



The House of Innovations  
INIX Technologies Holdings Berhad (665797-D)  
(Incorporated in Malaysia)



2018  
ANNUAL REPORT

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# Corporate Information

## Board of Directors

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Dato' Megat Fairouz Junaidi Bin Megat Junid *Senior Independent Non-Executive Chairman*  
(Re-designated on 18 September 2018)

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

Mohd Anuar Bin Mohd Hanadzlah *Executive Director*

Dato' Zhang Li *Executive Director*  
(Appointed on 7<sup>th</sup> March 2018)

Prof Datuk Dr Dominic Lau Hoe Chai *Independent Non-Executive Director*  
(Appointed on 23<sup>rd</sup> March 2018)

Lee Yueh Shien *Independent Non-Executive Director*  
(Appointed on 18<sup>th</sup> September 2018)

Yeo Wee Kiat *Independent Non-Executive Director*  
(Resigned on 8<sup>th</sup> March 2018)

Dato' Sri Syed Ismail B. Dato' Hj Syed Azizan *Independent Non-Executive Director*  
(Resigned on 8<sup>th</sup> November 2017)

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## Audit Committee

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Lee Yueh Shien  
*Chairman*  
(Appointed on 18<sup>th</sup> September 2018)

Dato' Megat Fairouz Junaidi bin Megat Junid  
*Member*  
(Re-designated on 18<sup>th</sup> September 2018)

Prof Datuk Dr Dominic Lau Hoe Chai  
*Member*  
(Appointed on 23<sup>rd</sup> March 2018)

Yeo Wee Kiat  
*Member*  
(Resigned on 8<sup>th</sup> March 2018)

Dato' Sri Syed Ismail B. Dato' Hj Syed Azizan  
*Member*  
(Resigned on 8<sup>th</sup> November 2017)

## Nomination Committee

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Dato' Megat Fairouz Junaidi bin Megat Junid  
*Chairman*

Prof Datuk Dr Dominic Lau Hoe Chai  
*Member*  
(Appointed on 23<sup>rd</sup> March 2018)

Lee Yueh Shien  
*Member*  
(Appointed on 18<sup>th</sup> September 2018)

Yeo Wee Kiat  
*Member*  
(Resigned on 8<sup>th</sup> March 2018)

Dato' Sri Syed Ismail B. Dato' Hj Syed Azizan  
*Member*  
(Resigned on 8<sup>th</sup> November 2017)

## Corporate Information (cont'd)

### Remuneration Committee

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Dato' Megat Fairouz Junaidi bin Megat Junid  
*Chairman*

Dr. Azman Bin Hussin  
*Member*

Prof Datuk Dr Dominic Lau Hoe Chai  
*Member*  
(Appointed on 23<sup>rd</sup> March 2018)

Yeo Wee Kiat  
*Member*  
(Resigned on 8<sup>th</sup> March 2018)

### Group Head Office

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Unit B-8-7, Level 8, Block B  
Megan Avenue 2  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Wilayah Persekutuan  
Tel: (603) 2181 3170  
Fax: (603) 2166 4568  
Web: www.inix.com.my

### Company Secretary

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Wong Youn Kim (MAICSA 7018778)

### Registered Office

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Level 2, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Tel: (603) 2241 5800  
Fax: (603) 2282 5022

### Share Registrar

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

### Auditors

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

### Principal Bankers

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

### Stock Exchange Listing

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

# Letter to Shareholders

## DEAR SHAREHOLDERS

I am pleased to present, on behalf of the Board of Directors of the Company, the Annual Report and the Audited Financial Statements for the financial year ended 31 July 2018 of Inix Technologies Holdings Berhad.

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

Further information of Inix's performance in the financial year is detailed in the Management Discussion and Analysis on pages 5 and 6.

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

# Management Discussion and Analysis

## BUSINESS OVERVIEW

Inix Technologies Holdings Berhad (INIX) is listed on the ACE market of Bursa Securities under Industrial Products category. The company has an issued share capital of RM38,961,000 comprising 259,140,750 shares at 7th November 2018. Accordingly, the concept of “authorised share capital and “par value” have been abolished.

Inix Technologies Holdings Berhad is mainly in the IT industry and our Group is principally involved in software development, system integration, IT management consultancy and other related professional services.

The financial year 31 July 2018 has been another challenging year for the group. We continue our vision to enhance profitability and strengthening market share to support our long-term sustainability and growth path. We shall remain to be committed in providing quality and services in IT related solutions.

During the financial year under review, our associate, Galactic Maritime (M) Sdn Bhd has not been producing encouraging financial result for the group when it has increasing its stake to 49% equity interest in year 2017. The associate company ventured into new business segment, dredging and land reclamation services. Both segment business would have provided an alternative source of income to the group. Nevertheless, the Board intends to continue pursuing developing Group’s IT business development.

ANSI Systems Sdn Bhd, developed Mobile tool called BizApp to help SME’s manage their business using their smart mobile phone. The number of users surpassed 2,000 after one year in the market. The total monthly sales transacted on the BizApp platform crossed 10 million in September and October 2017. ANSI Systems Sdn Bhd recently signed a MoA with UiTM to help increase the number of active student entrepreneurs at UiTM using the BizApp tool. Recently, ANSI Systems has secured contract with Telekom Malaysia Berhad for Operation and Maintenance of Application Delivery Controller. In addition, ANSI also managed to further providing Oracle Premier Support, thus enhancing its revenue.

The group is intensifying its strategic business to maximise its available resources. Given that, the Group is poised to increase its stake in Hyper QB Sdn Bhd, from existing 25% to a substantial stake whereby financial and operating policy of the company will be in line with the group policy.

The Group will continue to seek new business opportunities and projects sourcing to diversify its revenue base and enhance returns to its shareholder.

# Management Discussion and Analysis (cont'd)

## FINANCIAL RESULTS OVERVIEW

The Group recorded revenue of RM 9.448 million for the financial year ended 31 July 2018 as compared to RM 5.232 million in the preceding financial year 2017. This represent an increase of RM 4.216 million or 80.58%. The increase in revenue was mainly due to increase in sale of Oracal products and maintenance services.

The Group reported a loss after tax (“LAT”) of RM 16.14 million, representing an increase of 50.98% over the LAT of RM 10.69 million in FYE 2017. The increase in LAT for FYE 2018 was mainly attributable to higher loss contributed from associate company.

Total current assets decreased from RM 5.653 million in FYE 2017 to RM 3.161 million in FYE 2018, mainly due to decrease in trade and other receivables. The decrease was attributable by trade receivables by RM 1.040 million and other receivables RM 1.800 million respectively.

The group trade and other payable increase by RM 1.422 million to RM 2.991 million from RM 1.569 million in FYE 2017.

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

## FUTURE PROSPECTS

The management will continue its efforts on operational efficiency and effective cost management to improve the Group’s financial performance. By increasing its revenue base and enhancing efficient expenses management, the group is expected to have meagre returns to its shareholders in the form of dividends. The Group will continue to further grow its core unit in mobile business by growing its users base and add new revenue streams to the BizApp mobile platform. Apart from this, the Group shall be ventured into payment gateway and community e-commerce solutions. The Group will also look into Merger and Acquisition opportunities with any parties who is willing to integrate and to enhance its mobile business and market sharing with us.

Moving forward, we expect the future financial performance of the Group to improve with the gradual execution of the Group’s focus on strategic business.

## Directors' Profile

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

*Senior Independent Non-Executive Chairman*

*Male, aged 53, Malaysian*

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

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

He has attended four (4) out of five (5) Board meetings held during the financial year ended 31st July 2018.

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

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

*Executive Director / Chief Executive Officer*

*Male, aged 59, Malaysian*

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Dr. Azman Bin Hussin was appointed as Chief Executive Officer (CEO) on 08th October 2010. He graduated from Ohio University, USA with an MSc in Physics in 1981. He has more than 28 years of experience in the ICT industry. He now mainly follows technology trends for investment purposes while doing research and projects involving Business Intelligence, Corporate Performance Management and Knowledge Management. In 1989, he co-founded and also became a director of Accurate Information Systems Consultants Sdn Bhd, now known as Encoral Digital Solutions Sdn Bhd and built it into a one-stop ICT solutions provider, including systems integration, networking, and software development.

He has attended four (4) out of five (5) Board meetings held during the financial year ended 31st July 2018.

He is the major shareholder of eNcoral Digital Solutions Sdn. Bhd., the substantial shareholder of INIX Technologies Holdings Berhad.

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

## Directors' Profile (cont'd)

### **Mohd Anuar Bin Mohd Hanadzlah**

*Executive Director*

*Male, aged 60, Malaysian*

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

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

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

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

He has attended all the five (5) Board meetings held during the financial year ended 31st July 2018.

He does not have any family relationship with any director and/or substantial shareholder of INIX Technologies Holdings Berhad, nor any conflict of interest in any business arrangement involving the Company. He has been publicly reprimanded for breaching Rule 9.22(1), 9.22(3) and 9.23(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

## Directors' Profile (cont'd)

### **Dato' Zhang Li**

*Executive Director*

*Female, aged 58, China*

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Dato' Zhang Li was appointed as Executive Director on 7th March 2018. Dato' Zhang Li has completed her education in Xiaman, China.

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

As she was appointed on 7th March 2018, she attended two (2) Board Meetings held in the financial year ended 31st July 2018.

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

## Directors' Profile (cont'd)

### **Prof Datuk Dr Dominic Lau Hoe Chai**

*Independent Non-Executive Director*

*Male, aged 51, Malaysian*

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Datuk Dr. Dominic Lau Hoe Chai appointed as Independent and Non-Executive Executive Director on 23rd March 2018. He also the Member of Nomination Committee, Remuneration Committee of Audit Committee. He graduated from Campbell University, USA with a Bachelor of Science in Applied Chemistry. He hold a Master of Science in Engineering Business Management, Warwick University and a PhD in Engineering Business Management, Universiti Teknologi Malaysia.

He is registered Professional IRCA Registered Lead Auditor (A009910), IATF Certified ISO/TS 16949 Supplier Auditor, MRCA Registered Quality System Consultant (JSK 102), MRCA Registered Senior Lead Auditor (SAA014C), IKM Registered Chemist (A/1857/2321/93/01), QSA Registered Senior Quality Auditor (Q1264).

He is a member of the following Professional Bodies:-

- i. Life Member of Institute of Quality Malaysia (IQM)
- ii. Member of Institute Chemistry of Malaysia (IKM)
- iii. Member of American Society of Quality (ASQ) -USA
- iv. Member of Quality Society of Australia (QSA) - Australia
- v. Exco Member of Malaysia Registered Certificate Auditor (MRCA)
- vi. Member of Institute of Environment Management and Assessment (IEMA)

He also hold position in the following Local Association:-

- i. National Vice President of Parti Gerakan Rakyat Malaysia
- ii. President of Persatuan Persijilan Sistem Pengurusan Bagi Persatuan Cina Malaysia
- iii. Deputy Secretary General of The Selangor and Kuala Lumpur Teow Chew Association.
- iv. Advisor of the Selangor and Kuala Lumpur Teo Chew Association Youth Section.
- v. Advisor of the Malaysian Societies Executive Secretary Association.
- vii. Advisor of Persatuan Alumni BATC-WMG Network, Kuala Lumpur

He was a Professor in Razak School of Engineering and Advanced Technology, Universiti Teknologi Malaysia and also a Certified Blue Ocean Strategy practitioner. He is the Technical Advisor of SQC Management Sdn. Bhd., responsible to advice on the overall business development of the Company in Quality Management Consultancy, marketing, public & in-house training service Quality Strategies.

He was former Director of Applied Research Centre of UCSI Blue Ocean Strategy Regional Centre and Managing Consultant in Quality System consulting firm from 1994 to 1995 which is responsible for development of Quality Management Systems, Training, Quality Auditing and Implementation of ISO9000 standards in a wide range of industries include but not limited to concrete, piles, plastics, food, chemical, electronics, machinery, rubber, pharmaceutical, paper and toys. In 1991 to 1993 he was a QA Chemist in Acid Manufacturing factory, responsible for the implementation of ISO9000 standard, quality control and quality assurance.

He is presently the Independent Non-Executive Director of NWP Holdings Berhad.

As he was appointed on 23rd March 2018, he attended two (2) Board Meetings held in the financial year ended 31st July 2018.

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

## Directors' Profile (cont'd)

### **Lee Yueh Shien**

*Independent Non-Executive Director*

*Male, aged 43, Malaysian*

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Lee Yueh Shien was appointed as Independent Non-Executive Director on 18th September 2018. He is also the Chairman of the Audit Committee and Member of Nomination Committee.

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

Mr. Lee has over 18 years of accounting and financial experience in various sectors including property investment, education, food and beverage, journalism. He was Senior Executive of AMDB Berhad from June 2008 to March 2010. He then joined APMG KL Sdn. Bhd. (APMG) as an Accountant in June 2010. He left APMG and joined BIG Sdn Bhd as an Accountant in January 2016. Currently he is the Finance and Administration Manager of ECO Marine Group of Companies.

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

## Senior Management's Profile

### **Tong Sian Shyen**

*Chief Financial Officer*

*Male, aged 54, Malaysian*

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Tong Sian Shyen was appointed as Chief Financial Officer on 1st November 2018.

He graduated from FTMS College with CIMA qualification. He is a member of the member of Malaysia Institute of Accountants, Chartered Institute of Management Accountant (UK), Chartered Global Management Accountant and The Chartered Tax Institute of Malaysia.

He has more than 30 years of financial, management and Human Resource experience in a wide array of industries which includes manufacturing, Information Technology, Mobile Application & Digital Marketing, Construction, Property Development, Assembler, Timber & Logging and Agriculture produce, etc.

He started his career in commercial firm with CI Holding group as Assistant Manager in charge of the operation and financial management of a divisional unit. He later moved to SME industries for a couple of years company specializing in debts and equity restructuring and financial reporting. In year 2009, he joined Dolomite Group as Finance & Administrative Manager. In year 2010, he left and joined NWP Group as Financial Manager for 4 years. He re-joined in 2017 as a Group Accountant. He joined MQ Technology Berhad as a Financial Controller in year 2018. Concurrently, he also serves as Head of Finance and Administration in SMTrack Berhad. In September 2018, he left MQ Technology Berhad.

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

# Sustainability Report

## Business Philosophy and Vision

Inix Technologies Holdings Berhad ("INIX") was incorporated in Malaysia under the Companies Act, 1965 on April 2003 as a private limited company under the name of Inix Technologies Sdn Bhd. Subsequently, on September 2004, it converted to a public limited company.

Inix Technologies Holdings Berhad is an investment holding company and its major subsidiaries are involved in Research & Development. Development efforts are being focused on e-commerce portal, new software integrated solutions with mobile app functions and implementing customer specific projects into a product for higher resale value.

## Quality

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

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

## Corporate Governance

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

## Education / Quality Training

The company sends technical and engineering staff for periodical trainings to upgrade their skills. This will enhances their performance and productivity while at the same time, increase their value and future marketability. Our Company utilizes an integrated and accurate procurement and accounting management system which eases streamlines the workflow.

The Company is committed to staff development by proving on-the-job training and external training programs for all level of staff in order to improve their skills and knowledge for their career advancement. The Company reviews the adequacy and suitability of the training requirements of the staff on a regular basis. We accept internship program by providing on job training to students from universities, colleges, polytechnics and other technical / vocational institutional.

## Sustainability Report (cont'd)

### Climate Action, Green Effort and Waste Management

As climate change affects everyone, the Company plays an active role in promoting a green and healthy living. Sixty percent of the lights are energy-saving LED lights and efforts are being made to reduce wastage further in the organisation. Water and electricity consumption are monitored closely; and technical and engineering errors are minimised to prevent unnecessary use of materials and resources. Our employees are also reminded to reduce stationary and paper usage to protect the environment.

The Company recognises the importance of pollution prevention and environmental protection by reducing the usage of the hazardous compounds in materials. The Company also separates recyclable wastes and engages a vendor to collect these waste for recycling purposes.

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

The Company adopts a non-discriminatory policy for hiring and promoting employees. Employees are the most important assets to the company; therefore, we offer attractive benefits packages to retain and attract staff with relevant experience and expertise to continue serving the company. Our Human Resource Department also offer jobs to persons with disabilities, especially to those who are autistic. To recognize the efforts and to boost the morale of our employees, the Company holds annual dinners in appreciation of all of our employees who have tirelessly worked to meet the demands of their jobs. The annual dinner provides a chance for staff from all departments and subsidiaries to bond and forge teamwork.

Employees are welcome to give their suggestions and feedback through the employee suggestion box. The HR Department will then look into these suggestions, collate and escalate them to the Senior Management and the Board of Directors. If viable, these will be implemented. The Company encourages a bottom-up approach where input from employees are highly appreciated.

### Health and Safety

The Company recognized the importance of pollution prevention and environmental protection by reducing the usage of the hazardous compounds in materials which are essential in maintaining the environment. The technical & engineering and offices – are fully equipped with CCTVs and fire extinguishers to ensure safety. The management and employees are responsible for contributing towards a safe working environment including fostering safe working attitudes to avoid workplace accidents.

No smoking signs are placed at intervals, and the floorplan of our premises are prominently displayed for evacuation purposes. The management office also carries out mock fire drills and mock emergency situations to prepare our employees in case of unforeseen circumstances such as fire, chemical spill, explosion, medical emergency and injury.

### Economic Growth

While many other similar products are facing a slowdown in demand, the Company foresees sustainable in the current fiscal year. This is due to new orders received from financially viable as compared to outsourcing the orders to Asian countries. Another major factor is due to growth in social media and cloud computing which turns out to be added advantage for the company.

# Corporate Governance Overview Statement

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

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<sup>1</sup>”) during the financial year ended 31st July 2018. This statement is prepared in compliance with Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“AMLR”) and it is to be read together with the Corporate Governance 2018 of the Company which is available on Inix’s website at [www.inix.com.my](http://www.inix.com.my).

## Directors

INIX is led and managed by an experienced Board of Directors comprising members with a wide range of business, information technology, financial and technical backgrounds. This brings depth and diversity in expertise and perspectives to the stewardship of a highly challenging information technology company. The profiles of the members of the Board, appearing on pages 8 to 11 of the Annual Report, illustrate a spectrum of experiences vital to the direction and management of INIX.

## Composition

The current Board consists of six (6) members, comprising three (3) Executive Directors and three (3) Independent Non-Executive Directors. The optimal size with mixture of high calibre individuals with extensive experiences from various professions from both private and public sectors.

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

The Board is effective in discharging the Board’s responsibilities and in meeting the Group’s current needs and requirements.

All the Directors have given their undertaking to comply with the Listing Requirements and the Independent Directors have confirmed their independence.

## Corporate Governance Overview Statement (cont'd)

### Duties and Responsibilities

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

The responsibilities of the Board are inclusive of but not limited to:

- Oversees the conduct of the Group's business and evaluates whether the business is being properly managed;
- Identifies principal risks and ensure the implementation of appropriate systems to manage these risks in order to achieve a proper balance between risk incurred and potential returns to shareholders;
- Reviews the adequacy and the integrity of the Group's internal control systems for compliance with the applicable laws, regulations, rules, directive and guidelines. The Board ensures that there is a satisfactory reporting framework on internal financial controls and regulatory compliance;
- Examines its own size and composition to determine the impact on the Board's effectiveness. The Board ensures it has enough Directors to discharge its responsibilities and perform its functions;
- Receives and seeks relevant information for the assessment of the performance of the Group;
- Establishes the Group's authority limits which outline the materiality of any transaction entered into by the Group and determine its approving authorities; and
- Ensures that the Group's financial statements are true and fair, and comply with all applicable laws and governmental regulations applicable to the Group's business and its conduct.

Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision.

### Board Meetings

Board meetings are held at least four times annually, with additional meetings convened as and when necessary. During the financial year 31st July 2018, five (5) Board meetings were held. Details of each Director's meeting attendance are as follows:

Name of Director	Attendance
Dato' Megat Fairouz Junaidi Bin Megat Junid	4/5
Dr. Azman Bin Hussin	4/5
Mohd Anuar Bin Mohd Hanadzlah	5/5
Yeo Wee Kiat (Resigned on 8 <sup>th</sup> March 2018)	3/3
Dato Sri Syed Ismail B. Dato' Hj Syed Azizan (Resigned on 8th November 2017)	1/1
Dato' Zhang Li (Appointed on 7 <sup>th</sup> March 2018)	2/2
Prof Datuk Dr Dominic Lau Hoe Chai (Appointed on 23 <sup>rd</sup> March 2018)	2/2
Lee Yueh Shian (Appointed on 18 <sup>th</sup> September 2018)	N/A

# Corporate Governance Overview Statement (cont'd)

## Access to Information

The Board has timely access to information pertaining to the Group. Quarterly Board meetings are prescheduled with additional meetings convened as and when urgent issues and/or important decisions are required to be addressed between the scheduled meetings. Board meetings are structured with a pre-set agenda which encompasses all aspects of matters under discussion. The Board papers are circulated to directors at least seven (7) days in advance prior to each Board meeting. Board papers consisted of Notice and Agenda of the Meetings supported by working papers and reports would be sent to the Directors. This will enable the directors to have sufficient time to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

The Board members, whether as a full board or in their individual capacities, have full and timely access to all relevant information on the Group's businesses and affairs to discharge their duties effectively. Every member of the Board has ready and unrestricted access to the advice and services of the Company Secretary. The Board is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. Procedures are also in place for the Directors and Board committees to seek independent professional advice if so required by them.

In furtherance of their duties, the Board has unrestricted access to any information pertaining to the Group as well as to the advice and services of the Company Secretary and independent professional adviser, whenever appropriate, at the Group's expense.

## Appointment and Re-election of Directors

In accordance with the Articles of Association of the Company, all directors are subject to re-election by rotation at least once in every three years and a re-election of directors shall take place at each annual general meeting. Directors who are appointed to fill a casual vacancy are subject to election by shareholders at the next annual general meeting following their appointment.

## Directors' Training

All the existing directors have already attended and successfully completed the Mandatory Accreditation Programme (MAP) within the time frame stipulated in the Listing Requirements.

The Directors continue to undergo other relevant training programmes to further enhance their skills and knowledge so as to keep abreast with developments in the market place and to assist them in the discharge of their duties as Directors. The Board will discuss and determine the training needs of the Directors and the Directors are encouraged to attend various training on their own and submit the certificate of attendance to the Company Secretary for record.

Directors are encouraged to attend continuous education programmes and seminars to keep abreast of relevant changes in laws and regulations and the development in the industry. During the financial year ended 31st July 2017, besides from attending the briefings conducted by the Company Secretary pertaining to the updates on the Listing Requirements and Companies Act, 2016. In addition, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's financial Statement during the year.

## Corporate Governance Overview Statement (cont'd)

### Directors' Remuneration

The remuneration of the Directors derived from the Group for the financial year ended 31st July 2018 are as follows:-

	Salaries RM	Allowances RM	Fee RM	Others RM	Total RM
<u>Executive Directors</u>					
Dr, Azman Bin Hussin	-	90,000	-	-	90,000
Mohd Anuar Bin Mohd Hanadzlah	60,000	10,000	-	8,652.30	78,652.30
Dato' Zaidi Bin Mat Isa @ Hashim (Resigned on 30th October 2017)	-	15,000	-	-	15,000
Dato' Zhang Li (Appointed on 7th March 2018)	-	60,000	-	-	60,000
<u>Non-Executive Director</u>					
Dato' Megat Fairouz Junaidi Bin Megat Junid	-	-	10,000	-	10,000
Yeo Wee Kiat (Resigned on 8th March 2018)	-	-	10,000	-	10,000
Dato Sri Syed Ismail B. Dato' Hj Syed Azizan (Resigned on 8th November 2017)	-	-	-	-	-
Prof Datuk Dr Dominic Lau Hoe Chai (Appointed on 23rd March 2018)	-	-	-	-	-

There is no remuneration paid to the Executive Directors from the subsidiaries during the financial year ended 31st July 2018.

Whilst the Code prescribes for disclosure of directors' remuneration on individual basis, the Board is of the opinion that transparency and accountability principles of the Code in relation to Directors' remuneration are appropriately and adequately addressed by disclosure on band basis.

# Corporate Governance Overview Statement (cont'd)

## Role and Responsibilities of the Company Secretary

The Company Secretary is a qualified Chartered Secretary (ICSA) and Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

The Company Secretary plays an advisory role to the Board in relation to the Company's Memorandum and Articles of Association, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary is suitably qualified, competent and capable of carrying out the duties required and has attended training and seminars conducted by relevant regulatory bodies to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the AMLR of Bursa Securities.

The Company Secretary advises the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations, which include amendments on Companies Act, 2016, Malaysian Code on Corporate Governance and AMLR.

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

## Board Committees

The Board has delegated certain responsibilities to Board committees, namely, the Audit Committee, Nomination Committee, Remuneration Committee and Employee Share Option Scheme Committee, to support and assist the Board in discharging its fiduciary duties and responsibilities.

The functions and terms of reference of the Board committees, as well as the authority delegated by the Board to the respective committees have been clearly defined by the Board. The Chairman of the various committees report the outcome of the committee meetings to the Board and minutes of the meetings of Board Committees are tabled for the Board's perusal.

The Board performs an assessment of its Independent Directors, with a view to ensure the independent directors bring independent and objective judgement to the Board and this mitigates arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest position, the Board would take appropriate action to rectify the situation.

Arising from the assessment, the Board has taken action to ensure Recommendation 3.1 of MCCG 2012 is being adhered. The Board is of the view that the positions of Chairman and Managing Director cum Chief Executive Officer should be held by different individuals.

Also, in line with Recommendation 3.2 of MCCG 2012, the tenure of an independent director should not exceed a cumulative term of nine years.

There is clear separation of powers between the Chairman, and the Chief Executive Officer, and this further enhances the independence of the Board. Should any director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in the discussions on the matter.

## Corporate Governance Overview Statement (cont'd)

### Audit Committee

A full Audit Committee Report enumerating its membership, terms of reference and activities during the financial period under review is set out on pages 23 to 25 of this Annual Report.

### Nomination Committee

The Board's Nomination Committee currently comprises three (3) Independent Non-Executive Directors as follows:

	Directors	Number of Meetings Attended	Percentage of Attendance (%)
Chairman:	Dato' Megat Fairouz Junaidi Bin Megat Junid (Independent Non-Executive Director)	1/1	100
Members:	Yeo Wee Kiat (Independent Non-Executive Director) (Resigned on 8th March 2018)	N/A	N/A
	Dato' Sri Syed Ismail B. Dato' Hj Syed Azizan (Independent Non-Executive Director) (Resigned on 8th November 2017)	N/A	N/A
	Prof Datuk Dr Dominic Lau Hoe Chai (Independent Non-Executive Director) (Appointed on 23rd March 2018)	1/1	100
	Lee Yueh Shien (Independent Non-Executive Director) (Appointed on 18th September 2018)	N/A	N/A

The Nomination Committee is responsible, inter-alia, to recommend candidates for directorship to the Board as well as membership to Board committees. The Committee assesses the Board collectively on an on-going basis, taking into account size and required mix of skills. In making its recommendations to the Board, the Nomination Committee takes into consideration the core competencies the directors individually and collectively possess in relation to the businesses of the Group and the business environment.

During the financial period ended 31st July 2018, the Nominating Committee undertook the following:

- i) reviewed the composition of the Board and Board Committees and mix of diversity (including gender, ethnicity and age);
- ii) assessed the performance of individual Directors and the Board as a whole as part of the Annual Assessment, which covered performance of the Board, Board Committee and individual Directors;
- iii) assess the fitness and propriety of the Directors;
- iv) assess the independence of the Independent Directors;
- v) determined and assessed the performance of those Directors who would retire at the forthcoming AGM and make recommendation to the Board for their re-election; and
- vi) reviewed the training needs of the Directors.

# Corporate Governance Overview Statement (cont'd)

## Remuneration Committee

The objectives of the Remuneration Committee is to provide a formal and transparent procedure for developing remuneration policy for Directors, Group Chief Executive Officer/Chief Financial Officer and Senior Management.

The Remuneration Committee meets at least once a year and is directly accountable to the Board.

The Remuneration Committee comprises one (1) Executive Director and two (2) Independent Non-Executive Directors as follows:

	Directors	Number of Meetings Attended	Percentage of Attendance (%)
Chairman:	Dato' Megat Fairouz Junaidi Bin Megat Junid (Independent Non-Executive Director)	1/1	100
Members:	Dr. Azman Bin Hussin (Executive Director)	1/1	100
	Yeo Wee Kiat (Independent Non-Executive Director) (Resigned on 8 March 2018)	1/1	100
	Prof Datuk Dr Dominic Lau Hoe Chai (Independent Non-Executive Director) (Appointed on 23 March 2018)	1/1	100

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

An Executive Director does not participate in any way in determining his individual remuneration.

## Shareholders

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

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

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

The Group also maintains a website at [www.inix.com.my](http://www.inix.com.my) to enable easy and convenient access to up to-date information relating to the Group.

# Corporate Governance Overview Statement (cont'd)

## Accountability and Audit

### Financial Reporting

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

### Directors' Responsibility Statement

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

In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 have been applied. The Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

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

### Risk Management and Internal Control Statement

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

The Audit Committee reviews, deliberates and decides on the next course of actions and evaluates the effectiveness and efficiency of the internal control systems.

The Statement on Internal Control is set out on pages 26 to 28 of this Annual Report.

# Audit Committee Report

## COMPOSITION

The Audit Committee of Inix Technologies Holdings Berhad (“Inix” or “the Company”), chaired by Independent Director, comprises three (3) members, all are Independent Non-Executive Directors. The Audit Committee currently comprises the following Independent Non-Executive Directors, namely:-

Lee Yueh Shien – Chairman (Appointed on 18th September 2018)  
 Dato’ Megat Fairouz Junaidi Bin Megat Junid – Member  
 Prof Datuk Dr Dominic Lau Hoe Chai – Member (Appointed on 23rd March 2018)  
 Yeo Wee Kiat - Member (Resigned on 8th March 2018)  
 Dato Sri Syed Ismail B. Dato' Hj Syed Azizan - Member (Resigned on 8th November 2017)

The Audit Committee is authorised by the Board to independently investigate any activity within its Terms of Reference and shall have unrestricted access to information pertaining to the Group, from the internal and external auditors, Management and all employees.

## MEETINGS

During the financial year, the Audit Committee conducted 5 meetings of which all were duly convened with sufficient notices given to all Audit Committee members together with the agenda, report and proposals for deliberation at the meetings. The Executive Directors were invited to all Audit Committee 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 Audit Committee at the meetings which included inter alia, the Auditors’ audit plans and audit reports, the quarterly results of the Company and the audited financial statements for the financial year ended 31st July 2018.

In the Audit Committee 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 Audit Committee meetings were tabled for confirmation at the following Audit Committee meeting and subsequently presented to the Board for notation.

Details of attendance of the Audit Committee members at the Audit Committee meetings during the financial year are as follows:

<b>Members of the Audit Committee</b>	<b>Attendance</b>
Dato’ Megat Fairouz Junaidi Bin Megat Junid	4/5
Yeo Wee Kiat (Resigned on 8 <sup>th</sup> March 2018)	3/3
Dato Sri Syed Ismail B. Dato' Hj Syed Azizan (Resigned on 8 <sup>th</sup> November 2017)	1/1
Prof Datuk Dr Dominic Lau Hoe Chai (Appointed on 23 <sup>rd</sup> March 2018)	2/2
Lee Yueh Shien (Appointed on 18 <sup>th</sup> September 2018)	N/A

# Audit Committee Report (cont'd)

## SUMMARY ACTIVITIES

The Audit Committees' activities during the financial year under review comprised the following:-

### Quarterly Financial Statements and Audited Financial Statements

- review 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
- review the unaudited financial results before recommending them for Board's approval, focusing particularly on:-
  - Any change in accounting policies
  - Significant adjustments arising from audit
  - Compliance with accounting standards and other legal requirements

### External Auditors

- review of external audit plan, outlining the audit scope, audit process and areas of emphasis based on the external auditors' presentation of audit plan;
- review of 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;
- review of 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
- review and evaluation of factors relating to the independence of the external auditors.

The audit fee for the financial year ended 31st July 2018 is RM55,000.00.

### Internal Auditors

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

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

The Audit Committee had reviewed:-

- internal audit's resource requirements, scope, adequacy and function; and
- suggestion on improvement opportunities in the areas of internal controls, systems and efficiency improvements.

## Audit Committee Report (cont'd)

### Internal Control and Risk Management

- facilitation of the ERM establishment and review on adequacy and effectiveness thereof from time to time;
- assessment on the resources and knowledge of the Management and employees involved in the risk management process;
- review and monitoring of principal risks which may affect the Group directly or indirectly, and if deemed necessary; and
- monitoring and communication of the risk assessment results to the Board.

### RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

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

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

### INTERNAL AUDIT FUNCTION

The purpose of the Internal Audit function is to provide the Board, through the Audit Committee, 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 Audit Committee reviews the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.

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

All Internal Audit activities in financial year ended 31st July 2018 were outsourced to an independent assurance provider and the total costs incurred were amounted to RM6,500.

# Statement On Risk Management And Internal Control

## INTRODUCTION

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

The Board of Directors of Inix Technologies Holdings Berhad is pleased to present its Statement on Risk Management and Internal Control which outlines the Group's internal control framework and risk management systems for the financial year ended 31 July 2018 as required by Bursa Malaysia Securities Berhad ("Bursa Securities"). This Statement has been prepared pursuant to Chapter 15.26(b) of ACE Market Listing Requirements, and in accordance with the Statement on Risk Management & Internal Control - Guideline for Directors of Listed Issuers (the Guidelines").

## BOARD RESPONSIBILITY

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

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

## RISK MANAGEMENT FRAMEWORK

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

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

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

## INTERNAL CONTROL SYSTEM

The Board maintains an organisational 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 organisational 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, effective 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 and operational meeting attended by Senior Management or Head of Department (HOD). Senior Management or Head of Department within the group exercise a hand-on approach
- v. On the operational and financial affairs of the Group. The CEO are involved and oversea in 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 being reviewed and enhanced to ensure that changes in the Group's business and operating environment are adequately managed.

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

## INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to an independent professional firm Insight Advisory Services Sdn Bhd to carry out reviews and assess the adequacy and integrity of the system of internal control of the Group. The internal auditors report directly to the Audit Committee, who receives reports of issues and recommendations arising from each review. The internal auditors have also carried out follow-up reviews to ensure that recommendations for improving the internal control systems were being implemented satisfactorily. The cost incurred for internal audit for the financial year 2018 was RM6,500.

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

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

## CONCLUSION BY THE BOARD

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

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

The Board is satisfied that the risk management and internal control systems in place for a financial year ended 31 July 2018 are adequate and effective to safeguard shareholders' investments, the Group's assets and interest of other stakeholders.

This statement was made in accordance with a Board of Directors' Resolution dated 23 November 2018.

# REPORT AND FINANCIAL STATEMENTS

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# Directors' Report

## DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31<sup>st</sup> July, 2018.

## PRINCIPAL ACTIVITIES

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

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

## FINANCIAL RESULTS

	<b>Group RM</b>	<b>Company RM</b>
Net loss for the financial year	<u>(16,142,250)</u>	<u>(2,212,755)</u>
Attributable to:		
Owners of the Parent	(15,293,909)	(2,212,755)
Non-controlling interests	<u>(848,341)</u>	<u>-</u>
	<u>(16,142,250)</u>	<u>(2,212,755)</u>

## DIVIDEND

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31<sup>st</sup> July, 2018.

## RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year are disclosed in the financial statements.

## ISSUES OF SHARES AND DEBENTURES

During the financial year:

- i. the issuance of 5,986,500 ordinary shares of RM0.10 each arising from exercise of employees share options at a weighted average exercise price of RM0.10 per ordinary shares.

**Directors' Report (cont'd)****ISSUES OF SHARES AND DEBENTURES (CONT'D)**

There was no issuance of debentures during the financial year.

**OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

The salient features and other terms of the SIS are disclosed in the Note 28 to the financial statements.

Date of Offer	Exercise price	Number of options over ordinary shares			
		At 01.08.2017	Granted	Exercised	At 31.07.2018
29 <sup>th</sup> September, 2016	RM0.10	<u>5,986,500</u>	<u>-</u>	<u>(5,986,500)</u>	<u>-</u>

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

Name	Grant Date	Exercised Price RM	Granted UNIT	Exercised UNIT	As at 31.07.2018 UNIT
Chow Hung Keey	29 <sup>th</sup> September, 2016	0.10	25,254,250	(25,254,250)	-
Tan Mei Teng	29 <sup>th</sup> September, 2016	0.10	25,254,250	(25,254,250)	-

**DIRECTORS**

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

Dato' Megat Fairouz Junaidi Bin Megat Junid

Dr. Azman Bin Hussin

Mohd Anuar Bin Mohd Hanadzlah

Dato' Zhang Li

(Appointed on 7<sup>th</sup> March, 2018)

Prof Datuk Dr. Dominic Lau Hoe Chai

(Appointed on 23<sup>rd</sup> March, 2018)

Lee Yueh Shien

(Appointed on 18<sup>th</sup> September, 2018)

Yeo Wee Kiat

(Resigned on 8<sup>th</sup> March, 2018)

Dato' Zaidi Bin Mat Isa

(Resigned on 30<sup>th</sup> October, 2017)

## Directors' Report (cont'd)

### DIRECTORS' INTERESTS

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

	Number of ordinary shares with no par value			At 31.07.2018
	At 01.08.2017	Acquired	Sold	
The Company				
<b>Direct Interest:</b>				
Mohd Anuar Bin Mohd Hanadzlah	200,000	-	-	200,000
<b>Indirect Interest:</b>				
Dr. Azman Bin Hussin*	16,873,952	-	-	16,873,952

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

By virtue of their interest in the shares of the Company, Dr. Azman Bin Hussin is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016.

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

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and legal fee paid to a firm in which a Director is a member as disclosed in Note 29 to the financial statements.

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

### DIRECTORS' REMUNERATIONS

The details of Directors' remuneration are disclosed in Note 27 of the financial statements.

## Directors' Report (cont'd)

### INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

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

### OTHER STATUTORY INFORMATION

- a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and
  - ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- b) At the date of this report, the Directors are not aware of any circumstances:
- i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
  - ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- c) At the date of this report, there does not exist:
- i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - ii) any contingent liability of the Group and of the Company that has arisen since the end of the financial year.

## Directors' Report (cont'd)

### OTHER STATUTORY INFORMATION (CONT'D)

- d) In the opinion of the Directors:
- i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
  - ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### SUBSIDIARY COMPANIES

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

### AUDITORS' REMUNERATIONS

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

	2018 RM
Statutory audit	<u>55,000</u>

## Directors' Report (cont'd)

### AUDITORS

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

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

DR. AZMAN BIN HUSSIN

DATO' ZHANG LI

Kuala Lumpur

Dated:

## Statement by Directors

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

We, DR. AZMAN BIN HUSSIN and DATO' ZHANG LI, being two of the directors of INIX TECHNOLOGIES HOLDINGS BERHAD., do hereby state that, in the opinion of the Directors, the financial statements set out on pages 43 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at year ended 31<sup>st</sup> July, 2018 and of its financial performance and cash flows for the financial year then ended.

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

DR. AZMAN BIN HUSSIN

DATO' ZHANG LI

Kuala Lumpur

Dated:

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## Statutory Declaration

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

I, DR. AZMAN BIN HUSSIN, 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 43 to 115 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 DR. )  
AZMAN BIN HUSSIN at Kuala Lumpur in the )  
state of Federal Territory on )

DR. AZMAN BIN HUSSIN

Before me,

# Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements INIX TECHNOLOGIES HOLDINGS BERHAD, which comprise the statements of financial position as at 31<sup>st</sup> July, 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 115.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31<sup>st</sup> July, 2018, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

#### Basis for Opinion

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

#### Independence and Other Ethical Responsibilities

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

# Independent Auditors' Report (cont'd)

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

### Key Audit Matters

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

#### Valuation and impairment of property, plant and equipment

Inix Technologies Holdings Berhad ("INIX") has vessels with aggregate carrying values of RM Nil as at 31<sup>st</sup> July, 2018. Following a review of the business, outlook for the industry and INIX's operating plans, management has assessed these carrying values. An impairment provision of RM4,950,000 has been recorded to reduce the carrying values of certain vessels to their estimated recoverable values, which is the higher of the fair value less costs of disposal and value in use. These conclusions are dependent upon significant management judgement, including in respect of estimated resale values, provided by external valuer.

#### How we addressed the Key Audit Matters

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

- Assessing the methodologies used by the external valuer to estimate resale values,
- Evaluating the independent external valuer's competence, capabilities and objectivity;
- Checking, on a sample basis, the accuracy and the relevance of the input data provided by management to the external valuer;
- Considering the appropriateness of the resale values estimated by the external valuer based on our knowledge of the industry;

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

# **Independent Auditors' Report (cont'd)**

## **To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD**

**(Incorporated in Malaysia)**

### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

### **Responsibilities of the Directors for the Financial Statements**

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

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

# Independent Auditors' Report (cont'd)

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

# Independent Auditors' Report (cont'd)

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

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

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

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

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

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

### Report on other legal and regulatory requirements

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

# **Independent Auditors' Report (cont'd)**

## **To the Members of INIX TECHNOLOGIES HOLDINGS BERHAD**

**(Incorporated in Malaysia)**

### **Other Matters**

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

**JAMAL, AMIN & PARTNERS**  
(No: AF 1067)  
Chartered Accountants

**AHMAD HILMY BIN JOHARI**  
(No: 2977/03/20(J))  
Chartered Accountant

Kuala Lumpur

Dated: 23<sup>rd</sup> November, 2018

# Statement of Financial Position

## As at 31 JULY 2018

	Note	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	1,537,713	5,996,181	21,447	26,667
Intangible assets	6	2,083	275,858	-	-
Investment in subsidiaries	7	-	-	5	5
Investment in associate	8	3,467,116	10,364,368	10,620,000	10,620,000
Other investment	9	7,700,000	7,700,000	7,700,000	7,700,000
		<u>12,706,912</u>	<u>24,336,407</u>	<u>18,341,452</u>	<u>18,346,672</u>
<b>CURRENT ASSETS</b>					
Trade receivables	10	1,910,441	2,950,044	-	-
Other receivables	11	525,790	2,326,327	34,649	1,174,649
Amount due from associate company	12	53,000	53,000	53,000	53,000
Amount due from subsidiaries	13	-	-	-	-
Cash and cash equivalent	14	671,353	323,915	569,918	216,167
		<u>3,160,584</u>	<u>5,653,286</u>	<u>657,567</u>	<u>1,443,816</u>
<b>TOTAL ASSETS</b>		<u>15,867,496</u>	<u>29,989,693</u>	<u>18,999,019</u>	<u>19,790,488</u>
<b>EQUITY</b>					
Share capital	15	38,960,790	37,903,527	38,960,790	37,903,527
Share premium	16	-	-	-	-
Warrant reserve	17	-	12,309,421	-	12,309,421
Other reserve	17	-	(12,309,421)	-	(12,309,421)
Share issuance scheme option reserve	18	-	458,613	-	458,613
Accumulated losses		(16,031,657)	(737,748)	(22,135,272)	(19,922,517)
<b>Equity attributable to owners of the parent</b>		<u>22,929,133</u>	<u>37,624,392</u>	<u>16,825,518</u>	<u>18,439,623</u>
Non-controlling interests		(10,052,805)	(9,204,464)	-	-
<b>TOTAL EQUITY</b>		<u>12,876,328</u>	<u>28,419,928</u>	<u>16,825,518</u>	<u>18,439,623</u>

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

## Statement of Financial Position (cont'd)

As at 31 JULY 2018

	Note	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
<b>CURRENT LIABILITIES</b>					
Trade payables	19	24,905	24,905	-	-
Other payables	20	1,615,306	1,544,860	255,763	249,965
Amount due to subsidiaries	13	-	-	1,416,781	1,100,900
Amount due to director	21	1,350,000	-	500,000	-
Tax payables		957	-	957	-
		<u>2,991,168</u>	<u>1,569,765</u>	<u>2,173,501</u>	<u>1,350,865</u>
<b>TOTAL EQUITY AND LIABILITIES</b>					
		<u>15,867,496</u>	<u>29,989,693</u>	<u>18,999,019</u>	<u>19,790,488</u>

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

# Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year 31 July 2018

	Note	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
Revenue	22	9,447,745	5,232,964	-	-
Cost of sales	23	(5,952,834)	(2,126,446)	-	-
Gross profit		<u>3,494,911</u>	<u>3,106,518</u>	<u>-</u>	<u>-</u>
Other income		731,295	1,255,806	703,989	1,248,718
Administrative expenses		(13,219,504)	(13,249,096)	(2,915,787)	(17,132,601)
Research and development expenses		(250,743)	(901,000)	-	(901,000)
<b>Loss from operation</b>		<u>(9,244,041)</u>	<u>(9,787,772)</u>	<u>(2,211,798)</u>	<u>(16,784,883)</u>
Share of results of associate company		(6,897,252)	(904,151)	-	-
<b>Loss before tax</b>	24	<u>(16,141,293)</u>	<u>(10,691,923)</u>	<u>(2,211,798)</u>	<u>(16,784,883)</u>
Taxation	25	(957)	-	(957)	-
<b>Loss for the financial year, representing total comprehensive income for the financial year</b>		<u><u>(16,142,250)</u></u>	<u><u>(10,691,923)</u></u>	<u><u>(2,212,755)</u></u>	<u><u>(16,784,883)</u></u>
<b>Net loss for the financial year attributable to:</b>					
Owners of the parent		(15,293,909)	(8,562,158)	(2,212,755)	(16,784,883)
Non-controlling interests		(848,341)	(2,129,765)	-	-
		<u>(16,142,250)</u>	<u>(10,691,923)</u>	<u>(2,212,755)</u>	<u>(16,784,883)</u>
<b>Loss per share</b>					
Basic loss per share (cent)	26	(5.90)	(3.95)		

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

## Statements of Changes in Equity

### For the Financial Year Ended 31 July 2018

#### GROUP

	Share capital RM (Note 15)	Share premium RM (Note 16)	Warrant reserve RM (Note 17)	Other reserve RM (Note 17)	Share issuance scheme option reserve RM	Accumulated losses RM	Non-controlling interests RM	Total equity RM
<b>At 1<sup>st</sup> August, 2016</b>	41,726,850	8,910,750	24,618,842	(24,618,842)	-	(20,113,763)	-	30,523,837
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	(8,562,158)	(2,129,765)	(10,691,923)
Issuance of ordinary share	4,452,000	3,677,352	-	-	-	-	-	8,129,352
- Share options exercised	(20,863,425)	-	(12,309,421)	12,309,421	-	20,863,425	-	-
Capital reduction	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	458,613	-	-	458,613
Acquisition of subsidiary company	-	-	-	-	-	-	49	49
Changes in ownership interest in subsidiary company	-	-	-	-	-	7,074,748	(7,074,748)	-
Adjustments for effect of Companies Act, 2016	12,588,102	(12,588,102)	-	-	-	-	-	-
<b>At 31<sup>st</sup> July, 2017</b>	<u>37,903,527</u>	<u>-</u>	<u>12,309,421</u>	<u>(12,309,421)</u>	<u>458,613</u>	<u>(737,748)</u>	<u>(9,204,464)</u>	<u>28,419,928</u>

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

## Statements of Changes in Equity (cont'd)

For the Financial Year Ended 31 July 2018

### GROUP

	Share capital RM (Note 15)	Share Premium RM (Note 16)	Warrant reserve RM (Note 17)	Other reserve RM (Note 17)	Share issuance scheme option reserve RM	Accumulated losses RM	Non-controlling interests RM	Total equity RM
<b>At 1<sup>st</sup> August, 2017</b>	37,903,527	-	12,309,421	(12,309,421)	458,613	(737,748)	(9,204,464)	28,419,928
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	(15,293,909)	(848,341)	(16,142,250)
Issuance of ordinary share	598,650	-	-	-	-	-	-	598,650
- Share options exercised	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-
Share-based payment transaction	-	-	-	-	-	-	-	-
Acquisition of subsidiary company	-	-	-	-	-	-	-	-
Equity-settled share option arrangements	458,613	-	-	-	(458,613)	-	-	-
<b>At 31<sup>st</sup> July, 2018</b>	<b>38,960,790</b>	<b>-</b>	<b>12,309,421</b>	<b>(12,309,421)</b>	<b>-</b>	<b>(16,031,657)</b>	<b>(10,052,805)</b>	<b>12,876,328</b>

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

## Statements of Changes in Equity (cont'd)

### For the Financial Year Ended 31 July 2018

#### COMPANY

	Share capital RM	Share premium RM	Warrant reserve RM	Other reserve RM	Share issuance scheme option reserve RM	Accumulated losses RM	Total equity RM
<b>At 1<sup>st</sup> August, 2016</b>	(Note 15) 41,726,850	(Note 16) 8,910,750	(Note 17) 24,618,842	(Note 17) (24,618,842)	-	(24,001,059)	26,636,541
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	(16,784,883)	(16,784,883)
Issuance of ordinary share	4,452,000	3,677,352	-	-	-	-	8,129,352
- Share options exercised	(20,863,425)	-	(12,309,421)	12,309,421	-	20,863,425	-
Capital reduction	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	458,613	-	458,613
Adjustments for effect of Companies Act, 2016	12,588,102	(12,588,102)	-	-	-	-	-
<b>At 31<sup>st</sup> July, 2017</b>	<u>37,903,527</u>	<u>-</u>	<u>12,309,421</u>	<u>(12,309,421)</u>	<u>458,613</u>	<u>(19,922,517)</u>	<u>18,439,623</u>

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

## Statements of Changes in Equity (cont'd)

For the Financial Year Ended 31 July 2018

### COMPANY

	Share capital RM (Note 15)	Share premium RM (Note 16)	Warrant reserve RM (Note 17)	Other reserve RM (Note 17)	Share issuance scheme option reserve RM	Accumulated losses RM	Total equity RM
<b>At 1<sup>st</sup> August, 2017</b>	37,903,527		12,309,421	(12,309,421)	458,613	(19,922,517)	18,439,623
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	(2,212,755)	(2,212,755)
Issuance of ordinary share							
- Share options exercised	598,650	-	-	-	-	-	598,650
Capital reduction	-	-	(12,309,421)	12,309,421	-	-	-
Equity-settled share option arrangements	458,613	-	-	-	(458,613)	-	-
<b>At 31<sup>st</sup> July, 2018</b>	<u>38,960,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,135,272)</u>	<u>16,825,518</u>

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

# Statement of Cash Flows

## For the Financial Year Ended 31 July 2018

	Note	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before tax		(16,141,293)	(10,691,923)	(2,211,798)	(16,784,883)
Adjustments for :					
Amortisation of intangible assets		273,775	769,234	-	-
Depreciation of property, plant and equipment		364,989	325,534	5,545	7,740
Dividends income		(700,000)	(1,175,000)	-	(1,175,000)
Equity-settled share-based payment expenses		-	4,135,965	-	4,135,965
Gain on disposal of subsidiary		-	-	-	(1,000)
Impairment of trade receivables		2,527,749	1,982,499	-	-
Impairment of other receivables		1,875,283	450,098	1,140,000	11,685,675
Impairment on vessel		4,950,000	-	-	-
Interest income		(563)	(1,788)	(519)	(1,672)
Written off on Property, plant and equipment		-	9,896	-	9,896
Reversal of other payables		-	(61,046)	-	(61,046)
Reversal of impairment on trade receivable		(7,000)	-	-	-
Reversal of impairment loss on amount due from subsidiary		-	-	(8,090,578)	-
Share of results of associate		6,897,252	904,151	-	-
Operating profit / (loss) before working capital changes		40,192	(3,352,380)	(9,157,350)	(2,184,325)
<i>Changes in working capital</i>					
Inventories		-	90	-	-
Trade receivables		(1,481,146)	852,258	-	-
Other receivables		(74,746)	5,249,241	-	(1,141,049)
Amount due from subsidiary		-	-	8,406,459	-
Amount due to subsidiary companies		-	-	-	(99,900)
Amount due to director		1,350,000	-	500,000	-
Other payables		70,446	198,788	5,798	33,196
Cash (used in) / generated from operations		(95,254)	2,947,997	(245,093)	(3,392,078)
Interest received		563	1,788	519	1,672
Net cash (used in) / generated from operating activities		(94,691)	2,949,785	(244,574)	(3,390,406)

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

## Statement of Cash Flows (cont'd)

### For the Financial Year Ended 31 July 2018

	Note	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additional investment/ Acquisition of an associate		-	(3,420,000)	-	(3,420,000)
Acquisition of subsidiary company		-	49	-	(51)
Acquisition of property, plant and equipment		(856,521)	(6,271,506)	(325)	(2,099)
Acquisition of intangible asset		-	(50,000)	-	-
Dividends received		700,000	1,175,000	-	1,175,000
Proceed from disposal of subsidiary company		-	-	-	1,000
Net cash used in investing activities		<u>(156,521)</u>	<u>(8,566,457)</u>	<u>(325)</u>	<u>(2,246,150)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of shares		<u>598,650</u>	<u>4,452,000</u>	<u>598,650</u>	<u>4,452,000</u>
Net cash generated from financing activities		<u>598,650</u>	<u>4,452,000</u>	<u>598,650</u>	<u>4,452,000</u>
<b>CASH AND CASH EQUIVALENTS</b>					
Net increase / (decrease)		347,438	(1,164,672)	353,751	(1,184,556)
At 1 <sup>st</sup> August, 2017/ 1 <sup>st</sup> August, 2016		<u>323,915</u>	<u>1,488,587</u>	<u>216,167</u>	<u>1,400,723</u>
At 31 <sup>st</sup> July, 2018/ 31 <sup>st</sup> July, 2017	14	<u>671,353</u>	<u>323,915</u>	<u>569,918</u>	<u>216,167</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>					
Cash and bank balances		<u>671,353</u>	<u>323,915</u>	<u>569,918</u>	<u>216,167</u>

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

# Notes to the Financial Statements

31 July 2018

## 1 CORPORATE INFORMATION

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

The registered office of the Company is located at Level 2, Towel 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Unit B-8-7, Level 8, Block B, Megan Avenue 2, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

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

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

## 2 BASIS OF PREPARATION

### a) **Statement of Compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 2 BASIS OF PREPARATION (CONT'D)

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

##### Adoption of new and amended standards

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 107	Disclosure Initiative	1 <sup>st</sup> January, 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 <sup>st</sup> January, 2017

Annual Improvements to MFRSs 2012 - 2014 Cycle

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

##### Standards issued but not yet effective.

The Company has not applied the following new MFRSs, new interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Company:

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 2 BASIS OF PREPARATION (CONT'D)

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

##### Standards issued but not yet effective (Cont'd).

	<u>Effective dates for financial periods beginning on or after</u>
Annual Improvements to MFRSs 2014 - 2016 Cycle:	
• Amendments to MFRS 1	1 <sup>st</sup> January, 2018
• Amendments to MFRS 128	1 <sup>st</sup> January, 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) 1 <sup>st</sup> January, 2018
MFRS 15	Revenue from Contracts with Customers 1 <sup>st</sup> January, 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions 1 <sup>st</sup> January, 2018
Amendments to MFRS 15	Clarifications to MFRS 15 1 <sup>st</sup> January, 2018
Amendments to MFRS 140	Transfer of Investment Property 1 <sup>st</sup> January, 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts 1 <sup>st</sup> January, 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration 1 <sup>st</sup> January, 2018
MFRS 16	Leases 1 <sup>st</sup> January, 2018
IC Interpretation 23	Uncertainty Over Income Tax Treatments 1 <sup>st</sup> January, 2018
MFRS 17	Insurance Contracts 1 <sup>st</sup> January, 2018
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture Deferred until further notice

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 2 BASIS OF PREPARATION (CONT'D)

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

##### Standards issued but not yet effective. (Cont'd)

Note:

\* Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standards or annual periods beginning before 1<sup>st</sup> January, 2021.

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

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

##### (i) MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

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

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 2 BASIS OF PREPARATION (CONT'D)

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

##### Standards issued but not yet effective (Cont'd)

##### (ii) MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

##### (iii) MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all lease with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payment to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

This accounting treatment is significantly different from the lease accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 2 BASIS OF PREPARATION (CONT'D)

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

##### Standards issued but not yet effective (Cont'd)

##### (iii) MFRS 16 Leases (Cont'd)

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Company is currently being assessed by management.

#### b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

### 3 SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Basis of consolidation

##### (i) Subsidiary companies

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

##### (i) Subsidiary companies (cont'd)

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

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

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

##### (i) Subsidiary companies (cont'd)

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

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

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

##### (iii) Disposal of subsidiary company

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

#### b) Investment in associate

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### b) Investment in associate (cont'd)

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

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

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

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### b) Investment in associate (cont'd)

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 4(i) to the financial statements on impairment of non-financial assets.

#### c) Property, plant and equipment

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

##### (i) Recognition and measurement

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

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

##### (i) Recognition and measurement (cont'd)

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

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

##### (ii) Subsequent costs

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

##### (iii) Depreciation

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

##### (iii) Depreciation (cont'd)

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

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

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

#### d) Intangible assets

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

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### d) Intangible assets (cont'd)

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

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

##### (ii) Intangible assets acquired separately

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

##### (iii) Derecognition of intangible assets

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

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

#### e) Financial assets

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### e) Financial assets (cont'd)

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

##### (i) Loans and receivables

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

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

##### (ii) Available-for-sale financial assets

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### e) Financial assets (cont'd)

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

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

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

#### f) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

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

The Group and the Company classify their financial liabilities at initial recognition into other financial liabilities measured at amortised cost.

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

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

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

#### g) **Offsetting of financial instruments**

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

#### h) **Cash and cash equivalents**

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

#### i) **Impairment of assets**

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### i) Impairment of assets (cont'd)

##### (ii) Financial assets

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

##### Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### i) Impairment of assets (cont'd)

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

##### Available-for-sale financial assets

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

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

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

#### j) Share capital

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### k) Provision

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

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

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

#### l) Employee benefits

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

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

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

##### (ii) Defined contribution plans

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### l) Employee benefits (cont'd)

##### (iii) Share-based payment transactions

##### Equity-settled Share-based Payment Transaction

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

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

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

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

#### m) Revenue

##### (i) Rendering of services

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### m) Revenue (cont'd)

##### (ii) Sales of goods

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

##### (iii) Interest income

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

##### (iv) Dividend income

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

#### n) Income taxes

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

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

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### n) Income taxes (cont'd)

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

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

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

#### o) Segments reporting

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

#### 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

##### **Judgement**

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

##### **Key sources of estimation uncertainty**

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

i) Useful lives of property, plant and equipment

The Company regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount of property, plant and equipment is disclosed in Note 5.

ii) Income taxes

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

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

# Notes to the Financial Statements (cont'd)

31 July 2018

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

### **Key sources of estimation uncertainty (Cont'd)**

#### iii) Fair value measurement of contingent consideration

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

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 5 PROPERTY, PLANT AND EQUIPMENT

##### GROUP

2018

##### COST

	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Impairment RM	Balance at 31/07/2018 RM
Furniture and fittings	7,569	325	-	-	7,894
Renovation	28,000	-	-	-	28,000
Motor vehicles	38,519	-	-	-	38,519
Computer equipment and software	48,654	6,196	-	-	54,850
Office equipment	12,715	-	-	-	12,715
Machinery	755,977	850,000	-	-	1,605,977
Vessel	5,500,000	-	-	-	5,500,000
	<u>6,391,434</u>	<u>856,521</u>	<u>-</u>	<u>-</u>	<u>7,247,955</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### GROUP

2018

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

## Notes to the Financial Statements (cont'd)

31 July 2018

### 5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### GROUP

#### 2017

#### COST

	Balance at 01/08/2016 RM	Additions RM	Disposal RM	Impairment RM	Balance at 31/07/2017 RM
Furniture and fittings	56,499	2,099	(51,029)	-	7,569
Renovation	28,000	-	-	-	28,000
Motor vehicles	38,519	-	-	-	38,519
Computer equipment and software	46,031	11,033	(8,410)	-	48,654
Office equipment	10,318	2,397	-	-	12,715
Machinery	-	755,977	-	-	755,977
Vessel	-	5,500,000	-	-	5,500,000
	<u>179,367</u>	<u>6,271,506</u>	<u>(59,439)</u>	<u>-</u>	<u>6,391,434</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### GROUP

#### 2017

	Balance at 01/08/2016 RM	Additions RM	Disposal RM	Impairment RM	Balance at 31/07/2017 RM
<b>ACCUMULATED DEPRECIATION</b>					
Furniture and fittings	50,284	1,183	(45,787)	-	5,680
Renovation	9,333	2,800	-	-	12,133
Motor vehicles	38,518	-	-	-	38,518
Computer equipment and software	17,792	8,493	(3,756)	-	22,529
Office equipment	3,335	1,551	-	-	4,886
Machinery	-	36,507	-	-	36,507
Vessel	-	275,000	-	-	275,000
	<u>119,262</u>	<u>325,534</u>	<u>(49,543)</u>	<u>-</u>	<u>395,253</u>

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

##### GROUP

<b>NET BOOK VALUE</b>	<u>Cost at 31/07/2018</u> RM	<u>Accumulated Depreciation 31/07/2018</u> RM	<u>Net Book Value 31/07/2018</u> RM	<u>Net Book Value 31/07/2017</u> RM
Furniture and fittings	7,894	5,894	2,000	1,889
Renovation	28,000	14,933	13,067	15,867
Motor vehicles	38,519	38,518	1	1
Computer equipment and software	54,850	33,391	21,459	26,125
Office equipment	12,715	5,401	7,314	7,829
Machinery	1,605,977	112,105	1,493,872	719,470
Vessel	5,500,000	5,500,000	-	5,225,000
	<u>7,247,955</u>	<u>5,710,242</u>	<u>1,537,713</u>	<u>5,996,181</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### COMPANY

#### 2018

<u>COST</u>	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Balance at 31/07/2018 RM
Furniture and fittings	2,099	325	-	2,424
Renovation	28,000	-	-	28,000
Computer equipment and software	12,657	-	-	12,657
Office equipment	-	-	-	-
	<u>42,756</u>	<u>325</u>	<u>-</u>	<u>43,081</u>
<u>ACCUMULATED DEPRECIATION</u>	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Balance at 31/07/2018 RM
Furniture and fittings	210	214	-	424
Renovation	12,133	2,800	-	14,933
Computer equipment and software	3,746	2,531	-	6,277
Office equipment	-	-	-	-
	<u>16,089</u>	<u>5,545</u>	<u>-</u>	<u>21,634</u>

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

##### COMPANY

##### 2017

<u>COST</u>	<u>Balance at</u> <u>01/08/2016</u> RM	<u>Additions</u> RM	<u>Disposal</u> RM	<u>Balance at</u> <u>31/07/2017</u> RM
Furniture and fittings	9,149	2,099	(9,149)	2,099
Renovation	28,000	-	-	28,000
Computer equipment and software	12,657	-	-	12,657
Office equipment	8,410	-	(8,410)	-
	<u>58,216</u>	<u>2,099</u>	<u>(17,559)</u>	<u>42,756</u>
<u>ACCUMULATED DEPRECIATION</u>	<u>Balance at</u> <u>01/08/2016</u> RM	<u>Additions</u> RM	<u>Disposal</u> RM	<u>Balance at</u> <u>31/07/2017</u> RM
Furniture and fittings	2,992	1,125	(3,907)	210
Renovation	9,333	2,800	-	12,133
Computer equipment and software	1,127	2,619	-	3,746
Office equipment	2,560	1,196	(3,756)	-
	<u>16,012</u>	<u>7,740</u>	<u>(7,663)</u>	<u>16,089</u>
<u>NET BOOK VALUE</u>	<u>Cost at</u> <u>31/07/2018</u> RM	<u>Accumulated</u> <u>Depreciation</u> <u>31/07/2018</u> RM	<u>Net Book</u> <u>Value</u> <u>31/07/2018</u> RM	<u>Net Book</u> <u>Value</u> <u>31/07/2017</u> RM
Furniture and fittings	2,424	424	2,000	1,889
Renovation	28,000	14,933	13,067	15,867
Computer equipment and software	12,657	6,277	6,380	8,911
Office equipment	-	-	-	-
	<u>43,081</u>	<u>21,634</u>	<u>21,447</u>	<u>26,667</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 6 INTANGIBLE ASSET

#### GROUP

#### 2018

<u>COST</u>	Balance at 01/08/2017 RM	Additions RM	Disposal RM	Balance at 31/07/2018 RM
Software and development	3,731,599	-	-	3,731,599
License	50,000	-	-	50,000
	<u>3,781,599</u>	<u>-</u>	<u>-</u>	<u>3,781,599</u>

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

#### 2017

<u>COST</u>	Balance at 01/08/2016 RM	Additions RM	Disposal RM	Balance at 31/07/2017 RM
Software and development	3,731,599	-	-	3,731,599
License	-	50,000	-	50,000
	<u>3,731,599</u>	<u>50,000</u>	<u>-</u>	<u>3,781,599</u>

<u>ACCUMULATED AMORTISATION</u>	Balance at 01/08/2016 RM	Additions RM	Disposal RM	Balance at 31/07/2017 RM
Software and development	2,736,507	746,317	-	3,482,824
License	-	22,917	-	22,917
	<u>2,736,507</u>	<u>769,234</u>	<u>-</u>	<u>3,505,741</u>

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 6 INTANGIBLE ASSET (CONT'D)

##### GROUP

<u>CARRYING AMOUNT</u>	<u>Cost at</u> <u>31/07/2018</u> RM	<u>Accumulated</u> <u>Amortisation</u> <u>31/07/2018</u> RM	<u>Carrying</u> <u>Amount</u> <u>31/07/2018</u> RM	<u>Carrying</u> <u>Amount</u> <u>31/07/2017</u> RM
Software and development	3,731,599	3,731,599	-	248,775
License	50,000	47,917	2,083	27,083
	<u>3,781,599</u>	<u>3,779,516</u>	<u>2,083</u>	<u>275,858</u>

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

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

#### 7 INVESTMENT IN SUBSIDIARIES

	<u>COMPANY</u>	
	2018 RM	2017 RM
<b>In Malaysia:</b>		
<b>At cost</b>		
Unquoted shares	4,502,281	4,502,281
Options granted to employees of subsidiaries	1,232,210	1,232,210
	<u>5,734,491</u>	<u>5,734,491</u>
Less: Accumulated impairment losses	<u>(5,734,486)</u>	<u>(5,734,486)</u>
	<u>5</u>	<u>5</u>

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 7 INVESTMENT IN SUBSIDIARIES (CONT'D)

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

<u>Name of subsidiaries</u>	<u>Country of Incorporation</u>	<u>Effective Equity Interest (%)</u>		<u>Principal Activities</u>
		2018	2017	
<b>Direct holding:</b>				
# Ansi Systems Sdn. Bhd.	Malaysia	51	51	Software development, system integration and selling of books.
NCSOFT Sdn. Bhd.	Malaysia	100	100	Software development, system integration, information technology management consultancy and other related professional services.
Inix Network Sdn. Bhd.	Malaysia	100	100	System integration, information technology management consultancy and other related professional services.
Inix Maritime Sdn. Bhd.	Malaysia	100	100	Dredging and land reclamation.
Concrete Milestone Sdn. Bhd.	Malaysia	51	51	Dormant.

# Not Audited by Jamal, Amin & Partners.

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 7 INVESTMENT IN SUBSIDIARIES (CONT'D)

#### (b) Material partly-owned subsidiaries

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

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2018	2017	2018	2017	2018	2017
	%	%	RM	RM	RM	RM
Ansi Systems Sdn. Bhd.	49	49	-	(2,094,549)	-	(711,297)
Concrete Milestone Sdn. Bhd.	49	49	-	(35,217)	-	(35,217)
Total non-controlling interests						(746,514)

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

#### (i) Summarised statements of financial position

	Ansi System Sdn. Bhd. 2018 RM	Concrete Milestone Sdn. Bhd. 2018 RM
Non-current assets	9,052	1,496,954
Current assets	2,389,266	60,545
Current liabilities	(15,948,991)	(1,789,747)
Net liabilities	(13,550,673)	(232,248)

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 7 INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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

	Ansi System Sdn. Bhd.	Concrete Milestone Sdn. Bhd.
	2018	2018
	RM	RM
Revenue	9,447,744	-
Net loss for the financial year	(1,570,071)	(160,477)
Total comprehensive loss for the financial year	<u>7,877,673</u>	<u>(160,477)</u>

##### (iii) Summarised statements of cash flows

	Ansi System Sdn. Bhd.	Concrete Milestone Sdn. Bhd.
	2018	2018
	RM	RM
Net cash from operating activities	22,697	850,026
Net cash used in investing activities	(6,196)	(850,000)
Net cash from financing activities	-	-
Net increase in cash and cash equivalent	<u>16,501</u>	<u>26</u>

### 8 INVESTMENT IN ASSOCIATE

Details of the associate company are as follows:-

	GROUP		COMPANY	
	2018	2017	2018	2017
	RM	RM	RM	RM
<b>At cost</b>				
Unquoted shares in Malaysia	10,620,000	10,620,000	10,620,000	10,620,000
Share of post-acquisition reserve	(7,152,884)	(255,632)	-	-
	<u>3,467,116</u>	<u>10,364,368</u>	<u>10,620,000</u>	<u>10,620,000</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 8 INVESTMENT IN ASSOCIATE (CONT'D)

<u>Name of subsidiaries</u>	<u>Country of Incorporation</u>	<u>Effective Equity Interest (%)</u>		<u>Principal Activities</u>
		2018	2017	
<b>Direct holding:</b>				
Galactic Maritime (M) Sdn. Bhd.	Malaysia	49	49	Contractor of sand barrier project.

On 3<sup>rd</sup> March, 2017, the Company has increase their equity interest in Galactic Maritime (M) Sdn. Bhd. ("GMSB") to 49% from 30% equity interest with equivalent to 2,565,000 ordinary shares of RM1.00 each for a total consideration of RM 4,560,000. Included in the total consideration, the amount of RM 1,140,000 is retained by the Company for the Profit Guarantee as disclosed in Note 11. Where GMSB shall achieve a profit after tax of at least RM 3,000,000 each of the financial years ended 2017 and 2018. The amount shall be forfeited if GMSB unable to achieve a total accumulated of RM 6,000,000 profit after tax at the financial year ended 2018.

The fair value of the contingent consideration asset was estimated to be RM 1,140,000. GMSB was unable to achieve a total accumulated of RM6,000,000 profit after tax at the financial year ended 2018. Consequently the amount was forfeited during the year. Therefore, there was impairment recognized during the year amounting to RM1,140,000.

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

(a) Summarised statements of financial position

	2018 RM	2017 RM
Non-current assets	11,283,821	27,425,898
Current assets	8,964,051	6,809,223
Non-current liabilities	(1,642,000)	(3,212,900)
Current liabilities	(8,864,743)	(7,205,069)
Net assets	<u>9,741,129</u>	<u>23,817,152</u>

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

	2018 RM	2017 RM
Revenue	4,571,663	4,054,713
Net loss for the financial year	<u>(14,076,023)</u>	<u>(2,288,990)</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 9 OTHER INVESTMENT

**GROUP / COMPANY**  
2018                      2017  
RM                              RM

**In Malaysia:**

**At cost**

Unquoted shares	7,700,000	7,700,000
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On 1<sup>st</sup> April, 2016, the Company has acquired 25% equity interests in Hyper QB Sdn. Bhd. (“Hyper QB”) with a cash consideration of RM7,700,000. This acquisition is classified as other investment as the Company does not have significant influence due to following:

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

### 10 TRADE RECEIVABLES

	<b>GROUP</b>		<b>COMPANY</b>	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade receivables				
- Third parties	27,825	2,752,928	656,750	656,750
- Retention sum	159,720	122,715	-	-
- Related party	6,892,844	2,723,600	-	-
	7,080,389	5,599,243	656,750	656,750
Less: Accumulated impairment losses	(5,169,948)	(2,649,199)	(656,750)	(656,750)
At 31 <sup>st</sup> July	1,910,441	2,950,044	-	-

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 10 TRADE RECEIVABLES (CONT'D)

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

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

	<b>GROUP</b>		<b>COMPANY</b>	
	2018 RM	2017 RM	2018 RM	2017 RM
At 1 <sup>st</sup> August	2,649,199	871,270	656,750	656,750
Impairment losses recognised	2,527,749	1,982,449	-	-
Reversal during the year	(7,000)	(204,520)	-	-
At 31 <sup>st</sup> July	<u>5,169,948</u>	<u>2,649,199</u>	<u>656,750</u>	<u>656,750</u>

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

	<b>GROUP</b>		<b>COMPANY</b>	
	2018 RM	2017 RM	2018 RM	2017 RM
Neither past due nor impaired	228,536	287,335	-	-
Past due but not impaired:				
61 to 90 days	1,375	-	-	-
91 to 120 days	12,629	-	-	-
More than 121 days	1,667,901	2,662,709	-	-
	<u>1,681,905</u>	<u>2,662,709</u>	<u>-</u>	<u>-</u>
	1,910,441	2,950,044	-	-
Impaired	<u>5,169,948</u>	<u>2,649,199</u>	<u>656,750</u>	<u>656,750</u>
	<u>7,080,389</u>	<u>5,599,243</u>	<u>656,750</u>	<u>656,750</u>

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

As at 31<sup>st</sup> July, 2018, trade receivables of the Group and of the Company are RM1,681,905 and Nil (2017: RM2,662,709 and Nil) respectively were past due but not impaired. The management is confident that the amounts are recoverable as these accounts are still active.

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 10 TRADE RECEIVABLES (CONT'D)

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM5,169,948 and RM656,750 (2017: RM2,649,199 and RM656,750) respectively, related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

#### 11 OTHER RECEIVABLES

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Other receivables				
- Related party	274,649	1,088,068	-	-
- Third parties	1,549,240	767,563	34,649	1,049
	<u>1,823,889</u>	<u>1,855,631</u>	<u>34,649</u>	<u>1,049</u>
Less: Accumulated impairment losses	(1,501,898)	(766,615)	-	-
	<u>321,991</u>	<u>1,089,016</u>	<u>34,649</u>	<u>1,049</u>
Deposits	200,687	28,900	-	27,300
Prepayment	3,112	1,208,411	-	1,146,300
At 31 <sup>st</sup> July	<u>525,790</u>	<u>2,326,327</u>	<u>34,649</u>	<u>1,174,649</u>

Included in prepayment is the amount of RM NIL (2017: RM1,140,000) representing perform of purchase consideration retained by the Group as per disclosed in Note 8.

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
At 1 <sup>st</sup> August	766,615	316,467	-	-
Impairment losses recognized	735,283	450,148	-	-
At 31 <sup>st</sup> July	<u>1,501,898</u>	<u>766,615</u>	<u>-</u>	<u>-</u>

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 12 AMOUNT DUE FROM AN ASSOCIATE COMPANY

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

### 13 AMOUNT DUE FROM/(TO) SUBSIDIARIES

(a) Amount due from subsidiary companies

	<b>COMPANY</b>	
	2018 RM	2017 RM
Non-trade related	11,720,921	19,811,499
Less: Accumulated impairment losses	<u>(11,720,921)</u>	<u>(19,811,499)</u>
	<u>-</u>	<u>-</u>

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

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

	<b>COMPANY</b>	
	2018 RM	2017 RM
At 1 <sup>st</sup> August	19,811,499	8,125,874
Impairment losses recognised	-	11,685,625
Impairment losses recovered	<u>(8,090,578)</u>	<u>-</u>
	<u>11,720,921</u>	<u>19,811,499</u>

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

## Notes to the Financial Statements (cont'd)

### 31 July 2018

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

(b) Amount due to subsidiary companies

	<b>COMPANY</b>	
	2018 RM	2017 RM
Non-trade related	<u>(1,416,781)</u>	<u>(1,100,900)</u>

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

#### 14 CASH AND CASH EQUIVALENT

	<b>Group</b>		<b>Company</b>	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	<u>671,353</u>	<u>323,915</u>	<u>569,918</u>	<u>216,167</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 15 SHARE CAPITAL

	GROUP / COMPANY	
	2018	2017
	RM	RM
<b>Issued and fully paid shares</b>		
Ordinary share (2017: Par value RM0.10 each)		
At 1 <sup>st</sup> August	37,903,527	41,726,850
New share issued:		
-Pursuant to right issue of RM0.10 per share	-	-
-Share issuance scheme exercised	598,650	4,452,000
Capital reduction of RM0.05 per share	-	(20,863,425)
Exercised of share issuance scheme option reserve	458,613	-
Adjustment for effect of Companies Act, 2016	-	12,588,102
At 31 <sup>st</sup> July	<u>38,960,790</u>	<u>37,903,527</u>

During the financial year, the issuance of 5,986,500 ordinary shares of RM0.10 each through Share Issuance Scheme at an issue price of RM0.10 per ordinary share.

The new Companies Act, 2016 (the "Act"), which came into operation on 31 January, 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM12,588,102 for the purpose as set out in Section 618 (3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this situation.

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 16 SHARE PREMIUM

	GROUP / COMPANY	
	2018	2017
	RM	RM
At 1 <sup>st</sup> August	-	8,910,750
Add: Issued of share during the financial year	-	3,677,352
Less: Adjustment for effect of Companies Act, 2016	-	(12,588,102)
	<u>-</u>	<u>-</u>

### 17 WARRANT/ OTHER RESERVE

	GROUP / COMPANY	
	2018	2017
	RM	RM
<b>Non-distributable</b>		
At 1 <sup>st</sup> August	12,309,421	24,618,842
Addition	-	-
Capital reduction of RM0.05 per share	-	(12,309,421)
At 31 <sup>st</sup> July	<u>12,309,421</u>	<u>12,309,421</u>

Warrant reserve represent reserve allocated to free detachable warrants issued with right issue.

#### **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 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.

No warrants 2015/2020 were exercised during the financial year.

## Notes to the Financial Statements (cont'd)

**31 July 2018**

**17 WARRANT/ OTHER RESERVE (CONT'D)**

The fair value of the warrants 2015/2020 is measured using black scholes model with the following inputs and assumptions:

	RM
Fair value of warrant 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

During the financial year, the company completed its capital reconstruction incorporating a reduction of the outstanding warrants 2015/2020 pursuant to section 64 of the companies Act, 1965, involving the cancellation of RM0.05 of the par value of each outstanding warrants 2015/2020 of RM0.10 each in the company and therefore the consolidation of every two outstanding warrants 2015/2020 of RM0.05 each on the company into one outstanding warrants 2015/2020 of RM0.10 each.

**18 SHARE ISSUANCE SCHEME OPTION RESERVE**

Share issuance scheme Option Reserve represent the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and if reduced by the expiry or exercise of the share options. Share issuance scheme option is disclosed in note 28.

**19 TRADE PAYABLES**

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade payables	24,905	24,905	-	-

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

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 20 OTHER PAYABLES

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Other payables:				
- Third parties	404,862	301,961	199,965	199,965
- Related party	490,190	481,389	798	-
	<u>895,052</u>	<u>783,350</u>	<u>200,763</u>	<u>199,965</u>
Accruals	720,254	761,510	55,000	50,000
	<u>1,615,306</u>	<u>1,544,860</u>	<u>255,763</u>	<u>249,965</u>

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

#### 21 AMOUNT DUE TO DIRECTOR

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

#### 22 REVENUE

	GROUP	
	2018 RM	2017 RM
Sales of hardware and software	1,093,490	2,223
Sales of books	-	17,309
Software development and system integration	8,354,255	5,213,432
	<u>9,447,745</u>	<u>5,232,964</u>

#### 23 COST OF SALES

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

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 24 LOSS BEFORE TAXATION

Loss before taxation is determined after charging/(crediting) amongst other, the following items:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Auditors' remuneration				
- Statutory	117,000	75,000	55,000	45,000
- Non-statutory	-	5,000	-	5,000
Other auditors' remuneration				
- Statutory	-	30,000	-	-
Overprovision of depreciation	(56,698)	-	-	-
Amortisation of intangible assets	273,775	769,234	-	-
Dividend income	(700,000)	(1,175,00)	(700,000)	(1,175,000)
Depreciation of property, plant and equipment	364,989	325,534	5,545	7,740
Gain on disposal of subsidiary company	-	-	-	(1,000)
Impairment loss on				
- Trade receivables	2,527,749	1,982,449	-	-
- Other receivables	1,875,283	450,148	-	-
- Investment in subsidiary	-	-	-	50
- Amount due from subsidiary companies	-	-	-	11,685,625
- property, plant and equipment	4,950,000	-	-	-
Reversal of impairment on trade receivables	(7,000)	-	-	-
Interest income	(563)	(1,788)	(519)	(1,672)
Property, plant and equipment written off	-	9,896	-	9,896
Office rental	135,600	135,600	75,600	75,600
Reversal of other payable	-	(61,046)	-	(61,046)
Rental of motor vehicle	-	62,887	-	-
Share of results associate	-	904,151	-	-
Equity-settled share-based payment expenses	-	4,135,965	-	4,135,965

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 25 TAXATION

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
<b>Tax expense recognized in profit and loss:</b>				
Provision for current year	957	-	957	-

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

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
<b>Loss before taxation</b>	<u>(16,141,293)</u>	<u>(10,691,923)</u>	<u>(2,211,798)</u>	<u>(16,784,883)</u>
Tax at current income tax rate of 24% (2017: 24%)	(3,873,910)	(2,566,062)	(530,832)	(4,028,372)
Tax effect of:				
- Non-deductible expenses	3,874,867	1,551,714	531,789	3,138,130
- Income not subject to tax	-	(677,511)	-	-
- Deferred tax assets not recognized during the financial year	-	1,691,859	-	890,242
Tax expense for the financial year	<u>957</u>	<u>-</u>	<u>957</u>	<u>-</u>

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 25 TAXATION (CONT'D)

The group and the company have the following unused tax losses and unutilised capital allowances available to offset against future taxable profits. The said amount is subject to approval by the tax authorities.

	<b>GROUP</b>		<b>COMPANY</b>	
	2018 RM	2017 RM	2018 RM	2017 RM
Unutilised tax losses	5,137,275	12,203,917	-	4,728,632
Unabsorbed capital allowances	5,590,901	2,242,547	19,090	15,043
	<u>10,728,176</u>	<u>14,446,464</u>	<u>19,090</u>	<u>4,743,675</u>

#### 26 LOSS PER SHARE

##### a) Basis loss per share

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

	<b>GROUP</b>	
	2018 RM	2017 RM
Loss attributable to owner of parent	<u>(15,294,669)</u>	<u>(8,562,158)</u>
Issued ordinary shares at 1 August (*)	221,197,525	208,634,250
Effect of ordinary share issued during the financial year	37,943,225	29,955,945
	<u>259,140,750</u>	<u>238,590,195</u>
Weighted average number of ordinary shares at 31 July		
Basic loss per ordinary share (in sen)	<u>(5.90)</u>	<u>(3.59)</u>

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

##### b) Dilute loss per share

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 27 STAFF COSTS

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Salaries and allowances	1,150,900	3,293,127	459,218	415,522
Defined contribution plan	74,776	334,326	33,108	36,619
Social security contribution	8,072	34,698	3,558	3,255
Other benefits	292,145	172,785	791	-
	<u>1,525,893</u>	<u>3,834,936</u>	<u>496,675</u>	<u>455,396</u>

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
<b>Executive Directors</b>				
<u>Existing Directors of the Company</u>				
Fees	-	-	-	-
Salaries and other emoluments	243,652	227,000	243,652	227,000
	<u>243,652</u>	<u>227,000</u>	<u>243,652</u>	<u>227,000</u>
<u>Existing Director of the subsidiary Company</u>				
Fees	-	-	-	-
Salaries	161,820	218,050	-	-
Defined contribution plan	100,087	12,851	-	-
	<u>261,907</u>	<u>230,901</u>	<u>-</u>	<u>-</u>
Total Executive Directors' remuneration	<u>505,559</u>	<u>457,901</u>	<u>243,652</u>	<u>227,000</u>
<u>Non-executive Directors' remuneration</u>				
- fees	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 28 SHARE ISSUANCE SCHEME (“SIS”)

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

The salient features of the sis scheme are as follows:

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 28 SHARE ISSUANCE SCHEME (“SIS”) (CONT’D)

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

Date of Offer	Exercise price	Number of options over ordinary shares			
		At 01.08.2017	Granted	Exercised	At 31.07.2018
29 <sup>th</sup> September, 2016	RM0.10	<u>5,986,500</u>	<u>-</u>	<u>(5,986,500)</u>	<u>-</u>

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

SIS Options	Weighted average exercise price		Exercise period
	2018 RM	2017 RM	
29 <sup>th</sup> September, 2016	0.10	0.10	29.9.2016 - 25.11.2020

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

	2018	2017
Fair value granted date: 29 <sup>th</sup> September, 2016	0.095	0.0826
Weighted average share price (RM)	0.0997	0.0997
Weight average exercise price (RM)	0.0850	0.0850
Expected volatility (%)	136.659	136.659
Expected life rate (%)	4 years	4 years
Risk free rate (%)	3.136	3.136
Expected dividend yield (%)	Nil	Nil

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 28 SHARE ISSUANCE SCHEME (“SIS”) (CONT’D)

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

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

	2018 UNIT	2017 UNIT
At 1 <sup>st</sup> August	5,552,220	-
Granted	-	50,072,220
Restated	434,280	-
Exercised	(5,986,500)	(44,520,000)
At 31 <sup>st</sup> July	-	5,552,220

#### 29 RELATED PARTY DISCLOSURES

##### a) Identifying related parties

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 29 RELATED PARTY DISCLOSURES (CONT'D)

#### b) Significant related party transactions

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
<b>Transactions with subsidiary companies</b>				
Repayment of working capital from	380,348	-	15,000	50,000
Expenses paid on behalf of	5,548,524	-	5,533,621	(800,000)
Expenses paid on behalf by	<u>(364,500)</u>	<u>-</u>	<u>(364,500)</u>	<u>-</u>
<b>Transaction with related party</b>				
Fees received/receivable on software development in progress	2,282,111	2,094,104	-	-
Purchases	32,376	225,970	-	-
Loan to related party	-	-	-	-
Rental expenses	60,000	60,000	-	-
Expense paid/ payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### c) Compensation of key management personnel

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 30 SEGMENT INFORMATION

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

Software	Software development and system integration.
Books	Sales of books and e-books
Dredging	Dredging and land reclamation
Corporate	Investment holding and others

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 30 SEGMENT INFORMATION (CONT'D)

	Software RM	Books RM	Dredging RM	Corporate RM	Adjustments/ Eliminations RM	Total RM
<b>2018</b>						
<b>Revenue</b>						
External customers	<u>9,447,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,447,745</u>
<b>Results</b>						
Amortisation of intangible assets	273,775	-	-	-	-	273,775
Impairment loss on property, plant and equipment	-	-	(4,950,000)	-	-	(4,950,000)
Depreciation of property, plant and equipment	(7,986)	-	(275,000)	(82,003)	-	(364,989)
Segment profit/(loss)	<u>(1,577,663)</u>	<u>-</u>	<u>(5,241,292)</u>	<u>(2,373,232)</u>	<u>(6,950,063)</u>	<u>(16,142,250)</u>
<b>Segment assets</b>	<u>3,524,801</u>	<u>-</u>	<u>-</u>	<u>20,556,518</u>	<u>(8,213,823)</u>	<u>15,867,496</u>
<b>Segment liabilities</b>	<u>17,553,127</u>	<u>-</u>	<u>5,571,057</u>	<u>3,963,248</u>	<u>(24,096,264)</u>	<u>2,991,168</u>
<b>Other non-cash items</b>						
Impairment loss on trade receivables	<u>2,527,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,527,749</u>

## Notes to the Financial Statements (cont'd)

### 31 July 2018

#### 30 SEGMENT INFORMATION (CONT'D)

	Software RM	Books RM	Dredging RM	Corporate RM	Adjustment/ Eliminations RM	Total RM
<b>2017</b>						
<b>Revenue</b>						
External customers	5,215,655	<del>10</del>	-	-	-	5,232,964
<b>Results</b>						
Amortisation of intangible assets	769,234		-	-	-	769,234
Depreciation of property, plant and equipment	(5,929)		(275,000)	(44,605)	-	(325,534)
Interest income	(116)		-	(1,672)	-	(1,788)
Share of results of associates	-		-	(904,151)	-	(904,151)
Segment loss	(4,328,874)		(287,819)	(16,856,754)	10,781,524	(10,691,923)
<b>Segment assets</b>	2,691,857		5,225,000	20,620,732	1,452,104	29,989,693
Included in the measurement of segment assets are:						
Capital expenditure	59,130		5,500,000	762,376	-	6,321,506
<b>Segment liabilities</b>	15,089,708		5,563,603	2,204,094	(21,287,640)	1,569,765
<b>Other non-cash items</b>						
Impairment loss on trade receivables	1,982,449					1,982,449

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 31 FINANCIAL INSTRUMENTS

#### a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 4 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

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

<b>GROUP 2018</b>	<b>Available for sale RM</b>	<b>Loans and Receivables RM</b>	<b>Financial Liabilities Measured At Amortised Cost RM</b>	<b>Total RM</b>
<b>Financial Assets</b>				
Other investment	7,700,000	-	-	7,700,000
Trade receivables	-	1,910,441	-	1,910,441
Other receivables	-	525,790	-	525,790
Amount due from associate company	-	53,000	-	53,000
Cash and bank balances	-	671,353	-	671,353
	<u>7,700,000</u>	<u>3,160,584</u>	<u>-</u>	<u>10,860,584</u>
<b>Financial Liabilities</b>				
Trade payables	-	-	24,905	24,905
Other payables	-	-	1,615,306	1,615,306
Amount due to director	-	-	1,350,000	1,350,000
	<u>-</u>	<u>-</u>	<u>2,990,211</u>	<u>2,990,211</u>

## Notes to the Financial Statements (cont'd)

31 July 2018

### 31 FINANCIAL INSTRUMENTS (CONT'D)

a) Classification of financial instruments (cont'd)

GROUP	Available for sale RM	Loans and Receivables RM	Financial Liabilities Measured At Amortised Cost RM	Total RM
<b>2017</b>				
<b>Financial Assets</b>				
Other investments	7,700,000	-	-	7,700,000
Trade receivables	-	2,950,044	-	2,950,044
Other receivables	-	2,326,327	-	2,326,327
Amount due from associate company	-	53,000	-	53,000
Cash and bank balances	-	323,915	-	323,915
	<u>7,700,000</u>	<u>5,653,286</u>	<u>-</u>	<u>13,353,286</u>
<b>Financial Liabilities</b>				
Trade payables	-	-	24,905	24,905
Other payables	-	-	1,544,860	1,544,860
	<u>-</u>	<u>-</u>	<u>1,569,765</u>	<u>1,569,765</u>
<b>COMPANY</b>				
<b>2018</b>				
<b>Financial Assets</b>				
Other investment	7,700,000	-	-	7,700,000
Trade receivables	-	-	-	-
Other receivables	-	34,649	-	34,649
Amount due from associate company	-	53,000	-	53,000
Cash and bank balances	-	569,918	-	569,918
	<u>7,700,000</u>	<u>657,567</u>	<u>-</u>	<u>8,357,567</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 31 FINANCIAL INSTRUMENTS (CONT'D)

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

	Available for sale RM	Loans And Receivables RM	Financial Liabilities Measured At Amortised Cost RM	Total RM
<b>COMPANY</b>				
<b>2018</b>				
<b>Financial Liabilities</b>				
Trade payables	-	-	255,763	255,763
Other payables				
Amount due to subsidiaries	-	-	1,416,781	1,416,781
Amount due to director	-	-	500,000	500,000
	<u>-</u>	<u>-</u>	<u>2,172,544</u>	<u>2,172,544</u>
<b>2017</b>				
<b>Financial Assets</b>				
Other investments	7,700,000	-	-	7,700,000
Other receivables	-	1,174,649	-	1,174,649
Amount due from associate company	-	53,000	-	53,000
Cash and bank balances	-	216,167	-	216,167
	<u>7,700,000</u>	<u>1,443,816</u>	<u>-</u>	<u>9,143,816</u>
<b>Financial Liabilities</b>				
Other payables	-	-	249,965	249,965
Amount due to subsidiaries	-	-	1,100,900	1,100,900
Amount due to director	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,350,865</u>	<u>1,350,865</u>

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 31 FINANCIAL INSTRUMENTS (CONT'D)

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

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

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

#### i) Credit risk

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

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

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

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

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 31 FINANCIAL INSTRUMENTS (CONT'D)

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

##### ii) Liquidity risk

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

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

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

##### iii) Interest rate risk

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

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

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

##### iv) Technology and market risk

The Group is exposed to technological and market risks arising mainly from its product offerings. These risks are managed through constant investments in research and development, market evaluation and product innovation to ensure that the Group's range of products and services are market relevant and price competitive.

# Notes to the Financial Statements (cont'd)

## 31 July 2018

### 31 FINANCIAL INSTRUMENTS (CONT'D)

#### c) Fair values of financial instruments

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

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

### 32 CAPITAL MANAGEMENT

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

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

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

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

### 33 AUTHORISATIONS OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31<sup>st</sup> July, 2018 were authorised for issue in accordance with a resolution of the directors on 23<sup>rd</sup> November, 2018.

# Analysis of Shareholdings

As at 7<sup>th</sup> November 2018

Total number of issued shares	:	259,140,750
Classes of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

## Distribution of Shareholdings

	No. of Shareholders	No. of Shares	% of Issued Share Capital
Less Than 100	57	2,593	0.00
100 to 1,000	168	103,208	0.04
1,001 to 10,000	515	3,144,450	1.22
10,001 to 100,000	1,068	46,408,847	17.91
100,001 to below 5%	346	192,607,700	74.32
5% and above	1	16,873,952	6.51
	2,155	259,140,750	100.00

## SUBSTANTIAL SHAREHOLDERS (Direct & Indirect) (as per Register of Substantial Shareholders)

No.	Name of Substantial Shareholder	Direct Interest	%	Indirect Interest	%
1.	eNcoral Digital Solutions Sdn Bhd	16,873,952	6.51	-	-
2.	Dr. Azman Bin Hussin	-	-	16,873,952*	6.51

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

## DIRECTORS' SHAREHOLDING (Direct & Indirect) (as per Register of Directors' Shareholdings)

No. of ordinary shares beneficially held by the Directors

Name of Directors	Direct Interest	%	Indirect Interest	%
Dato' Megat Fairouz Junaidi Bin Megat Junid	-	-	-	-
Dr. Azman Bin Hussin	-	-	16,873,952*	6.51
Mohd Anuar Bin Mohd Hanadzlah	200,000	0.01	-	-
Dato' Zhang Li (Appointed on 7 <sup>th</sup> March 2018)	-	-	-	-
Prof Datuk Dr Dominic Lau Hoe Chai (Appointed on 23 <sup>rd</sup> March 2018)	-	-	-	-
Lee Yueh Shien (Appointed on 18 <sup>th</sup> September 2018)	-	-	-	-

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

## Analysis of Shareholdings (cont'd)

As at 7<sup>th</sup> November 2018

### Top Thirty Shareholders

Name of Shareholder	No. of Shares	%
1. ENCORAL DIGITAL SOLUTIONS SDN BHD	16,873,952	6.51
2. AZAM KHAN BIN AYOB MOHAMED	10,105,400	3.90
3. KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG YANG (029)	8,746,900	3.38
4. CARBATAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)	8,500,000	3.28
5. TAN MEI TENG	5,486,500	2.12
6. TYE SOK CIN	5,256,000	2.03
7. NGUYEN THI PHONG	5,000,000	1.93
8. SUA YONG CHIN	5,000,000	1.93
9. MARIAYEE A/P LU SIANG LIANG	4,500,000	1.74
10. LIM KEONG YEW	3,300,000	1.27
11. KOPERASI POLIS DIRAJA MALAYSIA	3,000,000	1.16
12. CHANG VAN LEONG	2,728,200	1.05
13. YONG SIW YA	2,500,000	0.96
14. LIM DEAN YANN	2,400,000	0.93
15. HAN FOO JUAN	2,350,000	0.91
16. CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BARKATH STORES (PENANG) SDN BERHAD (PB)	2,250,000	0.87
17. JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN JAMAL (MARGIN)	2,100,000	0.81
18. CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KOK PIN @ KOK KHONG (PB)	2,090,000	0.81
19. ZAIDI BIN MOHD ZIN	1,900,000	0.73
20. MOHD DZULQARNAIN BIN AHMAD	1,863,700	0.72
21. DIGITAL ZILLION SDN BHD	1,849,500	0.71
22. TAN CHEE PHIN	1,638,250	0.63
23. LADUE NAKIAH OSMAN	1,550,000	0.60
24. BHABHINDAR SINGH A/L BAHAN	1,500,000	0.58
25. NOR AZIZAH BINTI MAJID	1,500,000	0.58
26. SUA TIEN FONG	1,500,000	0.58
27. TAN SHU TEE	1,500,000	0.58
28. MOHD AZHAN BIN JUSOH	1,450,000	0.56
29. MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AIMRAN BIN RATIM (REM 133-MARGIN)	1,404,900	0.55
30. MOHD RUSLAN BIN JUSOH	1,400,000	0.54
	111,243,302	42.94

# Analysis of Warrant Holdings

As at 7<sup>th</sup> November 2018

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

## Distribution of Warrant Holdings

	No. of Warrant Holders	No. of Warrants	% of Issued Warrant Capital
Less Than 100	70	3,025	0.00
100 to 1,000	36	13,188	0.01
1,001 to 10,000	126	743,336	0.71
10,001 to 100,000	399	18,112,741	17.36
100,001 to below 5%	192	79,294,085	76.01
5% and above	1	6,150,750	5.91
	<u>824</u>	<u>104,317,125</u>	<u>100.00</u>

## DIRECTORS' WARRANT HOLDINGS (Direct & Indirect) (as per Register of Directors' Warrant Holdings)

Name of Directors	Direct Interest	%	Indirect Interest	%
Dato' Megat Fairouz Junaidi Bin Megat Junid	-	-	-	-
Dr. Azman Bin Hussin	-	-	21*	0.00
Mohd Anuar Bin Mohd Hanadzlah	-	-	-	-
Dato' Zhang Li (Appointed on 7 <sup>th</sup> March 2018)	-	-	-	-
Prof Datuk Dr Dominic Lau Hoe Chai (Appointed on 23 <sup>rd</sup> March 2018)	-	-	-	-
Lee Yueh Shien (Appointed on 18th September 2018)	-	-	-	-

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

## Analysis of Warrant Holdings (cont'd)

As at 7<sup>th</sup> November 2018

### Top Thirty Warrant Holders

Name of Warrant Holder	No. of Warrants	%
1. AZM KHAN BIN AYOB MOHAMED	6,150,750	5.90
2. ONG LOO CHOON	4,709,000	4.51
3. LEE KIN PENG	3,321,000	3.18
4. ROSLAN BIN JAMAL	2,000,000	1.92
5. SP JUTAJAYA SDN BHD	1,692,450	1.62
6. MAYBANK SECURITIES (TEMOATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AIMRAN BIN RATIM	1,500,000	1.44
7. MOHD SAM BIN MOHD YUSOF	1,473,600	1.41
8. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES FOR ROSLAN BIN ABDULLAH	1,380,000	1.32
9. MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TENG LONG (REM 896)	1,300,000	1.25
10. ROSEMARINAH BINTI ABD RAHIM	1,300,000	1.25
11. ZAIDI BIN MOHD ZIN	1,300,000	1.25
12. MOHAMAD HUSNI BIN WAHID	1,200,000	1.15
13. TANG HA LOOI @ TANG KIMM YING	1,200,000	1.15
14. MOHD AZHAN BIN JUSOH	1,172,000	1.12
15. MOHD SAHID BIN MASTUKI	1,000,000	0.96
16. RAMLI BIN AB GHANI	1,000,000	0.96
17. YONG CHIRN FEI	1,000,000	0.96
18. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHONG ANN	985,000	0.94
19. WAN MOHD EFFENDI BIN WAN ISMAIL	900,000	0.85
20. TAN CHEE PHIN	850,500	0.82
21. TAM TZE SHEONG	820,000	0.79
22. AW LAI WAH	786,900	0.75
23. TANG WAY KEONG	714,000	0.68
24. MAZLAN BIN MAHMOOD	699,000	0.67
25. TAM KOCK KAY @ TAN KOCK KAY	650,000	0.61
26. GOH CHAI SENG	620,500	0.59
27. ABD HAZIS BIN OMAR	620,000	0.59
28. SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR P. PREM ANAND PILLAI (SMT)	620,000	0.59
29. CHEE WAI HOONG	600,000	0.58
30. CHU JIN KIAT	600,000	0.58
	42,164,700	40.40

## Additional Compliance Information

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Securities Malaysia Berhad for the ACE Market.

### 1. Utilisation of Proceeds

There were proceeds raised from corporate proposals during the financial year ended 31<sup>st</sup> July 2018.

### 2. Related Party Transactions

The aggregate value of the Related Party Transactions for the financial year ended 31<sup>st</sup> July 2018 is set out in Note 29 of the Audited Financial Statements.

### 3. Employees Share Option Scheme

During the financial year ended 31<sup>st</sup> July 2018, a total of 5,986,500 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<sup>st</sup> July 2018 are set out in the table below:-

Description	Number of Options as at 31 <sup>st</sup> July 2018	
	Total	Senior Management
Granted	5,986,500	5,986,500
Exercised	5,986,500	5,986,500
Outstanding	-	-

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

Directors and Senior Management	During the financial year 2018	Since commencement up to 31 <sup>st</sup> July 2018
Aggregate maximum allocation	80%	80%
Actual granted	80%	80%

### 4. Non-Audit Fees

There were no non-audit fees paid to the External Auditors for the financial year ended 31<sup>st</sup> July 2018.

## Additional Compliance Information (cont'd)

### 5. Revaluation Policy

The Company did not revalue any of its property, plant and equipment during the financial year ended 31<sup>st</sup> July 2018.

### 6. Material Contracts

During the financial year ended 31<sup>st</sup> July 2018, the Company and its subsidiaries did not enter into any material contract involving directors' and substantial shareholders' interests, nor was there any such material contract previously entered into that was still subsisting as at 31<sup>st</sup> July 2018.

### 7. Material Properties

The Company and the Group does not own any landed property for the financial year ended 31<sup>st</sup> July 2018.

### 8. Corporate Social Responsibility Activities

The Company and the Group did not undertake any corporate social responsibility activities or practices during the financial year ended 31<sup>st</sup> July 2018.

# Notice of Fourteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of INIX Technologies Holdings Berhad will be held at Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan on Monday, 31 December 2018 at 10.30 a.m. for the following purpose:

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31<sup>st</sup> July 2018 together with the Directors' and Auditors' Reports thereon.
2. To approve the Directors' fees and benefits payable up to an amount of RM108,000 for the period from 1st August 2018 until the next Annual General Meeting of the Company to be held in 2019. *Resolution 1*
3. To re-elect the following Director who retires in accordance with Article 85 of the Company's Articles of Association of the Company and being eligible, offer himself for re-election:- *Resolution 2*
  - i. Mohd Anuar Bin Mohd Hanadzlah
4. To re-elect the following Directors who retire in accordance with Article 92 of the Company's Articles of Association of the Company and being eligible, offer themselves for re-election:-
  - i. Dato' Zhang Li *Resolution 3*
  - ii. Prof Datuk Dr Dominic Lau Hoe Chai *Resolution 4*
  - iii. Lee Yueh Shien *Resolution 5*
5. To re-appoint Messrs. Jamal, Amin & Partners as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Resolution 6*

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

6. Renewal of Authority for Directors to Issue Shares *Resolution 7*

“**THAT**, subject always to the Companies Act, 2016 (the “Act”), Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 76 of the Companies Act, 2016 to issue and allot not more than ten per centum (10%) of the total number of issued shares of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company **AND THAT** the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

## Notice of Fourteenth Annual General Meeting (cont'd)

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature to be entered with eNcoral Digital Solutions Sdn. Bhd. ("eNcoral") and Persons Connected with eNcoral. *Resolution 8*

“**THAT** authority be and is hereby given pursuant to Rule 10.09 of Chapter 10 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and its subsidiaries (“Group”) or any of them to enter into and give effect to the categories of recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 30th November 2018, provided that:-

- (i) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the transacting parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions conducted during the financial year will be disclosed in the Circular.

**THAT** such authority shall commence upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting;
- (ii) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act, 2016 but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016; or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

Whichever is the earlier,

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions authorised by the Proposed Shareholders' Mandate.”

## Notice of Fourteenth Annual General Meeting (cont'd)

8. Authority for Dato' Megat Fairouz Junaidi Bin Megat Junid to continue in office as Senior Independent Non-Executive Director *Resolution 9*

“**THAT** authority be and is hereby given to Dato' Megat Fairouz Junaidi Bin Megat Junid who has served as an Independent Non-Executive Director of the Company for a cumulative terms of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysia Code on Corporate Governance.”

### **ANY OTHER BUSINESS:**

9. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 2016.

By order of the Board

Wong Youn Kim  
(MAICSA 7018778)  
Company Secretary

Kuala Lumpur  
30<sup>th</sup> November 2018

### **NOTE:**

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.*
2. *If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or an attorney duly authorized.*
3. *A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoint two proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy in a poll.*
4. *Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy must be deposited at the registered office of the Company, situated at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time holding the meeting or adjournment meeting.*
6. *Only depositors whose names appear in the Record of depositors as at 20th December 2018 shall be registered as members and be entitled to attend the Fourteenth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf.*

# Notice of Fourteenth Annual General Meeting (cont'd)

## EXPLANATORY NOTES ON SPECIAL BUSINESS:

### RESOLUTION 7

The Ordinary Resolution No. 7, if passed will give the Directors of the Company from the date of the above Meeting, authority to allot and issue ordinary shares for the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

The general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. This mandate is also meant for any possible fund raising exercises including but not limited to further placement of shares, for purpose of funding current and/or future investment, working capital and/or acquisitions.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 27th December 2017.

### RESOLUTION 8

The Ordinary Resolution No. 8, if passed will give authority to the Company and its subsidiaries to enter into with specific classes of related parties and to give effect to specified recurrent related party transactions of a revenue or trading nature which are necessary for the Company and its subsidiaries' day-to-day operations. This authority will, unless revoked or varied by the Company in General Meeting will expire at the next Annual General Meeting.

The detail explanatory is set out in the Circular to Shareholders dated 30th November 2018 attached to the Annual Report.

### RESOLUTION 9

Dato' Megat Fairouz Junaidi Bin Megat Junid has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years and has met the definition of "independent director" as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board has recommended that he should continue to act as an Independent Non-Executive Director of the Company.

Practice 4.2 of the MCCG states that the tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

# Statement Accompanying Notice of the Fourteenth Annual General Meeting

1. The Directors who are standing for re-election at the Fourteenth Annual General Meeting of Inix Technologies Holdings Berhad is as follows:
  - i. Encik Mohd Anuar Bin Mohd Hanadzlah
  - ii. Dato' Zhang Li
  - iii. Prof Datuk Dr Dominic Lau Hoe Chai
  - iv. Mr. Lee Yueh Shien

The profiles of the Directors who are standing for re-election is set out on pages 8 to 11 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31st July 2018 are disclosed in the Corporate Governance Statement set out on page 16 of this Annual Report.
3. The details of the Fourteenth Annual General Meeting are as follows:

<b>Date of Meeting</b>	<b>Time of Meeting</b>	<b>Place of Meeting</b>
Monday, 31 December 2018	10.30 am	Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan



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

**Fourteenth Annual General Meeting**

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of **INIX TECHNOLOGIES HOLDINGS BERHAD** hereby appoint\* the Chairman of the meeting or  
\_\_\_\_\_ of \_\_\_\_\_  
or failing whom \_\_\_\_\_ of \_\_\_\_\_

behalf at the Fourteenth Annual General Meeting of the Company to be held at Kelab Shah Alam Selangor, Jalan Aerobik 13/43, 40000 Shah Alam, Selangor Darul Ehsan on Monday, 31 December 2018 at 10.30 a.m. and at any adjournment thereof.

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

RESOLUTIONS		FOR	AGAINST
<b>ORDINARY BUSINESS</b>			
1.	To receive the Audited Financial Statements for the financial year ended 31 July 2018 together with the Directors' and Auditors' Reports thereon.		
2.	Payment of Directors' Fees and Benefit from 1 <sup>st</sup> August 2018 up to the next Annual General Meeting of the Company to be held in 2019	<b>Resolution 1</b>	
3.	To re-elect Encik Mohd Anuar Bin Mohd Hanadzlah as the Director who is retiring in accordance with Article 85 of the Company's Articles of Association.	<b>Resolution 2</b>	
4.	To re-elect Dato' Zhang Li as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	<b>Resolution 3</b>	
5.	To re-elect Prof Datuk Dr Dominic Lau Hoe Chai as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	<b>Resolution 4</b>	
6.	To re-elect Mr. Lee Yueh Shien as the Director who is retiring in accordance with Article 92 of the Company's Articles of Association.	<b>Resolution 5</b>	
7.	To re-appoint Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.	<b>Resolution 6</b>	
<b>SPECIAL BUSINESS</b>			
8.	Authority to issue shares pursuant to Section 76 of the Companies Act, 2016.	<b>Resolution 7</b>	
9.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature to be entered with eNcoral Digital Solutions Sdn Bhd ("eNcoral") and persons connected with eNcoral.	<b>Resolution 8</b>	
10	Authority for Dato' Megat Fairouz Junaidi Bin Megat Junid to continue in office as Independent Non-Executive Director	<b>Resolution 9</b>	

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

No. of ordinary shares held
CDS Account No:

\_\_\_\_\_  
Signature/Common Seal of Shareholder(s)

[\* Delete if not applicable]

**Notes:**

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6. Only depositors whose names appear in the Record of depositors as at 20 December 2018 shall be registered as members and be entitled to attend the Fourteenth Annual General Meeting or appoint proxy(ies) to attend and vote on his/her behalf

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Stamp

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

Please fold here

**INIX Technologies Holdings Berhad** (665797-D)  
Unit B-8-7, Level 8, Block B, Megan Avenue ii  
No:12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur

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