361,054)
Reversal of impairment:					
- Other investment	-	(3,850,000)	-	-	(3,850,000)
- Trade receivables	-	-	-	(125,984)	(125,984)

Group

30.6.2021	**Software and books RM**	**Piling Works RM**	**Dredging RM**	**Corporate RM**	**Glove RM**	**Elimination RM**	**Total RM**
Revenue							
External customers	7,650,128	-	-	-	10,585,241	-	18,235,369
Results							
Impairment loss on property, plant and equipment	-	(1,109,833)	-	-	-	-	(1,109,833)
Depreciation of property, plant and equipment	(88,499)	(244,493)	-	(26,056)	(212,997)	(2)	(572,047)
Segment profit/(loss)	438,431	(1,625,136)	(8,910)	(11,697,714)	1,301,608	938,551	(10,653,169)
Segment assets	6,735,566	29,898	140,727	24,849,457	26,061,098	(19,826,125)	37,990,621
Segment liabilities	20,165,030	302,251	14,995	1,866,993	23,878,289	(33,747,229)	12,480,329
Other non-cash items							
Bad debts written off	-	-	-	(991,164)	-	-	(991,164)
Deposit written off	-	-	-	(100)	-	-	(100)
Depreciation of right-of-use assets	-	-	-	(283,620)	(26,078)	-	(309,698)
Impairment loss on other investment	-	-	-	(3,850,000)	-	-	(3,850,000)
Impairment loss on trade receivables	(17,800)	(125,984)	-	-	-	-	(143,784)
Impairment loss on other receivable	-	-	-	(3,950,000)	-	-	(3,950,000)
Reversal of impairment loss on trade receivables	-	-	-	656,750	-	-	656,750

Geographical information

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

32. RELATED PARTY DISCLOSURE

(a) Identities of related parties

(i) The Group has related party relationship with companies in which directors have financial interest and its key management personnel; and
(ii) The Company has related party relationships with its subsidiary companies and key management personnel.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group carried out the following transactions with the related parties during the financial year as follows:

(i) Transaction with related parties

The Group and Company do not have any related party transaction during the financial year.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(ii) Compensation of key management personnel

	Group		**Company**	
	From 1.7.2021 to 30.6.2022 RM	**From 1.2.2020 to 30.6.2021 RM**	**From 1.7.2021 to 30.6.2022 RM**	**From 1.2.2020 to 30.6.2021 RM**
Short-term employee benefit expenses				
Executive Director:-				
- fees	228,000	350,000	228,000	350,000
- salaries and other emoluments	1,159,052	942,294	364,625	176,196
	1,387,052	1,292,294	592,625	526,196
Non-executive Directors:-				
- fees	314,000	197,000	314,000	197,000
	1,701,052	1,489,294	906,625	723,196

34. FINANCIAL INSTRUMENTS

The Group's and the Company's activities are exposed to interest rate risk, credit risk and liquidity and cash flow risks. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their interest rate risk, foreign currency risk, equity price risk, credit risk, and liquidity and cash flow risks. The Group's and the Company's policies in respect of the major areas of treasury activities are as follows:

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposures to interest rate risk arise mainly from interest-bearing financial assets. The Group's policies are to obtain the most favourable interest rates available.

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

(ii) Credit Risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposures to credit risk arises principally from trade and other receivables. The Company's exposures to credit risk arises principally from advances to subsidiary companies. There are no significant changes as compared to previous financial year.

- Trade and other receivables

Risk management objectives, policies and processes for managing the risk

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties and financial institutions.

At the end of each reporting year, the Group assesses whether any of the trade and other receivables are credit impaired.

The gross carrying amount of credit impaired trade and other receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not has assets or sources of income that could generate sufficient cash flows to repay the amounts that subject to write-off. Nonetheless, trade and other receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial period.

Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount in the statements of financial position as at the end of the reporting year.

Concentration of credit risk

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables at the reporting date.

Recognition and measurement of impairment loss

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At the end of each reporting year, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The following table provides information about the exposure to credit risk for trade receivables as at the end of the reporting year:

	Group	
	30.6.2022	**30.6.2021**
	RM	**RM**
Not past due	302,400	1,915,596
Impaired	-	143,784
	302,400	2,059,380

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

Trade receivables that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

At the end of the reporting year, trade receivables that are individually impaired were those that have defaulted in payments. These receivables are not secured by any collateral or credit enhancement.

- Advances to subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiary companies. The Company monitors the ability of the subsidiary companies to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position as at the end of the reporting year.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers the advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' advances when they are payable, the Company considers the advances to be in default when the subsidiary companies are not able to pay when demanded.

The Company considers a subsidiary company's advances to be credit impaired when the subsidiary company is unlikely to repay its advances to the Company in full or the subsidiary company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

(iii) Liquidity and Cash Flow Risks

Liquidity and cash flow risks are the risks that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposures to liquidity and cash flow risks arise mainly from general funding and business activities. The Group and the Company practise risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting year):

Group	**Weighted Average Effective Rate %**	**Carrying Amount RM**	**Contractual Undiscounted Cash Flows RM**	**On Demand Or Within 1 Year RM**	**1 - 5 Years RM**	**Over 5 years RM**
30.6.2022						
Trade payables	-	3,023,655	3,023,655	3,023,655	-	-
Other payables and accruals	-	9,248,025	9,248,025	9,248,025	-	-
Amount due to directors	-	1,259,907	1,259,907	1,259,907	-	
Lease liabilities	2.75	3,197,711	3,585,184	689,388	1,593,796	1,302,000
Hire purchase	4.34	443,910	476,166	132,912	343,254	-
Term loan	4.00	8,000,000	8,160,000	8,160,000	-	-
		25,173,208	25,752,937	22,513,887	1,937,050	1,302,000
30.6.2021						
Trade payables	-	722,491	722,491	722,491	-	-
Other payables and accruals	-	5,501,520	5,501,520	5,501,520	-	-
Amount due to directors	-	2,215,744	2,215,744	2,215,744	-	
Lease liabilities	2.75	2,842,682	3,371,817	569,388	1,563,429	1,239,000
Hire purchase	4.09	554,835	609,078	132,912	476,166	-
		11,837,272	12,420,650	9,142,055	2,039,595	1,239,000

Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	1 - 5 Years RM
30.6.2022					
Other payables and accruals	-	493,279	493,279	493,279	-
Amount due to directors	-	740,091	740,091	740,091	-
Lease liabilities	2.75	410,931	423,184	317,388	105,796
		1,644,301	1,656,554	1,550,758	105,796
30.6.2021					
Other payables and accruals	-	287,786	287,786	287,786	-
Amount due to directors	-	816,900	816,900	816,900	-
Lease liabilities	2.75	761,350	872,817	317,388	555,429
		1,866,036	1,977,503	1,422,074	555,429

(b) Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt for the Group and the Company are calculated as trade and other payables plus accruals less cash and bank balances and fixed deposit with a financial institution.

The debt-to-equity ratios of the Group and of the Company as at the end of the financial year were as follows:

	Group		Company	
	30.6.2022 RM	**30.6.2021 RM**	**30.6.2022 RM**	**30.6.2021 RM**
Trade payables	3,023,655	722,491	-	-
Other payables and accruals	9,248,025	5,501,520	493,279	287,786
	12,271,680	6,224,011	493,279	287,786
Less: Cash and bank balances	(1,092,631)	(760,495)	(6,606)	(52,512)
Less: Fixed deposit with a financial institution	(529,250)	(500,000)	-	-
	10,649,799	4,963,516	486,673	235,274
Total equity	31,911,418	25,510,292	24,379,040	22,982,464
Debt-to-equity ratio	0.33	0.19	0.02	0.01

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

(c) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	30.6.2022	**30.6.2021**	**30.6.2022**	**30.6.2021**
	RM	**RM**	**RM**	**RM**
Financial Assets				
Measured at amortised cost				
Other investment	7,700,000	3,850,000	7,700,000	3,850,000
Trade receivables	302,400	1,915,596	-	-
Other receivables and deposits	5,223,512	6,071,301	200,378	1,678,304
Amount due from subsidiaries	-	-	1,691,243	17,012,741
Fixed deposit with a financial institution	529,250	500,000	-	-
Cash and bank balances	1,092,631	760,495	6,606	52,512
	14,847,793	13,097,392	9,598,227	22,593,557
Financial Liabilities				
Measured at amortised cost				
Trade payables	3,023,655	722,491	-	-
Other payables and deposits	8,040,967	4,259,391	343,783	205,790
Amount due to directors	1,259,907	2,215,744	740,091	816,900
Lease liabilities	3,197,711	2,842,682	410,931	761,350
Hire purchase	443,910	554,835	-	-
	15,966,150	10,595,143	1,494,805	1,784,040

(d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company reported in the financial statements approximated their fair values due to the relatively short term nature.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(e) Fair Value Hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 30 June 2022 are as follows:

(i) Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

(ii) Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

(iii) Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Level 3 fair value measurement of the Group is as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.6.2022				
Financial asset at fair value through profit or loss				
Other investment	-	-	7,700,000	7,700,000
30.6.2021				
Financial asset at fair value through profit or loss				
Other investment	-	-	3,850,000	3,850,000

There were no transfers between Level 1 and Level 2 during the financial year ended 30 June 2022.

The Group and the Company do not have any financial assets and financial liabilities carried at fair value as at 30 June 2022.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

Significant events during the financial year are as follows:

(a) On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. Subsequently, the Government of Malaysia has imposed various phases of the MCO so as to contain the pandemic in Malaysia.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 30 June 2022.

The Group and the Company will continuously monitor the impact of COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Group and the Company's operations.

(b) During the financial year ended 30 June 2022, the Company has disposed its entire equity interests in Inix Maritime Sdn Bhd., Concrete Milestone Sdn Bhd., and MRA Global Sdn Bhd., for a total sales consideration amounted to RM200,000.

(c) On 21 July 2022, the Company proposed to undertake the proposed private placement of new ordinary shares in Zen Tech International Berhad ("Zen Tech Shares"), representing not more than 10% of the number of Zen Tech Shares in issue (excluding treasury shares, if any) ("Proposed Private Placement") and the proposed diversification of the existing business of Zen Tech and its subsidiaries to include manufacturing, marketing and trading of gloves ("Glove Business") ("Proposed Diversification").

On 28 September 2022, the Company fixed the issue price at RM0.0958 per placement share ("Issue Price"). On 4 October 2022, a total of 4,660,300 number of Placement Shares as announced on 28 September 2022 at the issue price of RM0.0958 were allotted to the placees.

(d) On 28 January 2022, the Company proposed to undertake the following:

i) proposed settlement of an amount owing by INIX Glove Manufacturing Sdn. Bhd. (a wholly-owned subsidiary of the Company) ("IGM") to its creditor namely, Southborn Capital Sdn. Bhd. ("SCSB"), via issuance of new ordinary shares in Zen Tech International Berhad ("Zen Tech Shares") ("Settlement Shares") at an issue price of RM0.0750 each ("Proposed Debt Settlement");

ii) proposed private placement of up to 186,619,200 new Zen Tech Shares ("Placement Shares"), representing up to 30% of the number of Zen Tech Shares in issue (excluding treasury shares, if any) ("Proposed 30% Private Placement");

iii) proposed renounceable rights issue of up to 1,617,366,440 new Zen Tech Shares ("Rights Shares") on the basis of 2 Rights Shares for every 1 existing Zen Tech Share held on an entitlement date to be determined later, together with up to 1,078,244,293 free detachable warrants ("Warrants") on the basis of 2 Warrants for every 3 Rights Shares subscribed for ("Proposed Rights Issue");

iv) proposed reduction of the issued share capital of the Company by RM40.00 million pursuant to Section 116 of the Companies Act 2016 ("Act") ("Proposed Share Capital Reduction"); and

v) proposed establishment of a new employees share option scheme ("ESOS") of up to 30% of the issued share capital of the Company (excluding treasury shares, if any) at any one time during the duration of ESOS for the eligible Directors and employees of the Company and its subsidiaries ("Group") (excluding dormant subsidiaries, if any) ("Proposed ESOS").

(e) On 15 June 2022, the Company has changed its name from Inix Technologies Holdings Berhad to Zen Tech International Berhad.

Subsequent events after the financial year are as follows:

(a) On 4 July 2022, the Debt settlement is deemed completed following the listing and quotation of 108,607,122 Settlement Shares on the ACE Market of Bursa Malaysia Securities Berhad.

(b) On 5 July 2022, the Board has ("Price-fixing Date") fixed the issue price at RM0.0520 per Placement Share ("Issue Price"). The Issue Price represents a discount of RM0.0129 or approximately 19.88% to the 5D-VWAP of Zen Tech Share up to and including 4 July 2022, being the last market day immediately preceding the Price-fixing Date, of RM0.0649 per Zen Tech Share. On 13 July 2022, a total of 186,561,300 number of Placement Shares at the issue price of RM0.0520 each will be allotted to the placees in due course. On 18 July 2022, the 30% Private Placement is deemed completed following the listing and quotation of 186,561,300 Placement Shares on the ACE Market of Bursa Malaysia Securities Berhad.

(c) On 5 October 2022, the Company has submitted an application to Bursa Securities seeking its approval for an extension of time from 22 October 2022 to 28 February 2023 for the Company to complete the implementation of the Proposed Rights Issue and Proposed ESOS.

(d) On 19 October 2022, the Company had revised the application to Bursa Malaysia Securities Berhad seeking its approval to grant the following extension of time:

(i) from 22 October 2022 to 21 April 2023 for Zen Tech to complete the implementation of the Proposed Rights Issue and Proposed ESOS; and

(ii) from 21 April 2023 to 21 October 2023 for Zen Tech to complete the Proposed Share Capital Reduction, in view of the application for extension of time set out in (i) above.

(e) On 21 October 2022, the Company propose to undertake the Proposed Variation. Subsequent to the shareholders' approval for the Proposed Rights Issue on 9 June 2022, the market price of Zen Tech Shares had been on a declining trend. Despite the drop in the market price of Zen Tech Shares in recent months, the Company wishes to proceed with the implementation of the Proposed Rights Issue to meet the funding requirement to finance the expansion of its glove business segment. As such, on 4 October 2022, TA Securities had, on behalf of the Company, announced that the Board has resolved to fix the issue price of the Rights Share at RM0.015 each ("Issue Price") and the exercise price of the Warrant at RM0.015 each ("Exercise Price").

35. CAPITAL COMMITMENTS

	30.6.2022 RM	30.6.2021 RM
Propert, plant and equipment		
Approved and not contracted for	113,216,000	124,000,000

36. CASH FLOW INFORMATION

The reconciliation of liabilities arising from the financing activities are as follows: -

	"Amount due from an associate"	
	30.6.2022	**30.6.2021**
Company	**RM**	**RM**
At 1 July 2021/1 February 2020	-	103,000
Changes in financing cashflows		
Repayment from an associate	-	(103,000)
At 30 June	-	-

	Amount due from subsidiaries	
	30.6.2022	**30.6.2021**
Company	**RM**	**RM**
At 1 July 2021/1 February 2020	17,012,741	761,595
Changes in financing cashflows		
Advances	2,332,619	17,643,674
Repayment from subsidiaries	(150,000)	(10,000)
Non-cash changes		
Amount due from subsidiaries written off	(249,999)	-
Equity contribution from holding company	(17,605,049)	(7,194,472)
Impairment loss on amount due from subsidiaries	-	(399,999)
Reclassified as other debtor	(49,068)	-
Reversal of impairment loss on amount due from subsidiaries	399,999	6,211,943
At 30 June	1,691,243	17,012,741

	Amount due to directors	
	30.6.2022	**30.6.2021**
Group	**RM**	**RM**
At 1 July 2021/1 February 2020	2,215,744	146,513
Changes in financing cashflows		
Advances to directors	838,998	868,400
Payment on behalf	-	4,056,457
Repayment to directors	(2,528,334)	(3,194,792)
Non-cash changes		
Director fees	562,017	328,000
Director salary	171,482	11,166
At 30 June	1,259,907	2,215,744

	Amount due to directors	
	30.6.2022	**30.6.2021**
Company	**RM**	**RM**
At 1 July 2021/1 February 2020	816,900	14,210
Changes in financing cashflows		
Fund transfer to directors	838,998	738,400
Payment on behalf	-	(2,500)
Repayment to directors	(1,649,306)	(272,376)
Non-cash changes		
Director fees	562,017	328,000
Director salary	171,482	11,166
At 30 June	740,091	816,900

37. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from the financing activities, including both cash and non-cash changes as follows: -

	At 01.07.2021	**Net cash flows**	**Non-cash changes**	**New leases**	**At 30.06.2022**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
Lease liabilities	-	(560,376)	88,849	947,076	475,549
Company					
Lease liabilities	-	(318,748)	18,477	-	(300,271)

	At 01.02.2020	**Net cash flows**	**Non-cash changes**	**New leases**	**At 30.06.2021**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
Lease liabilities	-	(238,721)	45,972	3,081,403	2,888,654
Company					
Lease liabilities	-	(142,295)	16,399	903,645	777,749

38. MATERIAL LITIGATION

(a) On 16 July 2020, the Company was served with a Writ and Statement of Claim by its former Non-Independent and Non-Executive Director, Mohd Anuar bin Mohd Hanadzlah ("the Plaintiff"). The Plaintiff claimed that Zen Tech International Berhad (formerly known as Inix Technologies Holdings Berhad ("Zen Tech") had made defamatory statements against the Plaintiff for, among others its announcement in Bursa Malaysia Securities Berhad ("Bursa") over the suspension of the Plaintiff from his position in Zen Tech due to the alleged abuse of power and misconduct pending the outcome from the Investigative Working Group. Zen Tech had attempted to strike out the said Writ by its application under Order 18 Rule 19 of the Rules of Court 2012 which was then dismissed by the Kuala Lumpur High Court. At present, Zen Tech is appealing to the Court of Appeal to reverse the High Court decision on the merit that the announcement in Bursa was made in compliance and aligned to the requirements of Bursa.

The Court of Appeal hearing will be heard on 2 December 2022.

The Kuala Lumpur High Court has fixed the matter for trial on 22 June 2022 to 24 June 2022.

The initially scheduled trial dates by the Kuala Lumpur High Court on 22 June 2022 to 24 June 2022 has been adjourned by the Kuala Lumpur High Court due to the change of trial Judge and to pave the way for numerous pre 2020 cases which are yet to be tried.

The case management date is fixed on 8 September 2022 for parties to fix trial dates. The trial is fixed on 4 June 2024 to 7 June 2024 and the case management is also fixed on 22 December 2022.

The solicitors of Zen Tech are of the view that Zen Tech has a good chance and merit in its defence and Zen Tech will proceed to defend in the Civil suit and appeal to dismiss the Writ and Statement of Claim at the Court of Appeal.

(b) The Company has appointed a solicitor to commence a legal proceeding against Goh Poh Seng and World Gloves International Group Sdn Bhd ("WGIG") to recover the refund of RM1,000,000 which was initially paid by Zen Tech for the purchase of shares fromWGIG.

As such, the above matter is currently ongoing at the Kuala Lumpur High Court whereby the High Court has fixed a case management on 30 September 2022 to update the Court on the status of filing of documents.

On 27 October 2022, the Company has obtained judgement against both Defendants. The solicitor has yet to obtain instruction from the management of the Company to proceed with the execution proceeding as such the management has impaired the total amounted to RM1,000,000.

39. COMPARATIVE FIGURES

(a) The comparative figures were for a period of seventeen months and may not be comparable with the current financial year's figures of twelves months.

(b) The comparative figures of the Group and the Company were restated. The following entries were made to the notes to the financial statements of prior period due to reclassification made to conform with the current year's presentations as follows:

	As previously reported 30.6.2021 RM	Reclassified	As restated 30.6.2021 RM
Group			
Other receivables			
- Related parties	-	-	-
- Third parties	4,580,312	1,040,000	5,620,312
	4,580,312	1,040,000	5,620,312
Deposits	5,440,989	310,000	5,750,989
	10,021,301	1,350,000	11,371,301
Less: Accumulated impairment losses	(3,950,000)	(1,350,000)	(5,300,000)
	6,071,301	-	6,071,301
Prepayments	1,237,292	-	1,237,292
	7,308,593	-	7,308,593
Company			
Other receivables			
- Related parties	-	4,549	4,549
- Third parties	4,060,165	1,035,451	5,095,616
	4,060,165	1,040,000	5,100,165
Deposits	1,568,139	-	1,568,139
	5,628,304	1,040,000	6,668,304
Less: Accumulated impairment losses	(3,950,000)	(1,040,000)	(4,990,000)
	1,678,304	-	1,678,304
Company			
Statement of cash flows (extracted):			
Cash flows from operating activities			
Amount due from subsidiaries	(18,395,269)	17,633,674	(761,595)
Cash flows from financing activity			
Amount due from subsidiaries	-	(17,633,674)	(17,633,674)

40. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 31 October 2022 by the Board of Directors.

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL

Total Number of Issued Shares :	808,432,442.00
Class of Shares:	Ordinary Shares
Voting Rights:	One vote for each ordinary shares held

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

Size of Shareholdings	No. Shareholders	Percentage of Shares (%)	No of Shares	Percentage of Shares (%)
Less Than 100	79	0.96	3,453	0.00
100 to 1,000	614	7.45	375,457	0.05
1001 to 10,000	2,824	34.28	17,767,331	2.20
10,001 to 100,000	3,722	45.19	149,197,267	18.46
100,001 to Less Than 5% of Issued Shares	997	12.10	532,481,812	65.87
5% and above of issued shares	1	0.01	108,607,122	13.43
Total	**8,237**	**100.00%**	**808,432,442**	**100.00%**

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

		Direct		Indirect	
No	Names	No of Shares	Percentage of Shares held (%)	No of Shares	Percentage of Shares held (%)
1	Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	-	-	-
2	Dato'Megat Fairouz Junaidi Bin Megat Junid	-	-	-	-
3	Dato Zhang Li	5,981,400	0.74	27,703,500 (1)	3.43
4	Siva Kumar a/l Kalugasalam	-	-	-	-
5	Chow Hung keey	177,600	0.02	-	-
6	Edwin Silvester Das	-	-	-	-
7	Zhang Yang	27,703,500	3.43	5,981,400 (2)	0.74

Notes:
(1) *Deem interested by virtue of her son, Zhang Yang's direct shareholding in the Company*
(2) *Deem interested by virtue of his mother, Dato' Zhang Li's direct shareholding in the Company*

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022

		Direct		Indirect	
No	Names	No of Shares	Percentage of Shares held (%)	No of Shares	Percentage of Shares held (%)
1	CN Asia Corporation Berhad	108,607,122	13.43	-	-

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS AS AT 30 SEPTEMBER 2022			
No	**Name of Shareholders**	**No of Share Held**	**Percentage of Shares Held (%)**
1	CN ASIA CORPORATION BHD	108,607,122	13.43
2	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG YANG	27,703,500	3.43
3	JACQUELINE LEE FEI FEI	24,000,000	2.97
4	UOB KAY HIAN NOMINEES (ASING) SDN BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	21,117,500	2.61
5	TAI TEAN SENG	16,195,200	2.00
6	NG KIAN YOU	15,451,200	1.91
7	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG LI	5,981,400	0.74
8	YIN YIT FUN	4,490,000	0.56
9	LIEW TAT YANG	4,480,000	0.55
10	FOO TECK SENG	4,000,000	0.49
11	SANG SAK MIN	4,000,000	0.49
12	SOM KIT A/L EH SOON	4,000,000	0.49
13	MARY ANNE WOON LAI KHENG	3,786,000	0.47
14	YAP KON HING	3,775,000	0.47
15	LIEW THAU SEN	3,728,200	0.46
16	TNAY MENG CHON	3,643,800	0.45
17	NG SOO WENG	3,590,000	0.44
18	GAN TIAM KEE	3,517,000	0.44
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TECK KUNG	3,500,100	0.43
20	LEANG LUNG YE	3,500,000	0.43
21	ONG CHEE KEAN	3,500,000	0.43
22	OOI LEE PENG	3,500,000	0.43
23	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	3,490,000	0.43
24	TAN YU KOANG	3,150,000	0.39
25	KONG TIONG KIAN	3,022,000	0.37
26	SEIK THYE KONG	3,000,000	0.37
27	YIP CHUN MEI	2,987,800	0.37
28	CGS-CIMB NOMINEES (TEMPATAN) PLEDGED SECURITIES ACCOUNT FOR WINSTON NG PENG CHEANG	2,600,000	0.32
29	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOH CHOH PIAU	2,519,100	0.31
30	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KOK PING	2,500,000	0.31
	Total	**299,334,922.00**	**37.03**

NOTICE OF ANNUAL GENERAL MEETING

ZEN TECH INTERNATIONAL BERHAD

(Formerly known as INIX Technologies Holdings Berhad)
Registration No. 200401027289 (665797-D)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth (17th) Annual General Meeting ("**AGM**") of Zen Tech International Berhad (formerly known as INIX Technologies Holdings Berhad) ("Zen Tech" or "the Company") will be held virtually through live streaming from the Broadcast Venue at Lot 3.40 & 3.41, 3rd Floor, Viva Shopping Mall, No. 85, Jalan Loke Yew, 55200 Cheras, Kuala Lumpur on Wednesday, 30 November 2022 at 10:30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon. (Please refer Explanatory Notes 1)
2. To approve the payment of Directors' fees and other benefits payable of up to RM600,000.00 payable to Non-Executive Directors of the Company for the period commencing from the conclusion of the 17th AGM up to the conclusion of the 18th AGM of the Company. ***Ordinary Resolution 1***
3. To re-elect the following Directors who retire in accordance with Clause 97.1 of the Company's Constitution and who being eligible, have offered themselves for re-election:-
   (i) Dato' Megat Fairouz Junaidi bin Megat Junid ***Ordinary Resolution 2***
   (ii) Dato' Zhang Li ***Ordinary Resolution 3***
4. To re-elect Chow Hung Keey, who retires in accordance with Clause 104 of the Company's Constitution and who being eligible, has offered himself for re-election. ***Ordinary Resolution 4***
5. To re-appoint Messrs. SBY Partners PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions: -

6. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** ***Ordinary Resolution 6***

   "To approve the re-appointment of Dato' Megat Fairouz Junaidi bin Megat Junid, who has served as an Independent Non-Executive Director ("INED") of the Company for a cumulative term of more than twelve (12) years, to continue to act as INED of the Company."

7. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** ***Ordinary Resolution 7***

   "THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons, firms or corporations and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.

   AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 54 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company."

8. To transact any other business of which due notice have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482)
(SSM PC No. 202208000250)
Company Secretary

Selangor
31 October 2022

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting.
2. A member, including an authorised nominee and an exempt authorised nominee which holds securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), may appoint one or more proxies to attend on the same occasion.
3. Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for an omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an attorney duly authorised.
6. To be valid, the duly completed Form of Proxy must be deposited with the office of the share registrar of the Company, Bina Management (M) Sdn. Bhd., at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particular of the proxy have been duly completed by the member(s).
7. For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 23 November 2022. Only members whose name appears on the Record of Depositors shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.
8. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 17th AGM will be put to vote by way of poll.

Explanatory Notes:

1. Audited Financial Statements for the Financial Year Ended 30 June 2022

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Therefore, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1: To Approve the Payment of Directors' Fees and Other Benefits Payable

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company pays Directors' fees and benefits to the Independent Non-Executive Directors ("INEDs"). The Board wishes to seek shareholders' approval for the payment of a maximum aggregate amount of RM600,000.00 for Directors' fees to the INEDs of the Company for the period commencing from the conclusion of the 17th AGM up to the conclusion of the 18th AGM of the Company.

Directors' benefits include allowances and other claimable benefits which calculated based on the current Board size and the number of schedule meetings for the period commencing from the conclusion of the 17th AGM up to the conclusion of the 18th AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. Ordinary Resolutions 2 - 4: Re-election of Directors who retire in accordance with Clause 97.1 and 104 of the Company's Constitution

Clause 97.1 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Whereby Clause 104 of the Company's Constitution provides that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Pursuant to Clause 97.1 of the Company's Constitution, Dato' Megat Fairouz Junaidi bin Megat Junid and Dato' Zhang Li shall retire at the forthcoming AGM of the Company.

Mr. Chow Hung Keey who was appointed as an Executive Director of the Company on 21 December 2021 is required to submit himself for re-election at the 17th AGM of the Company pursuant to the Clause 104 of the Company's Constitution.

The performance of the Directors who are recommended for re-election has been assessed through the Board annual evaluation. The Nomination Committee and the Board are satisfied with the performance and effectiveness of Dato' Megat Fairouz Junaidi bin Megat Junid, Dato' Zhang Li and Mr. Chow Hung Keey who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 17th AGM of the Company.

4. Ordinary Resolution 6: Continuing in office as INED

Dato' Megat Fairouz Junaidi bin Megat Junid has served the Board as an INED of the Company for more than 12 years. The Board has through the Nomination Committee recommended retaining his designation as INED of the Company based on the following reasons:

- He has fulfilled the criteria under the definition of independent director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- His experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;
- He has been with the Company for a certain period and therefore understand the Company's business operations which enable him to contribute actively and effectively during deliberations or discussions at Board and Board Committees meetings; and
- He continues to be scrupulously independent in his thinking and in his effectiveness as constructive challengers of the Executive Directors.

5. Ordinary Resolution 7: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 7, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

There was no ordinary share issued pursuant to the general mandate granted to the Directors at the 16th AGM held on 30 November 2021 and which will lapse at the conclusion of the 17th AGM.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 54 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Companies Act 2016 provides as follows:
"85. Pre-emptive rights to new shares
(1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 54 of the Company's Constitution provides as follows:
"54. Subject to any direction to the contrary that may be given by the Company in general meeting any new shares or other convertible securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new shares or securities as aforesaid which, by reason of the ratio borne by them to the number of shares or securities held by persons entitled to such offer of new shares or securities cannot, in the opinion of the Directors be conveniently offered in the manner herein provided."

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad: -

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

   No individual is seeking election as a Director at the 17th AGM of the Company.

2. General mandate for issue of securities in accordance with Rule 6.04 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

   The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.

(f.k.a. INIX Technologies Holdings Berhad)

ZEN TECH INTERNATIONAL BERHAD

FORM OF PROXY

Number of Shares	
CDS Account No.	

ZEN TECH INTERNATIONAL BERHAD
(Formerly known as INIX Technologies Holdings Berhad)
Registration No. 200401027289 (665797-D)
(Incorporated in Malaysia)

* I/We ....(full name in block letters)

NRIC/Passport/Co. No. ....of ....

.... Tel No. ....
(full address)

being a Member/ Members of ZEN TECH INTERNATIONAL BERHAD (formerly known as INIX Technologies Holdings Berhad), hereby appoint (Proxy 1)...

....(full name in block letters) NRIC/Passport No. ....

....................of..
(full address)

Tel No. .... Email address ....failing

*him/her (Proxy 2) .... NRIC/Passport No. ....
(full name in block letters)

of...
(full address)

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 at the Seventeenth Annual General Meeting ("17th AGM") of ZEN TECH INTERNATIONAL BERHAD (formerly known as INIX Technologies Holdings Berhad) ("ZENTECH" or "the Company") which will be held entirely through live streaming from the Broadcast Venue at Lot 3.40 & 3.41, 3rd Floor, Viva Shopping Mall, No. 85, Jalan Loke Yew, 55200 Cheras, Kuala Lumpur on Wednesday, 30 November 2022 at 10:30 a.m. or at any adjournment thereof:

*I/We direct *my/our proxy to vote for or against the resolution to be proposed at the 17th AGM of the Company as indicated hereunder:

Ordinary Resolution		For	Against
1	To approve the payment of Directors' fees and other benefits payable of up to RM600,000.00 to Non-Executive Directors of the Company for the period commencing from the conclusion of the 17th AGM up to the conclusion of the 18th AGM of the Company;		
2	To re-elect Dato' Megat Fairouz Junaidi Bin Megat Junid who retires in accordance with Clause 97.1 of the Company's Constitution and who being eligible, has offered himself for re-election.		
3	To re-elect Dato' Zhang Li who retires in accordance with Clause 97.1 of the Company's Constitution and who being eligible, has offered herself for re-election.		
4	To re-elect Chow Hung Keey, who retires in accordance with Clause 104 of the Company's Constitution and who being eligible, has offered himself for re-election;		
5	To re-appoint Messrs. SBY Partners PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
6	To approve the re-appointment of Dato' Megat Fairouz Junaidi Bin Megat Junid, who has served as an Independent Non-Executive Director ("INED") of the Company for a cumulative term of more than twelve (12) years, to continue to act as INED of the Company		
7	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		

Please indicate with an "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote / abstain at his/her discretion.

Dated this.......................... day of 2022

The proportions of my/our holdings to be represented by our proxy(ies) are as follows.

Proxy 1
No. of Shares : ________________________ Percentage : ________________%

Proxy 2
No. of Shares : ________________________ Percentage : ________________%

.

____
Signature / Common Seal of shareholder

*strike out whichever is inapplicable

Notes:

1. *Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting.*
2. *A member, including an authorised nominee and an exempt authorised nominee which holds securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), may appoint one or more proxies to attend on the same occasion.*
3. *Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for an omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an attorney duly authorised.*
6. *To be valid, the duly completed Form of Proxy must be deposited with the office of the share registrar of the Company, Bina Management (M) Sdn. Bhd., at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particular of the proxy have been duly completed by the member(s).*
7. *For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 23 November 2022. Only members whose name appears on the Record of Depositors shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.*
8. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 17th AGM will be put to vote by way of poll.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company's Share Registrar
ZEN TECH INTERNATIONAL BERHAD
(Formerly known as INIX Technologies Holdings Berhad)
Registration No. 200401027289 (665797-D)

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan

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ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

General Meeting	:	Seventeenth Annual General Meeting ("17th AGM")
Day, Date, and Time of Meeting	:	Wednesday, 30 November 2022 at 10:30 a.m.
Remote Participation and Voting Facilities	:	https://web.vote2u.my
Broadcast Venue	:	Lot 3.40 & 3.41,3rd Floor, Viva Shopping Mall, No. 85, Jalan Loke Yew, 55200 Cheras, Kuala Lumpur

The 17th AGM of Zen Tech International Berhad (formerly known as INIX Technologies Holdings Berhad) ("Zen Tech" or "the Company") will be held through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities provided by Vote2U via online platform at https://web.vote2u.my from the Broadcast Venue at Lot 3.40 & 3.41, 3rd Floor, Viva Shopping Mall, No. 85, Jalan Loke Yew, 55200 Cheras, Kuala Lumpur.

We strongly encourage our shareholders whose names appear on the Record of Depositors ("ROD") as at 23 November 2022 and holders of proxy for those shareholders to participate in the virtual 17th AGM and vote remotely at this 17th AGM. In line with the Malaysian Code on Corporate Governance Practice 13.3, this virtual 17th AGM will facilitate greater shareholder's participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the 17th AGM without being physically present at the venue. For shareholders who are unable to participate in this virtual 17th AGM, you may appoint proxy(ies) or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 17th AGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn. Bhd. ("AGMO") via its Vote2U Online platform at https://web.vote2u.my.

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedures to participate in RPV facilities as summarised below:

BEFORE MEETING DAY

A:	REGISTRATION		
	Description		**Procedure**
i.	Shareholders to Register with Vote2U • Individual Shareholders	a.	Access website at https://web.vote2u.my
		b.	Select "Sign Up" to sign up as user.
		c.	Read and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' by clicking on a small box [ ]. Then select "Next".
		d.	Fill-in your details – (i) ensure your email address is valid & (ii) create your own password. Then select "Continue".
		e.	Upload a clear copy of your MyKAD for Malaysian (front only) or passport for non-Malaysian (page with photo).
		f.	Registration as user completed
		g.	An email notification will be sent to you.
			Note: *If you have already signed up/registered as a user with Vote2U previously, you are not required to register again.*

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

B: REGISTRATION OF PROXY

	Description	Procedure
i.	Submit Proxy Form (hard copy)	a. Fill-in the details on the hard copy Proxy Form by providing the following information:
	• Individual Shareholders	o Proxy(ies) & Corporate Representative
	• Corporate Shareholders	• Name
	• Authorised Nominee	• Number of MyKAD for Malaysian or passport for non-Malaysian
	• Exempt Authorised Nominee	• Address and email address – ensure email address is valid
		b. Corporate Representative only – deposit the hard copy of Proxy Form together with the following document to the address as stated on the Proxy Form:
		• A copy of Certificate of Appointment as corporate representative
		c. Individual shareholders, authorised nominee and exempt authorised nominee - deposit the hard copy Proxy Form to the address as stated on the Proxy Form.
		d. Submitted Proxy Form will be verified.
		e. After verification, proxy(ies) and corporate representative will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.

REVOCATION OF PROXY

	Description	Procedure
i.	Revoke a Proxy • Individual Shareholders • Corporate Shareholders • Authorised Nominee • Exempt Authorised Nominee	a. Email to Bina Management (M) Sdn Bhd at binawin@hotmail.com to revoke the appointment of your proxy(ies). *Note:* *Applicable to individual shareholders/ corporate shareholders/ authorised nominee/ exempt authorised nominee who have appointed proxy(ies)/ corporate representative using hard copy Proxy Form.*

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

ON GENERAL MEETING DAY

1. Log in to https://web.vote2u.my with your registered email address and password.
   For proxy(ies) and corporate representative, log in with the temporary credentials in the email which you have received from Vote2U.
2. Vote2U will be opened for log in one (1) hour before the commencement of the general meeting you are attending.
3. When you are logged in, select the general meeting event you are attending. On the main page, you are able to access the following:

	Description	Procedures
i.	Live Streaming	a. Select "Watch Live" button to view the live streaming.
ii.	Ask Question (real-time)	a. Select "Ask Question" button to pose a question.
		b. Type in your question and select "Submit".
		Note: *The Chairman of the general meeting/ Board of Directors will endeavour to respond to questions submitted by remote shareholders and proxies and corporate representatives during the meeting.*
iii.	Remote Voting	a. On the main page, scroll down and select "Confirm Details & Start Voting".
		b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Select "Next" to continue voting for all resolutions.
		c. After you have completed voting, a Voting Summary page appears to show all the resolutions with you voting choices. Select "Confirm" to submit your vote.
iv.	View Voting Results	a. On the main page, scroll down and select "View Voting Results".
v.	End of RPV	a. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end.
		b. You may log out from Vote2U.

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at a general meeting will be conducted by poll. The Company has appointed Agmo Digital Solutions Sdn. Bhd. as the poll administrator to conduct the polling process and Scrutineer Solutions Sdn Bhd as the independent scrutineers to verify the results of the poll.

No e-Voucher, Gift, and Food Voucher

There will be no e-Voucher, gift, and food voucher for shareholders, proxies and corporate representatives who participate in the meeting.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

Enquiry

a. For enquiries relating to the general meeting, please contact our Share Registrar during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Email	:	info@ztech.com.my

b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone No.	:	03 7664 8520 / 03 7664 8521
Email	:	vote2u@agmostudio.com

ZEN TECH INTERNATIONAL BERHAD

[Registration No. 200401027289 (665797-D)]

(Formerly known as INIX Technologies Holdings Berhad)

Phone:
+603 2701 4353

Website:
www.ztech.com.my

Address:
Lot 3-40 & 3-41 3rd Floor
Viva Shopping Mall
No.85, Jalan Loke Yew, 55200 Kuala Lumpur