INIX Technologies Holdings Berhad

ANNUAL REPORT
2021

HOW TO GET THE MOST OUT OF OUR REPORT

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What's **Inside?**

Chapter 1: **Overview**

Chairman's Statement

YBhg Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir | *Chairman*

On behalf of the Board of Directors ("Board"), it is my privilege to share the Annual Report and Audited Financial Statements of INIX Technologies Holdings Berhad ("INIX" or the "Company") and its subsidiaries (the "Group") for the financial period ended 30 June 2021 ("FY2021").

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

INIX was incorporated in Malaysia under the Companies Act, 1965 on 13 September 2004 as a public limited company and listed in the ACE market on 1 September 2005.

INIX is an investment holding company and its major subsidiaries are involved in Information Technology (IT), an e-commerce portal, and implementing customer specific projects into products of higher resale value.

Monetary and fiscal stimuli were also implemented to ease the negative impact caused by this pandemic.

In 2020, INIX diversified into the healthcare industry by venturing into glove manufacturing. We acquired a glove manufacturing factory in Beranang, Selangor and are currently expanding our production lines. This opportunity certainly paves the way for us to explore other healthcare related ventures in the near future.

Throughout our existence, the Group has navigated through numerous challenges. Our resilience and capability to resolve various adversities in the 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.

The recent COVID-19 pandemic brought the global and domestic economic activities almost to a halt. As infection rates and death toll climbed, governments across the world had imposed restrictions on movements and shut down businesses to curb the spreading of the virus. Monetary and fiscal stimuli were also implemented to ease the negative impact caused by this pandemic. As a result, the Group, like other companies around the world, are facing an unprecedented challenge.

Albeit the prevailing market condition, world economic climate, global geopolitical uncertainties and the current COVID-19 outbreak, the Group will endeavour to do its utmost to achieve greater efficiency in our business operations and deliver a stronger set of results. We have aligned our business strategies to embrace sustainability towards creating value for our stakeholders and generating positive impacts on the environment, economy, and society in which we operate.

Nevertheless, I am proud inform that our venture into Glove manufacturing business is quickly gaining traction based on the growing demand for these gloves and the progress of the new manufacturing lines that are being constructed. The Group foresees that Glove business will perform satisfactorily.

Moving forward, the Group will 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
(Appointed on 7 December 2020)

Dato' Megat Fairouz Junaidi Bin Megat Junid
Senior Independent Non-Executive Vice Chairman
(Redesignated from Senior Independent Non-Executive Chairman to Senior Independent Non-Executive Vice Chairman)

YBhg Dato' Zhang Li
Executive Director

Mr. Siva Kumar Kalugasalam
Executive Director
(Appointed on 17 August 2020)

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
(Appointed on 27 October 2021)

Mr. Edwin Silvester Das

REMUNERATION COMMITTEE

Chairman
Dato' Megat Fairouz Junaidi Bin Megat Junid

Members
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
(Appointed on 27 October 2021)

Mr. Edwin Silvester Das

COMPANY SECRETARY

Tan Tong Lang (MAICSA 7045482)
(SSM PC No. 201908002253)

AUDITORS

SBY Partners PLT
9-C, 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

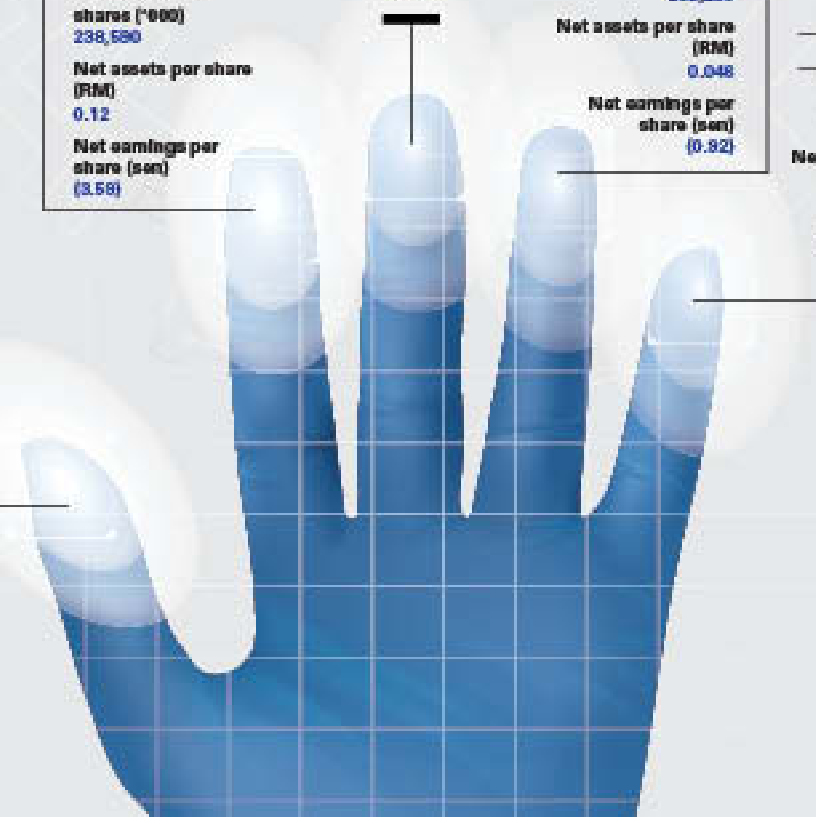
CIMB Bank Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
Malayan Banking Berhad

LISTING

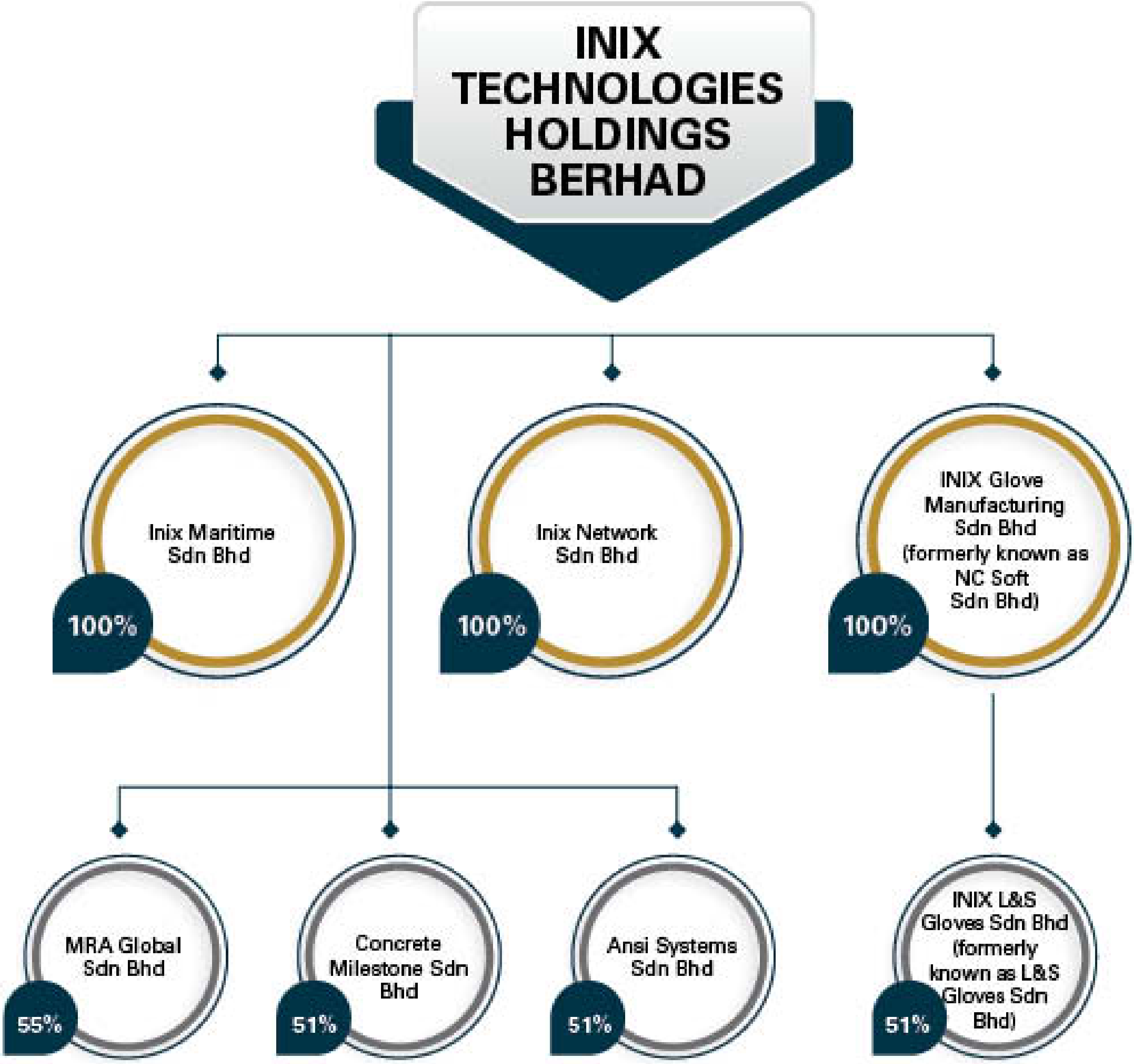
ACE Market of Bursa Malaysia Securities Berhad
Stock Name : INIX
Stock Code : 0094

5-YEAR FINANCIAL **HIGHLIGHTS**

	FY2016 12 Months 31.07.2016 (RM'000)	FY2017 12 Months 31.07.2017 (RM'000)	FY2018 12 Months 31.07.2018 (RM'000)	FY2020 18 Months 31.01.2020 (RM'000)	FY2021 17 Months 30.06.2021 (RM'000)
Revenue	3,738	5,232	8,447	8,198	18,235
(Loss) Before tax	(4,958)	(10,691)	(16,177)	(3,358)	(10,011)
(Loss) After tax	(4,960)	(10,691)	(16,178)	(3,358)	(10,853)
(Loss) Attributable to Shareholders	(4,960)	(10,691)	(16,178)	(2,738)	(11,383)
Financial Positions (RM'000)					
Total assets	31,965	29,989	15,867.486	16,068	37,991
Total Current Liabilities	1,432	1,569	2,991	2,424	9,167
Total Non – Current Liabilities	-	-		-	3,312
Total Equity	30,523	28,419	22,929	13,644	25,510
Financial Ratios					
Total number of shares ('000)	335,183	238,590	259,141	288,255	466, 604
Net assets per share (RM)	0.091	0.12	0.05	0.048	0.064
Net earnings per share (sen)	(1.48)	(3.58)	(5.92)	(0.32)	(2.44)



GROUP **STRUCTURE**



BOARD OF **DIRECTORS**

YBHG DATO' ZHANG LI
Executive Director

DATO' MEGAT FAIROUZ JUNAIDI BIN MEGAT JUNID
Senior Independent
Non-Executive Vice Chairman

MR. EDWIN SILVESTER DAS
Independent and
Non-Executive Director

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

MR SIVA KUMAR KALUGASALAM
Executive Director

**Not in the Picture*

ZHANG YANG
Non Independent Non-Executive Director

DIRECTORS' PROFILE

YBHG TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

Age 73
Male
Malaysia

Independent Non-Executive Chairman

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, is our Independent Non-Executive Chairman. He was appointed to the Board on 7 December 2020. He is also a member of our Audit Committee, Nomination Committee and Remuneration Committee.

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

Tan Sri Syed Mohd Yusof's 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 and 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 period ended 30 June 2021.

DIRECTORS' **PROFILE**

Age 56

Male

Malaysia

Senior Independent Non-Executive Vice Chairman

DATO' MEGAT FAIROUZ JUNAIDI BIN MEGAT JUNID

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 Nomination Committee and Remuneration Committee and a member of Audit 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 period ended 30 June 2021.

DIRECTORS' PROFILE

YBHG DATO' ZHANG LI

Age 61
Female
China

Executive Director

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

Dato' Zhang Li completed her education in Xiamen, China. She ventured into business in 1990 in Huadong, China in which she was operating a franchise specialising in health supplements. In 2003, Dato' Zhang Li was appointed as the Marketing Advisor for Guan Fang International Marketing (M) Sdn Bhd a multilevel marketing company and a Director in Top Creation Property Sdn Bhd which was involved in real estate development. 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 ("Bursa Securities") from 2008 to 2012. Dato' Zhang Li has been a director of Top Creation Investment Ltd, a public company specialising 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 21,283,500 ordinary shares in the Company via her son, Zhang Yang's direct shareholdings in the Company. She is the 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 period ended 30 June 2021.

DIRECTORS' PROFILE

Age 51

Male

Malaysia

Executive Director

SIVA KUMAR KALUGASALAM

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 24 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 holds a Bachelor of Business majoring in Accounting from the University of Technology, Sydney, Australia, Graduate Diploma in Business and Management from the University of Sunshine Coast / Segi University and Master of Business Administration from the University of Wales Trinity St David, UK. Siva Kumar is currently pursuing his PhD in Accounting at the Management and Science University, Malaysia. Siva Kumar is also a Fellow of the Institute of Public Accountants, Australia, a Fellow of the Institute Financial Accountants, UK, a Fellow of the Chartered Management Institute, UK and a Member of Malaysian Institute of Human Resource Management.

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 period ended 30 June 2021.

DIRECTORS' PROFILE

MR. EDWIN SILVESTER DAS

Age 63

Male

Malaysia

Independent and Non-Executive Director

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

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, companies listed on Bursa Securities. 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 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 period ended 30 June 2021.

DIRECTORS' PROFILE

Age 37

Male

China

Non-Independent and Non-Executive Director

MR. ZHANG YANG

Zhang Yang was appointed as the Managing Director on 17 January 2020. He was re-designated as Non-Independent Non-Executive Director on 17 August 2020. He holds a Doctorate, majoring in Business Management from Asian Institution of Management & Science, China.

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

Zhang Yang is not a director of any other public or public listed companies. He is the substantial shareholder of the Company, holdings direct 21,283,500 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 period ended 30 June 2021.

KEY SENIOR MANAGEMENT'S **PROFILE**

Mr. Siva Kumar Kalugasalam
Executive Director

Mr. Siva Kumar is responsible for the management and operations of INIX Technologies Holdings Berhad. He also oversees the operations of the Glove Division

The profile of Mr. Siva Kumar is shown under Directors' Profile on page 15 of this annual report.

YBhg Dato' Zhang Li
Executive Director

Dato' Zhang Li is responsible for the management and operation of INIX Technologies Holdings Berhad. She also oversees the operations of the e-commerce Division.

The profile of Dato' Zhang Li is shown under Directors' Profile on page 14 of this annual report.

Teo Xiong Sheng
Operations Director (Glove)

He is a Director and shareholder of Inix L&S Gloves Sdn Bhd (formerly known as 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 Business

Presently, he does not hold any directorship in any other public listed 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 ended 30 June 2021.

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 listed 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 ended 30 June 2021.

Chapter 2: **Corporate Governance**

MANAGEMENT DISCUSSION **AND ANALYSIS**

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

Inix Technologies Holdings Berhad ("INIX") is listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") under the Industrial Products category.

Overview of Group Business and Operations

As expected, it was a tough year for most companies in Malaysia and globally due to the unprecedented outbreak of Covid-19 pandemic. To curb the spread of the Covid-19, the government enforced Movement Control Order ("MCO") and the Conditional Movement Control Order ("CMCO").

Bank Negara reported that concurrent to the MCO & CMCO, Malaysia's economy registered a contraction of 17.1% in the second quarter of 2020, the lowest growth ever recorded since the financial crisis in 1998.

The Group was quick to re-visit its business strategies and operations to adjust to the current economic trend and normalcy. The Group also carried out several cost management initiatives throughout its operations to stabilize the financial performance and preserve cash flow.

The financial period ended 30 June 2021 has been a challenging period for the group as the impact of the COVID-19 pandemic affected the business . However with the Group's venture into the glove business and this created a new stream of revenue for the group.

ANSI is also committed towards developing another new App to support SME's business and segment industry.

<u>E-Commerce Solution Business</u>

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

ANSI is also committed towards developing another new App to support SME's business and segment industry.

The Group had to refocus its IT segment and continue to strengthen its market shares to support long term sustainability and growth path. To achieve this, we continuously enhanced our value offering to ensure our commitment to providing quality services in IT related solutions to our Customers.

Glove Manufacturing Business

As the pandemic continued to create much volatility and uncertainty, the Group realized a major shift in consumer behaviour to adapt to a new normal. Since millions of end-users needed gloves for their hand-protection needs each day, we identified the Examination Gloves Industry as one of the opportunities and invested into a Latex and Nitrile Examination Gloves factory in Beranang, Selangor, which ensured the Company's venture into the glove industry instantaneously.

Plans and the construction of the additional 16 production lines are already in progress and once full completed, the plant will be able to produce an average production capacity of over 110 million pieces of latex gloves a month.

Board Commitments

The Board assumes the responsibility of ensuring the maintenance of a sound internal control and risk management. A Risk Mitigation & Internal Control framework is currently being established to determine the Group's level of risk tolerance and actively identify, assess, and monitor key business risks. The framework, once completed, enables senior management, operational managers and employees to understand and effectively manage risks and to promote the awareness of the importance of complying with company's policies and prevailing laws and regulations.

Sustainability Practice

The Directors are mindful of the impact of the Group's operations upon the environment, economic and society in which we operate. As such, sustainability is a ubiquitous component of the Group's strategy to create long-term value for shareholders and other stakeholders. Besides embarking on viable economic activities, the Group is acutely aware of the need to embrace business practices that promote business continuity. We are confident that with the Group's commitment to high standards of governance, ethics and integrity; deployment of

MANAGEMENT DISCUSSION **AND ANALYSIS**

meaningful sustainability practices, as well as continued investment in human capital development, we will be poised for future growth in our journey towards creating value for our shareholders and other stakeholders. The Group's approach to the adoption of the sustainability practices is covered under the Sustainability Report of this Annual Report.

FINANCIAL RESULTS REVIEW

Key Financial Indicators

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

	17 Months Ending 2021 RM'000	18 Months 2020 RM'000
Revenue	18,235	8,198
(Loss) before interest & taxation	(9,955)	(3,359)
(Loss) before taxation	(10,001)	(3,359)
Net (Loss)	(10,653)	(3,359)
Net (Loss) attributable to Shareholders	(11,393)	(2,738)
Net cash used in operations	(6,247)	(7,571)
Total Shareholder's fund	34,336	23,468

The Group recorded a revenue of RM20,546 mil for financial period ended 30 June 2021 ("FYE2021") as compared to RM 8.198 mil registered in financial period ended 31 January 2020 ("FYE 2020").

Performance Analysis at Group Level

The Group recorded a revenue of RM20,546 mil for financial period ended 30 June 2021 ("FYE2021") as compared to RM 8.198 mil registered in financial period ended 31 January 2020 ("FYE 2020"). The group registered a loss after tax and controlling interest of RM 10,653 mil as compared to loss after tax and controlling interest of RM3,359 mil in FPE 2020. The losses in FPE 2021 are due to the impairment of other investment RM3,850 mil, Impairment of Other receivables of RM3,950 mil, Impairment of Plant, Property, Plant and Equipment RM1,109 mil and Bad Debts written off of RM991 thousand respectively.

Total current assets of the Group increased from RM 6.953 mil in FY2020 to RM11,253 mil in FY2021. Non-current assets registered at RM 26,737 mil compared with RM 9.116 mil in FYE 2020 due to the introduction of the glove segment into the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's other payables increased by RM3,249 mil to RM5,501 mil from RM 2,252 mil in FY2020. During FY2021, trade payables increased by RM697,586 from RM24,905 in FY2020 to RM722,491 due to the glove business.

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

GROWTH & STRATEGY

Globally, the outlook for business continues to be challenging in view of the concerns that is impacting the economy due to the COVID-19 pandemic.

The Group will remain cautious and continue to chart out various strategies which include efforts to increase efficiency and cost rationalization. The Group strives to mitigate these challenges prudently by managing its labour and operating costs and improving its business processes by adopting best management practices. The Group will continue to optimize operational efficiencies to mitigate the effects of rising production costs and to counter any negative impact that may arise in the coming years.

Recognizing the growth in the demand for healthcare products throughout the world, which is expected to remain over the coming years, the Group is of the opinion that the prospect for the glove industry will be rewarding in the years to come.

The management of INIX has decided to concentrate in the non-nitrile glove business as there are substantial and significant demand for Latex Powdered and Latex Polymer Non-Powdered Gloves.

As such, we have planned and are expecting to complete approximately 16 production lines for our Gloves factory by June 2022. The production lines comprise of 16 latex powdered and latex powder free polymer line respectively.

The management is expecting a turnover of approximately RM100 million in the next financial year with an approximate net profit of RM35 million for the glove manufacturing operation.

We are also expecting a RM6 million turnovers from our IT sector with RM1.2 million in profit.

FUTURE PROSPECTS

Moving forward, we expect the financial performance of the Group will be on gradual improvement from year 2021 onwards.

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 other IT related projects in similar 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**

Report Overview

Sustainability is the balancing act of the economic pursuits of an organization while safeguarding the people and the planet within the boundary of our operations. INIX Technologies Holdings Berhad's 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 since inception 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 inaugural Group's Sustainability Framework adapted from the Bursa Malaysia's Sustainability Reporting Requirements and Guideline (2nd edition).

The Group embarked on its routine operation and monitoring by realigning with the sustainability pillars of Economic, Environmental and Social ("EES"). In managing the sustainability outcomes, the Group leadership has adopted the principles outlined in the Malaysian Code of Corporate Governance which underpins incorporating good sustainability practices in all its businesses.

This Sustainability Statement provides an overview of our adoption of sustainability practices for navigating performance for the financial period ended 30 June 2021 ("FY2021").

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.

Although this, statement serves as an inaugural Sustainability Statement, we had set goals, and adapted changes more effectively in the past which also resonates with the Bursa Malaysia Sustainability Reporting Guide Supplementary Guidelines, Global Reporting Initiative (GRI) Standards and the United Nation's Sustainable Development Goals (SDGs).

As a core technology driven organization, we were innovative in managing the business which amplifies our sustainability efforts. During the financial period, we had taken steps to incorporate standard disclosures in accordance with the Global Reporting Initiatives ("GRI") reporting guidelines accordance to the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements on sustainability reporting.

Sustainability at INIX Technologies Holdings Berhad

Although leaders in the Group are well versed of the impact to business sustainability, in managing the performance of the company in direct realignment with sustainability principles, they had experienced external shocks. The objective to drive based on sustainability principles was rather prematurely hard hit, due to the Covid-19 pandemic emergencies which resulted in unpredictable and repetitive Movement Control Orders and Conditional Movement Control Orders.

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. Leaders of the Group set in motion its Crisis Management guidelines and Business Continuity Management plan immediately to safeguard stakeholders' trust and shareholders' value. As a resilient business, the Group exercised its reviews on core elements of Governance, Strategy, Risk Management, and Integrated Thinking as modifications to continue generating revenue.

Although to other peer industry players, climate change impact has gained traction in Boardroom dialogue, The Group was mindful in attracting investors who are keen to work with businesses that are committed to create long term shareholder value.

SUSTAINABILITY **STATEMENT**

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 period.

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 after effects 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 transitioned towards business expansion into meeting a global demand for latex and nitrile gloves. With an expanding demand, the Group extended into transforming business-as-usual from technology driven services into production capacity development in its new operational plant as part of its rapid transformation. This demonstrates the agility of leaders in the Group in spinning into action and leverage on change.

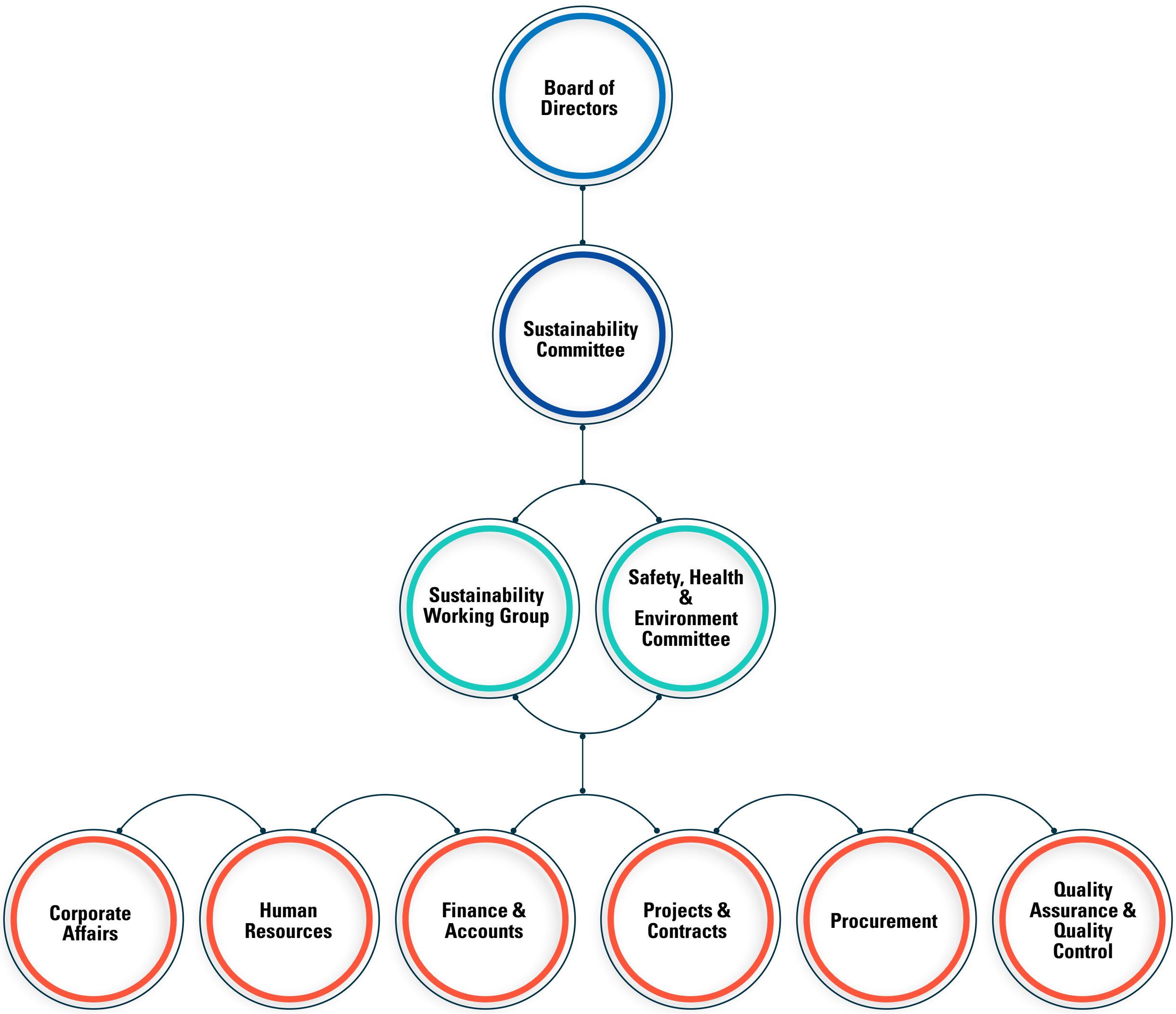
The brief narrative on sustainability performance and prospective figures are listed below to reflect on the Group's sustainability for FY2021 despite the odds faced by businesses all around the world, particularly within the country.

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.

SUSTAINABILITY **STATEMENT**

Governance Structure

Board of Directors' lead Governance oversight and intends to nominate a Sustainability Committee for financial year ended 2022 ("FY2022") to monitor performance of sustainability strategies and implementations. For the current FY2021, the EES goals are being reviewed via the Roadmap for Sustainability which charts the non- financial progress of the Group, as reflected by the Financial Statements. The plan is to establish a Sustainability Committee consist of Board members and operational managers who would hold separately frequent meetings in tandem with Board meetings, to discuss and review the Group's sustainability issues stemming from Board discussions. This integrates implementation of the Group's sustainability initiatives, while ensuring operational and governance compliance. These discussions will gradually involve performance monitoring and data collation for reporting on non-financial narratives for visibility of the Group's sustainability.



SUSTAINABILITY **STATEMENT**

The Group undertook a review of the disclosure topics as per GRI 102: General Disclosures and the Group's Statement on Risk Management and Internal Control (SORMIC) for its materiality topics.

The Group is working on a set of Sustainability Performance Goals for the new operations once it becomes fully functional as an integrated approach to the way the company manages its resource allocations and investments between technology driven services and technology driven products.

With on-going senior management engagement and alignment, and an incentivized approach currently being considered these Goals are aligned to the Disclosure Standard under the Global Reporting Framework (GRI), which tackles all aspects of Economic, Environment and Social sustainability performance. For each financial year however, these allocations and investments will prioritize shareholder value and responsible corporate citizenship. Those priority areas had been pre- determined in the Materiality discussion below, however, performance measures and full-on implementation has been deferred till after the Movement Control Orders stops in the country. The Group aims to disclosure performance in a GRI (Core) report following this preliminary one.

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.

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 as per GRI 102: General Disclosures and the Group's Statement on Risk Management and Internal Control (SORMIC) for its materiality topics.

The board is responsible 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.

SUSTAINABILITY **STATEMENT**

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. From here 10 materiality topics resonated with the Boardroom discussion minutes as listed below.

Economic

1. 201: Economic Performance
2. 203: Indirect Economic Impact
3. 205: Anti-corruption

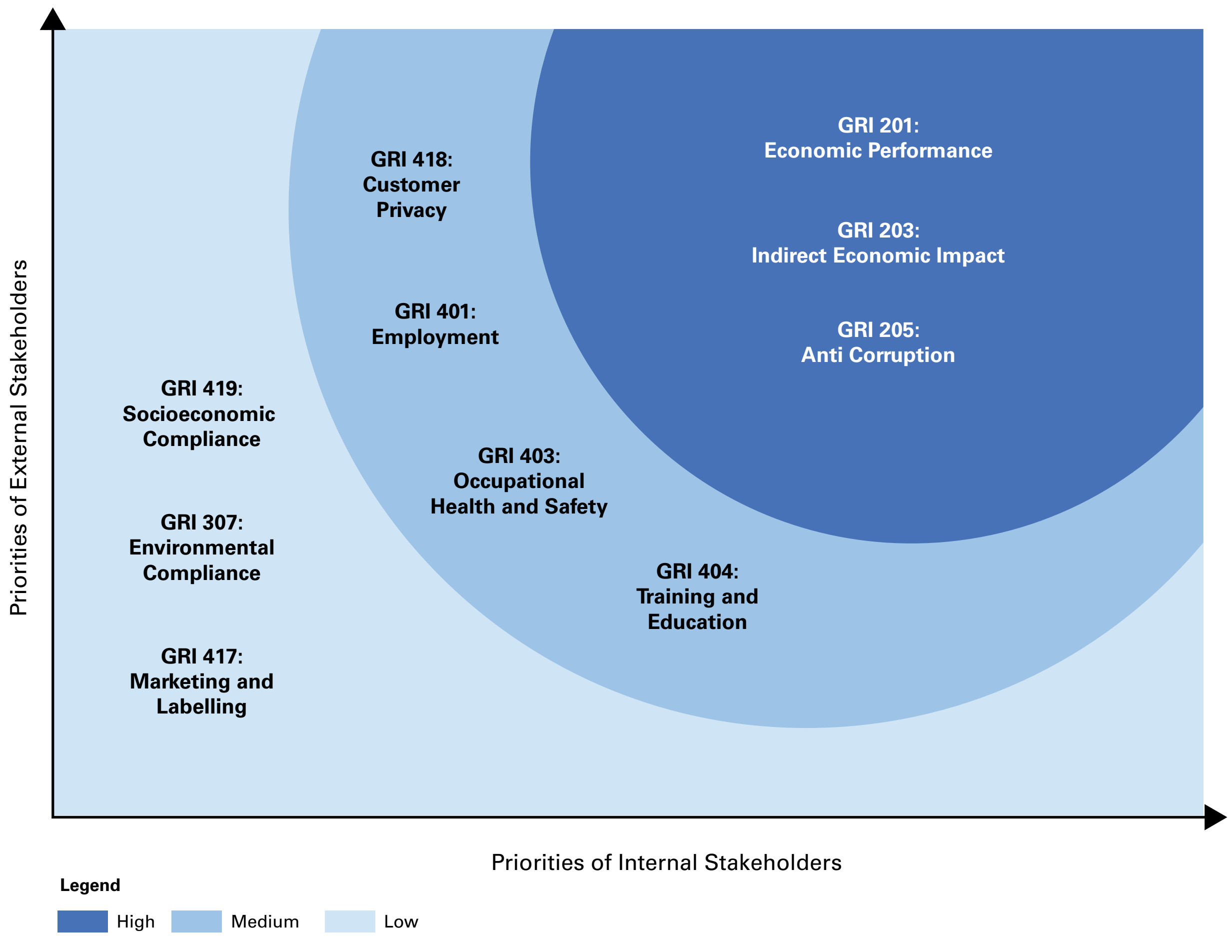
Environment

1. 307: Environmental Compliance

Social

1. 401: Employment
2. 403: Occupational Health and Safety
3. 404: Training and Education
4. 417: Marketing and Labelling
5. 418: Customer Privacy
6. 419: Socioeconomic Compliance

As this is the first Sustainability Statement for the Group, the preceding targets and KPIs will be listed in the future report, where description of the significant impacts will be illustrated. Due to this being the first reporting effort, this report contains description of the processes involved such as due diligence, and potential identification of impacts to operations corresponding to the Management Discussion and Analysis. (Pages 20 to 23 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 INIX Technologies Holdings 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 ("UNGC") 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.

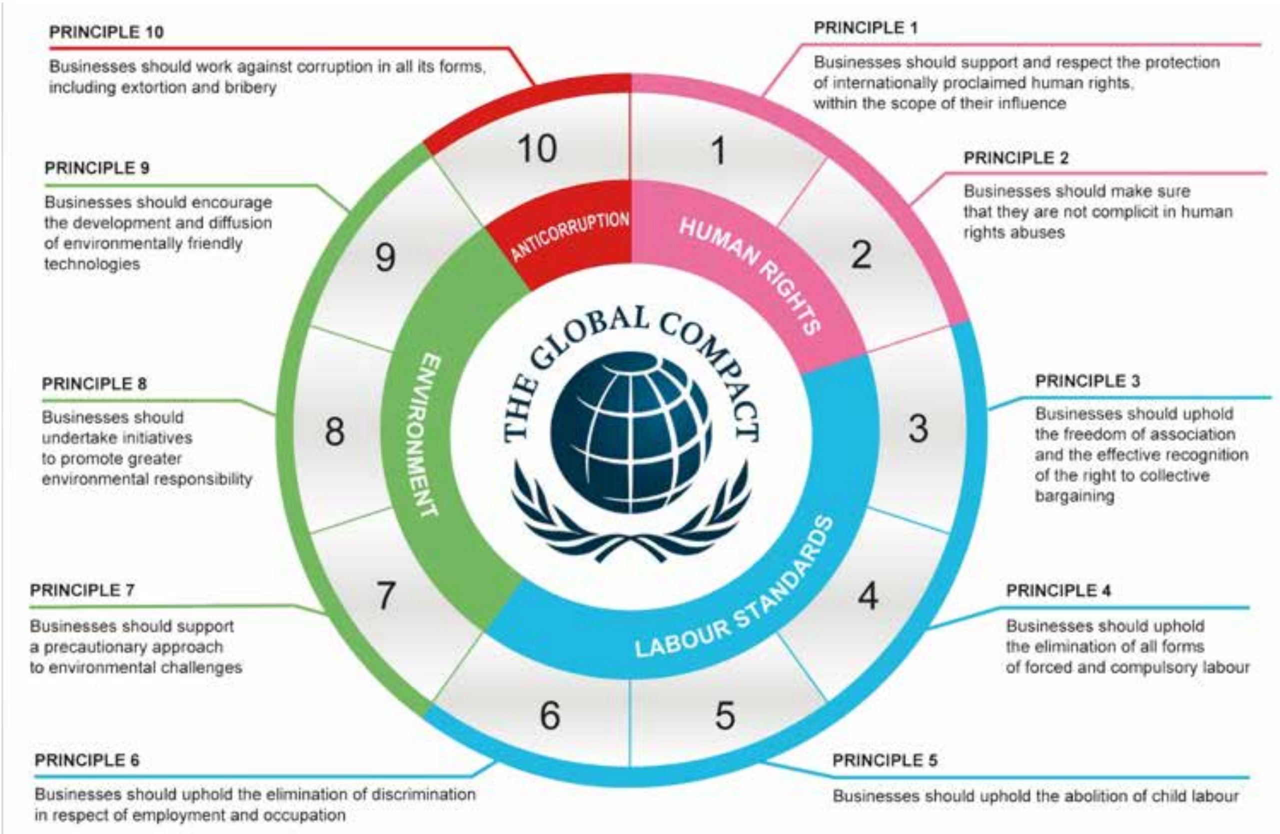
A. Labour
B. Anti Corruption

Low impact Principles in present day operations

A. Human Rights
B. Environment

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).

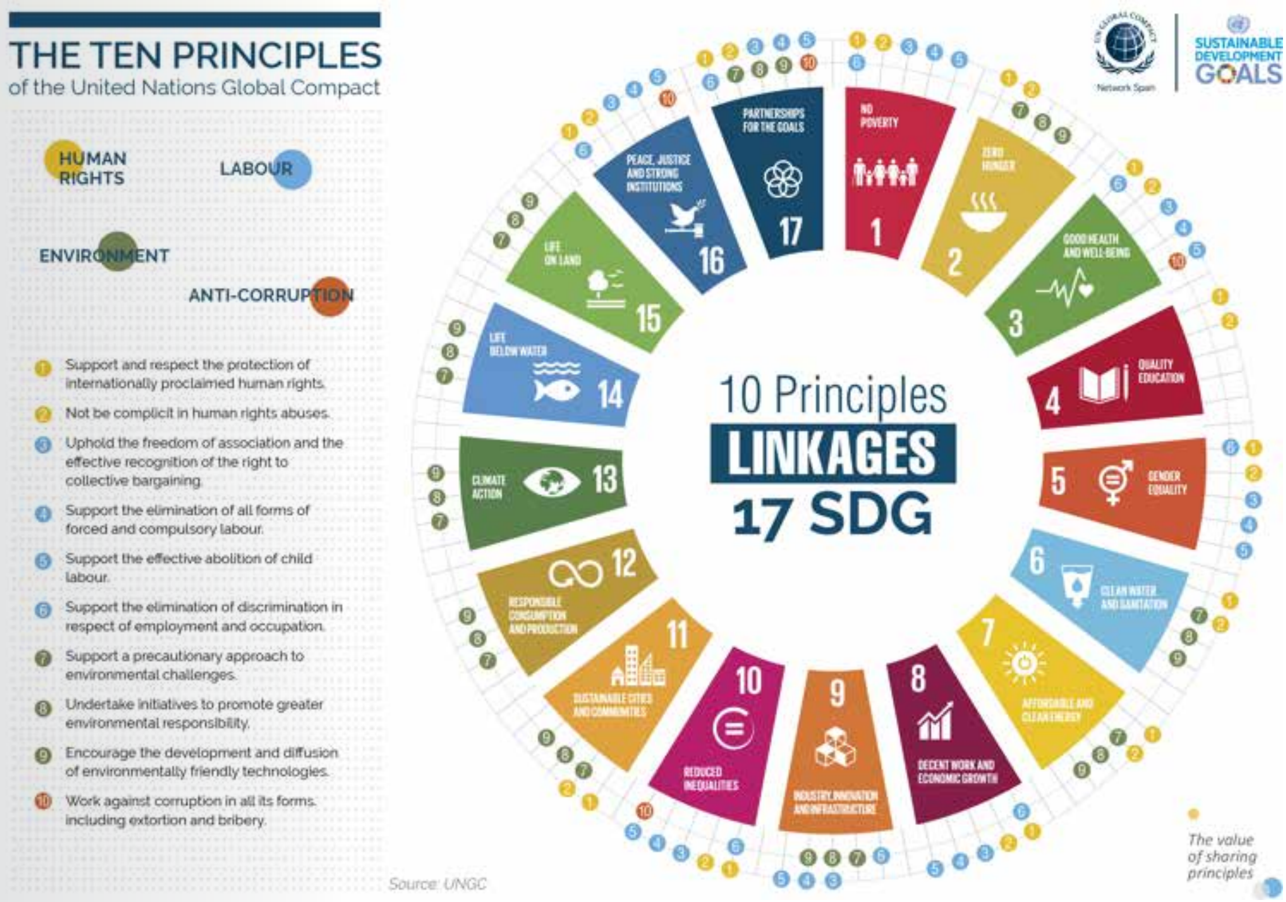
SUSTAINABILITY **STATEMENT**



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 Financial 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 Financial 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**

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 INIX Technologies Holdings Berhad to making impactful progress with the UN's SDG agenda.



The United Nations Sustainable Development Goals ("UNSDGs") was set to be achieved by 2030, however leaders in countries acknowledged that we are behind schedule. The Group reviewed resonance of UNSDGs with its current operations and had found that there are overlapping acceleration actions that are possible to adapt in the following FY2022 therefore in FPE2021, the identification of impactful targets and KPIs to accelerate the progress for this Decade of Action was done.

The Group is determined 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.

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

SUSTAINABILITY **STATEMENT**

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.

From these 17 goals it has been identified that INIX Technologies Holdings Berhad's UN SDGs that are closely associated with direct impact to its operations and stakeholders are Goal 3, 8, 9, 10, 12, 16 and 17. Further assessment of Targets and KPIs will take place in FY2022.

Stakeholders' identification and importance of specific stakeholders to address detailed Materiality issues would be the priority engagements in this financial period was restricted due to repeated ad hoc MCOs. In the next financial year end, approaches and frequency will be used to create more long-term value. In FPE2021, types of engagement with stakeholders were mostly online or virtual platforms.

Stakeholder Group	Communication Channel	Outcomes of Engagement
Employees	Meetings / Trainings	Newsletter / Memo/ Emails / Social media / Web portal
Customers	Public and general communication paraphernalia	Sales proposals / mock websites
Supplier / vendors	Meetings	Improved credit terms
Investors / Shareholders / Regulators	Meetings	AGM / Quarterly report / Annual report / media releases

Conclusion

The Group did aim to integrate sustainability best practices in FPE2021 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."

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

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance ("MCCG") during the financial period ended 30 June 2021 ("FY2021"). This statement is prepared in compliance with the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the Corporate Governance Report 2021 of the Company which is available on Inix Technologies Holdings Berhad ("INIX")'s website at www.inix.com.my.

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Responsibilities

1.1 <u>Strategic Aims, Values and Standards</u>

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, and Share Issuance Scheme Committee whose functions are within their respective terms of reference approved by the Board. The said terms of reference are periodically reviewed by the Board, as and when necessary and the Board appoints the Chairman and members of each committees. These Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective committees' terms of reference and responsibilities. The terms of reference of the Board Committees are available at the Company's website at www.inix.com.my.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

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.

1.2 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.

1.3 Separation of the positions of the Chairman and Executive Director

The Group aims to ensure a balance of power and authority between the Chairman and the 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.

1.4 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 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.

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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 Chairmen 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;

1.5 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 affairs. 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.

DEMARCATION OF RESPONSIBILITIES

2.1 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.inix.com.my.

GOOD BUSINESS POLICY AND PROCEDURES

3.1 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.inix.com.my for stakeholders' information. This Code of Conduct and Ethics provides good guidance for a standard of ethical behaviour for Directors based on trustworthiness and honest values that are acceptable and to uphold the spirit of responsibility including social responsibility in line with the legislation, regulations and guidelines for administrating a company.

3.2 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.inix.com.my. There were no reported incidents pertaining to whistleblowing during the financial year.

PART II - BOARD COMPOSITION

4.1 Composition of the Board

The current Board consists of six (6) members, comprising of one (1) Independent Non-Executive Chairman, one (1) Senior Independent Non-Executive Vice Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director 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 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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

In connection with this policy, the Board have one (1) woman director to the Board during the financial period, which represent 16.6% 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 six (6) 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.

4.2 Tenure of Independent Directors

In accordance with the Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of the 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.

4.3 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 Director 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 in the 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 Director for more than twelve (12) years during the financial period ended 2021 and Dato' Megat 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.

4.4 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. Edwin Silvester Das
3. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir *(appointed on 7 December 2021)*

The Company Secretary supports the Board in carrying out their fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

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

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

4.5 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.

4.6 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. Edwin Silvester Das
2. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
3. Siva Kumar A/L Kalugasalam

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

4.7 Board Meetings

The Board meets on a quarterly basis with additional meetings being convened when necessary, to address urgent matters. All the Directors, with the exception of Mr Zhang Yang, have complied with the minimum attendance requirements as stipulated by the AMLR. The Board met seven (7) occasions during the FY2021 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 (Appointed on 7 December 2020)	2/2
Dato' Megat Fairouz Junaidi Bin Megat Junid	7/7
Dato' Zhang Li	7/7
Mr. Siva Kumar Kalugasalam (Appointed on 17 August 2020)	3/3
Zhang Yang	1/7
Edwin Silvester Das	7/7

Due the COVID-19 Pandemic Mr Zhang Yang was stuck in the rural areas of China and there he was unable to attend majority of the Board Meeting in which he had limited access to Internet connection.

4.8 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.

During the FPE2021, in addition to attending the briefings conducted by the Company Secretary pertaining to the updates on the Listing Requirements and Section 17A of the MACC Act, the External Auditors also briefed the Board members on the changes to the Malaysian Financial Reporting Standard that affect the Group's financial Statement.

PART III – REMUNERATION

5.1 Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) Members, all of them 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 Tun Syed Nasir *(appointed on 7 December 2021)*
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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

5.2 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 financial period ended 30 June 2021 as are follows: -

Category	Directors Fee and Meeting Fees (RM)	Salaries and Other Remuneration (RM)	Statutory Contribution (RM)	Total (RM)
Executive Directors				
Dato' Zhang Li	-	-	-	-
Mr. Siva Kumar Kalugasalam *(Appointed on 17 August 2020)*	-	-	-	-
Non-Executive Directors				
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir *(Appointed on 7 December 2020)*	60,000	-	-	60,000
Dato' Megat Fairouz Junaidi Bin Megat Junid	68,000	-	-	68,000
Mr. Zhang Yang	90,000	-	-	90,000
Mr. Edwin Silvester Das	69,000	-	-	69,000
Mr. Lee Yueh Shien *(Resigned on 15 September 2020)*	24,000	-	-	24,000

5.3 Remuneration of Key Senior Management

The details of the remuneration of the Key Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000.00 during the financial period ended 30 June 2021 are as follows:-:

Range of Remuneration (RM)	Designation of Top Senior Management
0 - 50,000	Executive Directors

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

PRINCIPLE B — EFFECTIVE AUDIT AND RISK MANAGEMENT

6.1 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 key audit partner who was part of the engagement team to observe a cooling-off period of at least 2 years before being appointed as a member of the AC. The Chairman of the AC is not the Chairman of the Board. The AC Chairman is able to assess to the Executive Directors, Senior Management, External Auditors and Internal Auditors.

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

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

6.2 Risk Management and Internal Control Framework

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines.

The Risk Management Committee will be 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.

6.3 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 their 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 47 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

PART I – Communication with Stakeholders

The Group is committed to regular and proactive communication with shareholders and investors. Formal channels are used to communicate to the shareholders and investors on all major developments of the Group on a timely basis.

In addition to quarterly financial reports and various disclosure and announcements made to Bursa Securities, the other key channel of communication with shareholders and investors is the annual report of the Group, where details on the financial results and activities of the Group are provided.

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

PART II – Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction with shareholders. The 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 attends 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. The Company currently conducts 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 27 October 2021.

ADDITIONAL COMPLIANCE **INFORMATION**

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

1. Audit and Non-audit fees paid to External Auditors

The amounts of audit and non-audit fees paid/payable by the Company and the Group to the External Auditors for the financial period ended 30 June 2021 ("FY2021") were as follows:

	Company (RM)	Group (RM)
Audit Fees	114,000	213,500
Non-Audit Fees	8,000	-
TOTAL FEES	122,000	213,500

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 FPE2021 or entered into since the end of the previous financial year.

3. Utilisation of Proceeds Raised from Corporate Proposals

Private Placement

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

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

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

ADDITIONAL COMPLIANCE **INFORMATION**

On 21 July 2021, the Company had announced its proposal to undertake a private placement comprising the issuance of up to 46,660,300new ordinary shares ("Placement Shares") representing not more than ten (10) per centum of the total number of issued to third parties to be identified ("Proposed Private Placement"), and made an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities.

On 19 September 2021, Bursa Securities granted approval for the listing of and quotation of the Placement Shares on the ACE Market of Bursa Securities. As at the date of this report, the status of utilization of proceed raised from Proposed Private Placement is as follows: -

	Proposed Utilisation	**Expected Timeframe for Utilisation**
Utilisation Purpose	RM'000	(from listing date)
Expansion of Glove Business(1)	4,249	Within 8 months
Estimated expenses for the Proposals(2)	230	Within 3 month
Total proceeds	4,470	

4. Employees Share Option Scheme

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

The total number of options granted, exercised and outstanding under the ESOS as at 31 January 2021 are set out in the table below: -

Description	**Number of Options as at 31 January 2021**	
	Total	**Staff**
Granted	12,000,000	12,000,000
Exercised	12,000,000	12,000,000
Outstanding	Nil	Nil

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

Directors and Senior Management	**During the financial period 30 June 2021**	**Since commencement up to 30 June 2021**
Aggregate maximum allocation	Nil	80%
Actual granted	Nil	80%

5. Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during the financial period ended 30 June 2021, 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 FPE2021.

AUDIT **COMMITTEE REPORT**

COMPOSITION

The Audit Committee ("AC") of Inix Technologies Holdings Berhad ("INIX" or "the Company") is chaired by an Independent Director and comprises three members, all of whom are Independent Non-Executive Directors. The current composition meets the requirement of Rule 15.09 and 15.10 of the ACE Market Listing Requirements ("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. Dato' Megat Fairouz Junaidi Bin Megat Junid
3. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

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

MEETINGS

During the financial period ended 30 June 2021 ("FPE2021"), the AC conducted five (5) 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 FPE2021.

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 FPE2021 are as follows

Committee Members	Meetings attended
Lee Yueh Shien (Resigned on 15 September 2020)	2/2
Dato' Megat Fairouz Junaidi Bin Megat Junid	5/5
Edwin Silvester Das	5/5
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir (Appointed as member on 27 April 2021)	-

AUDIT COMMITTEE REPORT

SUMMARY ACTIVITIES

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

Ensuring Financial Statements Comply with Applicable Financial Reporting Standards :

- 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

Reviewing the Audit Findings of the External Auditors and Evaluate their Performance, Suitability and Independence of External Auditors:

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

The AC recommended to the Board for approval of the audit fee of RM213,500 in respect of the FPE2021.

Overseeing the Governance Practices in the Group :

- Reviewed the AC Report, Corporate Governance Overview Statement and Statement of Risk Management and Internal Control before recommending to the Board for approval, for inclusion in the Annual Report;
- 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
- Reviewed the adequacy and effectiveness of the Group's internal control system and reported to the Board.

Reviewing the Audit Findings of the Internal Auditors and Assisting the Board in Reviewing the Effectiveness and Adequacy of Systems of Internal Control in the Key Operation Processes:

- Reviewed and approved the internal auditors' plan;
- Reviewed and discussed the internal auditors reports which outlined the recommendations towards correcting areas of weaknesses and ensured that management action plans were established for the implementation of the internal auditors' recommendations. Summary of internal auditors' reports presented to the AC provides status updates for management action plans to address the findings reported in the previous audit cycles; and
- Reviewed the adequacy of the scope, functions and competency of the internal auditors' function, and the results of the internal auditors' process to ensure the appropriate actions are taken of the recommendations of the internal auditors' function.

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 **COMMITTEE REPORT**

Audit function as well as the competency of the Internal Auditors.

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 internal audit function is headed by a Director who is assisted by a manager.

The internal audit activities were reported directly to the AC based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.

The principal role of the internal auditors is to independently review the internal control system established by the management, its adequacy and effectiveness with the objectives set and to make appropriate recommendations for further improvement. With the internal audit function being put in place, remedial actions can be taken in relation to weaknesses identified and noted in the systems and controls of the respective operating units.

During the FPE2021, the following activities were carried out by the internal auditors in discharge of its responsibilities:

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

For the financial period under review, the total costs incurred by the Group for the internal audit functions was RM4,000.

This AC Report has been reviewed by the AC and approved by the Board on 27 October 2021.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

INTRODUCTION

The Board of Directors ("Board") of INIX Technologies Holdings Berhad ("INIX" or "the Company") 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 INIX 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 period ended 30 June 2021 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 ("AMLR"), 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 the subsidiaries in the Group.

The Board has delegated to the Audit Committee the responsibility to review the internal control processes and to report to the Board in the event there is any major inadequacy of the internal control systems. The Audit Committee is assisted by the Management team - headed by the Executive Director and comprising of key management personnel from the respective divisions, to oversee the risk management system of the Group.

The Board maintains its responsibility for the Group's risk management and internal control system

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

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.

INTERNAL CONTROL SYSTEM

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

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

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

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

The Board has also received assurance from the Executive 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.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

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 quarterly basis.

The AC takes 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 Chapter 15.23 of AMLR for inclusion in the annual report. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Review of Historical Financial Information and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

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.

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 the limited assurances provided by External Auditors.

No material losses were incurred during the financial period 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 the financial period ended 30 June 2021 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 27 October 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES **IN RELATION TO THE FINANCIAL STATEMENTS**

The Directors are required pursuant to 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 period ended 30 June 2021, 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.

Chapter 3: **Financial Statements**

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies 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 period.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Group and the Company changed its financial year end from 31 January to 30 June. Accordingly, the current financial period covers a period of 17 months, from 1 February 2020 to 30 June 2021. Consequently, the comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and related notes to the financial statements are not comparable.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year		
Attributable to:		
Owners of the Company	(11,393,362)	(11,697,714)
Non-controlling interests	7 40,193	-

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

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 period.

MOVEMENTS ON RESERVES AND PROVISIONS

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

DIRECTORS' **REPORT**

ISSUE OF SHARES AND DEBENTURES

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

(a) the issuance of 26,970,000 ordinary shares of RM0.10 each arising from the exercise of employees shares issuance scheme ("SIS");

(b) the issuance of 22,301,000 ordinary shares of RM0.2061 each arising from the exercise of employees SIS;

(c) the issuance of 21,601,000 ordinary shares of RM0.2417 each arising from the exercise of employees SIS; and

(d) the issuance of 97,476,970 ordinary shares of RM0.10 each arising from the exercise of detachable warrants 2015/2020.

The newly issued ordinary shares during the financial period 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 period.

WARRANTS

Detachable Warrants 2015/2020

By virtue of a Deed Poll executed on 9 October 2015 for the 208,634,250 Free Detachable Warrants 2015/2020 ("Warrants 2015/2020") issued in connection with the Rights Issue allocated and credited on 24 November 2015, each Warrants 2015/2000 entitled the registered holder the right at any time during the exercise period to subscribe in cash for one new ordinary share at an exercise price of RM0.10 each.

At 30 June 2021, the outstanding Warrants 2015/2020 are 20,999,580.

During the financial period, 97,476,470 number of Detachable Warrants 2015/2020 were exercised. The outstanding warrants has expired on 16 November 2020.

EMPLOYEES SHARE ISSUANCE SCHEME ("SIS")

At an Extraordinary General Meeting held on 29 September 2016, the Company's shareholders approved the establishment of SIS of not more than 30% of the issued and paid up share capital of the Company at the point of the time throughout the duration of the scheme to eligible Directors and employees of the Group.

The salient features and other terms of the SIS are disclosed in the Note 32 to the financial statements.

DIRECTORS' **REPORT**

During the financial period, the details of SIS granted and exercised are as follows:

		------------------- No. of Share Option -------------------			
Date of offer	**Exercise price**	**Balance 1.2.2020**	**Granted**	**Exercised**	**Balance 30.6.2021**
	RM				
16.7.2020	0.1000	-	26,970,000	(26,970,000)	-
20.10.2020	0.2061	-	22,301,000	(22,301,000)	-
24.11.2020	0.2417	-	21,601,000	(21,601,000)	-
		-	70,872,000	(70,872,000)	-

The name of the option holders who has been granted and exercised SIS:

		------------------- No. of Share Option -------------------			
Date of offer	**Exercise price**	**Balance 1.2.2020**	**Granted**	**Exercised**	**Balance 30.6.2021**
	RM				
Tan Mei Teng	0.1000	-	26,970,000	(26,970,000)	-
Tan Mei Teng	0.2061	-	22,301,000	(22,301,000)	-
		-	49,271,000	(49,271,000)	-

OPTIONS GRANTED OVER UNISSUED SHARES

No option has been granted during the financial period to take up the unissued shares of the Company except for the employee share option scheme.

DIRECTORS

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

Dato' Megat Fairouz Junaidi Bin Megat Junid	
Dato' Zhang Li	
Edwin Silvester Das	
Zhang Yang	
Siva Kumar A/L Kalugasalam	(appointed on 17.8.2020)
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	(appointed on 7.12.2020)
Datuk Tan Choon Hwa	(appointed on 7.8.2020, resigned on 18.6.2021)
Chak Ho Sum	(appointed on 10.8.2020, resigned on 18.6.2021)
Tan Sri Dato' Mohamad Fuzi Bin Harun	(appointed on 2.12.2020, resigned on 7.12.2020)
Wan Kuok Koi	(appointed on 7.8.2020, resigned on 2.12.2020)
Lee Han Keat	(appointed on 7.8.2020, resigned on 24.9.2020)
Lee Yueh Shien	(resigned on 15.9.2020)
Mohd Anuar Bin Mohd Hanadzlah	(removed on 29.7.2020)

DIRECTORS' REPORT

DIRECTORS OF SUBSIDIARIES

The directors of the subsidiaries in office since the beginning of the financial period 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
Shansilah A/P Shanmugham

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 period in the shares in the Company and its related corporations during the financial period were as follows:

	---------- No. of Ordinary Shares ----------			
Name of directors	**Balance 1.2.2020**	**Bought**	**Sold**	**Balance 30.6.2021**
Direct interest:				
Dato' Zhang Li [1]	3,800,000	2,181,400	-	5,981,400
Zhang Yang [1]	16,174,800	5,608,700	(2,825,200)	18,958,300
Indirect interest:				
Dato' Zhang Li [1]	3,800,000	2,181,400	-	5,981,400
Zhang Yang [1]	16,174,800	7,933,900	(2,825,200)	21,283,500

(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 and Zhang Yang 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 other directors other than Dato' Zhang Li and Zhang Yang holding office at the end of the financial period had interest in shares in the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial period, 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 31 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 35 to the financial statements.

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

DIRECTORS' REMUNERATION

The directors' remuneration of the Group and of the Company for the financial period ended 30 June 2021 amounted to RM1,489,294 (2020: RM1,056,675) and RM723,196 (2020: RM664,427) 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 period.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, 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.

DIRECTORS' **REPORT**

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 period 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 period.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period, 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 period 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 period in which this report is made.

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

The significant events during the financial period and subsequent events after the financial period are disclosed in Note 37 to the financial statements.

DIRECTORS' **REPORT**

AUDITORS

The auditors' remuneration for the financial period ended 30 June 2021 of the Group and of the Company amounted to RM213,500 (2020: RM110,000) and RM114,000 (2020: RM55,000) respectively.

The auditors, Messrs SBY Partners PLT (effective from 11 January 2021, Messrs SBY Partners PLT was converted from Messrs Siew Boon Yeong & Associates, a conventional partnership to a limited liability partnership), 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: 15 November 2021

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 52 to 131 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 2021 and of the financial performance and cash flows of the Group and of the Company for the financial period ended on that date.

Signed in Kuala Lumpur on 15 November 2021

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 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 52 to 131 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 15 November 2021

SIVA KUMAR A/L KALUGASALAM

Before me:
Kapt (B) Jasni Bin Yusoff
NO. W465
Commissioner for Oaths

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

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Inix Technologies Holdings Berhad, which comprise the statements of financial position as at 30 June 2021 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 period from 1 February 2020 to 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 131.

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 2021, and of their financial performance and their cash flows for the financial period from 1 February 2020 to 30 June 2021 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 period. 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.

INDEPENDENT AUDITORS' **REPORT**

Risk area and rationale	Our response
Goodwill on consolidation (Note 5 to the financial statements)	Our audit procedures included, amongst others:-
Impairment assessment of the carrying amount of goodwill on consolidation.	- compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;
The carrying amount of goodwill on consolidation as at 30 June 2021 amounted to RM6,319,438.	- assessed and evaluated the key assumptions used in forecasting revenues, operating profits margins, growth rates and the production capacity of the factory;
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.	- 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.	Our audit procedures included, amongst others:-
The carrying amount of other investment as at 30 June 2021 amounted to RM3,850,000.	- compared prior period 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;

INDEPENDENT AUDITORS' **REPORT**

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 2021 amounted to RM1,915,596 and RM7,308,593 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 period.

INDEPENDENT AUDITORS' **REPORT**

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.

INDEPENDENT AUDITORS' **REPORT**

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.

INDEPENDENT AUDITORS' **REPORT**

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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

(a) The financial statements of the Group and of the Company for the financial period ended 31 January 2020 which were prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards were audited by another firm of Chartered Accountants whose report dated 23 June 2020 expressed an unmodified opinion.

(b) 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: 202106000003 (LLP0026726-LCA) AF: 0660
Chartered Accountants

SUKHPAL SINGH A/L KAUR SINGH
03494/05/2022 J
Chartered Accountant

Kuala Lumpur,
Date: 15 November 2021

STATEMENTS OF **FINANCIAL POSITION**

As at 30 June 2021

	Note	Group 30.6.2021 RM	Group 31.1.2020 RM	Company 30.6.2021 RM	Company 31.1.2020 RM
ASSETS					
NON-CURRENT ASSETS					
Goodwill on consolidation	*5*	6,319,438	-	-	-
Property, plant and equipment	*6*	13,796,340	1,416,264	223,039	6,450
Right-of-use assets	7	2,771,705	-	702,835	-
Intangible assets	*8*	-	-	-	-
Investment in subsidiaries	*9*	-	-	1,330,026	886,052
Other investment	*10*	3,850,000	7,700,000	3,850,000	7,700,000
		26,737,483	9,116,264	6,105,900	8,592,502
CURRENT ASSETS					
Inventories	*11*	768,454	-	-	-
Trade receivables	*12*	1,915,596	600,262	-	-
Other receivables, deposits and prepayments	*13*	7,308,593	5,189,912	1,678,304	4,068,049
Amount due from an associate	*14*	-	-	-	103,000
Amount due from subsidiaries	*15*	-	-	17,012,741	-
Fixed deposit with a financial institution	*16*	500,000	-	-	-
Cash and bank balances	*17*	760,495	1,162,511	52,512	50,543
		11,253,138	6,952,685	18,743,557	4,221,592
TOTAL ASSETS		37,990,621	16,068,949	24,849,457	12,814,094
EQUITY AND LIABILITIES					
EQUITY					
Share capital	*18*	64,536,269	42,274,374	64,536,269	42,274,374
Accumulated losses		(30,199,731)	(18,806,369)	(41,553,805)	(29,856,091)
Total equity attributable to owners of the Company		34,336,538	23,468,005	22,982,464	12,418,283
Non-controlling interests		(8,826,246)	(9,823,507)	-	-
TOTAL EQUITY		25,510,292	13,644,498	22,982,464	12,418,283

STATEMENTS OF **FINANCIAL POSITION**

		Group		Company	
		30.6.2021	**31.1.2020**	**30.6.2021**	**31.1.2020**
	Note	**RM**	**RM**	**RM**	**RM**
LIABILITIES					
NON-CURRENT LIABILITIES					
Lease liabilities	*19*	2,424,675	-	535,897	-
Finance lease payables	*20*	442,845	-	-	-
Deferred tax liabilities	*21*	445,345	-	-	-
		3,312,865	-	535,897	-
CURRENT LIABILITIES					
Trade payables	*22*	722,491	24,905	-	-
Other payables and accruals	*23*	5,501,520	2,252,076	287,786	254,339
Amount due to subsidiaries	*24*	-	-	-	126,305
Amount due to directors	25	2,215,744	146,513	816,900	14,210
Lease liabilities	*19*	418,007	-	225,453	-
Finance lease payables	*20*	111,990	-	-	-
Current tax liabilities		197,712	957	957	957
		9,167,464	2,424,451	1,331,096	395,811
TOTAL LIABILITIES		12,480,329	2,424,451	1,866,993	395,811
TOTAL EQUITY AND LIABILITIES		37,990,621	16,068,949	24,849,457	12,814,094

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

STATEMENTS OF PROFIT OR LOSS AND **OTHER COMPREHENSIVE INCOME**

for the financial period ended 30 June 2021

	Note	Group From 1.2.2020 to 30.6.2021 RM	 From 1.8.2018 to 31.1.2020 RM *(Restated)*	Company From 1.2.2020 to 30.6.2021 RM	 From 1.8.2018 to 31.1.2020 RM
REVENUE	26	18,235,369	8,198,043	-	-
COST OF SALES		(12,647,378)	(6,457,207)	-	-
CHANGE IN INVENTORIES		687,604	-	-	-
GROSS PROFIT		6,275,595	1,740,836	-	-
OTHER INCOME		2,229,600	1,763,252	7,917,861	2,842,738
SELLING AND MARKETING EXPENSES		-	(16,270)	-	-
ADMINISTRATIVE EXPENSES		(18,460,077)	(6,597,360)	(19,599,176)	(10,277,686)
RESEARCH AND DEVELOPMENT EXPENSES		-	(250,000)	-	(250,000)
LOSS FROM OPERATIONS		(9,954,882)	(3,359,542)	(11,681,315)	(7,684,948)
FINANCE COSTS	*27*	(56,187)	-	(16,399)	-
LOSS BEFORE TAXATION	*28*	(10,011,069)	(3,359,542)	(11,697,714)	(7,684,948)
INCOME TAX EXPENSE	*29*	(642,100)	-	-	-
LOSS FOR THE FINANCIAL PERIOD, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		(10,653,169)	(3,359,542)	(11,697,714)	(7,684,948)
ATTRIBUTABLE TO:					
Owners of the Company		(11,393,362)	(2,738,840)		
Non-controlling interests		740,193	(620,702)		
		(10,653,169)	(3,359,542)		
LOSS PER SHARE (Sen)					
Basic	*30*	(2.44)	(0.92)		
Diluted	*30*	(2.44)	(0.92)		

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

STATEMENTS OF **CHANGES IN EQUITY**

for the financial period ended 30 June 2021

	Note	Share capital	Accumulated losses	Attributable to owners of the Company	Non controlling interests	Total equity
Group			**RM**	**RM**	**RM**	**RM**
RM						
At 1 August 2018		38,996,661	(16,067,529)	22,929,132	(10,052,805)	12,876,327
Transactions with owners:						
Issuance of shares pursuant to the share options exercised on right issue	*18*	1,477,713	-	1,477,713	-	1,477,713
Issuance of shares pursuant to the exercise of employees share issuance scheme	*18*	1,800,000	-	1,800,000	-	1,800,000
Changes in ownership interest in subsidiaries		-	-	-	850,000	850,000
Total transactions with owners		3,277,713	-	3,277,713	850,000	4,127,713
Total comprehensive loss for the financial period		-	(2,738,840)	(2,738,840)	(620,702)	(3,359,542)
At 31 January 2020/ 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	*18*	9,747,698	-	9,747,698	-	9,747,698
Issuance of shares pursuant to the exercise of employees share issuance scheme	*18*	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 financal period		-	(11,393,362)	(11,393,362)	740,193	(10,653,169)
At 30 June 2021		64,536,269	(30,199,731)	34,336,538	(8,826,246)	25,510,292

STATEMENTS OF **CHANGES IN EQUITY**

Company	Note	Share capital RM	Accumulated losses RM	Total equity RM
At 1 August 2018		38,996,661	(22,171,143)	16,825,518
Transactions with owners:				
Issuance of shares pursuant to the share options exercised on right issue	*18*	1,477,713	-	1,477,713
Issuance of shares pursuant to the exercise of employees shares issuance scheme	*18*	1,800,000	-	1,800,000
Total transactions with owners		3,277,713	-	3,277,713
Total comprehensive loss for the financial period		-	(7,684,948)	(7,684,948)
At 30 January 2020/1 February 2020		42,274,374	(29,856,091)	12,418,283
Transactions with owners:				
Issuance of shares pursuant to the exercise of warrants	*18*	9,747,698	-	9,747,698
Issuance of shares pursuant to the exercise of employees shares issuance scheme	*18*	12,514,197	-	12,514,197
Total transactions with owners		22,261,895	-	22,261,895
Total comprehensive loss for the financal period		-	(11,697,714)	(11,697,714)
At 30 June 2021		64,536,269	(41,553,805)	22,982,464

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

STATEMENTS OF **CASH FLOWS**

for the financial period ended 30 June 2021

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM *(Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(10,011,069)	(3,359,542)	(11,697,714)	(7,684,948)
Adjustments for:				
Amortisation of intangible assets	-	2,083	-	2
Bad debts written off	991,164	-	991,164	-
Deposit written off	100	-	100	-
Depreciation:				
Property, plant and equipment	572,047	262,043	25,887	6,431
Right-of-use assets	309,698	-	200,810	-
Dividend income	-	(1,075,000)	-	(1,075,000)
Impairment loss:				
Amount due from subsidiaries	-	-	399,999	-
Property, plant and equipment	1,109,833	-	-	-
Investment in subsidiaries	-	-	7,750,498	2
Other investment	3,850,000	-	3,850,000	-
Trade receivables	143,784	-	-	-
Other receivables	3,950,000	324,440	3,950,000	-
Interest expense	10,215	-	-	-
Interest income	(2,726)	(645)	(2,724)	(421)
Lease liability interest	45,972	-	16,399	-
Loss on disposal of investment in an associate	-	467,116	-	7,620,000
Reversal of impairment:				
Investment in subsidiaries	-	-	(1,000,000)	-
Trade receivables	(656,750)	(224,910)	(656,750)	-
Amount due from subsidiaries	-	-	(6,211,943)	(1,521,950)
Operating profit/(loss) before working capital changes	312,268	(3,604,415)	(2,384,274)	(2,655,884)
Inventories	(768,454)	-	-	-
Trade receivables	(973,705)	1,535,089	-	-
Other receivables, deposits and prepayments	(5,485,258)	(4,988,562)	(1,894,769)	(4,033,400)
Trade payables	(401,064)	-	-	-
Other payables and accruals	(992,927)	636,769	33,447	(1,424)
Amount due from subsidiaries	-	-	(18,395,269)	760,355
Amount due from an associate	-	53,000	103,000	(50,000)
Amount due to subsidiaries	-	-	(126,305)	(514,673)
Amount due to directors	2,069,231	(1,203,487)	802,690	(500,000)
Cash used in operations	(6,239,909)	(7,571,606)	(21,861,480)	(6,995,026)

STATEMENTS OF **CASH FLOWS**

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM *(Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Interest received	2,726	645	2,724	421
Interest paid	(10,215)	-	-	-
Net cash used in operating activities	(6,247,398)	(7,570,961)	(21,858,756)	(6,994,605)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of a subsidiary (Note 9)	(3,946,193)	-	-	-
Disposal of property, plant and equipment	-	15,904	-	10,966
Purchase of property, plant and equipment	(11,640,462)	(156,498)	(242,476)	(2,400)
Dividend received	-	1,075,000	-	1,075,000
Investment in a subsidiary	-	-	-	(886,049)
Investment in an associate	-	850,000	-	-
Proceeds from disposal of investment in an associate	-	3,000,000	-	3,000,000
Net cash (used in)/generated from investing activities	(15,586,655)	4,784,406	(242,476)	3,197,517
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercise of employees share issuance scheme	12,514,197	-	12,514,197	-
Proceeds from exercise of warrants	9,747,698	-	9,747,698	-
Proceeds from issuance of shares	-	3,277,713	-	3,277,713
Interest paid on lease liabilities	(45,972)	-	(16,399)	-
Repayment of finance lease payables	(45,165)	-	-	-
Repayment of lease liabilities	(238,721)	-	(142,295)	-
Net cash generated from financing activities	21,932,037	3,277,713	22,103,201	3,277,713
Net increase/(decrease) in cash and cash equivalents	97,984	491,158	1,969	(519,375)
Cash and cash equivalents at the beginning of the financial period / year	1,162,511	671,353	50,543	569,918
Cash and cash equivalents at the end of the financial period	1,260,495	1,162,511	52,512	50,543
Cash and cash equivalents comprises:				
Fixed deposits with a financial institution	500,000	-	-	-
Cash and bank balances	760,495	1,162,511	52,512	50,543
	1,260,495	1,162,511	52,512	50,543

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

NOTES TO THE **FINANCIAL STATEMENTS**

– 31 January 2021

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 period.

During the financial period, the Group and the Company changed its financial year end from 31 January to 30 June. Accordingly, the current financial period covers a period of 17 months, from 1 February 2020 to 30 June 2021. Consequently, the comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and related notes to the financial statements are not comparable.

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 and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention, except as disclosed in the significant accounting policies below.

On 1 February 2020, the Group and the Company have adopted the following MFRSs and Amendments to MFRSs issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 February 2020:

Amendments to MFRS 3 Business Combinations – Definition of a Business

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date

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

NOTES TO THE **FINANCIAL STATEMENTS**

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 the 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**
Amendment to MFRS 16 Leases – Covid 19-Related Rent Concessions	1 June 2020
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
Annual Improvements to MFRS Standards 2018 - 2020	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 are applicable to the Group and the Company are not expected to have a material impact to the financial statements of the Group and of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial period 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 period.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 periods 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 noncontrolling 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.

(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%

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.

NOTES TO THE **FINANCIAL STATEMENTS**

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 period for an intangible asset with a finite useful life is reviewed at the end of each reporting period. 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 period, 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 period 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 period 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 expire, 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.

NOTES TO THE **FINANCIAL STATEMENTS**

(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 period 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 expire. 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.

NOTES TO THE **FINANCIAL STATEMENTS**

(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 period 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 period 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.

NOTES TO THE **FINANCIAL STATEMENTS**

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 standalone 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 period 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 periodically 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) <u>Revenue Recognition</u>

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.

<u>Recognition And Measurement</u>

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 period 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.

(m) <u>Interest Income</u>

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

NOTES TO THE **FINANCIAL STATEMENTS**

(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 period 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 period. 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 period 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 period comprise current and deferred taxes.

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

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 period 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 period.

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

NOTES TO THE **FINANCIAL STATEMENTS**

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 period 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.

NOTES TO THE **FINANCIAL STATEMENTS**

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 period 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.

NOTES TO THE **FINANCIAL STATEMENTS**

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 periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period 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 period, 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) <u>Depreciation of Property, Plant and Equipment</u>

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.

NOTES TO THE **FINANCIAL STATEMENTS**

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

The measurement of a lease liability and the corresponding right-of-use asset includes insubstance 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 19.

(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 period in which such determination is made.

(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 period.

(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 period.

(h) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the valuein- 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	
	30.6.2021	**31.1.2020**
	RM	**RM**
At 1 February 2020/1 August 2018	-	-
Goodwill arising from the acquisition of a subsidiary (Note 9)	6,319,438	-
At 30 June / 31 January	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 (31.1.2020: NIL), has been allocated to the investment in Inix L&S Gloves Sdn. Bhd. (formerly known as 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 12,000 gloves per line per hours, 24 hours per day and with the 98% capital efficiency of the factory production over the 5 years period;

(ii) Budgeted gross margin – Gross margin is based on historical margin achieved and management target margin of 40% probable to be achieved;

(iii) Growth rates - Based on the number of production lines, capital efficiency of the factory production, pricing per gloves and the market pricing of gloves; and

(iv) Pre-tax discount rate - Discount rate of 5.0% represents the weighted average 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 sources and internal sources.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

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 August 2018	54,850	7,894	1,605,977	38,519
Additions	36,431	8,807	111,260	-
Disposal	-	-	-	-
At 31 January 2020/ 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	172,906	83,369	4,681,116	1,172,921
Accumulated depreciation				
At 1 August 2018	33,391	5,894	112,105	38,518
Charge for the financial period	6,742	743	252,022	-
Disposal	-	-	-	-
At 31 January 2020/ 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	87,859	14,374	730,898	151,000
Accumulated impairment				
At 1 August 2018/ 31 January 2020/ 1 February 2020	-	-	-	-
Impaired	-	-	1,109,833	-
At 30 June 2021	-	-	1,109,833	-
Net carrying amount				
At 30 June 2021	85,047	68,995	2,840,385	1,021,921
At 31 January 2020	51,148	10,064	1,353,110	1

NOTES TO THE **FINANCIAL STATEMENTS**

Office equipment and telecommunication equipment	Renovation	Vessel	Capital work-in-progress	Total
RM	RM	RM	RM	RM
12,715	28,000	5,500,000	-	7,247,955
-	-	-	-	156,498
(9,819)	(28,000)	-	-	(37,819)
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
5,401	14,933	5,500,000	-	5,710,242
435	2,101	-	-	262,043
(4,881)	(17,034)	-	-	(21,915)
955	-	5,500,000	-	5,950,370
9,473	28,908	-	-	572,047
194	-	-	-	1,244
10,622	28,908	5,500,000	-	6,523,661
-	-	-	-	-
-	-	-	-	1,109,833
-	-	-	-	1,109,833
125,634	259,377	-	9,394,981	13,796,340
1,941	-	-	-	1,416,264

NOTES TO THE **FINANCIAL STATEMENTS**

	Computer equipment and software	Furniture and fittings	Renovation	Telecommunication equipment	Total
Company	**RM**	**RM**	**RM**	**RM**	**RM**
Cost					
At 1 August 2018	12,657	2,424	28,000	-	43,081
Addition	600	1,800	-	-	2,400
Disposal	-	-	(28,000)	-	(28,000)
At 31 January 2020/ 1 February 2020	13,257	4,224	-	-	17,481
Addition	8,266	8,516	225,285	409	242,476
At 30 June 2021	21,523	12,740	225,285	409	259,957
Accumulated depreciation					
At 1 August 2018	6,277	424	14,933	-	21,634
Charge for the financial period	3,937	393	2,101	-	6,431
Disposal	-	-	(17,034)	-	(17,034)
At 31 January 2020/ 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	14,022	2 ,118	20,758	20	36,918
Net carrying amount					
At 30 June 2021	7,501	10,622	204,527	389	223,039
At 31 January 2020	3,043	3,407	-	-	6,450

NOTES TO THE **FINANCIAL STATEMENTS**

7. RIGHT-OF-USE ASSETS

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

	Office building	Factory	Total
Group	**RM**	**RM**	**RM**
Cost			
At 1 August 2018/ 31 January 2020/1 February 2020	-	-	-
Additions	903,645	2,177,758	3,081,403
At 30 June 2021	903,645	2,177,758	3,081,403
Accumulated depreciation			
At 1 August 2018/ 31 January 2020/1 February 2020	-	-	-
Charge for the financial period	200,810	108,888	309,698
At 30 June 2021	200,810	108,888	309,698
Net carrying amount			
At 30 June 2021	702,835	2,068,870	2,771,705
At 31 January 2020	-	-	-

Company	**Office building**
	RM
Cost	
At 1 August 2018/ 31 January 2020/1 February 2020	-
Addition	903,645
At 30 June 2021	903,645
Accumulated depreciation	
At 1 August 2018/ 31 January 2020/1 February 2020	-
Charge for the financial period	200,810
At 30 June 2021	200,810
Net carrying amount	
At 30 June 2021	702,835
At 31 January 2020	-

The Group and the Company lease an office building and a factory. The remaining lease terms of the office building and factory is 3 years and 10 years respectively.

8. INTANGIBLE ASSETS

	License	Software and development	Total
Group	**RM**	**RM**	**RM**
Cost			
At 1 August 2018/31 January 2020/ 1 February 2020/30 June 2021	50,000	3,731,599	3,781,599
Accumulated amortisation			
At 1 August 2018	47,917	3,731,599	3,779,516
Charge for the financial period	2,083	-	2,083
At 31 January 2020/1 February 2020/ 30 June 2021	50,000	3,731,599	3,781,599
Net carrying amount			
At 30 June 2021	-	-	-
At 31 January 2020	-	-	-

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	
	30.6.2021	**31.1.2020**
	RM	**RM**
Unquoted shares in Malaysia, at cost		
At 1 February 2020/1 August 2018	2,736,298	2,735,299
Additional investment in subsidiaries	-	999
At 30 June/31 January	2,736,298	2,736,298
Add: Equity contribution to subsidiaries	7,194,472	-
	9,930,770	2,736,298
Less: Accumulated impairment losses		
At 1 February 2020/1 August 2018	1,850,246	2,735,294
Reversal during the period	(1,000,000)	(885,050)
Addition during the period	7,750,498	2
At 30 June/31 January	8,600,744	1,850,246
	1,330,026	886,052

NOTES TO THE **FINANCIAL STATEMENTS**

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 period, 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.

Details of the subsidiary companies are as follows:

Name of subsidiary companies	**Country of incorporation/ place of business**	**Effective equity interest**		**Principal activities**
		30.6.2021	**31.1.2020**	
		%	**%**	
Ansi Systems Sdn. Bhd. ("ASSB") *	Malaysia	51	51	Software development, system integration and selling of books.
Inix Glove Manufacturing Sdn. Bhd. *(formerly known as NCSoft 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	100	Dredging and land reclamation.
Concrete Milestone Sdn. Bhd. ("CMSB")	Malaysia	51	51	Concrete and piling activities.
Indirect Holding: Subsidiary of Inix Glove:				
Inix L&S Gloves Sdn. Bhd. *(formerly known as L&S Gloves Sdn. Bhd.)*	Malaysia	51	-	Manufacturing of rubber gloves
*MRA Global Sdn. Bhd. ("MRA") *#*	Malaysia	55	55	Dormant and has not commenced business operation.

* Subsidiary companies not audited by SBY Partners PLT.
\# Consolidated using management accounts and the financial year end of this subsidiary is not coterminous with Inix Technologies Holdings Berhad. The subsidiary is currently inactive.

NOTES TO THE **FINANCIAL STATEMENTS**

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.

Acquisition of a subsidiary

On 21 January 2021, a wholly-owned subsidiary of the Company, namely Inix Glove Manufacturing Sdn. Bhd., (formerly known as NCSoft Sdn. Bhd.) entered into a conditional share sale agreement to acquire 331,500 ordinary shares of Inix L&S Gloves Sdn. Bhd. (formerly known as L&S Gloves Sdn. Bhd.) ("L&S"), representing 51% of the issued shares of L&S, for a purchase consideration of RM6,500,000. Consequently, L&S became a subsidiary of the Company.

The fair values of the identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisition of L&S are as follows:

	RM
Property, plant and equipment	2,421,494
Trade receivables	485,413
Other receivables, deposits and prepayments	834,350
Cash at banks	2,053,807
Fixed deposits with a financial institution	500,000
Trade payables	(1,098,650)
Other payables, deposits and accruals	(4,242,371)
Finance lease payables	(600,000)
Fair value of identifiable net assets	354,043
Less: Non-controlling interests	(173,481)
	180,562
Goodwill	6,319,438
Total consideration paid	6,500,000

The effect of the acquisition on cash flows is as follows:	**RM**
Total cash consideration paid	6,500,000
Less: Cash and cash equivalents of the subsidiary company acquired	(2,553,807)
Net cash outflows on acquisition	3,946,193

From the date of acquisition, the acquired subsidiary has contributed RM10,585,241 and RM2,098,999 to the Group's revenue and profit for the financial period respectively.

NOTES TO THE **FINANCIAL STATEMENTS**

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	
	30.6.2021	31.1.2020	30.6.2021	31.1.2020	30.6.2021	31.1.2020
	%	%	RM	RM	RM	RM
ASSB	51	51	508,000	(547,217)	(9,978,221)	(10,486,221)
CMSB	51	51	(796,317)	(73,485)	(133,603)	662,714
L&S	51	-	1,028,510	-	1,285,578	-
			740,193	(620,702)	(8,826,246)	(9,823,507)

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

	ASSB RM	CMSB RM	L&S RM
Summarised statements of financial position			
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	(13,402,022)	(270,680)	3 ,621,575
31.1.2020			
Non-current assets	52,429	1,354,901	-
Current assets	1,825,365	155,319	-
Current liabilities	(16,545,237)	(157,436)	-
Net (liabilities)/assets	(14,667,443)	1,352,784	-
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 period	9,294,002	(1,625,136)	13,326,339

NOTES TO THE **FINANCIAL STATEMENTS**

	ASSB RM	CMSB RM	L&S RM
Summarised statements of profit or loss and other comprehensive income			
1.8.2018 to 31.1.2020			
Revenue	7,743,730	283,575	-
Loss for the financial period	(1,116,770)	(149,969)	-
Total comprehensive loss for the financial period	6,626,960	133,606	-
Summarised statements of cash flows			
1.2.2020 to 30.6.2021			
Net cash (used in)/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)/from financing activities	(26)	-	807,398
Net increase in cash and cash equivalents	(11,564,059)	175	436,683
1.8.2018 to 31.1.2020			
Net cash from/(used in) operating activities	1,078,438	(1,705,922)	-
Net cash used in investing activities	(66,404)	-	-
Net cash from financing activities	-	1,735,000	-
Net increase in cash and cash equivalents	1,012,034	29,078	-

10. OTHER INVESTMENT

	Group and Company	
	30.6.2021 RM	31.1.2020 RM
Unquoted shares, at cost		
In Malaysia		
At 1 February 2020/1 August 2018	7,700,000	7,700,000
Less: Accumulated impairment losses	(3,850,000)	-
At 30 June/31 January	3,850,000	7,700,000

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:

NOTES TO THE **FINANCIAL STATEMENTS**

(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.

(d) Movements in the accumulated impairment losses are as follows:

	Group and Company	
	30.6.2021	**31.1.2020**
	RM	**RM**
At 1 February 2020/1 August 2018	-	-
Addition during the financial period	3,850,000	-
At 30 June/31 January	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				
30.6.2021				
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 period ended 30 June 2021.

Level 3 fair value

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

11. INVENTORIES

	Group	
	30.6.2021	**31.1.2020**
	RM	**RM**
At cost:		
Raw materials	743,824	-
Packing materials	24,630	-
	768,454	-

Inventories recognised in cost of sales for the financial period ended 30 June 2021 amounted to RM5,789,049 (31.1.2020: Nil).

NOTES TO THE **FINANCIAL STATEMENTS**

12. TRADE RECEIVABLES

	Group		Company	
	30.6.2021 RM	**31.1.2020 RM**	**30.6.2021 RM**	**31.1.2020 RM**
Trade receivables				
- Third parties	2,059,380	800,534	-	656,750
- Retention sum	-	191,632	-	-
- Related party	-	4,635,668	-	-
	2,059,380	5,627,834	-	656,750
Less : Accumulated impairment losses	(143,784)	(5,027,572)	-	(656,750)
	1,915,596	600,262	-	-

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2020: 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	
	30.6.2021 RM	**31.1.2020 RM**	**30.6.2021 RM**	**31.1.2020 RM**
At 1 February 2020/ 1 August 2018	5,027,572	5,169,948	656,750	656,750
Additions during the period	143,784	82,534	-	-
Written off during the period	(5,027,572)	-	(656,750)	-
Reversal during the period	-	(224,910)	-	-
At 30 June/31 January	143,784	5,027,572	-	656,750

The foreign currency exposure profile of trade receivables is as follows:

	Group		Company	
	30.6.2021 RM	**31.1.2020 RM**	**30.6.2021 RM**	**31.1.2020 RM**
Ringgit Malaysia (“RM”)	2,059,380	4,971,084	-	-
United States Dollar (“USD”)	-	656,750	-	656,750
	2,059,380	5,627,834	-	656,750

The information about the credit exposure is disclosed in Note 36(b) to the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	30.6.2021 RM	**31.1.2020 RM**	**30.6.2021 RM**	**31.1.2020 RM**
Other receivables				
- Related parties	-	3,552,649	-	-
-Third parties	4,580,312	2,286,600	4,060,165	3,452,149
	4,580,312	5,839,249	4,060,165	3,452,149
Deposits	5,440,989	780,260	1,568,139	615,900
	10,021,301	6,619,509	5,628,304	4,068,049
Less: Accumulated impairment losses	(3,950,000)	(1,743,508)	(3,950,000)	-
	6,071,301	4,876,001	1,678,304	4,068,049
Prepayments	1,237,292	313,911	-	-
	7,308,593	5,189,912	1,678,304	4,068,049

Group

Included in the deposits is the total earnest deposits of RM4,500,000 (31.1.2020: Nil) relating to new ventures of the Group.

Company

Included in deposits is an amount of RM1,000,000 (31.1.2020: Nil) relating to the memorandum of agreement entered by the Company with World Glove International Group Sdn. Bhd. On 28 May 2021, the Company has terminated the memorandum of agreement.

Other receivables 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	
	30.6.2021 RM	**31.1.2020 RM**	**30.6.2021 RM**	**31.1.2020 RM**
At 1 February 2020/ 1 August 2018	1,743,508	1,501,898	-	-
Additions	3,950,000	241,610	3,950,000	-
Written off	(1,743,508)	-	-	-
At 30 June/31 January	3,950,000	1,743,508	3,950,000	-

NOTES TO THE **FINANCIAL STATEMENTS**

14. AMOUNT DUE FROM AN ASSOCIATE

Company

In the previous financial period, the amount due from an associate is non-trade in nature, unsecured, interest-free and repayable on demand.

15. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	30.6.2021	**31.1.2020**
	RM	**RM**
		(restated)
Amount due from subsidiaries	29,703,396	18,502,599
Less : Accumulated impairment losses	(12,690,655)	(18,502,599)
	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	
	30.6.2021	**31.1.2020**
	RM	**RM**
		(restated)
At 1 February 2020/1 August 2018	18,502,599	20,024,549
Additions during the financial period	399,999	-
Reversal during the financial period	(6,211,943)	(1,521,950)
At 30 June/31 January	12,690,655	18,502,599

16. FIXED DEPOSITS WITH A FINANCIAL INSTITUTION

Group

The fixed deposits with a financial institution earn effective interest at 1.85% (31.1.2020: Nil) per annum and are pledged as securities for banking facilities granted to the Group.

17. CASH AND BANK BALANCES

	Group		Company	
	30.6.2021	**31.1.2020**	**30.6.2021**	**31.1.2020**
	RM	**RM**	**RM**	**RM**
Cash and cash equivalent	760,495	1,162,511	52,512	50,543

NOTES TO THE **FINANCIAL STATEMENTS**

18. SHARE CAPITAL

	Group and Company			
	2021	**2020**	**2021**	**2020**
	Number of ordinary shares		**RM**	**RM**
Issued share capital:				
At 1 February 2020/ 1 August 2018	298,254,750	259,140,750	42,274,374	38,996,661
Issuance of shares pursuant to the share options exercise on right issue	-	27,114,000	-	1,477,713
Issuance of shares pursuant to the exercise of warrants	97,476,970	-	9,747,698	-
Issuance of shares pursuant to the exercise of employees share issuance scheme	70,872,000	12,000,000	12,514,197	1,800,000
At 30 June/31 January	466,603,720	298,254,750	64,536,269	42,274,374

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

(a) the issuance of 26,970,000 ordinary shares of RM0.10 each arising from the exercise of employees shares issuance scheme ("SIS");

(b) the issuance of 22,301,000 ordinary shares of RM0.2061 each arising from the exercise of employees SIS;

(c) the issuance of 21,601,000 ordinary shares of RM0.2417 each arising from the exercise of employees SIS; and

(d) the issuance of 97,476,970 ordinary shares of RM0.10 each arising from the exercise of detachable warrants 2015/2020.

The newly issued ordinary shares during the financial period 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.

<u>Detachable warrants 2015/2020</u>

By virtue of a Deed Poll executed on 9 October 2015 for the 208,634,250 Free Detachable Warrants 2015/2020 ("Warrants 2015/2020") issued in connection with the Right Issue allocated and credited on 24 November 2015, each Warrants 2015/2020 entitled the registered holder the right at any time during the exercise period to subscribe in cash for one new ordinary share at an exercise price of RM0.10 each.

NOTES TO THE **FINANCIAL STATEMENTS**

The fair value of the Warrants 2015/2020 is measured using Black Scholes model with the following inputs and assumptions:

	RM
Fair value of warrants of issue date	0.118
Exercise price	0.10
Expected volatility	72.265%
Expiry date	23 November 2020
Risk-free interest rate	3.7666% per annum

At 30 June 2021, the outstanding Warrants 2015/2020 are 20,999,580.

During the financial period, 97,476,470 number of Detachable Warrants 2015/2020 were exercised. The outstanding warrants has expired on 16 November 2020.

19. LEASE LIABILITIES

The lease liabilities are repayable as follows:

	Future instalments payable	Undue interest	Principal payable
Group	**RM**	**RM**	**RM**
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
31.1.2020	-	-	-
Company			
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
31.1.2020	-	-	-

NOTES TO THE **FINANCIAL STATEMENTS**

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

	Group		Company	
	30.6.2021 RM	**31.1.2020 RM**	**30.6.2021 RM**	**31.1.2020 RM**
At 1 February 2020/1 August 2018	-	-	-	-
Additions	3,081,403	-	903,645	-
Accretion interest	45,972	-	16,399	-
Lease payments - principal portion	(238,721)	-	(142,295)	-
Interest paid	(45,972)	-	(16,399)	-
At 30 June/31 January	2,842,682	-	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.

20. FINANCE LEASE PAYABLES

	Future instalments payable	**Undue interest**	**Principal payable**
Group	**RM**	**RM**	**RM**
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
31.01.2020	-	-	-

The effective interest rate for finance lease payables is 5.40% per annum.

21. DEFERRED TAX LIABILITIES

	Group	
	30.6.2021 RM	**31.1.2020 RM**
At beginning of financial period	-	-
Realised to profit or loss (Note 29)	445,345	-
At end of financial period	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.

NOTES TO THE **FINANCIAL STATEMENTS**

22. TRADE PAYABLES

	Group	
	30.6.2021 RM	31.1.2020 RM
Trade payables	722,491	24,905

Trade payables are non-interest bearing and are generally on 90 days (2020: 30 to 60 days) credit terms.

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	30.6.2021 RM	31.1.2020 RM	30.6.2021 RM	31.1.2020 RM
Other payables				
- Third parties	2,460,488	306,532	205,790	242,006
- Related party	-	489,391	-	11,333
	2,460,488	795,923	205,790	253,339
Accruals	1,242,129	1,456,153	81,996	1,000
Deposits	1,798,903	-	-	-
	5,501,520	2,252,076	287,786	254,339

24. AMOUNT DUE TO SUBSIDIARIES

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

25. AMOUNT DUE TO DIRECTORS

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

26. REVENUE

	Group	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM *(restated)*
Commissions from gateway platform	2,917,330	148,938
Sale of rubber gloves	10,585,241	-
Sales of hardware and software	-	21,800
Software development, system integration and system services	4,732,798	7,743,730
Other service activities	-	283,575
	18,235,369	8,198,043
Timing and recognition:		
- at a point in time	18,235,369	8,198,043

NOTES TO THE **FINANCIAL STATEMENTS**

27. FINANCE COSTS

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM
Finance lease interest	10,215	-	-	-
Lease liabilities interest	45,972	-	16,399	-
	56,187	-	16,399	-

28. LOSS BEFORE TAXATION

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM
Loss before taxation is stated after charging:				
Auditors' remuneration				
- current period's provision	213,500	110,000	114,000	55,000
- under provision in respect of prior period	14,999	-	12,500	-
Amortisation of intangible assets	-	2,083	-	-
Bad debts written off	991,164	-	991,164	-
Deposit written off	100	-	100	-
Depreciation of property, plant and equipment	572,047	262,043	25,887	6,431
Depreciation of right-of-use assets	309,698	-	200,810	-
Impairment on				
- amount due from subsidiaries	-	-	399,999	-
- investment in subsidiaries	-	-	7,750,498	2
- trade receivables	143,784	82,534	-	-
- other receivables	3,950,000	241,610	3,950,000	-
- property, plant and equipment	1,109,833	-	-	-
- other investment	3,850,000	-	3,850,000	-
Loss on disposal of investment in an associate	-	467,116	-	7,620,000
Property, plant and equipment written off	-	15,904	-	10,966
Rental of equipment	450	-	-	-
Rental of machineries	45,600	-	-	-
Rental of hostel	31,760	-	-	-
Rental of premises	158,583	86,800	121,633	86,800

NOTES TO THE **FINANCIAL STATEMENTS**

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM
and crediting:				
Dividend income	-	1,075,000	-	1,075,000
Interest income	2,726	645	2,724	421
Reversal of impairment on				
- amount due from subsidiaries	-	-	6,211,943	459,000
- investment in subsidiaries	-	-	1,000,000	885,050
- trade receivables	-	224,910	-	-

29. INCOME TAX EXPENSE

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM
Malaysian income tax:				
- current period's provision	196,755	-	-	-
Deferred tax liabilities (Note 21) :				
- origination and reversal of temporary differences	445,345	-	-	-
	642,100	-	-	-

Income tax is calculated based on the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial period.

NOTES TO THE **FINANCIAL STATEMENTS**

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 1.2.2020 to 30.6.2021 RM	**From 1.8.2018 to 31.1.2020 RM**	**From 1.2.2020 to 30.6.2021 RM**	**From 1.8.2018 to 31.1.2020 RM**
Loss before taxation	(10,011,069)	(3,359,542)	(11,697,714)	(7,684,948)
Income tax expense at Malaysian statutory tax rate of 24% (2020: 24%)	(2,402,657)	(806,290)	(2,807,451)	(1,844,387)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	3,015,452	806,290	4,239,956	1,844,387
- income not subject to tax	(522,889)	-	(1,888,487)	-
- deferred tax assets not recognised during the financial period	552,194	-	455,982	-
	3,044,757	806,290	2,807,451	1,844,387
	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:

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	**From 1.8.2018 to 31.1.2020 RM**	**From 1.2.2020 to 30.6.2021 RM**	**From 1.8.2018 to 31.1.2020 RM**
Excess of capital allowances claimed over corresponding accumulated depreciation	334,056	(659,677)	(9,534)	(4,352)
Unutilised capital allowances	1,267,105	890,997	35,810	25,499
Unabsorbed business losses	13,875,672	12,944,705	6,091,891	4,197,095
	15,476,833	13,176,025	6,118,167	4,218,242

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

NOTES TO THE **FINANCIAL STATEMENTS**

30. LOSS PER SHARE

Basic loss per share

The basic loss per ordinary share as at 30 June 2021 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 01.02.2020 to 30.06.2021	**From 01.08.2018 to 31.01.2020**
Loss attributable to owners of the Company (RM)	(11,393,362)	(2,738,840)
Weighted average number of ordinary shares (units):		
Ordinary shares as at 1 February 2020/1 August 2018	298,254,750	259,140,750
Effect of new ordinary shares issued during the financial period	168,348,970	39,114,000
Weighted average number of ordinary shares as at 30 June 2021/31 January 2020	466,603,720	298,254,750
Basic loss per share (Sen)	(2.44)	(0.92)

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 period.

31. EMPLOYEE BENEFIT EXPENSES

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

	Group		Company	
	From 1.2.2020 to 30.6.2021 RM	**From 1.8.2018 to 31.1.2020 RM**	**From 1.2.2020 to 30.6.2021 RM**	**From 1.8.2018 to 31.1.2020 RM**
Salaries, bonus, wages and allowances	5,517,304	849,390	401,773	849,390
Defined contribution plan	433,489	52,216	45,489	52,216
Other employee benefits	1,490,561	5,940	827,622	5,940
	7,441,354	907,546	1,274,884	907,546

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 1.2.2020 to 30.6.2021 RM	**From 1.8.2018 to 31.1.2020 RM**	**From 1.2.2020 to 30.6.2021 RM**	**From 1.8.2018 to 31.1.2020 RM**
Directors' remuneration				
- fees	547,000	543,943	547,000	543,943
- salaries and other emoluments	942,294	512,732	176,196	120,484
	1,489,294	1,056,675	723,196	664,427

32. EMPLOYEES' SHARE ISSUANCE SCHEME ("SIS")

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

The salient features of the SIS scheme are as follows:

(a) Any employees of the Group (excluding dormant subsidiaries) shall be eligible to participateif as at the date of offer, they are the employees of the Group:

(b) Any Directors of the Group shall be eligible to participate if as at the date of offer, the Directors of the Group:

i. is at least eighteen (18) years old;

ii. has been appointed as a Director of the company within the Group, which is not dormant; and

iii. fulfils any other criteria that the Option Committee may from time to time determine at its discretion.

(c) The maximum number of new shares to be issued pursuant to exercise of the SIS Options which may be granted under the SIS shares shall not exceed thirty percent (30%) of the total issued and paid up share capital of the Company (excluding treasury shares, if any) at any point of the time throughout the duration of the SIS;

(d) The Scheme shall be in force for a period of five (5) years commencing from the effective date. The Scheme may be extended by the Board of Directors, upon the recommendations of the SIS Committee, without having to obtain approval from the Company's shareholders, for a further period up to five (5) years immediately from the expiry of the first five (5) years but will not in aggregate exceed ten (10) years.

(e) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be multiple of and not less than 100 shares.

(f) The new Company's shares of RM0.10 each ("new Shares") to be allotted and issued upon the exercise of the SIS Option shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary share of RM0.10 each save and except that the new Shares will not be entitled to any distributions made or paid to the date of allotment of new Shares. The SIS Options shall not carry any right to vote at a general meeting of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

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

		Number of options over ordinary shares			
Date of offer	**Exercise price**	**At 1.2.2020**	**Granted**	**Excercised**	**At 30.06.2021**
	RM				
16.7.2020	0.1000	-	26,970,000	(26,970,000)	-
20.10.2020	0.2061	-	22,301,000	(22,301,000)	-
24.11.2020	0.2417	-	21,601,000	(21,601,000)	-

There is no SIS Options outstanding at the end of the financial period.

33. 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 01.02.2020	**Net cash flows**	**Non-cash changes**	**New leases**	**At 30.06.2021**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
Lease liabilities	-	(238,721)	45,972	3,035,431	2,842,682
Company					
Lease liabilities	-	(142,295)	16,399	887,246	761,350

34. 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 four reportable segments as follows:

Software and books	-	Involved in software development and system integration and sales of books and e-books.
Piling Works	-	Piling and construction related.
Dredging	-	Dredging and land reclamation.
Corporate	-	Investment holding and others.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

Group 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)	-	(572,045)
Segment profit/(loss)	4 38,431	(1,625,136)	(8,910)	(11,697,714)	1,301,608	938,552	(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							
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 receivables	-	-	-	(3,950,000)	-	-	(3,950,000)
Bad debts written off	-	-	-	991,164	-	-	991,164

2020	**Software and books RM**	**Piling Works RM**	**Dredging RM**	**Corporate RM**	**Glove RM**	**Elimination RM**	**Total RM**
Revenue							
External customers	7,914,468	283,575	-	-	-	-	8,198,043
Results							
Amortisation of intangible assets	2,083	-	-	-	-	-	2,083
Depreciation of property, plant and equipment	(2,299)	-	-	(259,744)	-	-	(262,043)
Segment loss	(1,353,367)	(149,969)	(15,197)	(1,841,009)	-	-	(3,359,542)
Segment assets	3,103,415	1,510,220	15,172	13,214,095	-	(1,773,953)	16,068,949
Segment liabilities	18,485,108	157,436	5,560,480	795,811	-	(22,574,384)	2,424,451
Other non-cash items							
Impairment loss on trade receivables	-	(82,534)	-	-	-	-	(82,534)
Impairment loss on other receivables	-	-	-	(241,610)	-	-	(241,610)

Geographical information

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

35. 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 period as follows:

(i) Transaction with related parties

	Group	
	From 1.2.2020 to 30.6.2021 RM	From 1.8.2018 to 31.1.2020 RM
Fees received/receivable on software development in progress	-	773,788

The Company does not have any related party transaction during the financial period.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

(ii) Compensation of key management personnel

	Group		Company	
	From 1.2.2020 to 30.06.2021 RM	**From 1.8.2018 to 31.1.2020 RM**	**From 1.2.2020 to 30.06.2021 RM**	**From 1.8.2018 to 31.1.2020 RM**
Short-term employee benefit expenses				
Executive Director:-				
- fees	350,000	375,088	350,000	375,088
- salaries and other emoluments	766,098	512,732	-	120,484
	1,116,098	887,820	350,000	495,572
Non-executive Directors:-				
- fees	197,000	168,855	197,000	168,855
- salaries and other emoluments	176,196	-	176,196	-
	373,196	168,855	373,196	168,855
	1,489,294	1,056,675	723,196	664,427

36. 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 period would not significantly affect profit or loss in view that variable rate financial assets are not significant as at the reporting date.

NOTES TO THE **FINANCIAL STATEMENTS**

(b) 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 period, 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 year.

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 period.

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 period, the historical observed default rates are updated and changes in the forwardlooking 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 period:

	Group	
	2021	**2020**
	RM	**RM**
Not past due	1,915,596	249,742
Past due but not impaired:		
- 61 to 90 days	-	17,667
- 91 to 120 days	-	12,669
- more than 120 days	-	320,184
	-	350,520
Impaired	143,784	5,027,572
	2,059,380	5,627,834

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 period, 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 period.

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.

(c) 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 period 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 period):

	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
Group						
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	-	2,842,682	2,842,682	418,007	1,369,860	1,054,815
Finance lease payables	5.40	554,835	609,078	132,912	476,166	-
		11,837,272	11,891,515	8,990,674	1,846,026	1,054,815
31.1.2020						
Trade payables	-	24,905	24,905	24,905	-	-
Other payables and accruals	-	2,252,076	2,252,076	2,252,076	-	-
Amount due to directors	-	146,513	146,513	146,513	-	
		2,423,494	2,423,494	2,423,494	-	-
Company						
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	761,350	225,453	535,897	
		1,866,036	1,866,036	1,330,139	535,897	
31.1.2020						
Other payables and accruals	-	254,339	254,339	254,339	-	
Amount due to subsidiary companies	-	126,305	126,305	126,305	-	
Amount due to directors	-	14,210	14,210	14,210	-	
		394,854	394,854	394,854	-	

(d) 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 period were as follows:

	Group		**Company**	
	30.6.2021 RM	**31.1.2020 RM**	**30.6.2021 RM**	**31.1.2020 RM**
Trade payables	722,491	24,905	-	-
Other payables and accruals	5,501,520	2,252,076	287,786	254,339
	6,224,011	2,276,981	287,786	254,339
Less : Cash and bank balances	(760,495)	(1,162,511)	(52,512)	(50,543)
Less: Fixed deposit with a financial institution	(500,000)	-	-	-
	4,963,516	1,114,470	235,274	203,796
Total equity	25,510,292	13,644,498	22,982,464	12,418,283
Debt-to-equity ratio	0.19	0.08	0.01	0.02

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

(e) 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:

NOTES TO THE **FINANCIAL STATEMENTS**

	Group		Company	
	30.6.2021	**31.1.2020**	**30.6.2021**	**31.1.2020**
	RM	**RM**	**RM**	**RM**
Financial Assets				
Measured at amortised cost				
Trade receivables	1,915,596	600,262	-	-
Other receivables and deposits	6,071,301	4,876,001	1,678,304	4,068,049
Amount due from an associate	-	-	-	103,000
Amount due from subsidiaries	-	-	17,012,741	-
Fixed deposit with a financial institution	500,000	-	-	-
Cash and bank balances	760,495	1,162,511	52,512	50,543
	9,247,392	6,638,774	18,743,557	4,221,592
Financial Liabilities				
Measured at amortised cost				
Trade payables	722,491	24,905	-	-
Other payables	5,501,520	2,252,076	287,786	254,339
Amount due to subsidiaries	-	-	-	126,305
Amount due to directors	2,215,744	146,513	816,900	14,210
Finance lease payables	554,835	-	-	-
	8,994,590	2,423,494	1,104,686	394,854

(f) 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.

(g) 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 2021 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
30.6.2021				
Financial asset at fair value through profit or loss				
Goodwill on consolidation	-	-	6,319,438	6,319,438
Other investment	-	-	3,850,000	3,850,000

There were no transfers between Level 1 and Level 2 during the financial period ended 30 June 2021.

The Group and the Company do not have any financial assets and financial liabilities carried at fair value as at 30 June 2021.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT EVENTS AFTER THE FINANCIAL PERIOD

(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 period ended 30 June 2021.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

(b) On 21 January 2021, a wholly-owned subsidiary of the Company, namely Inix Glove Manufacturing Sdn. Bhd., (formerly known as NCSoft Sdn. Bhd.) ("Inix Glove") entered into a conditional share sale agreement to acquire 331,500 ordinary shares of L&S Gloves Sdn. Bhd. ("L&S"), representing 51% of the issued shares of L&S, for a purchase consideration of RM6,500,000. Consequently, L&S became a subsidiary of the Company.

(c) On 21 July 2021, the Company proposed to undertake the proposed private placement of new ordinary shares in Inix Technologies Holdings Berhad ("Inix Shares"), representing not more than 10% of the number of Inix Shares in issue (excluding treasury shares, if any) ("Proposed Private Placement") and the proposed diversification of the existing business of Inix and its subsidiaries to include manufacturing, marketing and trading of gloves ("Glove Business") ("Proposed Diversification").

On 28 September 2021, the Company fixed the issue price at RM0.0958 per placement share ("Issue Price"). On 4 October 2021, a total of 4,660,300 number of Placement Shares as announced on 28 September 2021 at the issue price of RM0.0958 were allotted to the placees.

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 Inix Technologies Holdings Berhad ("Inix") 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 Inix due to the alleged abuse of power and misconduct pending the outcome from the Investigative Working Group. Inix 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 High Court. At present, Inix 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 2021.

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

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

(b) On 23 July 2020, Yeoh Eng Kong commenced an action against the Company for, amongst others, the following order:

(i) That the Company circulate to members of the Company the nomination of Yeoh Eng Kong and Dato' Sri Kee Soon Ling ("Dato' Sri") as directors of the Company at the 15th Annual General Meeting ("AGM") of the Company;

(ii) That the Company cause the nomination of Yeoh Eng Kong and Dato' Sri as candidates for election as directors of the Company be added as one of the resolutions to be deliberated, addressed and voted at the 15th AGM or any adjournment thereof; and

(iii) In the alternative, that an injunction be granted to prevent the Defendant from deliberating, addressing or voting in relation to the election of directors for the Company until the disposal of the action.

NOTES TO THE **FINANCIAL STATEMENTS**

On 28 July 2020, the matters were concluded by Yeoh Eng Kong and the Company entered into a consent order in respect of the resolutions to be tabled at the adjourned 15th AGM and for the Company to send out the requisite notices to the members of the Company in relation to the business to be transacted at the adjourned 15th AGM. Pursuant to the consent order, cost of RM5,000 is to be paid by the Company to Yeoh Eng Kong. As at the date of the financial statements, the Company has yet to be served with the sealed consent order. Upon service of the consent order, the Company is to pay the cost of RM5,000 to Yeoh Eng Kong.

39. COMPARATIVE FIGURES

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

(b) The comparative figures of the Group and the Company were audited by another firm of Chartered Accountants. The following entries were made to the statement of profit or loss and other comprehensive income of prior period due to reclassification made to conform with the current year's presentations as follows:

	As previously reported 31.1.2020 RM	Reclassified	As restated 31.1.2020 RM
Statement of profit or loss and other comprehensive income (extracted):			
Revenue	8,049,105	148,938	8,198,043
Other income	1,912,190	(148,938)	1,763,252
Statement of cash flows (extracted):			
Increase in other receivables	(4,035,900)	2,500	(4,033,400)
Increase in amount due from director	2,500	(2,500)	-
Notes to Financial Statements (extracted):			
Amount due from subsidiaries	10,198,971	8,303,628	18,502,599
Accumulated impairment losses	(10,198,971)	(8,303,628)	(18,502,599)

40. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 15 November 2021 by the Board of Directors.

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Chapter 4: **Additional Info**

ANALYSIS OF SHAREHOLDINGS AS AT **27 SEPTEMBER 2021**

SHARE CAPITAL

Total Number of Issued Shares	:	508,603,720
Issued Share Capital	:	RM 68,642,128.510
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 27 SEPTEMBER 2021

SIZE OF SHAREHOLDINGS	No. of shareholders	Percentage of shares (%)	No. of shares	Percentage of shares (%)
LESS THAN 100	76	0.90	3,301	0.00
100 TO 1,000	640	7.60	408,769	0.09
1,001 TO 10,000	3,069	36.41	19,228,706	3.78
10,001 TO 100,000	3,882	46.06	149,546,905	29.40
100,001 TO LESS THAN 5% OF ISSUED SHARES	761	9.03	339,416,039	66.73
5% AND ABOVE OF ISSUED SHARES	0	0.00	0	0.00
TOTAL	**8,428**	**100.00**	**508,603,720**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 27 SEPTEMBER 2021

No.	Names	Direct		Indirect	
		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.	Edwin Silvester Das	-	-	-	-
4.	Zhang Yang	21,283,500	4.18	5,981,400(1)	1.18
5.	Dato' Zhang Li	5,981,400	1.18	21,283,500(2)	4.18
6.	Siva Kumar A/L Kalugasalam	-	-	-	-

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

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 27 SEPTEMBER 2021

No.	Names	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1.	Zhang Yang	21,283,500	4.18	5,981,400(1)	1.18
2.	Dato' Zhang Li	5,981,400	1.18	21,283,500(2)	4.18

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

LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS AS AT 27 SEPTEMBER 2021

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE KEANG (M01)	24,000,000	4.72
2.	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG YANG (029)	21,283,500	4.18
3.	TAN MEI TENG	19,551,000	3.84
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP SIEW LYNN	10,000,000	1.97
5.	YAP SIEW LYNN	8,000,000	1.57
6.	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG LI	5,981,400	1.18
7.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TECK KUNG (E-TJJ)	3,500,100	0.69
8.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	3,430,000	0.67
9.	YIP CHUN MEI	2,987,800	0.59
10.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KOK PING	2,500,000	0.49
11.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CEMPAKA MADU SDN BHD (PB)	2,500,000	0.49
12.	GAN TIAM KEE	2,260,000	0.44
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KIAN HOCK	2,121,900	0.42
14.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOH CHOH PIAU (M&A)	2,019,100	0.40
15.	WONG PING POW	2,000,000	0.39
16.	KONG JYH CHAU	1,900,000	0.37
17.	CHIANG SIONG CHIEW @ CHIONG SIONG CHIEW	1,769,600	0.35
18.	YIN YIT FUN	1,650,000	0.32
19.	TAN CHEE PHIN	1,648,250	0.32
20.	TNAY MENG CHON	1,600,000	0.31
21.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	1,562,800	0.31
22.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ENG LAY BEE (B TINGGI-CL)	1,550,000	0.30
23.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOO SAY GUAN (LOO0121C)	1,500,000	0.29
24.	LIM CHEE SING	1,500,000	0.29
25.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	1,400,000	0.28
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE LIP KHANG	1,334,700	0.26
27.	LIEW CHAI YEE	1,295,400	0.25
28.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR OOI YONG PING	1,250,000	0.25
29.	TEOH CHOO KANG	1,216,650	0.24
30.	FONG TEK MON	1,200,000	0.24
	Total	**134,512,200**	**26.45**

INIX TECHNOLOGIES HOLDINGS BERHAD

(Registration No.: 200401027289 (665797-D))
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting ("16th AGM") of INIX Technologies Holdings Berhad ("INIX" or "the Company") will be held 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 Tuesday, 30 November 2021 at 10.30 a.m. or any adjournment thereof for the purpose of transacting the following businesses:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial period ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To approve the payment of Directors' fees of up to RM600,000 payable to Non-Executive Directors of the Company for the period commencing from the conclusion of the 16th AGM up to the conclusion of the 17th AGM of the Company; **Ordinary Resolution 1**
3. To re-elect Edwin Silvester Das, who retires in accordance with Clause 97.1 of the Company's Constitution and who being eligible, has offered himself for re-election. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire in accordance with Clause 104 of the Company's Constitution and who being eligible, have offered themselves for re-election: -
   (i) Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir **Ordinary Resolution 3**
   (ii) Siva Kumar A/L Kalugasalam **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, with or without modifications 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 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 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."
8. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 2016.

By order of the Board,

TAN TONG LANG
(MAICSA 7045482)
(SSM PC No. 201908002253)
Company Secretary

Selangor
29 October 2021

NOTICE OF **ANNUAL GENERAL MEETING**

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 specifies the proportions of his 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 19 November 2021. 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 and vote on his/her stead.*
8. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice of the 16th AGM will be put to vote by way of poll.*

EXPLANATORY NOTES:-

1. **Audited Financial Statements for the Financial Period Ended 30 June 2021**

   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 for Directors' fees to the INEDs of the Company for the period commencing from the conclusion of the 16th AGM up to the conclusion of the 17th 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 16th AGM up to the conclusion of the 17th 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 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 NC 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 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 Committee meetings; and
   - He continues to be scrupulously independent in his thinking and in his effectiveness as constructive challengers of the Executive Directors.

4. **Ordinary Resolution 7: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Act**

   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 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.

   As at the date of this notice, 46,660,300 ordinary shares were issued pursuant to the general mandate granted to the Directors at the 15th AGM held on 29 July 2020 and which will lapse at the conclusion of the 16th AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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 16th 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 Securities.

   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.

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INIX TECHNOLOGIES HOLDINGS BERHAD
(Registration No.: 200401027289 (665797-D))
(Incorporated in Malaysia)

FORM OF PROXY

Number of Shares	
CDS Account No.	

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

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

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

being a Member/ Members of INIX TECHNOLOGIES HOLDINGS BERHAD, hereby appoint (Proxy 1)……………………………………

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

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

Email address ………………………………………………………….failing *him/her (Proxy 2) ……………………………………
(full name in block letters)

……………………………………………………………………NRIC/Passport No. ……………………………………………………

of………
(full address)

Tel No. ……………………………….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 Sixteenth Annual General Meeting ("16th AGM") of INIX Technologies Holdings Berhad ("INIX" or "the Company") which will be held 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 Tuesday, 30 November 2021 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 16th AGM of the Company as indicated hereunder:

Ordinary Resolution		For	Against
1.	To approve the payment of Directors' fees of up to RM600,000 payable to Non-Executive Directors of the Company for the period commencing from the conclusion of the 16th AGM up to the conclusion of the 17th AGM of the Company;		
2.	To re-elect Edwin Silvester Das 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 Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, who retires in accordance with Clause 104 of the Company's Constitution and who being eligible, has offered himself for re-election;		
4.	To re-elect Siva Kumar A/L Kalugasalam, 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 ……………………… 2021

.

____
Signature / Common Seal of shareholder

*strike out whichever is inapplicable

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 : ______________%

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 specifies the proportions of his 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 19 November 2021. 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 and vote on his/her stead.*
8. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice of the 16th 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
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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INIX TECHNOLOGIES HOLDINGS BERHAD (Company No 200401027289)
Lot 3-40 & 3-41 3rd Floor, Viva Shopping Mall,
No.85, Jalan Loke Yew, 55200 Kuala Lumpur
Website : www.inix.com.my