



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

# Unaudited interim financial report

for the quarter ended 30 April 2010

<b>SUMMARY OF KEY FINANCIAL INFORMATION</b>				
<b>30/04/2010</b>				
	<b>INDIVIDUAL PERIOD</b>		<b>CUMULATIVE PERIOD</b>	
	<b>CURRENT YEAR QUARTER</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b>	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>30/04/2010</b>	<b>30/04/2009</b>	<b>30/04/2010</b>	<b>30/04/2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
1 Revenue	746	234	1,419	976
2 Profit/(loss) before tax	155	(1,063)	391	(2,799)
3 Profit/(loss) for the period	155	(1,063)	391	(2,799)
4 Profit/(loss) attributable to ordinary equity holders of the parent	155	(1,063)	391	(2,799)
5 Basic earnings/(loss) per share (sen)	0.34	(2.43)	0.34	(2.43)
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0526		0.0508	



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated income statement for the three-month and nine-month periods ended 30 April 2010

	<i>Note</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 Apr 2010</i>	<i>30 Apr 2009</i>	<i>30 Apr 2010</i>	<i>30 Apr 2009</i>
		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	746	234	1,419	976
Cost of sales		(128)	(209)	(375)	(860)
<b>Gross profit</b>		618	25	1,044	116
Other operating income		-	-	623	-
Selling and marketing expenses		(7)	(53)	(45)	(62)
Administrative expenses		(51)	(355)	(17)	(946)
Research and development expenses		(266)	(436)	(799)	(1,176)
Other expenses		(139)	(243)	(415)	(729)
Finance costs		-	(1)	-	(2)
<b>Profit/(Loss) before tax</b>		155	(1,063)	391	(2,799)
Taxation	B5	-	-	-	-
<b>Loss for the period</b>		155	(1,063)	391	(2,799)
<b>Profit/(Loss) per share attributable to ordinary equity holders of the Company (sen)</b>					
Basic	B13	0.13	(0.92)	0.34	(2.43)
Diluted	B13	0.13	(0.92)	0.34	(2.43)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated balance sheet as at 30 April 2010

	<i>Note</i>	<i>As at 30 Apr 2010 unaudited RM'000</i>	<i>As at 31 Jul 2009 audited RM'000</i>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible assets		561	793
Property, plant and equipment	A10	3,606	4,820
		<hr/> 4,167	<hr/> 5,613
<b>Current Assets</b>			
Inventories		266	311
Trade receivables		2,093	1,277
Other receivables, deposits and prepayments		234	158
Cash and bank balances		24	30
		<hr/> 2,617	<hr/> 1,776
<b>TOTAL ASSETS</b>		<hr/> <b>6,784</b>	<hr/> <b>7,389</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to Equity Holders of the Company</b>			
Share capital		11,495	11,495
Share premium		8,658	8,658
Share option reserve	A7(a)	175	364
Accumulated losses		(14,282)	(14,673)
		<hr/> 6,046	<hr/> 5,844
<b>Non-Current Liability</b>			
Hire purchase payable	B9	-	-
<b>Current liabilities</b>			
Trade payables		296	356
Other payables and accruals		439	1,183
Provision for warranty claims		2	3
Hire purchase payable	B9	1	3
		<hr/> 738	<hr/> 1,545
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/> <b>6,784</b>	<hr/> <b>7,389</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>			
		0.0526	0.0508

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated statement of changes in equity for the nine-month period ended 30 April 2010

	<i>Attributable to equity holders of the Company</i>				
	<i>Share capital</i>	<i>Share premium</i>	<i>Share option reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2008</b> (audited)	11,495	8,658	1,478	(13,850)	7,781
Loss for the period	-	-	-	(2,799)	(2,799)
Employee share options granted	-	-	385	-	385
<b>At 30 April 2009</b> (unaudited)	11,495	8,658	1,863	(16,649)	5,367
<b>At 1 August 2009</b> (audited)	11,495	8,658	364	(14,673)	5,844
Profit for the period	-	-	-	391	391
Employee share options granted	-	-	(189)	-	(189)
<b>At 30 April 2010</b> (unaudited)	11,495	8,658	175	(14,282)	6,046

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.*



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated cashflow statement for the nine-month period ended 30 April 2010

	<i>Nine months ended</i>	
	<b>30 Apr 2010</b>	<b>30 Apr 2009</b>
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) for the period</b>	391	(2,799)
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	1,214	1,417
Amortisation of intangible assets	232	232
Net provision for warranty claims (written back)	(1)	(2)
Allowance for doubtful debts	16	3
Interest expense on hire purchase financing	-	2
Share option expense (written back)	(189)	385
<b>Operating profit/(loss) before working capital changes</b>	<b>1,663</b>	<b>(762)</b>
Decrease in inventories	45	332
Increase/(Decrease) in trade receivables	(832)	33
Decrease/(Increase) in other receivables, deposits and prepayments	(76)	26
Decrease in trade payables	(60)	(87)
Increase/(decrease) in other payables and accruals	(746)	357
<b>Net cash generated from/(used in) operating activities</b>	<b>(6)</b>	<b>(101)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Net cash generated from/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid on hire purchase financing	-	(2)
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>(2)</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(6)	(103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30	157
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>24</b>	<b>54</b>
<i>These comprise:-</i>		
Cash in hand	7	18
Bank balances	17	36
	<b>24</b>	<b>54</b>

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.



## 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 2009. 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 2009.

#### 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 2009.

The Group and the Company have not applied the following new and revised accounting standards (including consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

<b>Standard</b>	<b>Effective for annual periods commencing on or after</b>
FRS 1	1 Jan 2010
Amendment to FRS 1 <i>First-time Adoption of Financial Reporting Standards</i>	1 Jan 2010
FRS 2	1 Jan 2010
Amendment to FRS 2 <i>Share-based Payment</i>	1 Jan 2010
FRS 4	1 Jan 2010
Insurance Contracts	1 Jan 2010
FRS 5	1 Jan 2010
Amendment to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 Jan 2010
FRS 7	1 Jan 2010
Financial Instruments: Disclosures	1 Jan 2010
Amendment to FRS 7 <i>Financial Instruments: Disclosures</i>	1 Jan 2010
FRS 8	1 Jan 2010
Amendment to FRS 8 <i>Operating Segments</i>	1 Jan 2010
FRS 101	1 Jan 2010
Presentation of Financial Statements	1 Jan 2010
FRS 107	1 Jan 2010
Amendment to FRS 107 <i>Cash Flow Statements</i>	1 Jan 2010
FRS 108	1 Jan 2010
Amendment to FRS 108 <i>Accounting Policies, Changes on Accounting Estimates and Errors</i>	1 Jan 2010
FRS 110	1 Jan 2010
Amendment to FRS 110 <i>Events After the Balance Sheet Date</i>	1 Jan 2010
FRS 116	1 Jan 2010
Amendment to FRS 116 <i>Property, Plant and Equipment</i>	1 Jan 2010
FRS 117	1 Jan 2010
Amendment to FRS 117 <i>Leases</i>	1 Jan 2010
FRS 118	1 Jan 2010
Amendment to FRS 118 <i>Revenue</i>	1 Jan 2010
FRS 119	1 Jan 2010
Amendment to FRS 119 <i>Employee Benefits</i>	1 Jan 2010
FRS 120	1 Jan 2010
Amendment to FRS 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 Jan 2010
FRS 121	1 Jan 2010
Amendment to FRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>	1 Jan 2010
FRS 123	1 Jan 2010
Borrowing Costs	1 Jan 2010
Amendment to FRS 123 <i>Borrowing Costs</i>	1 Jan 2010
FRS 127	1 Jan 2010
Amendment to FRS 127 <i>Consolidated and Separate Financial Statements</i>	1 Jan 2010
FRS 132	1 Jan 2010
Amendment to FRS 132 <i>Financial Instruments: Presentation</i>	1 Jan 2010
FRS 134	1 Jan 2010
Amendment to FRS 134 <i>Interim Financial Reporting</i>	1 Jan 2010
FRS 136	1 Jan 2010
Amendment to FRS 136 <i>Impairment of Assets</i>	1 Jan 2010
FRS 138	1 Jan 2010
Amendment to FRS 138 <i>Intangible Assets</i>	1 Jan 2010
FRS 139	1 Jan 2010
Financial Instruments: Recognition and Measurement	1 Jan 2010
Amendment to FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 Jan 2010
FRS 140	1 Jan 2010
Investment Property	1 Jan 2010
<b>Interpretation</b>	
IC 9	1 Jan 2010
Reassessment of Embedded Derivatives	1 Jan 2010
IC 10	1 Jan 2010
Interim Financial Reporting and Impairment	1 Jan 2010



## Explanatory notes to the interim financial report

### A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 July 2009 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.

### 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 during the financial year-to-date under review:

#### (a) 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.

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:

	<i>No. of share options at exercise price of RM0.40 each</i>			
	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 Apr 2010</i>	<i>30 Apr 2009</i>	<i>30 Apr 2010</i>	<i>30 Apr 2009</i>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
Outstanding at the beginning of the period	295	4,250	695	4,250
Granted and accepted during the period	-	-	-	-
Forfeited during the period	(25)	-	(425)	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>270</b>	<b>4,250</b>	<b>270</b>	<b>4,250</b>
<b>Exercisable at the end of the period</b>	<b>270</b>	<b>3,943</b>	<b>270</b>	<b>3,943</b>



## Explanatory notes to the interim financial report

### A7 Debt and equity securities *(continued)*

#### (b) Private placement exercise

The Company announced on 4 January 2008 that it proposed to undertake a private placement exercise involving the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 11,495,000 new ordinary shares of RM0.10 each to investors to be identified. The proposal is subject to approval of the Securities Commission.

### A8 Dividends paid

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

### A9 Segmental information

#### (a) Geographical segments

- Asia** - promotion, marketing, distribution, sales and related activities.  
- research and development ("R&D") activities are engaged in Malaysia only.
- Australia** - promotion, marketing, distribution, sales and related activities.

	<i>Australia</i> RM'000	<i>Asia</i> RM'000	<i>Conso- lidated</i> RM'000
<b>Three months ended 30 Apr 2010</b>			
<b>Segment Revenue</b>			
Total revenue	-	189	746
Inter-segment revenue	-	-	-
External revenue	-	189	746
<b>Segment Results</b>			
Unallocated expenses	(52)	258	206
- corporate			(51)
- R&D			-
Finance costs			-
Taxation			-
Profit for the period			155
<b>Segment Assets</b>			
Unallocated assets	261	5,999	6,260
Total assets			524
			6,784
<b>Segment Liabilities</b>			
Unallocated liabilities	-	2	2
Total liabilities			736
			738
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	-	404	404
Amortisation	53	25	78





## Explanatory notes to the interim financial report

### A9 Segmental information *(continued)*

#### (a) Geographical segments *(continued)*

	<i>Australia</i> RM'000	<i>Asia</i> RM'000	<i>Conso- lidated</i> RM'000
<b>Three months ended 30 Apr 2009</b>			
<b>Segment Revenue</b>			
Total revenue	-	234	234
Inter-segment revenue	-	-	-
External revenue	-	234	234
<b>Segment Results</b>			
Unallocated expenses	(84)	(418)	(502)
- corporate			(392)
- R&D			(169)
Finance costs			-
Taxation			-
Loss for the period			(1,063)
<b>Segment Assets</b>			
Unallocated assets	628	5,900	6,528
Total assets			7,266
<b>Segment Liabilities</b>			
Unallocated liabilities	-	5	5
Total liabilities			1,894
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	32	440	472
Amortisation	53	25	78
<b>Nine months ended 30 Apr 2010</b>			
<b>Segment Revenue</b>			
Total revenue	-	1,419	1,419
Inter-segment revenue	-	-	-
External revenue	-	1,419	1,419
<b>Segment Results</b>			
Unallocated expenses	(157)	565	408
- corporate			(17)
- R&D			-
Finance costs			-
Taxation			-
Profit for the period			391
<b>Segment Assets</b>			
Unallocated assets	261	5,999	6,260
Total assets			6,784
<b>Segment Liabilities</b>			
Unallocated liabilities	-	2	2
Total liabilities			736
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	-	1,214	1,214
Amortisation	157	75	232



## Explanatory notes to the interim financial report

### A9 Segmental information *(continued)*

#### (a) Geographical segments *(continued)*

	<i>Australia</i>	<i>Asia</i>	<i>Conso- lidated</i>
	RM'000	RM'000	RM'000
<b>Nine months ended 30 Apr 2009</b>			
<b>Segment Revenue</b>			
Total revenue	-	976	976
Inter-segment revenue	-	-	-
External revenue	-	976	976
<b>Segment Results</b>			
Unallocated expenses	(251)	(1,115)	(1,366)
- corporate			(1,054)
- R&D			(377)
Finance costs			(2)
Taxation			-
Loss for the period			(2,799)
<b>Segment Assets</b>			
Unallocated assets	628	5,900	6,528
Total assets			738
			7,266
<b>Segment Liabilities</b>			
Unallocated liabilities	-	5	5
Total liabilities			1,894
			1,899
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	95	1,322	1,417
Amortisation	157	75	232

#### (b) Business segments

	<i>Invest- ment holding</i>	<i>Development and sales of security, automation and surveillance systems</i>	<i>Elimi- nation</i>	<i>Conso- lidated</i>
	RM'000	RM'000	RM'000	RM'000
<b>Three months ended 30 Apr 2010</b>				
Total revenue	-	746	-	746
Segment assets	4,810	7,691	(5,717)	6,784
Capital expenditure	-	-	-	-
<b>Three months ended 30 Apr 2009</b>				
Total revenue	-	234	-	234
Segment assets	8,007	8,130	(8,871)	7,266
Capital expenditure	-	-	-	-



## Explanatory notes to the interim financial report

### A9 Segmental information *(continued)*

#### (b) Business segments *(continued)*

	<i>Invest- ment holding</i>	<i>Development and sales of security, automation and surveillance systems</i>	<i>Elimi- nation</i>	<i>Conso- lidated</i>
	RM'000	RM'000	RM'000	RM'000
<b><i>Nine months ended 30 Apr 2010</i></b>				
Total revenue	-	1,419	-	1,419
Segment assets	4,810	7,691	(5,717)	6,784
Capital expenditure	-	-	-	-
<b><i>Nine months ended 30 Apr 2009</i></b>				
Total revenue	-	976	-	976
Segment assets	8,007	8,130	(8,871)	7,266
Capital expenditure	-	-	-	-

### A10 Carrying value of revalued assets

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

### A11 Changes in the composition of the Group

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

### A12 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.

### A13 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 at 31 July 2009.

### A14 Significant related party transactions

The directors are of the opinion that there were no related party transactions during the financial year-to-date which would have a significant impact on the financial position and business of the Group.

### A15 Subsequent events

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



## Explanatory notes to the interim financial report

### **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 ("FY10Q3"), the Group registered a pre-tax profit of RM0.155 million on sales turnover of RM0.746 million. For the financial year-to-date, consolidated profit before tax is RM0.391 million on sales of RM1.419 million.

#### **B2 Material change in profit before tax**

	<i>Current quarter ended 30 Apr 2010</i>	<i>Preceding quarter ended 31 Jan 2010</i>
	RM'000	RM'000
Revenue	746	484
Profit before taxation	155	120

In comparison, the preceding quarter ("FY10Q2") recorded a pre-tax gain of RM0.120 million on sales of RM0.484 million. For FY10Q3, research and development expenses, so too selling and marketing expenses, were higher at +RM0.266 million (FY10Q2: +RM0.254 million) and +RM0.007 million (FY10Q2: +RM0.002 million) respectively. Administrative expenses for FY10Q3 was +RM0.051 million compared to a negative -RM0.197 million for FY10Q2 during which -RM0.203 million was written-back in share option expenses arising from resigned staff forfeiting their respective employee share options.

Other significant individual items of expenditure for FY10Q3 compared to FY10Q2 include depreciation on property, plant and equipment of RM0.405 million (FY10Q2: RM0.405 million) and amortisation of intangible assets RM0.077 million (FY10Q2: RM0.077 million).

#### **B3 Prospects**

In light of the Group's disappointing revenue and earnings performance in the last three preceding financial years, the Directors are cautious on the prospects of the Group in the near term. Barring any unforeseen significant further deterioration of the Group's operating environment, including impairment and/or diminution in the value of the Group's assets vis-à-vis the future economic benefits reasonably expected to flow to the Group therefrom, the Directors are hopeful of reduced losses for the succeeding financial year ending 31 July 2010.

#### **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, the Group has no taxable income.

#### **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.



## Explanatory notes to the interim financial report

### B7 Quoted securities

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

### B8 Corporate proposals

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

#### ***Proposed placement***

The Company announced on 4 January 2008 that it proposed to undertake a private placement exercise involving the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 11,495,000 new ordinary shares of RM0.10 each to investors to be identified. The proposal is pending approval of the Securities Commission.

### B9 Borrowings and debt securities

Save as disclosed below, there were no borrowings and debt securities outstanding and/or issued as at the end of the reporting period.

<i>Interest bearing secured borrowing</i>	<i>Payable within 12 months RM'000</i>	<i>Payable after 12 months RM'000</i>
Hire purchase (in Malaysian currency)	1	-

*There has been no default on payment of either interest and/or principal sum in respect of the above borrowing throughout the past one financial year.*

### B10 Off balance sheet financial 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.

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

The Company and an executive director of the Company are defendants to a suit brought against them by a third party for an amount of RM1,010,000. The solicitors acting on behalf of the Company and the said director are of the opinion that the claim is frivolous as it is based on illegality as well as fraud and as such, unsustainable.

In an announcement on 30 March 2010, the Company informed that the High Court had on 25 March 2010 struck out the Plaintiff's main action against INIX with cost awarded to the Defendants. Further, after hearing INIX's witnesses, perusing the Company's documents and hearing submissions, the Court then allowed INIX Technologies Sdn Bhd's counterclaim against the Plaintiff as follows: (i) judgement for the sum of RM337,300.00; (ii) interest at 8% on the sum of RM337,300.00 from 19 June 2006 until full settlement; and (iii) cost. The Company's lawyers will proceed to file and extract the Court's order.



## 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:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 Apr 2010</i>	<i>30 Apr 2009</i>	<i>30 Apr 2010</i>	<i>30 Apr 2009</i>
<b>Basic:</b>				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	155	(1,063)	391	(2,799)
Weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
<i>Basic earnings/(loss) per ordinary share (sen)</i>	0.13	(0.92)	0.34	(2.43)
<b>Diluted:</b>				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	155	(1,063)	391	(2,799)
Weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
Number of shares issuable under ESOS ('000)	270	4,250	270	4,250
Number of shares that would have been issued at fair value ('000)	(270)	(4,250)	(270)	(4,250)
Adjusted weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	0.13	(0.92)	0.34	(2.43)

### 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 29 June 2010.