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

(j) **Provisions**

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

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

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

(k) **Employee benefits**

(i) Short term employee benefits

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

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

(ii) Defined contribution plans

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

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

(l) **Revenue**

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

(i) Rendering of services

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

(ii) Sales of goods

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

(iii) Interest income

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

(iv) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(m) **Segment reporting**

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

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

(n) **Income taxes**

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

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

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3. Significant Accounting Policies (Cont'd)

(o) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the parent and the weighted average number of ordinary shares in issue adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(p) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent asset or liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent asset or liability unless the probability of outflow of economic benefits is remote.

4. **Property, Plant and Equipment**

	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Software RM	Computer equipment RM	Office equipment RM	Total RM
Group							
2014							
Cost							
At 1 August 2013	60,552	28,000	38,519	1,399	-	-	128,470
Additions	-	-	-	-	31,525	5,458	36,983
Written off	(4,053)	-	-	-	-	-	(4,053)
At 31 July 2014	56,499	28,000	38,519	1,399	31,525	5,458	161,400
Accumulated depreciation							
At 1 August 2013	45,170	933	38,518	777	-	-	85,398
Charge for the financial year	4,915	2,800	-	466	5,043	758	13,982
Written off	(4,053)	-	-	-	-	-	(4,053)
At 31 July 2014	46,032	3,733	38,518	1,243	5,043	758	95,327
Carrying amount							
At 31 July 2014	10,467	24,267	1	156	26,482	4,700	66,073

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

	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Software RM	Total RM
Group					
2013					
Cost					
At 1 August 2012	51,403	-	38,519	1,399	91,321
Additions	9,149	28,000	-	-	37,149
At 31 July 2013	60,552	28,000	38,519	1,399	128,470
Accumulated depreciation					
At 1 August 2012	40,923	-	36,978	311	78,212
Charge for the financial year	4,247	933	1,540	466	7,186
At 31 July 2013	45,170	933	38,518	777	85,398
Carrying amount					
At 31 July 2013	15,382	27,067	1	622	43,072

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

	Furniture and fittings RM	Renovation RM	Office equipment RM	Total RM
Company				
2014				
Cost				
At 1 August 2013	9,149	28,000	-	37,149
Addition	-	-	3,550	3,550
At 31 July 2014	9,149	28,000	3,550	40,699
Accumulated depreciation				
At 1 August 2013	247	933	-	1,180
Charge for the financial year	915	2,800	533	4,248
At 31 July 2014	1,162	3,733	533	5,428
Carrying amount				
At 31 July 2014	7,987	24,267	3,017	35,271
2013				
Cost				
At 1 August 2012	-	-	-	-
Additions	9,149	28,000	-	37,149
At 31 July 2013	9,149	28,000	-	37,149
Accumulated depreciation				
At 1 August 2012	-	-	-	-
Charge for the financial year	247	933	-	1,180
At 31 July 2013	247	933	-	1,180
Carrying amount				
At 31 July 2013	8,902	27,067	-	35,969

5. Intangible Assets

	Group	
	2014	**2013**
	RM	**RM**
Software development		
Cost		
At 1 August/31 July	3,731,599	3,731,599
Accumulated amortisation		
At 1 August	497,546	-
Amortisation for the financial year	746,321	497,546
At 31 July	1,243,867	497,546
Carrying amount	2,487,732	3,234,053

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.

For the purpose of impairment testing, the recoverable amount of software development has been determined using the income approach which recognises that the current value of the asset is premised on the expected receipt of future economic benefits generated over its remaining life. There is no impairment loss incurred on the intangible assets during the current year.

Key assumptions made in determining the value-in-use are as follow:

(i) Cash flows were projected based on actual operating results and a five-year business plan;

(ii) Revenue was projected at anticipated annual revenue growth of approximately 3% per annum;

(iii) A pre-tax discount rate of 25% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of individual unit.

With regards to the assessments of value-in-use of these CGUs, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable

6. Investment in Subsidiary Companies

	Company 2014 RM	Company 2013 RM
In Malaysia		
Unquoted shares, at cost	9,051,000	9,051,000
Options granted to employees of subsidiaries	1,232,210	1,232,210
	10,283,210	10,283,210
Less: Accumulated impairment loss	(10,283,208)	(10,283,208)
	2	2

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

Name of company	Effective interest 2014 %	Effective interest 2013 %	Principal activities
Direct holding:			
Ansi Systems Sdn. Bhd. *	100	100	Software development, system integration and selling of books
NCSoft Sdn. Bhd.	100	100	Software development, system integration, information technology management consultancy and other related professional services
Inix Network Sdn. Bhd. (formerly known as Interflagship Sdn. Bhd.)	100	100	System integration, information technology management consultancy and other related professional services

* Subsidiary company not audited by UHY.

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

In the previous financial year, the Group disposed off its entire interest in a subsidiary, Inix Industrial Sdn Bhd.

The detail of the net assets disposed and the cash flow arising from the disposal of the subsidiary is as follows:

	Group 2013 RM
Cash and bank balances	2
Other payables	(2,331)
Net assets disposed	(2,329)
Gain on disposal of a subsidiary company	2,329
Total disposal consideration	-
Less: cash and bank balances	(2)
Net cash outflow from disposal of a subsidiary company	(2)

7. **Inventories**

	Group 2014 RM	**Group 2013 RM**
At cost:		
Finished goods	22,322	424

8. **Trade Receivables**

	Group 2014 RM	**Group 2013 RM**
Trade receivables		
- Third parties	117,875	204,867
- Related party	4,397,250	4,085,249
	4,515,125	4,290,116
Less: Accumulated impairment	(10,000)	(203,500)
	4,505,125	4,086,616

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

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

The Group's normal trade credit terms range from 60 days to 120 days (2013: 60 days to 120 days). Other credit terms are assessed and approved on a case by case basis.

The Group's credit exposures are concentrated mainly on 1 (2013: 1) debtor which is a related party to the Group, which accounted for 99% (2013: 99%) of total trade receivables.

Analysis of the trade receivables ageing is as follows:

	Group	
	2014	**2013**
	RM	**RM**
Neither past due nor impaired	3,501,548	2,541,367
Past due but not impaired:		
91 to 120 days	-	1,030,000
More than 121 days	1,003,577	515,249
	1,003,577	1,545,249
Impaired	10,000	203,500
	4,515,125	4,290,116

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

As at 31 July 2014, trade receivables of RM1,003,577 (2013: RM1,545,249) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM10,000 (2013: RM203,500), 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.

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

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

	Group	
	2014	**2013**
	RM	**RM**
At 1 August	203,500	193,500
Charge for the financial year	-	10,000
Written off	(193,500)	-
At 31 July	10,000	203,500

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

9. **Other Receivables**

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Other receivables	1,074,265	1,268,415	1,140	1,140
Less: Accumulated impairment	(1,140)	(1,140)	(1,140)	(1,140)
	1,073,125	1,267,275	-	-
Deposits	31,514	30,900	30,100	30,100
	1,104,639	1,298,175	30,100	30,100

Included in other receivables of the Group is an amount of RM1,061,875 (2013: RM1,267,275) due from a company which arise from the disposal of a subsidiary company in the previous financial year.

Included in other receivables of the Group is an amount of RM11,250 (2013: RM Nil) bankers' guarantee pledged to a licensed bank as security for certain bankers' guarantee granted to a subsidiary company.

10. Amount Due From/(To) Subsidiary Companies

	Company	
	2014	**2013**
	RM	**RM**
(a) Due from:		
Ansi Systems Sdn. Bhd.		
Due from:		
Non-trade related	12,759,392	12,759,392
Less: Accumulated impairment	(8,125,874)	(8,125,874)
	4,633,518	4,633,518
Due to:		
Non-trade related	(1,196,197)	(1,180,845)
	3,437,321	3,452,673
Inix Network Sdn. Bhd.		
Due from:		
Non-trade related	751,191	2,500
	4,188,512	3,455,173
(b) Due to:		
NCSoft Sdn. Bhd.		
Due to:		
Non-trade related	(1,002,900)	(1,002,900)
Due from:		
Non-trade related	115,000	115,000
	(887,900)	(887,900)

The amount due from subsidiary companies comprises expenses paid on behalf by the Company and advances provided to the subsidiary companies. These are unsecured, interest free and repayment on demand.

The amount due to subsidiary company represents expenses paid on behalf of the Company by the subsidiary company and advances provided by a subsidiary company to the Company. These are unsecured, interest free and repayment on demand.

11. Share Capital

	Group and Company			
	Number of shares		Amount	
	2014	2013	2014	2013
	Unit	Unit	RM	RM
Ordinary shares of RM0.10 each				
Authorised:				
At 1 August/31 July	250,000,000	250,000,000	25,000,000	25,000,000
Issued and fully paid				
At 1 August	126,445,000	126,445,000	12,644,500	12,644,500
Issued during the financial year	12,644,500	-	1,264,450	-
At 31 July	139,089,500	126,445,000	13,908,950	12,644,500

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.

During the financial year, the Company increased its issued and paid up ordinary share capital from RM12,644,500 to RM13,908,950 by the issue of 12,644,500 new ordinary shares of RM0.10 each for cash arising from private placement exercise at an issue price of RM0.12 each.

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

12. Share Premium

	Group and Company	
	2014	2013
	RM	RM
At 1 August	8,657,860	8,657,860
Issued of share during the financial year	252,890	-
At 31 July	8,910,750	8,657,860

This balance is not distributable by way of cash dividends and may be utilised only in the manner set out in Section 60(3) of the Companies Act, 1965.

13. Trade Payables

The normal credit terms granted to the Group are range from 30 days to 60 days (2013: 30 days to 60 days). Other credit terms are assessed and approved on a case by case basis.

14. Other Payables

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other payables	295,801	313,992	261,685	294,670
Accruals	352,252	127,214	18,716	25,716
	648,053	441,206	280,401	320,386

15. Amount Due To a Director

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

16. Amount Due To Related Party

The related party is eNCoral Digital Solutions Sdn. Bhd. The amount is non-trade in nature and it is unsecured, interest free and repayment on demand.

17. Revenue

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Sales of hardware and software	165,174	11,150	-	11,150
Sales of books	5,677	17,062	-	-
Software development and system integration	4,781,100	4,640,500	10,900	-
	4,951,951	4,668,712	10,900	11,150

18. 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.

19. (Loss)/ Profit Before Taxation

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Auditors' remuneration	72,000	51,800	18,000	18,000
Amortisation of intangible assets	746,321	497,546	-	-
Impairment loss on trade receivables	-	10,000	-	-
Depreciation of property, plant and equipment	13,982	7,186	4,248	1,180
Director's remuneration	13,000	35,000	13,000	35,000
Interest income	(123)	-	-	-
Gain on foreign exchange - Realised	(44)	-	-	-
Gain on disposal of a subsidiary company	-	(2,329)	-	-
Office rental	70,000	35,000	70,000	35,000

20. Taxation

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Tax expense recognised in profit and loss:				
Under provision in prior year	22	-	-	-

Current income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profits for the financial year.

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

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
(Loss)/Profit before taxation	(1,389,770)	123,848	(516,087)	(196,486)
Tax at current income tax rate of 25%	(347,443)	30,962	(129,022)	(49,122)
Tax effects of:				
- Non-deductible expenses	280,512	135,023	50,142	24,590
- Under provision of taxation in respect of prior year	22	-	-	-
- Deferred tax assets not recognised during the financial year	78,880	44,323	78,880	24,532
- Reversal of deferred tax asset not recognised	(11,949)	(210,308)	-	-
Tax expense for the financial year	22	-	-	-

As at 31 July 2014, the Group has a tax exempt account of approximately RM11,497,400 (2013: RM11,497,400) to frank the payment of tax exempt dividends, which are subject to the agreement of the Inland Revenue Board.

The Group and the Company has the following unused tax losses and unutilised capital allowances available for set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Unused tax losses	5,296,143	5,039,700	411,952	97,880
Unutilised capital allowances	13,999	10,500	12,699	9,149
	5,310,142	5,050,200	424,651	107,029

21. Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Unused tax losses	5,296,143	5,039,700	411,952	97,880
Unutilised capital allowances	13,999	10,500	12,699	9,149
	5,310,142	5,050,200	424,651	107,029

22. Earnings Per Share

(a) Basic (loss)/earnings per share

The basic earnings per share has been calculated based on the consolidated loss for the financial year attributable to the owners of the parent of RM1,389,792 (2013: profit of RM123,848) and the weighted average number of ordinary shares in issue during the financial year of 132,767,250 (2013: 126,445,000).

	Group	
	2014 RM	2013 RM
(Loss)/Profit attributable to owners of parent	(1,389,770)	123,848
Weighted average number of ordinary shares	132,767,650	126,445,000
Basic (loss)/earnings per share (sen)	(1.05)	0.10

(b) Diluted (loss)/earnings per share

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

23. Employee Benefits

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Employee benefit (excluding Directors)				
Salaries and allowances	3,305,516	2,958,357	-	-
Contribution to defined contribution plan	349,280	336,447	-	-
SOCSO	38,205	39,983	-	-
Insurance, medical and other benefits	82,113	61,389	-	-
	3,775,114	3,396,176	-	-

24. Related Party Disclosure

(a) Identity of related party

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

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

The Group and the Company have related party relationship with its subsidiary companies and Directors' related company.

24. Related Party Disclosure (Cont'd)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Trade receivables				
Software development fees receivables from EDSSB	4,397,250	4,085,249	-	-
Amount due from/(to) subsidiaries				
Advances provided to ASSB for working capital purposes	-	-	9,170,000	9,170,000
Advances provided by NCSSB	-	-	(1,000,998)	(1,000,998)
Expenses paid on behalf of				
- ASSB	-	-	3,589,392	3,589,392
- NCSSB	-	-	115,000	115,000
- INSB	-	-	40,656	2,500
Expenses paid on behalf by				
- ASSB	-	-	(1,197,112)	(1,180,845)
- NCSSB	-	-	(1,902)	(1,902)
	-	-	10,715,036	10,693,147
Related party				
Fees received/ receivable on software development in progress	3,480,000	4,600,000	-	-
Related companies				
Expenses paid/ payable	(16,267)	-	-	(39,460)

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

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year (Cont'd)

Related party relationships exist between the Group or the Company and the following entities:

(a) Ansi Systems Sdn Bhd ("ASSB"), Inix Network Sdn Bhd ("INSB") and NCSoft Sdn. Bhd. ("NSSB"), being subsidiary companies of the Company; and

(b) eNCoral Digital Solutions Sdn. Bhd. ("EDSSB") being a related party by virtue of certain directors of the Company, ASSB, INSB and NSSB being key management personnel of EDSSB.

EDSSB is also a substantial shareholder of the Company. A director of EDSSB with substantial financial interest in EDSSB is an executive director of the Company.

(c) Information regarding outstanding balances arising from related party transactions as at 31 July 2014 is disclosed in Notes 10, 15 and 16.

(d) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company either directly or indirectly.

(b) The key management personnel of the Group comprise Executive Directors of the Company and its subsidiaries and their remuneration are disclosed in Note 19; and

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

25. **Segment Information**

For management purposes, the main business segments of the Group comprise the following:

Software	Software development and system integration
Books	Sales of books
Corporate	Investment holding and others

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

Performance is measured based on segment profit before taxation, interest and depreciation, as included in the internal management reports that are reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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

Geographical Information - Malaysia

			Non-current assets		Current asset
	Revenue RM	Loss before taxation RM	Property, plant and equipment RM	Intangible assets RM	Trade receivables RM
2014	4,951,951	(1,389,770)	66,073	2,487,732	4,505,125
2013	4,668,712	123,848	43,072	3,234,053	4,086,616

Major customer

The Group has 1 (2013: 1) major customer contributing approximately RM3,480,000 (2013: RM4,600,000) of total sales revenue.

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

2014	**Software RM**	**Books RM**	**Corporate RM**	**Eliminations RM**	**Total RM**
Operating segments					
Revenue					
External customers	4,935,374	5,677	10,900	-	4,951,951
Results					
Depreciation of property, plant and equipment	(9,734)	-	(4,248)	-	(13,982)
Amortisation of intangible assets	(746,321)	-	-	-	(746,321)
Interest income	123	-	-	-	123
Segment profit/(loss)	(873,683)	-	(516,087)	-	(1,389,770)
Assets					
Amount due from related company	416,657	-	-	(416,657)	-
Amount due from holding company	912,365	-	-	(912,365)	-
Amount due from subsidiaries	-	-	4,188,512	(4,188,512)	-
Segment assets	(1,028,732)	-	4,357,944	5,517,534	8,846,746
Liabilities					
Amount due to holding company	12,337,936	-	-	(12,337,936)	-
Amount due to subsidiary company	-	-	887,900	(887,900)	-
Amount due to related company	3,603,728	-	-	(3,603,728)	-
Amount due to related party	(2,274)	-	-	2,274	-
Segment liabilities	(16,863,434)	-	1,168,301	16,827,290	1,132,157

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

2013	**Software RM**	**Books RM**	**Corporate RM**	**Eliminations RM**	**Total RM**
Operating segments					
Revenue					
External customers	4,640,500	17,062	11,150	-	4,668,712
Results					
Depreciation of property, plant and equipment	(6,006)	-	(1,180)	-	(7,186)
Amortisation of intangible assets	(497,546)	-	-	-	(497,546)
Impairment loss on trade receivables	-	(10,000)	-	-	(10,000)
Gain on disposal of a subsidiary company	-	-	2,329	-	2,329
Segment profit/(loss)	(270,095)	(8,106)	(200,114)	602,163	123,848
Assets					
Additions to intangible assets	589,797	-	-	-	589,797
Amount due from related company	415,517	-	-	(415,517)	-
Amount due from holding company	887,900	-	-	(887,900)	-
Amount due from subsidiaries	-	-	3,455,173	(3,455,173)	-
Segment assets	10,066,516	-	3,546,676	(4,758,590)	8,854,602
Liabilities					
Amount due to holding company	11,578,547	-	2,500	(11,581,047)	-
Amount due to subsidiary company	-	-	887,900	(887,900)	-
Amount due to related company	3,603,728	-	-	(3,603,728)	-
Segment liabilities	15,778,322	200,000	1,361,914	(16,072,675)	1,267,561

26. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	Loans and receivables RM	Other financial liabilities at amortised costs RM	Loans and receivables RM	Other financial liabilities at amortised costs RM
2014				
Financial assets				
Trade and other receivables	5,609,764	-	30,100	-
Amount due from subsidiary companies	-	-	4,188,512	-
Cash and bank balances	660,855	-	104,059	-
	6,270,619	-	4,322,671	-
Financial liabilities				
Trade and other payables	-	653,528	-	280,401
Amount due to a related party	-	478,629	-	-
Amount due to a subsidiary company	-	-	-	887,900
	-	1,132,157	-	1,168,301
2013				
Financial assets				
Trade and other receivables	5,384,791	-	30,100	-
Amount due from subsidiary companies	-	-	3,455,173	-
Cash and bank balances	192,262	-	25,432	-
	5,577,053	-	3,510,705	-
Financial liabilities				
Trade and other payables	-	641,206	-	320,386
Amount due to a Director	-	150,000	-	150,000
Amount due to a related party	-	476,355	-	-
Amount due to a subsidiary company	-	-	-	887,900
	-	1,267,561	-	1,358,286

26. **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 financial risks, including credit risk, liquidity risk and cash flows risk. The Group operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

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

(i) Credit risk

Financial assets that are primarily exposed to credit risks are receivables, inter-company balances and deposits, cash and bank balances.

Credit risk arises when sales are made on deferred credit terms. The Group seeks to control risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. Analysis on trade receivables by credit terms and industry profile is disclosed in Note below.

Exposure to credit risk

At the end of the financial year, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group has significant concentration of credit risk in the form of outstanding balance due from 1 customer (2013: 1 customer) representing 99% (2013: 99%) of the total trade receivables.

The credit risk concentration profile of the Group's trade receivables at the financial year end by geographical region are as follows:

	Group	
	2014	**2013**
	RM	**RM**
Malaysia	4,397,250	4,085,249

26. **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 due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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

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

(iii) Interest rate risk

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

At the Group and the Company have no significant interest bearing financial assets and financial liabilities, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rate, and has minimal exposure to interest rate risk at the end of the reporting period.

(iv) Technological and market risk

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

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

(c) Fair values of financial instruments

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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

27. **Capital Management**

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

The Group's management manage its capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintains an optimal capital structure, so as to maximise shareholder value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholder, return capital to shareholder or issue new shares.

Total capital managed at Group level consists of shareholders' equity and cash and cash equivalents. There were no changes in the Group's approach to capital management during the financial year. The Group is not subject to any externally imposed capital requirements.

The gearing ratio was as follows:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Trade payables	5,475	200,000	-	-
Other payables	648,053	441,206	280,401	320,386
Amount due to a Director	-	150,000	-	150,000
Amount due to a related party	478,629	476,355	-	-
Less: Cash and cash equivalents	(660,855)	(192,262)	(104,059)	(25,432)
Net debts	471,302	1,075,299	176,342	444,954
Equity attributable to the owners of the parent	7,714,589	7,587,041	3,189,643	2,188,390
Capital and net debt	8,185,891	8,662,340	3,365,985	2,633,344
Gearing ratio (times)	0.06	0.12	0.05	0.17

28. **Subsequent Events**

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

(i) Proposed renounceable rights issues of up to 139,089,500 ordinary shares of RM0.10 each in Inix ("Right Shares") together with up to 139,089,500 free detachable warrants ("Warrants") on the basis of one Right Share at an issue price of RM0.10 per Rights Share together with one Warrant (exercisable into new Inix share at exercise price of RM0.12 per Warrant for one new Inix Share within the exercise period of two years from the date of issuance of the Warrants) for every one ordinary share of RM0.10 each in Inix ("Inix Share");

(ii) Proposes increase in the authorised share capital of the Company from RM25,000,000 comprising 250,000,000 Inix Share to RM100,000,000 comprising 1,000,000 Inix Shares and the amendments to the Memorandum and Articles of Association; and

(iii) Proposed acquisition of 51,000 shares of Indonesian Rupiah 10,000 each in PT Daya Putra SukaPura ("PT Daya") representing 51% equity interest in PT Daya for a cash consideration of up to RM7,000,000.

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

29. **Comparative Figure**

Financial statements of the Company for the financial year ended 31 July 2013 were audited by another firm of chartered accountants.

30. **Date of Authorisation for Issue**

The financial statements of the Group and of the Company for the financial year ended 31 July 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 28 November 2014.

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

The breakdown of the retained earnings of the Group and of the Company as of 31 July 2014 and 31 July 2013 into realised and unrealised amounts is as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Total accumulated losses of the Company and its subsidiary companies - Realised	(15,105,111)	(13,715,319)	(19,630,057)	(19,113,970)

The disclosure of realised and unrealised profits or losses is solely compiled in accordance to the Malaysian Institute of Accountants Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements issued on 20 December 2010.

The disclosure of realised and unrealised profits and losses is solely for the purpose of disclosure requirements of Bursa Malaysia Securities Berhad Listing Requirements and should not be applied for any other purpose.

I·NIX

INIX Technologies Holdings Berhad

(665797-D)

(Incorporated in Malaysia)

Unaudited interim financial report

for the quarter ended 31 July 2015

CERTIFIED TRUE COPY

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Condensed consolidated income statement

for the three-month and twelve-month periods ended 31 July 2015

	Note	*Three months ended* 31 July 2015 *unaudited* RM'000	31 July 2014 *unaudited* RM'000	*Twelve months ended* 31 July 2015 *unaudited* RM'000	31 July 2014 *audited* RM'000
Revenue	A9	2,153	2,576	5,230	4,950
Cost of sales		-	(69)	(59)	(255)
Gross profit		2,153	2,508	5,170	4,695
Other income		51	6	78	19
Selling and marketing expenses		-	-	(6)	-
Administrative expenses		(1,309)	(3,021)	(4,150)	(5,497)
Research and development expenses		-	-	(325)	(590)
Other expenses		(246)	-	(808)	-
Profit/(Loss) before tax		649	(508)	(42)	(1,373)
Taxation	B5	(3)	-	(3)	-
profit/(Loss) for the period		646	(508)	(44)	(1,373)
Profit/(Loss) per share attributable to ordinary equity holders of the Company *(sen)*					
Basic	B13	0.46	(0.37)	(0.03)	(0.99)
Diluted	B13	-	-	-	-

The candensed consolidated income statement shauld be read in conjunctian with the audited financial statements far the year ended 31 July 2014 and the accamponying explanatary nates attached to the interim financial statements.

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Condensed consolidated balance sheet
as at 31 July 2015

	Note	As at 31 Jul 2015 unaudited RM'000	As at 31 Jul 2014 audited RM'000
ASSETS			
Non-Current Assets			
Intangible assets		1,741	2,488
Property, plant and equipment	A11	59	66
Investment in subsidiary		0	0
		1,800	2,554
Current Assets			
Inventories		0	22
Trade receivables		6,501	4,505
Other receivables, deposits and prepayments		1,655	1,105
Cash and bank balances		123	661
		8,279	6,293
TOTAL ASSETS		10,080	8,847
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		13,909	13,909
Share premium		8,911	8,911
Share option reserve	A7	-	-
Accumulated losses		(15,149)	(15,105)
		7,670	7,715
Non-Current Liability			
Deferred Tax Liability	B9	3	-
Current liabilities			
Trade payables		25	5
Other payables and accruals		1,182	1,127
Amount due to directors		1,200	-
		2,407	1,132
TOTAL EQUITY AND LIABILITIES		10,080	8,847
***Net assets per share attributable to ordinary equity holders of the Company** (RM)*		0.0551	0.0555

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2014 and the accompanying explanatory notes attached to the interim financial statements.

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity

for the twelve-month period ended 31 July 2015

	Attributable to equity holders of the Campany			
	Share capital	*Share premium*	*Accu-mulated lasses*	*Tatal*
	RM'000	RM'000	RM'000	RM'000
At 1 August 2013 (audited)	12,645	8,658	(13,715)	7,588
Issues during the year - Share Capital	1,264	253	-	1,517
Loss for the period	-	-	(1,373)	(1,373)
At 31 July 2014 (unaudited)	13,909	8,911	(15,088)	7,732
At 1 August 2014 (audited)	13,909	8,911	(15,105)	7,715
Loss for the period	-	-	(44)	(44)
At 31 July 2015 (unaudited)	13,909	8,911	(15,149)	7,671

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2014 and the accomponying explanatory notes attached to the interim financial statements.

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Condensed consolidated cashflow statement

for the twelve-month period ended 31 July 2015

	Twelve months ended	
	31 July 2015	***31 July 2014***
	unaudited	*unaudited*
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(44)	(1,373)
Adjustments:		
Depreciation of property, plant and equipment	12	14
Provision for deferred taxes	4	-
Impairment loss on other receivable	-	-
Amortisation of intangible assets	746	746
Impairment loss on Trade receivable made	-	-
Operating profit/(loss) before working capital changes	718	(613)
Decrease/(Increase) in inventories	22	(22)
(Increase)/Decrease in trade receivables	(1,996)	(419)
Decrease/(Increase) in other receivables, deposits and prepayments	(551)	194
(Decrease)/Increase in trade payables	19	(213)
Increase/(decrease) in other payables and accruals	55	211
Increase/(decrease) in amount due to directors	1,200	(150)
Net cash generated from/(used in) operating activities	(533)	(1,011)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Intangible assets	-	-
Investment is subsidiary	-	-
Purchase of property, plant and equipment	(5)	(37)
Net cash generated from/(used in) investing activities	(5)	(37)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in share capital	-	1,264
Increase in share premium	-	253
Net cash generated from/(used in) financing activities	-	1,517
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(538)	469
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	661	192
CASH AND CASH EQUIVALENTS AT END OF PERIOD	123	661
These comprise:-		
Cash in hand	8	3
Bank balances	115	658
	123	661

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2014 and the accompanying explanatory notes attached to the interim financial statements.

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Explanatory notes to the interim financial report

A Pursuant to FRS 134: Interim Financial Reporting

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 July 2014.

A2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2014.

The Group has not early adopted any new or revised standards, amendments or IC Interpretations which are applicable to the Group that have been issued by the MASB but are not yet effective for the Group' s current financial year ended 31 July 2014.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the acception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 July 2013. In presenting its first MFRS financial statements, the Group will be required restate the financial position as at 1 August 2012 to amounts reflecting the application of MFRS Framework.

The change of the financial framework is not expected to have any significant impact of the financial position and performance of the Group and the Company.

A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 July 2013 was not qualified.

A4 Seasonal or cyclical factors

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current quarter and financial year-to-date under review.

A5 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

A6 Significant estimates and changes in estimates

There were no changes in estimates that have a material effect in the current quarter and financial year-to-date.

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Explanatory notes to the interim financial report

A7 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares during the financial year-to-date under review: except for the changes in ordinary share capital as stated in note B8.

A8 Dividends paid

No dividends were paid during the financial year-to-date.

A9 Segmental information

(a) Operating segments

	Software development and system integration RM'000	*Sales of Books* RM'000	*Corporate* RM'000	*Elimina-tions* RM'000	*Total* RM'000
Three months ended 31 July 2015					
Revenue					
External customers	2,152	1	-	-	2,153
Inter-segment	-	-	-	-	-
Total revenue	2,152	1	-	-	2,153
Results					
Depreciation	(6)	-	(2)	-	(8)
Amortisation	(187)	-	-	-	(187)
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	645	1	-	-	646
Assets					
Investment in subsidiaries	-	-	-	-	-
Investment	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from holding company	213	-	-	(213)	-
Amount due from a subsidiary company	-	-	(2)	2	-
Amount due from related company	-	-	-	-	-
Segment assets	1,415	-	(205)	(211)	999
Liabilities					
Amount due to holding company	(1)	-	-	1	-
Amount due to related company	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-
Segment liabilities	328	-	233	(213)	348

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Explanatory notes to the interim financial report

A9 Segmental information *(continued)*

(a) Operating segments

	Software development and system integration	*Sales of Books*	*Corporate*	*Elimina-tions*	*Total*
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 31 July 2014					
Revenue					
External customers	2,500	3	52	-	2,555
Inter-segment	-	-	-	-	-
Total revenue	2,500	3	52	-	2,555
Results					
Depreciation	(2)	-	-	-	(2)
Amortisation	(498)	-	-	-	(498)
Reversal of impairment loss on trade receivables		(10)	-	-	(10)
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	521	(22)	(88)	602	1,014
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to intangible assets	-	-	589	-	589
Amount due from holding company	887	-	-	(887)	-
Amount due from a subsidiary company	-	-	-	-	-
Amount due from related company	416	-	-	(416)	-
Segment assets	10,094	-	3,547	(4,758)	8,883
Liabilities					
Amount due to holding company	-	-	-	-	-
Amount due to related company	-	-	3,602	(3,602)	-
Amount due to a subsidiary company	-	-	890	(890)	-
Segment liabilities	4,248	1	1,360	(4,494)	1,115

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Explanatory notes to the interim financial report

A9 Segmental information

(a) Operating segments

	Software development and system integration	*Sales of Books*	*Corporate*	*Elimina-tions*	*Total*
	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve months ended 31 July 2015					
Revenue					
External customers	4,784	2	444	-	5,230
Inter-segment	-	-	-	-	-
Total revenue	4,784	2	444	-	5,230
Results					
Depreciation	(8)	-	(5)	-	(12)
Amortisation	(746)	-	-	-	(746)
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Segment profit/(loss)	198	2	(244)	-	(44)
Assets					
Investment in subsidiaries	-	-	0	-	0
Additions to intangible assets	-	-	-	-	-
Amount due from holding company	1,101	-	-	(1,101)	-
Amount due from a subsidiary company		-	3,987	(3,987)	-
Amount due from related company	-	-	-	-	-
Segment assets	9,644	-	5,525	(5,088)	10,080
Liabilities					
Amount due to holding company	12,113	-	-	(12,113)	-
Amount due to related company	3,188	-	-	(3,188)	-
Amount due to a subsidiary company	-	-	1,101	(1,101)	-
Segment liabilities	16,226	-	2,579	(16,400)	2,405

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Explanatory notes to the interim financial report

A9 Segmental information

(a) Operating segments

	Saftware development and system integration	*Sales af Books*	*Carparate*	*Elimina-tions*	*Tatal*
	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve manths ended 31 July 2014					
Revenue					
External customers	4,935	15	-	-	4,950
Inter-segment	-	-	-	-	-
Total revenue	4,935	15	-	-	4,950
Results					
Depreciation	(12)	-	(2)	-	(14)
Amortisation	(746)	-	-	-	(746)
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Segment profit/(loss)	(1,109)	(15)	-	-	(865)
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from holding company	888	-	-	(888)	-
Amount due from a subsidiary company	-	-	3,445	(3,445)	-
Amount due from related company	416	-	-	416	-
Segment assets	10,058	-	3,547	(4,758)	8,847
Liabilities					
Amount due to holding company		-	-		-
Amount due to related company		-	3,602	(3,602)	-
Amount due to a subsidiary company		-	890	(890)	-
Segment liabilities	4,248	1	1,360	(4,494)	1,115

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INIX Technologies Holdings Berhad (665797-D)
(Incorporated in Malaysia)

Explanatory notes to the interim financial report

(b) Geographical information

			Non-current assets		Current asset
	Revenue	***Profit/(Loss) before taxation***	***Property, plant and equipment***	***Intangible assets***	***Trade receivables***
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 31 July 2015					
Malaysia	2,153	649	5	-	1,478
Three months ended 31 July 2014					
Malaysia	2,576	(508)	23	-	2,380
Twelve months ended 31 July 2015					
Malaysia	5,230	(42)	59	1,741	6,501
Twelve months ended 31 July 2014					
Malaysia	4,950	(1,373)	43	3,234	4,085

A10 Payment in lieu of short notice

Payment by employee of a sum equivalent to one (1) to three (3) month salary in lieu of short notice.

A11 Carrying value of revalued assets

There has been no revaluation of property, plant and equipment during the financial year-to-date.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year-to-date.

A13 Capital commitments

As at the end of the current financial year-to-date, the Group has no material commitment in respect of property, plant and equipment.

I-NIX

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Explanatory notes to the interim financial report

A14 Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as

A15 Significant related party transactions

Significant transactions between related parties and the Group as at balance sheet date are as follows:

Revenue

	Three months ended		Twelve months ended	
	31-Jul-15	**31-Jul-14**	**31-Jul-15**	**31-Jul-14**
	RM	RM	RM	RM
Fees on software development in progress receivable from EDSSB	2,200	2,380	4,285	3,480

A16 Subsequent events

There were no material events subsequent to the end of the current quarter.

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B Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market

B1 Performance review

For the current quarter under review ("FY15Q4"), the Group registered a pre-tax profit of RM0.649 million on sales turnover of RM2.153 million. For financial year-to-date, the Group revenue of RM 5.230 million represents an increase of approximately 5.7% as compared to the preceding year corresponding period. In addition, the Group registered consolidated loss before tax is only RM0.042 million for the 12 months period ended 31 July 2015 which represents an improving of approximately 96.9% as compared to consolidated loss before tax of RM 1.373 million for the preceding period ended 31 July 2014. The main reason for the Group improving performance is due to lower operation cost including staff cost and professional fee paid during the year.

B2 Material change in profit/(loss) before tax

	Current quarter ended 31 July 2015	*Preceding quarter ended 30 Apr 2015*
	RM'000	RM'000
Revenue	2,153	663
Profit/(Loss) before taxation	649	(745)

In comparison, the Group recorded an increase of approximately 224.7% in its revenue to RM 2.153 million for FY15Q4 against RM 0.663 million FY15Q3. As a result thereof, the Group registered profit before tax ("PBT") RM 0.649 million for FY15Q4 against loss before tax ("LBT") RM 0.745 million for FY15Q3. The main reason for the Group improving performance is due to higher revenue in software development and system integration segments.

Other individual items of expenditure for FY15Q4 includes depreciation on property, plant and equipment of RM0.008million (FY15Q3: RM0.004 million) and ammortisation of intangible assets of RM0.187 million.

B3 Prospects

Despite global economic slowdown together with weakening Malaysian Ringgit and the implementation of the Goods and Services Tax ("GST"), the Group still manages to overcome the challenges and improved in the financial result for this financial year. Notwithstanding these challenges, the Group will continue to focus on improving operational efficiencies and controlling its operational expenses to improve overall overheads.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

B5 Taxation

For both the current quarter as well as financial year-to-date, tax is calculated on estimated assessable profits for the financial year.

B6 Sale of unquoted investments and properties

There were no sales of unquoted investments and properties in the current quarter and financial year-to-date.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter and financial year-to-date.

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B8 Corporate proposals

On 16th March 2015, an announcement was made on new multiple proposals;

(i) proposed renounceable rights issue of up to 278,179,000 new ordinary shares of RM0.10 each in Inix ("**Inix Shares**" or "**Shares**") ("**Rights Shares**") on the basis of two (2) Rights Shares for every one (1) existing Inix Share held, together with up to 208,634,250 free detachable warrants ("**Warrants**") on the basis of three (3) Warrants for every four (4) Rights Shares subscribed at an entitlement date to be determined later ("**Entitlement Date**") ("**Proposed Rights Issue of Shares with Warrants**");

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

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

(iv) proposed establishment of a share issuance scheme of up to thirty percent (30%) of the Company's total issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the scheme for the Directors and employees of Inix and its subsidiaries ("**Inix Group**" or "**Group**") (excluding dormant subsidiaries) ("**Proposed SIS**");

(v) proposed increase in the authorised share capital of Inix from RM25,000,000 comprising 250,000,000 Inix Shares to RM100,000,000 comprising 1,000,000,000 Inix Shares ("**Proposed Increase in Authorised Share Capital**"); and

(vi) proposed amendments to the memorandum of association of Inix to facilitate the Proposed Increase in Authorised Share Capital ("**Proposed Amendments**").

(Collectively referred to as the "**Proposals**").

B9 **Borrowings and debt securities**

There were no borrowings and debt securities outstanding and/or issued as at the end of the reporting period.

B10 **Off Balance Sheet instruments**

There were no off balance sheet financial instruments as at the date of this report.

B11 **Changes in material litigation**

Save as disclosed below, neither the Company nor its subsidiary is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary.

I-NIX

INIX Technologies Holdings Berhad (665797-D)
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Explanatory notes to the interim financial report

B12 Dividend payable

No interim ordinary dividend has been declared for the financial period under review.

B13 Earnings per share

The basic/diluted earnings per share are computed based on the net profit attributable to ordinary shareholders and the weighted average/adjusted weighted average number of ordinary shares outstanding during the year as follows:

	Three months ended		*Twelve months ended*	
	31 July 2015	***31 July 2014***	***31 July 2015***	***31 July 2014***
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	646	(508)	(44)	(1,373)
Weighted average number of ordinary shares in issue ('000)	139,090	139,090	139,090	139,090
Basic eornings/(loss) per ordinary shore (sen)	0.46	(0.37)	(0.03)	(0.99)
Diluted:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	646	(508)	(44)	(1,373)
Weighted average number of ordinary shares in issue ('000)	139,090	139,090	139,090	139,090
Number of shares issuable under ESOS ('000)	-	-	-	-
Number of shares that would have been issued at fair value ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	139,090	139,090	139,090	139,090
Diluted eornings/(loss) per ordinary share (sen)	N/A	N/A	N/A	N/A

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30th September 2015.

INIX Technologies Holdings Berhad
30th September 2015

UHY

Date: 1 5 OCT 2015

UHY (AF1411)
Chartered Accountants
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The Board of Directors
Inix Technologies Holdings Berhad
No. 38, Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan

Dear Sirs,

**INIX TECHNOLOGIES HOLDINGS BERHAD ("INIX" or "THE COMPANY")
ACCOUNTANTS' REPORT**

1. INTRODUCTION

This report has been prepared by UHY, Malaysia, an international accounting firm of chartered accountants registered in Malaysia and an approved company auditor, for inclusion in the Abridged Prospectus dated 26 October 2015 to the shareholders of Inix in connection with the following corporate exercises:

(a) renounceable rights issue of up to 278,179,000 new ordinary shares of RM0.10 each in Inix ("Inix Shares" or "Shares") ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing Inix Share held, together with up to v208,634,250 free detachable warrants ("Warrants") on the basis of three (3) Warrants for every four (4) Rights Shares subscribed for ("Rights Issue of Shares with Warrants"); and

(b) acquisition of 30% equity interest in Galactic Maritime (M) Sdn Bhd ("Galactic") comprising 4,050,000 ordinary shares of RM1.00 each in Galactic ("Sale Shares") ("Galactic Shares") for a purchase consideration of RM7,200,000 ("Purchase Consideration") to be satisfied in cash ("Cash Consideration") ("Acquisition"). Details of the Acquisition is disclosed in Section 2 of this report.

2. DETAILS OF THE ACQUISITION

On 16 March 2015, the Company entered into a conditional share sale agreement and a letter of extension of conditional period dated 11 September 2015 (collectively referred to as "SSA") with Galactic Yield Enterprises Ltd ("GYEL" or "Vendor") for the Acquisition. Pursuant to the terms of the SSA, the Company shall acquire 4,050,000 Galactic Shares from the Vendor, free from all charges, liens, pledges, trust and other encumbrances and with all rights, benefits and entitlements accruing or attaching thereto.

2. DETAILS OF THE ACQUISITION (CONT'D)

The purchase consideration of RM7,200,000 shall be satisfied entirely in cash. The details of the Vendor's shareholding in Galactic as well as the payment of the Purchase Consideration by the Company are as follows:

Vendor	No. of Galactic Shares to be acquired	% equity interest in Galactic to be acquired	Cash consideration for the Acquisition (RM)
GYEL	4,050,000	30.00%	7,200,000*

Note:

* *Comprising the deposit of RM720,000 and the remaining Purchase Consideration of RM6,480,000 which will be paid after the completion of the Rights Issue of Shares with Warrants in accordance to the SSA.*

The remaining 70% equity interest in Galactic will continue to be held by the Vendor (21%) and other existing shareholders of Galactic (49%) as set out below:

Shareholders and directors of Galactic	Nationality	No. of Galactic Shares held as at 30 September 2015, being the latest practicable date ("LPD")	%
Yang Xiaowen	People's Republic of China	5,265,000	39.00
Dou Jun	People's Republic of China	1,350,000	10.00
Total		**6,615,000**	**49.00**

Upon completion of the Acquisition, Galactic will become a 30%-owned associate company of the Company.

In consideration of the Company agreeing to purchase the 4,050,000 Galactic Shares from the Vendor, the Vendor covenants and agrees to warrant the Company a profit guarantee (as set out in Section 5.1 of the Abridged Prospectus).

3 GENERAL INFORMATION

3.1 Background

Galactic was incorporated and domiciled in Malaysia as a private limited company on 22 March 2010 under the name of Landmark Vintage Sdn Bhd. On 9 April 2010, the Company changed its name to XinJunYe Shipping (Malaysia) Sdn Bhd and subsequently changed its name to Galactic Maritime (M) Sdn Bhd on 27 March 2013.

3.2 Share capital

The movements in the issued and paid-up share capital of Galactic since its incorporation are as follows:

				<----- Cumulative Total ----->	
Date of Allotment	**Consideration**	**No.of Shares Allotted**	**Par Value RM**	**No. of Ordinary Shares**	**Issued and Paid-up Share Capital RM**
22.03.2010	Cash	2	1.00	2	2
04.08.2010	Cash	99,998	1.00	100,000	100,000
08.10.2010	Cash	300,000	1.00	400,000	400,000
10.01.2011	Cash	100,000	1.00	500,000	500,000
20.09.2012	Cash	13,000,000	1.00	13,500,000	13,500,000

3.3 Dividend

No dividend was declared by the Company since the date of incorporation.

4. RELEVANT FINANCIAL YEARS AND AUDITORS

The relevant financial years of the audited financial statements presented for the purpose of this report ("Relevant Financial Years") and the auditors of the Company for the Relevant Financial Years are set out below:

Relevant Financial Years	Auditor	Auditor's Report
Financial Year Ended ("FYE") 31 March 2012 ("FYE 31 March 2012")	ABD Halim & Associates	Appendix I
FYE 31 March 2013 ("FYE 31 March 2013")	ABD Halim & Associates	Appendix II
FYE 31 March 2014 ("FYE 31 March 2014")	ABD Halim & Associates	Appendix III

4. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

In the previous years, the financial statements of the Company were prepared in accordance with Private Entity Reporting Standards ("PERSs"). These are the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition to MFRSs does not have financial impact to the financial statements of the Company.

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

Standards issued but not yet effective

The Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 119	Defined Benefits Plans Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle		1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle		1 July 2014
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Method of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016

4. **BASIS OF PREPARATION (CONT'D)**

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

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle		1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2016
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

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

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

<u>MFRS 9 *Financial Instruments* (IFRS 9 issued by International Accounting Standards Board ("IASB") in July 2014)</u>

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

4. **BASIS OF PREPARATION (CONT'D)**

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

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

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

The adoption of MFRS 9 will result in a change in accounting policy. The Company is currently examining the financial impact of adopting MFRS 9.

MFRS 15 *Revenue from Contracts with Customers*

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

(b) **Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values have been rounded to the nearest RM.

4. **BASIS OF PREPARATION (CONT'D)**

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

There are no significant areas of estimation uncertainty and critical judgement 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:

Useful lives of property, plant and equipment

The Company regularly reviews 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.

Impairment of loans and receivables

The Company assesses at end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

4. **BASIS OF PREPARATION (CONT'D)**

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

Income taxes

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

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

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 7.5.16(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) 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 5(f)(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. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained earnings.

5. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(a) **Property, plant and equipment (Cont'd)**

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

Ships	5-10%
Renovation	10%
Computer and handphone	20%
Furniture and fittings and office equipment	10%
Signboard	10%
Motor vehicles	20%

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.

(b) **Finance leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss.

5. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(c) **Financial assets**

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

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

The Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are 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.

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 or sales of financial assets are recognised and derecognised on the trade date i.e. the date that 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 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 profit or loss.

5. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) **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 Company become a party to the contractual provisions of the financial instrument.

The Company classify their financial liabilities at initial recognition, into other financial liabilities measured at amortised cost.

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.

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.

(e) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and bank balances that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

5. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(f) **Impairment of assets**

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers, deferred tax assets, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) 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 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.

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.

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.

5. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, associates and joint ventures, 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.

<u>Financial assets carried at amortised cost</u>

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company 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 Company'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 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.

5. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(g) **Share capital**

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

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

(h) **Employee benefits**

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Company. 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 contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Company has no further payment obligations.

(i) **Revenue**

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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) 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 statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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.

6. FINANCIAL INFORMATION AND LIMITATION

We have audited the financial statements of Galactic, which comprise statement of financial position as at 31 March 2012, 2013 and 2014, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial years then ended, and a summary of significant accounting policies and other explanatory information.

The financial information of Galactic as presented in Note 7 for the past three (3) FYE 31 March 2012, 2013 and 2014 were drawn up so as to give a true and fair view of the financial position of the Company and of its financial performance and cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards which is reported by us without qualifications.

We have relied upon information and representations given to us by Directors, officers and employees of the Company and sought explanations for apparent discrepancies, if any.

7. HISTORICAL FINANCIAL STATEMENTS

7.1 Statement of Comprehensive Income

The following statement of comprehensive income are based on the audited financial statements of the Galactic for the FYE 31 March 2012, 2013 and 2014.

		<---------- FYE 31 March --------->		
		2012	**2013**	**2014**
	Note	**RM**	**RM**	**RM**
Revenue	7.5.1	11,086,036	12,259,315	9,229,446
Cost of sales		(5,983,312)	(6,869,716)	(2,802,328)
Gross profit		5,102,724	5,389,599	6,427,118
Other income		-	13,305	14,162
Administrative expenses		(3,873,444)	(3,754,067)	(3,394,333)
Finance cost	7.5.2	(1,644)	(3,790)	(9,165)
Profit before taxation	7.5.3	1,227,636	1,645,047	3,037,782
Taxation	7.5.4	(203,801)	145,100	(2,463,016)
Net profit for the financial year, representing total comprehensive income for the financial year		1,023,835	1,790,147	574,766

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.2 Statement of Financial Position

	Note	<---------- FYE 31 March ----------> 2012 RM	2013 RM	2014 RM
Non-Current Asset				
Property, plant and equipment	7.5.6	20,912,291	14,396,717	15,856,818
Current Assets				
Trade receivables	7.5.7	1,627,444	1,982,325	4,446,981
Other receivables	7.5.8	692,604	2,664,041	1,583,448
Cash and bank balances		16,993	665,939	421,217
		2,337,041	5,312,305	6,451,646
Total Assets		23,249,332	19,709,022	22,308,464
Equity				
Share capital	7.5.9	500,000	13,500,000	13,500,000
Retained profits		2,468,861	4,259,008	4,833,774
		2,968,861	17,759,008	18,333,774
Non-Current Liabilities				
Finance lease payables	7.5.10	40,795	16,888	72,816
Deferred tax liabilities	7.5.11	769,900	564,100	2,964,900
		810,695	580,988	3,037,716
Current Liabilities				
Trade payables	7.5.12	341	16,855	208,657
Other payables	7.5.13	507,857	1,261,132	621,467
Amount owing to a director	7.5.14	18,939,388	6,432	45,087
Finance lease payables	7.5.10	22,190	23,907	37,063
Tax payable		-	60,700	24,700
		19,469,776	1,369,026	936,974
Total Liabilities		20,280,471	1,950,014	3,974,690
Total Equity and Liabilities		23,249,332	19,709,022	22,308,464

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.3 Statement of Change in Equity

	Note	Share Capital RM	Retained Profits RM	Total RM
At 1 April 2011		500,000	1,445,026	1,945,026
Net profit for the financial year, representing total comprehensive income for the financial year		-	1,023,835	1,023,835
At 31 March 2012		500,000	2,468,861	2,968,861
At 1 April 2012		500,000	2,468,861	2,968,861
Issued during the financial year	7.5.9	13,000,000	-	13,000,000
Net profit for the financial year, representing total comprehensive income for the financial year		-	1,790,147	1,790,147
At 31 March 2013		13,500,000	4,259,008	17,759,008
At 1 April 2013		13,500,000	4,259,008	17,759,008
Net profit for the financial year, representing total comprehensive income for the financial year		-	574,766	574,766
At 31 March 2014		13,500,000	4,833,774	18,333,774

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.4 Statement of Cash Flows

	<---------- FYE 31 March ---------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Cash Flows From Operating Activities			
Profit before taxation	1,227,636	1,645,047	3,037,782
Adjustment for:			
Depreciation of property, plant and equipment	1,970,411	1,320,535	1,647,606
Loss on disposal of property, plant and equipment	-	68,920	-
Provision for diminution in value on other investment	2,407	-	-
Interest expense	1,644	3,790	9,165
Operating profit from working capital changes	3,202,098	3,038,292	4,694,553
Change in working capital:			
Trade receivables	1,102,096	(354,881)	(2,464,656)
Other receivables	(213,551)	(1,971,437)	1,080,593
Trade payables	341	16,514	191,802
Other payables	6,623	753,275	(639,665)
Amount owing to a director	5,190,618	(5,932,956)	38,655
	6,086,127	(7,489,485)	(1,793,271)
Cash generated from/(used in) operations	9,288,225	(4,451,193)	2,901,282
Interest paid	(1,644)	(3,790)	(9,165)
Tax paid	-	-	(98,216)
Net cash generated from/(used in) operating activities	9,286,581	(4,454,983)	2,793,901
Cash Flows From Investing Activities			
Proceed from disposal of quoted shares	285,853	-	-
Purchase of property, plant and equipment	(9,557,325)	(39,601)	(2,997,707)
Proceed from disposal of property, plant and equipment	-	5,165,720	-
Net cash (used in)/from investing activities	(9,271,472)	5,126,119	(2,997,707)

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7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.4 Statement of Cash Flows (Cont'd)

	<----------- FYE 31 March ----------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Cash Flows From Financing Activity			
Repayment of finance lease payables, representing net cash used in financing activity	(7,015)	(22,190)	(40,916)
Net increase/(decrease) in cash and cash equivalents	8,094	648,946	(244,722)
Cash and cash equivalents at beginning of the financial year	8,899	16,993	665,939
Cash and cash equivalents at end of the financial year	16,993	665,939	421,217
Cash and cash equivalents at end of the financial year comprises:			
Cash and bank balances	16,993	665,939	421,217

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements

7.5.1 Revenue

Revenue represents contract fees received and receivables from services rendered less discount during the financial year.

7.5.2 Finance Cost

	<--------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Interest expense on:			
Finance lease payables	1,644	3,790	9,165

7.5.3 Profit Before Taxation

Profit before taxation is derived after charging/(crediting):

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Audit remuneration			
- current year	15,000	15,500	15,500
- over provision in prior year	(570)	(2,900)	(3,430)
Deposit forfeited	-	-	1,100
Depreciation of property, plant and equipment	1,970,411	1,320,535	1,647,606
Directors' remuneration			
- Salary	96,000	-	-
Loss on disposal of property, plant and equipment	-	68,920	-
Provision for diminution in value of other investment	2,407	-	-
Rental of premises	45,049	26,377	19,400

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.4 Taxation

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Tax expenses recognised in profit or loss			
Current tax	-	60,700	62,200
Under provision in prior year	-	-	16
	-	60,700	62,216
Deferred tax			
Relating to origination of temporary differences	306,350	394,124	755,145
(Over)/under provision in prior years	(102,549)	(599,924)	1,645,655
	203,801	(205,800)	2,400,800
Tax expense for the financial year	203,801	(145,100)	2,463,016

Malaysia income tax is calculated at the statutory tax rate of 20% on the first RM500,000 and 25% on the chargeable income above RM500,000.

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7. **HISTORICAL FINANCIAL STATEMENTS (CONT'D)**

7.5 **Notes to Financial Statements (Cont'd)**

7.5.4 **Taxation (Cont'd)**

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

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Profit before taxation	1,227,636	1,645,047	3,037,782
At Malaysian statutory tax rate of 25%	306,909	411,262	759,446
Expenses not deductible for tax purpose	60,823	58,741	57,899
Tax incentive on small and medium enterprise	(61,382)	(15,179)	-
Under provision of taxation in prior year	-	-	16
(Over)/under provision of deferred tax in prior year	(102,549)	(599,924)	1,645,655
	203,801	(145,100)	2,463,016

7.5.5 **Employee Benefits Expenses**

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Employee benefits expenses (excluding Directors)	1,322,539	1,799,189	1,134,469

Included in the employee benefits expenses are contributed made to the Employee Provident Fund under a defined contribution plan of the Company amounting to RM24,682 (2012: RM3,567; 2013: RM7,899).

7. **HISTORICAL FINANCIAL STATEMENTS (CONT'D)**

7.5 **Notes to Financial Statements (Cont'd)**

7.5.6 **Property, Plant and Equipment**

	Ships RM	Renovation RM	Computer and handphone RM	Furniture and fittings and office equipment RM	Signboard RM	Motor vehicles RM	Total RM
2012							
Cost							
At 1 April 2011	14,687,580	9,000	2,480	28,063	1,150	-	14,728,273
Additions	9,518,341	-	3,298	3,786	-	101,900	9,627,325
At 31 March 2012	24,205,921	9,000	5,778	31,849	1,150	101,900	24,355,598
Accumulated depreciation							
At 1 April 2011	1,468,758	900	496	2,627	115	-	1,472,896
Charged for the financial year	1,944,675	900	1,156	3,185	115	20,380	1,970,411
At 31 March 2012	3,413,433	1,800	1,652	5,812	230	20,380	3,443,307
Carrying amount							
At 31 March 2012	20,792,488	7,200	4,126	26,037	920	81,520	20,912,291

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.6 Property, Plant and Equipment (Cont'd)

	Ships RM	Renovation RM	Computer and handphone RM	Furniture and fittings and office equipment RM	Signboard RM	Motor vehicles RM	Total RM
2013							
Cost							
At 1 April 2012	24,205,921	9,000	5,778	31,849	1,150	101,900	24,355,598
Additions	4,860	-	7,375	27,366	-	-	39,601
Disposal	(6,543,300)	-	-	-	-	-	(6,543,300)
At 31 March 2013	17,667,481	9,000	13,153	59,215	1,150	101,900	17,851,899
Accumulated depreciation							
At 1 April 2012	3,413,433	1,800	1,652	5,812	230	20,380	3,443,307
Charged for the financial year	1,290,588	900	2,630	5,922	115	20,380	1,320,535
Disposal	(1,308,660)	-	-	-	-	-	(1,308,660)
At 31 March 2013	3,395,361	2,700	4,282	11,734	345	40,760	3,455,182
Carrying amount							
At 31 March 2013	14,272,120	6,300	8,871	47,481	805	61,140	14,396,717

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.6 Property, Plant and Equipment (Cont'd)

	Ships RM	Renovation RM	Computer and handphone RM	Furniture and fittings and office equipment RM	Signboard RM	Motor vehicles RM	Total RM
2014							
Cost							
At 1 April 2013	17,667,481	9,000	13,153	59,215	1,150	101,900	17,851,899
Additions	2,940,892	-	-	3,815		163,000	3,107,707
At 31 March 2014	20,608,373	9,000	13,153	63,030	1,150	264,900	20,959,606
Accumulated depreciation							
At 1 April 2013	3,395,361	2,700	4,282	11,734	345	40,760	3,455,182
Charged for the financial year	1,584,677	900	2,630	6,304	115	52,980	1,647,606
At 31 March 2014	4,980,038	3,600	6,912	18,038	460	93,740	5,102,788
Carrying amount							
At 31 March 2014	15,628,335	5,400	6,241	44,992	690	171,160	15,856,818

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.6 Property, Plant and Equipment (Cont'd)

(a) The carrying amount of property, plant and equipment of the Company acquired under finance lease arrangement are as follows:

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Motor vehicles	81,520	61,140	171,160

(b) The aggregate additional cost for the property, plant and equipment of the Company during the financial year under finance lease arrangement are as follows:

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Aggregate costs	9,627,325	39,601	3,107,707
Less:			
Finance lease financing	(70,000)	-	(110,000)
Cash payments	9,557,325	39,601	2,997,707

7.5.7 Trade Receivables

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Trade receivables	1,627,444	1,982,325	4,446,981

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2012: 30 to 60 days; 2013: 30 to 60 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.7 Trade Receivables (Cont'd)

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

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Neither past due nor impaired:	542,712	1,251,186	987,301
Past due but not impaired:			
Less than 30 days	228,326	-	189,503
31 to 60 days	738,699	-	311,408
61 to 90 days	117,707	-	421,632
More than 90 days	-	731,139	2,537,137
	1,084,732	731,139	3,459,680
	1,627,444	1,982,325	4,446,981

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

As at 31 March 2014, trade receivables of RM3,459,680 (2012: RM1,084,732; 2013: RM731,139) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

7.5.8 Other Receivables

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Other receivables	670,998	2,584,741	1,530,000
Deposits	21,500	79,300	48,518
Prepayments	106	-	4,930
	692,604	2,664,041	1,583,448

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.9 Share Capital

	Number of shares			Amount		
	2012 Units	2013 Units	2014 Units	2012 RM	2013 RM	2014 RM
Ordinary shares of RM1.00 each						
Authorised						
At 1 April 2011/2012/2013	500,000	500,000	25,000,000	500,000	500,000	25,000,000
Created during the financial year	-	24,500,000	-	-	24,500,000	-
At 31 March 2012/2013/2014	500,000	25,000,000	25,000,000	500,000	25,000,000	25,000,000
Issued and fully paid shares						
At 1 April 2011/2012/2013	500,000	500,000	13,500,000	500,000	500,000	13,500,000
Issued during the financial year	-	13,000,000	-	-	13,000,000	-
At 31 March 2012/2013/2014	500,000	13,500,000	13,500,000	500,000	13,500,000	13,500,000

On 20 September 2012, the Company increased its authorised ordinary share capital from RM500,000 to RM25,000,000 through the creation of 24,500,000 ordinary shares of RM1.00 each. The Company issued 13,000,000 new ordinary shares of RM1.00 each at RM13,000,000 by way of capitalisation of amount owing to a Director.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regard to the Company's residual assets.

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.10 Finance Lease Payables

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Minimum lease payments:			
Within one year	25,980	25,980	43,610
Later than one year and not later than two years	25,980	17,318	26,292
Later than two year and not later than five years	17,318	-	54,765
	69,278	43,298	124,667
Less: Future finance charges	(6,293)	(2,503)	(14,788)
Present value of minimum lease payments	62,985	40,795	109,879
Present value of minimum lease payments:			
Within one year	22,190	23,907	37,063
Later than one year and not later than two years	23,906	16,888	72,816
Later than two year and not later than five years	16,889	-	-
	62,985	40,795	109,879
Analysed as:			
Repayable within twelve months	22,190	23,907	37,063
Repayable after twelve months	40,795	16,888	72,816
	62,985	40,795	109,879

Interest is charged at rates ranging from 3.78% to 3.90% (2012: 3.78%; 2013: 3.78%) per annum.

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7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.11 Deferred Tax Liabilities

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
At 1 April	566,099	769,900	564,100
Recognised in profit or loss	203,801	(205,800)	2,400,800
At 31 March	769,900	564,100	2,964,900

The balance in the deferred taxation is made up of tax effects of temporary differences arising from:

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Capital allowance in excess of depreciation	(769,900)	(564,100)	(2,964,900)

7.5.12 Trade Payables

The normal trade credit term granted to the Company is 30 to 90 days (2012: 30 to 90 days; 2013: 30 to 90 days). Other credit terms are assessed and approved on a case to case basis.

7.5.13 Other Payables

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Other payables	491,164	1,231,705	585,911
Accruals	16,693	29,427	35,556
	507,857	1,261,132	621,467

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.14 Amount Owing to a Director

This represents unsecured, interest free advances and is repayable on demand.

7.5.15 Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Company if 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 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 Company either directly or indirectly. The key management personnel include all the Directors of the Company and certain members of senior management of the Company.

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

(b) Compensation of key management personnel

Remuneration of Directors and key management personnel are as follows:

	<------- FYE 31 March ------>		
	2012	2013	2014
	RM	RM	RM
Director's remuneration	96,000	-	-

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.16 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 5 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:

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
2012			
Financial assets			
Trade receivables	1,627,444	-	1,627,444
Other receivables	692,498	-	692,498
Cash and bank balances	16,993	-	16,993
	2,336,935	-	2,336,935
2012			
Financial liabilities			
Trade payables	-	341	341
Other payables	-	507,857	507,857
Amount owing to a director	-	18,939,388	18,939,388
Finance lease payables	-	62,985	62,985
	-	19,510,571	19,510,571
2013			
Financial assets			
Trade receivables	1,982,325	-	1,982,325
Other receivables	2,664,041	-	2,664,041
Cash and bank balances	665,939	-	665,939
	5,312,305	-	5,312,305

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.16 Financial Instruments (Cont'd)

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

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
2013			
Financial liabilities			
Trade payables	-	16,855	16,855
Other payables	-	1,261,132	1,261,132
Amount owing to a director	-	6,432	6,432
Finance lease payables	-	40,795	40,795
	-	1,325,214	1,325,214
2014			
Financial assets			
Trade receivables	4,446,981	-	4,446,981
Other receivables	1,578,518	-	1,578,518
Cash and bank balances	421,217	-	421,217
	6,446,716	-	6,446,716
2014			
Financial liabilities			
Trade payables	-	208,657	208,657
Other payables	-	621,467	621,467
Amount owing to a director	-	45,087	45,087
Finance lease payables	-	109,879	109,879
	-	985,090	985,090

(b) Financial risk management objectives and policies

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

7. **HISTORICAL FINANCIAL STATEMENTS (CONT'D)**

7.5 **Notes to Financial Statements (Cont'd)**

7.5.16 **Financial Instruments (Cont'd)**

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

The following sections provide details regarding the Company'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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers.

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

Credit risk concentration profile

The Company has significant concentrations of credit risk arising from one customer (2012: 2; 2013: 1) that represent 100% (2012: 88%; 2013: 76%) of the gross trade receivables balance at end of the reporting period.

(ii) Liquidity risk

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

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.16 Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2012					
Non-derivative financial liabilities					
Trade payables	341	-	-	341	341
Other payables	507,857	-	-	507,857	507,857
Amount owing to a director	18,939,388	-	-	18,939,388	18,939,388
Finance lease payables	25,980	25,980	17,318	69,278	62,985
	19,473,566	25,980	17,318	19,516,864	19,510,571

7. **HISTORICAL FINANCIAL STATEMENTS (CONT'D)**

7.5 **Notes to Financial Statements (Cont'd)**

7.5.16 **Financial Instruments (Cont'd)**

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

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Financial liabilities					
2013					
Non-derivative financial liabilities					
Trade payables	16,855	-	-	16,855	16,855
Other payables	1,261,132	-	-	1,261,132	1,261,132
Amount owing to a director	6,432	-	-	6,432	6,432
Finance lease payables	25,980	17,318	-	43,298	40,795
	1,310,399	17,318	-	1,327,717	1,325,214
Financial liabilities					
2014					
Non-derivative financial liabilities					
Trade payables	208,657	-	-	208,657	208,657
Other payables	621,467	-	-	621,467	621,467
Amount owing to a director	45,087	-	-	45,087	45,087
Finance lease payables	43,610	26,292	54,765	124,667	109,879
	918,821	26,292	54,765	999,878	985,090

7. **HISTORICAL FINANCIAL STATEMENTS (CONT'D)**

7.5 **Notes to Financial Statements (Cont'd)**

7.5.16 **Financial Instruments (Cont'd)**

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

(iii) Interest rate risk

The Company's borrowings is exposed to a risk of change in their fair value due to changes in interest rates.

The Company manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Company does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's financial instruments that are exposed to interest rate risk are as follows:

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Fixed rate			
Finance lease payables	62,985	40,795	109,879

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.16 Financial Instruments (Cont'd)

(c) Fair values of financial instrument

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value				
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total fair value RM**	**Carrying amount RM**
2012					
Financial liability					
Finance lease payables	-	37,306	-	37,306	40,795
2013					
Financial liability					
Finance lease payables	-	15,681	-	15,681	16,888
2014					
Financial liability					
Finance lease payables	-	64,140	-	64,140	72,816

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

7. **HISTORICAL FINANCIAL STATEMENTS (CONT'D)**

7.5 **Notes to Financial Statements (Cont'd)**

7.5.16 **Financial Instruments (Cont'd)**

(c) Fair values of financial instrument (Cont'd)

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

7.5.17 **Capital Management**

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.17 Capital Management (Cont'd)

The Company monitors capital using a gearing ratio. The Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The gearing ratios at end of the reporting period are as follows:

	<------- FYE 31 March ------->		
	2012	**2013**	**2014**
	RM	**RM**	**RM**
Total loans and borrowings	62,985	40,795	109,879
Less: Cash and bank balances	16,993	665,939	421,217
Total net debts/(excess fund)	45,992	(625,144)	(311,338)
Total equity	2,968,861	17,759,008	18,333,774
Gearing ratio (%)	2%	*	*

* Gearing ratio is not applicable as the cash and bank balances were sufficient to cover the entire borrowing obligation.

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

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

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7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.18 Comparative Information

The following reclassifications were made to the financial statements of prior year to be consistent with current year presentation.

	At previously stated RM	Reclassification RM	As restated RM
Statement of Cash Flows			
Cash flows from operating activity			
Changes in working capital			
Amount owing to a director	(18,932,956)	13,000,000	(5,932,956)
Cash flows from financing activity			
Proceed from issuance of shares	13,000,000	(13,000,000)	-

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7. HISTORICAL FINANCIAL STATEMENTS (CONT'D)

7.5 Notes to Financial Statements (Cont'd)

7.5.19 Subsequent Event

There were no significant subsequent event between the date of the latest financial statements used in the preparation of this report and the date of this report which will affect materially the contents of this report.

Yours faithfully

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Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

DIRECTORS' REPORT

iNix Technologies Holdings Bhd (665797-D)
No.38, Jalan Dagang SB 4/2, Taman Sungai Besi Indah,
43300 Seri Kembangan, Selangor.
Tel: +603-9059 3800 Fax: +603-9059 3900
The House of Innovations Website: www.inix.com.my / www.ansi.com.my

Registered Office:

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

15 OCT 2015

To: Shareholders of Inix Technologies Holdings Berhad ("**Inix**" or "**Company**")

Dear Sir/Madam,

On behalf of the Board of Directors of Inix ("**Board**"), I wish to report that after making due enquiries in relation to our Company and subsidiary companies ("**Group**") during the period between 31 July 2014 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof, being a date not earlier than fourteen (14) days before the date of this Abridged Prospectus that:

(i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(v) since the last audited consolidated financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings; and

(vi) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the results of our Group since the last audited consolidated financial statements of our Group.

Yours faithfully
For and behalf of the Board of
INIX TECHNOLOGIES HOLDINGS BERHAD

CHOW HUNG KEEY
Executive Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

1.1 Save for the Rights Shares, Warrants, as well as new Shares to be issued pursuant to the exercise of the Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issue of this AP.

1.2 As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

1.3 As at the LPD, save as disclosed below, no person has been or is entitled to be granted an option to subscribe for any of our securities:

(a) the Entitled Shareholders who will be allotted the Provisional Rights Shares with Warrants under the Rights Issue of Shares with Warrants; and

(b) up to thirty percent (30%) of the issued and paid-up share capital of our Company (excluding treasury shares, if any) can be issued at any one time during the duration of the SIS for the eligible persons after completion of the Rights Issue of Shares with Warrants. As at the LPD, the SIS has not been implemented..

2. REMUNERATION OF DIRECTORS

The provisions in our Articles of Association in respect of the arrangements for the remuneration of Directors are as follows:

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the Company in General Meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, PROVIDED ALWAYS that:-

(a) The fees payable to the Directors shall from time to time be determined by a resolution of the Company in General Meeting PROVIDED ALWAYS that such fees shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the General Meeting;

(b) Save as provided in Article 94(a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Article 94(a) hereof, payable to the non-executive Directors shall be determined by a resolution of the Company in General Meeting;

(c) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(d) Salaries payable to executive Directors may not include a commission on or percentage of turnover; and

(e) Any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 95

(a) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board of Directors' Meetings or General Meetings of the Company.

(b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in General Meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits.

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiaries have entered into any other material contract (not being contracts entered into in the ordinary course of business) within the two (2) years immediately preceding the date of this AP:

(i) Deed Poll executed by our Company constituting the Warrants; and

(ii) SSA.

4. MATERIAL LITIGATION

As at the LPD, neither we nor our subsidiaries are engaged in any other material litigation, claims or arbitration, either as plaintiff or defendant, and our Board does not have any knowledge of any proceedings, pending or threatened, against us or our subsidiaries or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Company or our subsidiaries.

5. GENERAL

5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

5.2 Save as disclosed in this AP and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

(i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure of our Group;

(iii) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

(v) substantial increase in revenues; and

(vi) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

The Adviser, Company Secretary, Principal Banker, Auditors, Share Registrar, Independent Market Researcher, Solicitors for the Rights Issue of Shares with Warrants and Bloomberg Finance LP have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

The written consent of our Reporting Accountants to the inclusion in this AP of their names and letter relating to the pro forma consolidated statements of financial position of our Group as at 31 July 2014 and Accountants' Report on Galactic and Auditors to the inclusion in this AP of their names relating to the audited consolidated financial statements of our Group for the FYE 31 July 2014, and all references thereto in the form and context in which they appear have been given before the issuance of this AP and have not subsequently been withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of twelve (12) months from the date of this AP:

(i) our Memorandum and Articles of Association;

(ii) the audited financial statements of our Group for the past two (2) FYE 31 July 2013 and FYE 31 July 2014,

(iii) the latest unaudited consolidated financial results of our Group for the FYE 31 July 2015 as set out in Appendix V;

(iv) the pro forma consolidated statements of financial position of our Group as at 31 July 2014 together with the notes and Reporting Accountants' letter thereon as set out in Appendix III of this AP;

(v) the IMR;

(vi) the Undertakings and Additional Undertakings as referred to in Section 2.5 of this AP;

(vii) the Directors' Report referred to in Appendix VII of this AP;

(viii) the Deed Poll;

(ix) the letters of consent referred to in Section 6 of this Appendix VIII;

(x) the Accountants' Report on Galactic as set out in Appendix VI;

(xi) the material contracts referred to in Section 3 of this Appendix VIII.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares with Warrants.

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NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS

Terms defined in the Abridged Prospectus dated 26 October 2015 ("**AP**") shall have the same meanings when used in this Notice of Provisional Allotment. The provisional allotment of Rights Shares with Warrants (as defined herein) is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") shall apply in respect of dealings in the provisional allotment of Rights Shares with Warrants.

INIX TECHNOLOGIES HOLDINGS BERHAD

(Company No. 665797-D)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 278,179,000 NEW ORDINARY SHARES OF RM0.10 EACH IN INIX TECHNOLOGIES HOLDINGS BERHAD ("INIX") ("INIX SHARES") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING INIX SHARE HELD AS AT 5.00 P.M. ON 26 OCTOBER 2015 ("ENTITLEMENT DATE") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, TOGETHER WITH UP TO 208,634,250 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF THREE (3) WARRANTS FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR ("RIGHTS ISSUE OF SHARES WITH WARRANTS")

Adviser

TA SECURITIES
A MEMBER OF THE TA GROUP

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: Shareholders of Inix

Dear Sir/ Madam,

The Board of Directors of Inix ("**Board**") has provisionally allotted to you, in accordance with the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") dated 8 July 2015 and the Ordinary Resolution passed by shareholders of the Company at the Extraordinary General Meeting convened on 21 August 2015, the number of Rights Shares with Warrants as indicated below ("**Provisional Allotment**").

We wish to advise that the following Rights Shares with Warrants provisionally allotted to you in respect of the Rights Issue of Shares with Warrants have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and conditions stated in the AP and the Rights Subscription Form dated 26 October 2015 issued by the Company.

The Provisional Allotment is made subject to the provisions in the AP dated 26 October 2015 issued by the Company. Bursa Securities has already prescribed the securities of Inix listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the provisional allotment of the Rights Shares with Warrants arising from the Rights Issue of Shares with Warrants are prescribed securities and, as such, all dealings in the Provisional Allotment will be by way of book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF SHARES WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES WITH WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATE OR WARRANT CERTIFICATE WILL BE ISSUED.

It is the intention of the Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, on the pro-rata basis and in board lot to the entitled shareholders who have applied for the excess Rights Shares with Warrants, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;
(iii) thirdly, on a pro-rata basis and in board lot to the entitled shareholders who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and
(iv) lastly, on a pro-rata basis and in board lot to the transferees and/or renouncees who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, the Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(B) of the Rights Subscription Form in such manner as it deems fit and expedient and in the best interest of the Company, subject always to such allocation being made on a fair and equitable basis and that the intention of the Board as set out in (i) to (iv) above are achieved. The Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF INIX SHARES HELD AT 5.00 P.M. ON 26 OCTOBER 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.10 PER RIGHTS SHARE WITH WARRANTS (RM)

IMPORTANT RELEVANT DATES:

Entitlement date	:	Monday, 26 October 2015 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Monday, 2 November 2015 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Thursday, 5 November 2015 at 4.00 p.m
Last date and time for acceptance and payment	:	Wednesday, 11 November 2015 at 5.00 p.m.*
Last date and time for excess application and payment	:	Wednesday, 11 November 2015 at 5.00 p.m.*

* *or such later date and time as the Board may decide in its absolute discretion and announce not less than two (2) market days before the stipulated date and time*

By order of the Board

Wong Youn Kim (MAICSA 7018778)
Company Secretary

Share Registrar
Bina Management (M) Sdn Bhd (50164-V)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 7784 3922
Fax : (03) 7784 1988

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 26 OCTOBER 2015

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 26 OCTOBER 2015 ("AP") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF. THIS RSF IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES (AS DEFINED HEREIN) WITH WARRANTS (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RIGHTS SHARES WITH WARRANTS PURSUANT TO THE RIGHTS ISSUE OF SHARES WITH WARRANTS (AS DEFINED HEREIN) OF INIX TECHNOLOGIES HOLDINGS BERHAD ("INIX" OR THE "COMPANY"). THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M. ON 11 NOVEMBER 2015 OR SUCH LATER TIME AND DATE AS MAY BE DETERMINED AND ANNOUNCED BY THE BOARD. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS STANDING TO THE CREDIT OF HIS / HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

INIX TECHNOLOGIES HOLDINGS BERHAD

(Company No. 665797-D)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 278,179,000 NEW ORDINARY SHARES OF RM0.10 EACH IN INIX ("INIX SHARES") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING INIX SHARE HELD AS AT 5.00 P.M. ON 26 OCTOBER 2015 ("ENTITLEMENT DATE") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, TOGETHER WITH UP TO 208,634,250 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF THREE (3) WARRANTS FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR ("RIGHTS ISSUE OF SHARES WITH WARRANTS")

NAME AND ADDRESS OF APPLICANT

NRIC NO. / PASSPORT NO. (STATE COUNTRY) **/ COMPANY NO.**

CDS ACCOUNT NO. _ _ _ - _ _ _ - _ _ _ _ _ _ _ _ _

To: The Board of Directors of Inix ("**Board**")

PART I – ACCEPTANCE OF RIGHTS SHARES WITH WARRANTS AND APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS

In accordance with the terms of this RSF and the AP, I / we* hereby irrevocably:

(i) *accept the number of Rights Shares with Warrants as stated below, which were provisionally allotted / transferred / renounced* to me / us*;
(ii) *apply for the number of excess Rights Shares with Warrants as stated below in addition to the above;

in accordance with and subject to the Memorandum and Articles of Association of the Company.

I / We* enclose herewith the appropriate remittance(s) for the payment stated below, in favour of the respective account stated below and crossed "**ACCOUNT PAYEE ONLY**", being the full amount payable for the Rights Shares with Warrants accepted / applied for, and hereby request for the said Rights Shares with Warrants to be credited into my / our valid and subsisting CDS account as stated above:

NUMBER OF RIGHTS SHARES ACCEPTED / EXCESS APPLIED		AMOUNT PAYABLE BASED ON RM0.10 PER RIGHTS SHARE (RM)	BANKER'S DRAFT / CASHIER'S ORDER / MONEY ORDER / POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE				INIX RIGHTS SHARES ACCOUNT
(B) EXCESS				INIX EXCESS RIGHTS SHARES ACCOUNT

Note: If you have subsequently purchased additional provisional Rights Shares with Warrants from the open market, you should indicate your acceptance of the total provisional Rights Shares with Warrants that you have standing to the credit in your CDS account under Part I(A).

I / We* hereby authorise you to return without interest, my / our* application money or the balance thereof should my / our* application for excess Rights Shares with Warrants be not successful at all or only partial successful by ORDINARY POST to me / us* at MY / OUR* OWN RISK.

PART II – DECLARATION

I / We* hereby confirm and declare that:

(i) All information provided by me / us* is true and correct;
(ii) All information is identical with the information in the records of the Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my / our* rights may be rejected;
(iii) I / We* consent to Inix and the Share Registrar of Inix collecting the information and personal data (collectively "**Data**") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Shares and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations; and

- * I am 18 years of age or over.
- * I am / We are* resident(s) of Malaysia.
- * I am / We are* resident(s) of ………………….. (country) and having ……………………. citizenship.
- * I am / We are* nominee(s) of a person who is a Bumiputera / Non-Bumiputera / Non-Citizen* resident in ……………..........….. (country) and having ....………………… citizenship.

I / We* hereby accept all the terms and conditions set out in this RSF and the AP and further confirm compliance with all the requirements for acceptance as set out therein.

Date

Signature / Authorised Signatory(ies)
(Corporate bodies must affix their Common Seal)

Contact telephone number (Office/Mobile) during office hours

AFFIX MALAYSIAN REVENUE STAMP OF RM10.00 HERE

LAST DATE AND TIME FOR

Acceptance and payment	:	Wednesday, 11 November 2015 at 5.00 p.m.^
Excess application and payment	:	Wednesday, 11 November 2015 at 5.00 p.m.^

^ *Or such later date and time as the Board may decide at its absolute discretion and announce not less than two (2) market days before the stipulated date and time.*

* *Please delete whichever is not applicable.*

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE AP.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE OF SHARES WITH WARRANTS SHOULD BE ADDRESSED TO THE SHARE REGISTRAR OF THE COMPANY, BINA MANAGEMENT (M) SDN BHD ("SHARE REGISTRAR") AT LOT 10, THE HIGHWAY CENTRE, JALAN 51/205, 46050 PETALING JAYA, SELANGOR DARUL EHSAN. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE AP TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.

This RSF, together with the AP and Notice of Provisional Allotment ("**NPA**") for the Rights Issue of Shares with Warrants, is not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Shares with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled shareholders and/or their renouncees/transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue of Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. Inix Technologies Holdings Berhad ("**Inix**" or "**Company**") and TA Securities Holdings Berhad shall not accept any responsibility or liability in the event that any acceptance or renunciation made by entitled shareholders and/or their renouncees/transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the entitled shareholders and/or renouncees/transferees (if applicable) are residents.

A copy of the AP has been registered with the Securities Commission Malaysia ("**SC**"). A copy of the same, together with the NPA and RSF, have also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

The shareholders of Inix have approved the Rights Issue of Shares with Warrants at the Extraordinary General Meeting held on 21 August 2015. Approval has also been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 8 July 2015 for the admission of the Warrants to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new Inix Shares to be issued upon the exercise of the Warrants on the ACE Market of Bursa Securities. The official listing of and quotation for Rights Shares with Warrants will commence after, among others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") that all the Central Depository System ("**CDS**") accounts of entitled shareholders and/or their renouncees/transferees (if applicable) have been duly credited and notices of allotment have been despatched to the successful applicants.

Neither Bursa Securities nor the SC takes any responsibility for the correctness or accuracy of any statements made or opinions expressed herein. Admission to the Official List and quotation of the said securities on Bursa Securities are in no way reflective of the merits of the Rights Issue of Shares with Warrants.

This RSF, together with the AP and NPA, have been seen and approved by the Board of Directors of Inix ("**Board**") and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

The provisionally allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of dealings of the provisionally allotted Rights Shares with Warrants.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or "**RM**" in abbreviation) and sen. Terms defined in the AP shall have the same meanings when used in this documents, unless they are otherwise defined here or other context otherwise requires.

INSTRUCTIONS:

(i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on 11 November 2015, or such extended date and time as the Board may decide at its absolute discretion. Where the closing date for acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) market days before the original closing date.

(ii) FULL ACCEPTANCE OF THE RIGHTS SHARES WITH WARRANTS

If you wish to accept the Rights Shares with Warrants provisionally allotted to you, please complete Part I(A) and Part II of this RSF and return this RSF, together with the appropriate remittance made in RM for the full amount in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made out in favour of "**INIX RIGHTS SHARES ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters, for the full amount payable for the Rights Shares with Warrants accepted, to be received by the Share Registrar, before 5.00 p.m. on 11 November 2015 (or such extended date and time as the Board may decide at its absolute discretion). Cheques or any other mode of payments are not acceptable.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you is not received by the Share Registrar by 5.00 p.m. on 11 November 2015, being the last time and date for acceptance and payment (or such extended time and date as may be determined and announced by the Board), such provisional allotment of rights will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such Rights Shares with Warrants not taken up, first, to applicants applying for excess Rights Shares with Warrants in the manner set out in note (iv) below.

The remittance must be made for the exact amount payable for the Rights Shares with Warrants accepted (ROUNDED UP TO THE NEAREST SEN). No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post to the address stated in the Record of Depositors provided by Bursa Depository within eight (8) market days from the last date for acceptance and payment for the Rights Shares with Warrants.

(iii) PART ACCEPTANCE OF THE RIGHTS SHARES WITH WARRANTS

If you wish to accept part of your provisional allotment of the Rights Shares with Warrants, please complete Part I(A) of this RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of this RSF and deliver the completed RSF together with the relevant payment to the Share Registrar by 5.00 p.m. on 11 November 2015, being the last time and date for acceptance and payment (or such extended time and date as may be determined and announced by the Board).

(iv) APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS

If you and/or your renouncee(s)/transferee(s) (if applicable) wish to apply for excess Rights Shares with Warrants in addition to those provisionally allotted to you and/or your renouncee(s)/transferee(s) (if applicable), please complete Part I(B) of this RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to the Share Registrar. Payment for the excess Rights Shares with Warrants applied for should be made in the same manner described in note (ii) above, with remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made payable to "**INIX EXCESS RIGHTS SHARES ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters to be received by the Share Registrar not later than 5.00 p.m. on 11 November 2015, being the last time and date for the excess Rights Shares with Warrants acceptance and payment (or such extended time and date as may be determined and announced by the Board). No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post to the address stated in the Record of Depositors provided by Bursa Depository within eight (8) market days from the last date for acceptance and payment for the excess Rights Shares with Warrants.

In respect of unsuccessful or partially successful excess Rights Shares with Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest within fifteen (15) market days from the last date for application and payment for the excess Rights Shares with Warrants by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at the applicant's own risk. It is the intention of the Board to allot the excess Rights Shares with Warrants applied, if any, on a fair and equitable basis and in the following priority:

(a) firstly, to minimise the incidence of odd lots;

(b) secondly, on the pro-rata basis and in board lot to the entitled shareholders who have applied for the excess Rights Shares with Warrants, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;

(c) thirdly, on a pro-rata basis and in board lot to the entitled shareholders who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and

(d) lastly, on a pro-rata basis and in board lot to the transferees and/or renouncees who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, the Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of the Company, subject always to such allocation being made on a fair and equitable basis and that the intention of the Board as set out in (a) to (d) above are achieved. The Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

(v) SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS

If you wish to sell/transfer all or part of your provisional allotment of the Rights Shares with Warrants to your renouncee(s)/transferee(s) (if applicable), you may do so immediately through your stockbroker without first having to request the Company for a splitting of the provisional allotment of the Rights Shares with Warrants standing to the credit of your CDS accounts. To sell/transfer all or part of your provisional allotment of the Rights Shares with Warrants, you may sell such provisional allotment of the Rights Shares with Warrants on the open market of Bursa Securities or transfer such provisional allotment to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisional allotment of the Rights Shares with Warrants, you and/ or your renouncee(s)/transferee(s) (if applicable) need not deliver any document, including this RSF, to the stockbroker. However, you and/or your renouncee(s)/transferee(s) (if applicable) must ensure that you have sufficient provisional allotment of the Rights Shares with Warrants standing to the credit of your CDS account before trading.

The purchaser(s)/renouncee(s)/transferee(s) can collect a copy of this RSF for the acceptance of his/her/their rights from his/her/their stockbroker, the Registered Office of the Company, the Share Registrar's office or Bursa Securities' website at http://www.bursamalaysia.com.

If you have sold only part of the provisional allotment of the Rights Shares with Warrants, you may still accept the balance of your provisional allotment of the Rights Shares with Warrants by completing Parts I(A) and II of this RSF.

(vi) GENERAL INSTRUCTIONS

(a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.

(b) Rights Shares with Warrants subscribed by the shareholders and/or their renouncee(s)/transferee(s) will be credited into their respective CDS accounts as shown in Bursa Depository's Record of Depositors.

(c) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.

(d) The contract arising from the acceptance of the provisional allotment of the Rights Shares with Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract.

(e) The Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to.

(f) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on the RSF.