



iNix Technologies Holdings Berhad (665797-D)

**CONDENSED CONSOLIDATED INCOME STATEMENT
For The First Quarter Ended 31 October 2006**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31 Oct 2006 RM'000	Preceding Year Corresponding Quarter 31 Oct 2005 RM'000	Current Year To date 31 Oct 2006 RM'000	Preceding Year Corresponding Period 31 Oct 2005 RM'000
Revenue		590	5,410	590	5,410
Cost of sales		(380)	(2,449)	(380)	(2,449)
Gross profit		210	2,961	210	2,961
Selling and marketing expenses		(136)	(283)	(136)	(283)
Administrative expenses		(418)	(420)	(418)	(420)
Other operating expenses		(365)	(222)	(365)	(222)
Research and development expenses		(280)	(256)	(280)	(256)
Profit/(loss) from operations		(989)	1,780	(989)	1,780
Finance costs		-	-	-	-
Profit/(loss) before taxation		(989)	1,780	(989)	1,780
Taxation	B5	-	-	-	-
Profit/(loss) after taxation		(989)	1,780	(989)	1,780
Basic earnings/(loss) per share (sen)	B12	(1.03)	1.97	(1.03)	1.97
Diluted earnings per share (sen)	B12	(1.06)	1.92	(1.06)	1.92

Note:

The Company completed the acquisition of its subsidiary INIX Technologies Sdn Bhd on 17 June 2005, and was listed on the MESDAQ Market on 1 September 2005.

The annexed notes are an integral part of this statement



iNix Technologies Holdings Berhad (665797-D)

CONDENSED CONSOLIDATED BALANCE SHEET

As At 31 October 2006

(The figures have not been audited)

		As At End of Current Quarter 31 Oct 2006 RM'000	(Audited) As At Preceding Financial Year End 31 Jul 2006 RM'000
INTANGIBLE ASSET		650	675
PROPERTY, PLANT & EQUIPMENT	A9	6,590	6,752
GOODWILL ON CONSOLIDATION		4	4
CURRENT ASSETS			
Inventories		852	584
Trade receivables		17,555	17,674
Other receivables and prepayments		276	253
Cash and bank balances		340	448
		19,023	18,959
CURRENT LIABILITIES			
Trade payables		846	550
Other payables		282	274
Provision for warranties		87	100
		1,215	924
NET CURRENT ASSETS		17,808	18,035
		25,052	25,466
FINANCED BY			
Share capital		9,586	9,500
Share premium		7,128	6,784
Share option reserve		719	574
Reserve on consolidation		4,648	4,648
Retained profits		2,971	3,960
		25,052	25,466
Net tangible assets per share (RM)		0.25	0.26
Net assets per share (RM)		0.26	0.27

The annexed notes are an integral part of this statement



iNix Technologies Holdings Berhad (665797-D)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The First Quarter Ended 31 October 2006**

(The figures have not been audited)

	Non-distributable				Distributable	Total
	Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Reserve on conso- lidation RM'000	Retained profits RM'000	
Preceding financial period ended 31 July 2006 (audited)						
At 1 August 2005 (audited)	8,051	-	-	4,648	810	13,509
Issue of shares during the period	1,449	6,784	-	-	-	8,233
Proceeds from public issue	1,449	8,694	-	-	-	10,143
Listing expenses	-	(1,910)	-	-	-	(1,910)
Recognition of share option expense	-	-	574	-	-	574
Net profit for the period	-	-	-	-	3,150	3,150
Balance at 31 July 2006 (audited)	9,500	6,784	574	4,648	3,960	25,466
Cumulative quarter ended 31 October 2006						
At 1 August 2006 (audited)	9,500	6,784	574	4,648	3,960	25,466
Issue of shares during the period	86	344	-	-	-	430
Recognition of share option expense	-	-	145	-	-	145
Net profit/(loss) for the period	-	-	-	-	(989)	(989)
Balance at 31 October 2006	9,586	7,128	719	4,648	2,971	25,052

The annexed notes are an integral part of this statement



iNix Technologies Holdings Berhad (665797-D)

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT
For The First Quarter Ended 31 October 2006**

(The figures have not been audited)

	Current Year Quarter 31 Oct 2006 RM'000	Preceding Year Corresponding Quarter 31 Oct 2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(989)	1,780
Adjustments for:		
Depreciation of property, plant and equipment	201	53
Amortisation of intangible asset	25	25
Provision/(Write-back of provision) for warranties	(13)	74
Allowance for doubtful debts	134	159
Provision for stocks obsolescence	41	-
Share option expense	145	105
Operating profit before working capital changes	<u>(456)</u>	<u>2,196</u>
(Increase) in inventories	(309)	(273)
(Increase) in trade receivables	(15)	(5,154)
Decrease/(Increase) in other receivables	(23)	199
Increase/(Decrease) in trade payables	296	(121)
Increase/(Decrease) in other payables	8	(61)
Net cash generated from/(used in) operating activities	<u>(499)</u>	<u>(3,214)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of property, plant and equipment	(39)	(172)
Net cash generated from/(used in) investing activities	(39)	(172)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	430	10,143
Listing expenses paid	-	(1,912)
Net cash generated from financing activities	430	8,231
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(108)</u>	<u>4,845</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	448	135
CASH AND CASH EQUIVALENTS AT END OF QUARTER	<u>340</u>	<u>4,980</u>
These comprise:		
Cash in hand	30	26
Bank balances	310	4,954
	<u>340</u>	<u>4,980</u>

Note:

The Company completed the acquisition of its subsidiary INIX Technologies Sdn Bhd on 17 June 2005, and was listed on the MESDAQ Market on 1 September 2005.

The annexed notes are an integral part of this statement



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 31 October 2006**

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting, and Chapter 9 Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market

The interim financial statements of the Group and of the Company are prepared based on the historical cost convention except as disclosed in the notes to this statement, and in compliance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Save as disclosed in Note A2 below, the accounting policies and methods of computation adopted by the Group in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 July 2006.

A2 Changes in accounting policies

In compliance with the transitional provisions of FRS 2: Share-based Payment, the Group has, in the preparation of the audited financial statements for the preceding financial year ended 31 July 2006, applied this FRS to grants of shares, share options or other equity instruments that were granted after 31 December 2004 and had not yet vested at the effective date of this FRS on 1 January 2006.

The Group has adopted the following new and/or revised FRS which are effective for financial statements in respect of financial years commencing on or after 1 January 2006. The adoption of the FRS does not have any significant impact on the Group.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

A3 Audit report of preceding annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 31 October 2006**

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review.

A7 Debt and equity securities

Save as disclosed below, 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 for the current quarter under review:

Employee Share Option Scheme

The INIX Employee Share Option Scheme ("ESOS" or "the Scheme") grants options to eligible directors and employees of the INIX Group to subscribe for shares up to 15% of INIX's issued and paid-up share capital. The Scheme is in force for a duration of 5 years commencing from 25 August 2005 being the date of full compliance with all relevant requirements of the Scheme.

On 12 September 2005, 6,000,000 share options were granted and accepted at an exercise price of RM0.40 per share pursuant to the Company's ESOS. The estimated fair value of RM0.20 per option was calculated using the Black-Scholes option pricing model with inputs into the model as follows:

Weighted average share price	RM0.44
Exercise price	RM0.40
Expected volatility	60%
Expected life	3 years
Risk free rate	3.33%
Expected dividend yield	nil

Expected volatility was determined by calculating the historical volatility of the share prices of the Company and of other companies listed on the same exchange, board and sector. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Details of the share options outstanding during the period under review are as follows:

	No. of share options at exercise price of RM0.40 each	
	Current Quarter	Year To Date
Outstanding at the beginning of the period	5,160,000	5,160,000
Granted and accepted during the period	-	-
Forfeited during the period	(95,000)	(95,000)
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	<u>5,065,000</u>	<u>5,065,000</u>
Exercisable at the end of the period	<u>2,664,000</u>	<u>2,664,000</u>



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 31 October 2006**

A7 Debt and equity securities *(continued)*

Private placement exercise

The Company's proposed private placement exercise ("Proposed Private Placement") approved by the Securities Commission ("SC") and the Foreign Investment Committee ("FIC") on 24 May 2006 involves the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 10,036,000 new ordinary shares of RM0.10 each ("INIX Shares") to investors to be identified.

On 17 August 2006, the Company announced that the issue price for the first tranche placement of 856,000 Placement Shares to be issued pursuant to the Proposed Private Placement has been fixed at RM0.50 per Placement Share ("First Tranche Shares"). The issue price represents a premium of 72.4% over the 5-day weighted average market price of INIX's Shares from 10 August 2006 to 16 August 2006 of RM0.29. The First Tranche Shares, allotted and issued by the Company on 21 August 2006, were granted listing and quotation on 29 August 2006.

As at 31 October 2006, the INIX Shares to be issued pursuant in relation to the Proposed Private Placement, save for the First Tranche Shares, was pending implementation.

A8 Dividend paid

No dividend has been paid in the current quarter under review.

A9 Segmental information

Business segments

Business segment information is not presented as the Group is primarily engaged in one business segment, which is the development and sales of integrated intelligent wireless security, automation and closed-circuit television surveillance systems.

Geographical segments

As the Group operates predominantly in Malaysia, geographical segment information is not presented other than revenue by geographical markets which is analysed as follows:

	Current Quarter RM'000	Year To Date RM'000
Asia	590	590
Africa	-	-
Australia	-	-
Europe	-	-
Revenue for the period	<u>590</u>	<u>590</u>

A10 Valuation of property, plant and equipment

There were no valuation of the property, plant and equipment in the current quarter under review.



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 31 October 2006**

A11 Material events subsequent to the end of the quarter

Save as disclosed below, there were no material events between the end of the reporting quarter and the date of this announcement.

Private placement exercise

Subsequent to the implementation of the First Tranche Shares of the Proposed Private Placement as disclosed in Note A7, the Company had further implemented other tranches of new INIX Shares as follows:

Date of announcement	Placement tranche	No. of INIX shares	Issue price RM	Date of allotment
27 Nov 2006	Second Tranche	1,000,000	0.225	1 Dec 2006
1 Dec 2006	Third Tranche	1,000,000	0.215	8 Dec 2006
7 Dec 2006	Fourth Tranche	4,000,000	0.220	18 Dec 2006
15 Dec 2006	Fifth Tranche	1,100,000	0.210	22 Dec 2006

As at the date of this announcement, the remaining INIX Shares to be issued pursuant to the Proposed Private Placement, save for the First, Second, Third, Fourth and Fifth Tranche Shares, is pending implementation.

A12 Changes in the composition of the Group

There was no material change in the composition of the Group for the quarter under review.

A13 Contingent liabilities

During the period, the directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have material impact on the financial position and business of the Group.

A14 Capital commitment

As at 31 October 2006, the Group has no material capital commitment in respect of property, plant and equipment.

A15 Significant related party transactions

During the period, the directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

A16 Cash and cash equivalents

Short-term deposits with licensed banks
Cash and bank balances

RM'000

-

340

340



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 31 October 2006**

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

Group sales continued to be dampened by economic concerns emanating from uncertainty over world crude oil prices and rising interest rates, and the Group recorded a turnover of RM0.590 million for the quarter under review. Reflective of the declining sales revenue, the Group's earnings turned negative, with a net loss after taxation of RM0.989 million recorded for the quarter.

B2 Variation of results against preceding quarter

	Current Quarter 31 Oct 2006 RM'000	Preceding Quarter 31 Jul 2006 RM'000
Revenue	590	4,804
Profit/(Loss) after taxation	(989)	422

Reflecting the growingly adverse operating environment for the Group during the period under review, sales turnover fell a hefty 87.7% from the RM4.804 million recorded in the preceding quarter. Group after-tax profit, declined from a positive RM0.422 million to a negative RM0.989 million.

B3 Prospects

Notwithstanding the generally depressed economic conditions, and the disappointing revenue and earnings outturns in the quarter under review, the Directors remain confident of the overall prospects of the Group over the longer term. In the short to medium term however, revenue growth, as will earnings, is expected to come under severe pressure. So too the Group's prospects for a quick return to profitability for the current financial year ending 31 July 2007.

B4 Variance of actual profit from forecast profit and profit guarantee

Not applicable as no profit forecast was published and no profit was guaranteed by the Group.

B5 Taxation

For the current quarter ended 31 October 2006, the Company has no taxable income while its subsidiary enjoyed 100% exemption of tax as a pioneer status company. The pioneer status had been granted to its subsidiary for 5 years commencing 1 December 2003 being an MSC status company, and pursuant to the benefits/incentives available, its statutory income is fully exempted from income tax.

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group during the current quarter under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter under review.

B8 Group's borrowings and debt securities

There were no borrowings and debt securities outstanding and/or issued during the current quarter under review.



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 31 October 2006**

B9 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this announcement applicable to the Group.

B10 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.

Kuala Lumpur High Court Civil Suit No. S7-22-222-2006

On 25 May 2006, the Company received a Writ and Statement of Claim dated 17 March 2006 in relation to the above suit filed by Mohd Yusoff Bin Mohd Noor ("Plaintiff"). The Plaintiff claims a sum of RM1,010,000 from the Company and one of its directors, namely Jimmy Tok Soon Guan (collectively, the "Defendants") which is allegedly owed to him premised on an alleged promise by the Defendants. The Defendants' Statement of Defence was filed on 20 June 2006, and the Reply filed on 10 July 2006. The Company's solicitors are of the opinion that the Plaintiff's claim is frivolous as it is based on illegality as well as fraud and as such unsustainable.

On 20 December 2006, the Company announced that the Plaintiff's solicitors had served the sealed copy of the application for Summary Judgment. Accordingly, the Kuala Lumpur High Court had fixed the matter for hearing on 18 January 2007.

B11 Dividends

No dividends have been declared in respect of the current quarter under review.

B12 Earnings per share

	Current Quarter 31 Jul 2006	Year To Date 31 Jul 2006
Profit after taxation (RM'000)	(989)	(989)
Weighted average number of ordinary shares assumed in issue ('000)	95,670	95,670
Basic earnings/(loss) per share (sen)	(1.03)	(1.03)
Weighted average number of ordinary shares assumed in issue ('000)	95,670	95,670
Number of shares under option ('000)	5,065	5,065
Less: Number of shares that would have been issued at average fair value ('000)	(7,184)	(7,184)
Adjusted weighted average number of ordinary shares assumed in issue ('000)	93,551	93,551
Diluted earnings/(loss) per share (sen)	(1.06)	(1.06)



iNix Technologies Holdings Berhad (665797-D)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The First Quarter Ended 31 October 2006

B13 Status of corporate proposals

Save as disclosed below, there were no corporate proposals announced but not yet completed as at the date of this announcement.

Private placement exercise

The Company's proposed private placement exercise ("Proposed Private Placement") approved by the Securities Commission ("SC") and the Foreign Investment Committee ("FIC") on 24 May 2006 involves the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 10,036,000 new ordinary shares of RM0.10 each ("INIX Shares") to investors to be identified.

As disclosed in Note A7 and Note A11, the Company had implemented the First, Second, Third, Fourth and Fifth Tranche shares pursuant to the Proposed Private Placement.

As at the date of this announcement, the remaining INIX Shares to be issued pursuant to the Proposed Private Placement, save for the First, Second, Third, Fourth and Fifth Tranche shares, is pending implementation.

B15 Utilisation of placement proceeds

The status of utilisation of the proceeds raised is as follows:

	As approved by the SC			Balance RM'000
	Proposed private placement RM'000	First, second & third tranche shares RM'000	Utilised at date of this report RM'000	
Expansion of production capacity	3,000	683	-	683
Working capital	714	162	162	0
Estimated expenses	100	23	13	10
	<u>3,814</u>	<u>868</u>	<u>175</u>	<u>693</u>

The proceeds raised have been allocated proportionately based on the 2,856,000 ordinary shares issued over the number of ordinary shares under the Proposed Private Placement. Any excess/(deficit) in the gross proceeds raised, upon completion, will be utilised for/(adjusted from) working capital.

B16 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 29 December 2006.

iNix Technologies Holdings Berhad
29 December 2006