



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

Unaudited interim financial report

for the quarter ended 31 October 2011

SUMMARY OF KEY FINANCIAL INFORMATION				
31/10/2011				
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/10/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2010 RM'000	CURRENT YEAR TO DATE 31/10/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2010 RM'000
1 Revenue	900	1,008	900	1,008
2 Profit/(loss) before tax	(119)	(45)	(119)	(45)
3 Profit/(loss) for the period	(119)	(45)	(119)	(45)
4 Profit/(loss) attributable to ordinary equity holders of the parent	(119)	(45)	(119)	(45)
5 Basic earnings/(loss) per share (sen)	(0.10)	(0.04)	(0.10)	(0.04)
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0529		0.0539	



INIX Technologies Holdings Berhad (665797-D)
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Condensed consolidated income statement for the three-month periods ended 31 October 2011

	<i>Note</i>	<i>Three months ended</i>	
		31 Oct 2011 <i>unaudited</i> RM'000	31 Oct 2010 <i>unaudited</i> RM'000
Revenue	A9	900	1,008
Cost of sales		(25)	(202)
<hr/>			
<i>Gross profit</i>		875	806
Other income		-	-
Selling and marketing expenses		-	(27)
Administrative expenses		(55)	(376)
Research and development expenses		(799)	(299)
Other expenses		(140)	(149)
Finance costs		-	-
<hr/>			
<i>Profit/(Loss) before tax</i>		(119)	(45)
Taxation	B5	-	-
<hr/>			
<i>profit/(Loss) for the period</i>		(119)	(45)
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<i>Profit/(Loss) per share</i> <i>attributable to ordinary equity</i> <i>holders of the Company (sen)</i>			
Basic	B13	(0.10)	(0.04)
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Diluted	B13	(0.10)	(0.04)
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The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2011 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 31 October 2011

	Note	As at 31 Oct 2011 unaudited RM'000	As at 31 Jul 2011 audited RM'000
ASSETS			
Non-Current Assets			
Intangible assets		1,911	1,564
Property, plant and equipment	A10	1,275	1,656
		3,186	3,220
Current Assets			
Inventories		374	374
Trade receivables		3,045	3,249
Other receivables, deposits and prepayments		264	259
Cash and bank balances		285	343
		3,968	4,225
TOTAL ASSETS		7,154	7,445
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		11,495	11,495
Share premium		8,658	8,658
Share option reserve	A7	-	-
Accumulated losses		(14,074)	(13,956)
		6,079	6,197
Non-Current Liability			
Hire purchase payable	B9	-	-
Current liabilities			
Trade payables		137	158
Other payables and accruals		934	1,086
Provision for warranty claims		4	4
Hire purchase payable	B9	-	-
		1,075	1,248
TOTAL EQUITY AND LIABILITIES		7,154	7,445
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.0529	0.0539

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2011 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 three-month period ended 31 October 2011

	<i>Attributable to equity holders of the Company</i>				<i>Total</i>
	<i>Share capital</i>	<i>Share premium</i>	<i>Share option reserve</i>	<i>Accumulated losses</i>	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2010 (audited)	11,495	8,658	-	(14,022)	6,131
Profit for the period	-	-	-	(45)	(45)
At 31 Oct 2010 (unaudited)	11,495	8,658	-	(14,067)	6,086
At 1 August 2011 (audited)	11,495	8,658	-	(13,955)	6,198
Profit for the period	-	-	-	(119)	(119)
Compensation expense in respect of employee share options granted	-	-	-	-	-
At 31 Oct 2011 (unaudited)	11,495	8,658	-	(14,074)	6,079

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2011 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 three-month period ended 31 October 2011

	<i>Three months ended</i>	
	31 Oct 2011 <i>unaudited</i> RM'000	31 Oct 2010 <i>unaudited</i> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(119)	(45)
<i>Adjustments:</i>		
Waiver of advances from directors	-	-
Depreciation of property, plant and equipment	381	407
Unrealised loss on foreign exchange	-	-
Gain on disposal of property, plant and equipment	-	-
Amortisation of intangible assets	25	77
Net provision for warranty claims (written back)	-	1
Allowance for doubtful debts made/ (written back)	-	3
Allowance for obsolete inventories	-	-
Share option expense (written back)	-	-
Operating profit/(loss) before working capital changes	287	443
Increase in Intangible assets	(372)	-
Decrease/(Increase) in inventories	-	33
Increase in trade receivables	204	(838)
Decrease/(Increase) in other receivables, deposits and prepayments	(5)	(40)
Decrease in trade payables	(21)	-
Increase/(decrease) in other payables and accruals	(151)	684
Net cash generated from/(used in) operating activities	(58)	282
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Increase in intangible assets	-	-
Proceeds from disposal of property, plant and equipment	-	-
Net cash generated from/(used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	-	-
Interest paid on hire purchase financing	-	-
Net cash generated from/(used in) financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(58)	282
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	343	116
CASH AND CASH EQUIVALENTS AT END OF PERIOD	285	398
<i>These comprise:-</i>		
Cash in hand	12	6
Bank balances	273	392
	285	398

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2011 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 2011. 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 2011.

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 2011.

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:

<i>Standard</i>	<i>Effective for annual periods commencing on or after</i>
FRSs and Amendments	
Amendment to FRS 1	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to FRS 1)</i> 1 Jan 2012
Amendment to FRS 7	<i>Disclosures – Transfers of Financial Assets (Amendments to FRS 7)</i> 1 Jan 2012
FRS 9	<i>Financial Instruments (IFRS 9 issued by IASB in November 2009)</i> 1 Jan 2013
FRS 9	<i>Financial Instruments (IFRS 9 issued by IASB in October 2010)</i> 1 Jan 2013
FRS 10	<i>Consolidated Financial Statements</i> 1 Jan 2013
FRS 11	<i>Joint Arrangements</i> 1 Jan 2013
FRS 12	<i>Disclosure of Interests in Other Entities</i> 1 Jan 2013
FRS 13	<i>Fair Value Measurement</i> 1 Jan 2013
Amendment to FRS 101	<i>Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)</i> 1 July 2012
Amendment to FRS 112	<i>Deferred Tax: Recovery of Underlying Assets (Amendments to FRS 112)</i> 1 Jan 2012
FRS 119 (2011)	<i>Employee Benefits</i> 1 Jan 2013
FRS 124 (revised)	<i>Related Party Disclosures</i> 1 Jan 2012
FRS 127 (2011)	<i>Separate Financial Statements</i> 1 Jan 2013
FRS 128 (2011)	<i>Investment in Associates and Joint Ventures</i> 1 Jan 2013
Interpretations and Amendments	
IC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> 1 Jan 2013

A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 July 2011 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.



Explanatory notes to the interim financial report

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

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:

A8 Dividends paid

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

A9 Segmental information

(a) Operating segments

	<i>Development and sales of security, automation and surveillance systems</i> RM'000	<i>Software development and system integration</i> RM'000	<i>Corporate</i> RM'000	<i>Eliminations</i> RM'000	<i>Total</i> RM'000
Three months ended 31 Oct 2011					
Revenue					
External customers	-	900	-	-	900
Inter-segment	-	-	-	-	-
Total revenue	-	900	-	-	900
Results					
Depreciation	(381)	-	-	-	(381)
Amortisation	(25)	-	-	-	(25)
Impairment of financial assets (made)/ written back	-	-	-	-	-
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	-	(94)	(25)	-	(119)
Assets					
Investment in subsidiaries	-	-	1,000	(1,000)	-
Additions to intangible assets	-	372	-	-	372
Amount due from holding company	-	1,027	-	(1,027)	-
Amount due from a subsidiary company	-	1,729	2,672	(4,401)	-
Amount due from related company	-	-	-	-	-
Segment assets	1,799	8,106	3,677	(6,428)	7,154
Liabilities					
Amount due to holding company	-	10,817	-	(10,817)	-
Amount due to related company	-	-	-	-	-
Amount due to a subsidiary company	-	1,729	1,028	(2,757)	-
Segment liabilities	-	13,313	1,331	(13,569)	1,075



Explanatory notes to the interim financial report

A9 Segmental information (continued)

(a) Operating segments (continued)

	<i>Development and sales of security, automation and surveillance systems</i>	<i>Software development and system integration</i>	<i>Corporate</i>	<i>Eliminations</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 31 Oct 2010					
Revenue					
External customers	144	864	-	-	1,008
Inter-segment	-	-	-	-	-
Total revenue	<u>144</u>	<u>864</u>	<u>-</u>	<u>-</u>	<u>1,008</u>
Results					
Depreciation	(407)	-	-	-	(407)
Amortisation	(77)	-	-	-	(77)
Impairment of non-financial assets	-	-	-	-	-
Provision for warranty claims	(1)	-	-	-	(1)
Share-based payments	-	-	-	-	-
Segment profit/(loss)	<u>(606)</u>	<u>575</u>	<u>(14)</u>	<u>-</u>	<u>(45)</u>
Assets					
Investment in subsidiaries	-	-	-	-	-
Additional of property, plant and equipment	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from subsidiaries	-	-	2,709	(2,709)	-
Amount due from related company	4	-	-	(4)	-
Segment assets	<u>8,548</u>	<u>344</u>	<u>2,714</u>	<u>(3,675)</u>	<u>7,931</u>
Liabilities					
Amount due to holding company	10,828	-	-	(10,828)	-
Amount due to related company	-	4	-	(4)	-
Segment liabilities	<u>12,720</u>	<u>633</u>	<u>2,714</u>	<u>(14,222)</u>	<u>1,845</u>



Explanatory notes to the interim financial report

(b) Geographical information

			Non-current assets		Current asset
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Property, plant and equipment RM'000	Intangible assets RM'000	Trade receivables RM'000
Three months ended 31 Oct 2011					
Malaysia	900	(119)	1,275	1,911	3,045
Australia	-	-	-	-	-
	<u>900</u>	<u>(119)</u>	<u>1,275</u>	<u>1,911</u>	<u>3,045</u>
Three months ended 31 Oct 2010					
Malaysia	1,008	7	2,804	250	3,544
Australia	-	(52)	-	157	-
	<u>1,008</u>	<u>(45)</u>	<u>2,804</u>	<u>407</u>	<u>3,544</u>

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 2011.

A14 Significant related party transactions

On 1st October 2011, the Group via its subsidiaries ASSB, received a Contract from eNCoral Digital Solutions Sdn Bhd (EDSSB) for the software development work.

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

Revenue

	Three months ended	
	31st Oct 2011 RM	31st Oct 2010 RM
Fees on software development in progress receivable from FDSSB	<u>900</u>	<u>-</u>

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

The Group registered a sales turnover of RM0.900 million for the quarter under review ("FY12Q1"). Reflective of the continuing adverse operating environment for the Group, consolidated earnings was in the negative, with an unaudited pre-tax loss of RM0.119 million recorded for the current quarter and financial year-to-date ended 31 October 2011.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 Oct 2011</i>	<i>Preceding quarter ended 31 Jul 2011</i>
	RM'000	RM'000
Revenue	900	1,215
Profit/(Loss) before taxation	(119)	296

In comparison, the preceding quarter ("FY11Q4") recorded a pre-tax profit of RM0.296 million on higher sales of RM1.214 million. For FY12Q1, research and development expenses were lower at +RM0.799 million (FY11Q4: +RM1.017 million). No selling and marketing expenses for FY12Q1 (FY11Q4: RM0.017). Administrative expenses were lower for FY12Q1 at +RM0.055 million (FY11Q4: RM0.158 million).

Other significant individual items of expenditure for FY12Q1 compared to FY11Q4 include depreciation on property, plant and equipment of RM0.381 million (FY11Q4: RM0.367 million) and amortisation of intangible assets of RM0.025 million (FY11Q4: RM0.077 million).

B3 Prospects

In light of the Group's disappointing revenue and earnings performance in the immediately 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 improved results for the succeeding financial year ending 31 July 2012.

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

Proposed Private Placement

In relation to the Proposed Private Placement on 9 March 2011 and 10 March 2011, MIDF Amanah Investment Bank Berhad ("MIDF") has announced on 22 June 2011 to Bursa Malaysia Securities Berhad ("Bursa Securities") that it has resigned as the principal adviser and placement agent to Inix for the Proposed Private Placement.

On behalf of the Board of Directors of Inix ("Board"), M&A Securities Sdn Bhd ("M&A Securities") has been appointed as the principal adviser and placement agent to Inix for the Proposed Private Placement.

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 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.

B12 Dividend payable

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



Explanatory notes to the interim financial report

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 and year-to-date ended</i>	
	<i>31 Oct 2011</i>	<i>31 Oct 2010</i>
Basic:		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(119)	(45)
Weighted average number of ordinary shares in issue ('000)	114,950	114,950
<i>Basic earnings/(loss) per ordinary share (sen)</i>	<i>(0.10)</i>	<i>(0.04)</i>
Diluted:		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(119)	(45)
Weighted average number of ordinary shares in issue ('000)	114,950	114,950
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)	114,950	114,950
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	<i>(0.10)</i>	<i>(0.04)</i>

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 28 December 2011.