



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

Unaudited interim financial report

for the quarter ended 30 April 2014



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

Condensed consolidated income statement for the three-month and nine-month periods ended 30 April 2014

	<i>Note</i>	<i>Three months ended</i> 30 April 2014 <i>unaudited</i> RM'000	<i>30 April 2013</i> <i>unaudited</i> RM'000	<i>Nine months ended</i> 30 April 2014 <i>unaudited</i> RM'000	<i>30 April 2013</i> <i>unaudited</i> RM'000
Revenue	A9	1,735	1,032	2,374	2,112
Cost of sales		(92)	-	(186)	-
Gross profit		1,644	1,032	2,187	2,112
Other income	A10	11	5	13	10
Selling and marketing expenses		-	-	(2)	(2)
Administrative expenses		(303)	(1,008)	(918)	(3,007)
Research and development expenses		(250)	-	(2,139)	-
Other expenses		(1)	(1)	(7)	(5)
Finance costs		-	-	-	-
Profit/(Loss) before tax		1,101	27	(865)	(891)
Taxation	B5	-	-	-	-
profit/(Loss) for the period		1,101	27	(865)	(891)
Profit/(Loss) per share attributable to ordinary equity holders of the Company (sen)					
Basic	B13	0.79	0.02	(0.62)	(0.70)
Diluted	B13	-	-	-	-

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.



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

Condensed consolidated balance sheet as at 30 April 2014

	<i>Note</i>	As at 30 April 2014 <i>unaudited</i> RM'000	As at 31 Jul 2013 <i>audited</i> RM'000
ASSETS			
Non-Current Assets			
Intangible assets		3,890	3,234
Property, plant and equipment		72	43
Investment in subsidiary		0	0
		3,962	3,277
Current Assets			
Inventories		0	0
Trade receivables		3,426	4,087
Other receivables, deposits and prepayments		1,312	1,298
Cash and bank balances		507	192
		5,244	5,577
TOTAL ASSETS		9,206	8,855
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		13,909	12,645
Share premium		8,911	8,658
Share option reserve	A7	-	-
Accumulated losses		(14,581)	(13,715)
		8,239	7,587
Non-Current Liability			
Hire purchase payable		-	-
Current liabilities			
Trade payables		203	200
Other payables and accruals		764	918
Amount due to director		-	150
		967	1,268
TOTAL EQUITY AND LIABILITIES		9,206	8,855
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.0592	0.0600

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2013 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 2014

	<i>Attributable to equity holders of the Company</i>			
	<i>Share capital</i>	<i>Share premium</i>	<i>Accu- mulated losses</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000
At 1 August 2012 (audited)	12,645	8,658	(13,839)	7,464
Profit for the period	-	-	(891)	(891)
At 30 April 2013 (unaudited)	12,645	8,658	(14,730)	6,573
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	-	-	(865)	(865)
At 30 April 2014 (unaudited)	13,909	8,911	(14,580)	8,240

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.



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

Condensed consolidated cashflow statement for the nine-month period ended 30 April 2014

	<i>Nine months ended</i>	
	30 April 2014	30 April 2013
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(865)	(891)
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	7	5
Gain on disposal of property, plant and equipment	-	-
Amortisation of intangible assets	560	-
Allowance for doubtful debts made/ (written back)	10	-
Operating profit/(loss) before working capital changes	(288)	(887)
Increase in Intangible assets	(1,216)	(560)
Decrease/(Increase) in inventories	-	-
Decrease in trade receivables	651	1,627
Decrease/(Increase) in other receivables, deposits and prepayments	(13)	(28)
Increase in trade payables	3	-
Increase/(decrease) in other payables and accruals	(154)	(85)
Increase/(decrease) in amount due to director	(150)	-
Net cash generated from/(used in) operating activities	(1,167)	68
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(36)	(17)
Research & development expenditure	-	-
Net cash generated from/(used in) investing activities	(36)	(17)
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	315	51
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	192	154
CASH AND CASH EQUIVALENTS AT END OF PERIOD	507	205
<i>These comprise:-</i>		
Cash in hand	14	10
Bank balances	493	195
	507	205

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.



Explanatory notes to the interim financial report

A Pursuant to MFRS 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 2013. 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 2012.

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 2013.

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 2013.

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 acceptance 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.



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

	<i>Supply of hardware & software</i>	<i>Software development and system integration</i>	<i>Sales of Books</i>	<i>Corporate</i>	<i>Eliminations</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Three months ended 30 April 2014

Revenue						
External customers	621	1,112	2	-	-	1,735
Inter-segment	-	-	-	-	-	-
Total revenue	621	1,112	2	-	-	1,735
Results						
Depreciation	-	(4)	-	-	-	(4)
Amortisation	-	(187)	-	-	-	(187)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Segment profit/(loss)	473	694	-	(66)	-	1,101
Assets						
Investment in subsidiaries	-	-	-	-	-	-
Additions to intangible assets	-	733	-	-	-	-
Amount due from holding company	-	-	-	-	-	-
Amount due from a subsidiary company	-	-	-	2	(2)	-
Amount due from related company	-	-	-	-	-	-
Segment assets	453	686	-	(77)	(2)	1,060
Liabilities						
Amount due to holding company	-	2	-	-	(2)	-
Amount due to related company	-	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-	-
Segment liabilities	(20)	(8)	-	(11)	(2)	(42)



Explanatory notes to the interim financial report

A9 Segmental information *(continued)*

(a) Operating segments

	<i>Software development and system integration</i>	<i>Sales of Books</i>	<i>Corporate</i>	<i>Elimina- tions</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 30 April 2013					
Revenue					
External customers	1,030	2	-	-	1,032
Inter-segment	-	-	-	-	-
Total revenue	<u>1,030</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>1,032</u>
Results					
Depreciation	(2)	-	-	-	(2)
Amortisation	-	-	-	-	-
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	<u>25</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>27</u>
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from holding company	-	-	-	-	-
Amount due from a subsidiary company	-	-	(10)	10	-
Amount due from related company	-	-	-	-	-
Segment assets	<u>3,571</u>	<u>5,047</u>	<u>4,603</u>	<u>(5,410)</u>	<u>7,811</u>
Liabilities					
Amount due to holding company	(10)	-	-	10	-
Amount due to related company	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-
Segment liabilities	<u>16,100</u>	<u>-</u>	<u>1,259</u>	<u>(16,120)</u>	<u>1,239</u>



Explanatory notes to the interim financial report

A9 Segmental information

(a) Operating segments

	<i>Supply of hardware & software</i>	<i>Software development and system integration</i>	<i>Sales of Books</i>	<i>Corporate</i>	<i>Eliminations</i>	<i>Total</i>
		RM'000	RM'000	RM'000	RM'000	RM'000
Nine months ended 30 April 2014						
Revenue						
External customers	749	1,610	4	11	-	2,374
Inter-segment	-	-	-	-	-	-
Total revenue	<u>749</u>	<u>1,610</u>	<u>4</u>	<u>11</u>	<u>-</u>	<u>2,374</u>
Results						
Depreciation	-	(7)	-	-	-	(7)
Amortisation	-	(560)	-	-	-	(560)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Segment profit/(loss)	<u>421</u>	<u>(516)</u>	<u>4</u>	<u>(774)</u>	<u>-</u>	<u>(865)</u>
Assets						
Investment in subsidiaries	-	-	-	0	-	-
Additions to intangible assets	-	1,216	-	-	-	1,216
Amount due from holding company	-	888	-	-	(888)	-
Amount due from a subsidiary company	-	3,630	-	-	(3,630)	-
Amount due from related company	-	417	-	-	-	417
Segment assets	<u>599</u>	<u>9,460</u>	<u>-</u>	<u>4,082</u>	<u>(4,935)</u>	<u>9,206</u>
Liabilities						
Amount due to holding company	193	11,563	-	-	(11,756)	-
Amount due to related company	-	3,605	-	-	(3,605)	-
Amount due to a subsidiary company	-	-	-	888	(888)	-
Segment liabilities	<u>182</u>	<u>15,879</u>	<u>-</u>	<u>1,150</u>	<u>(16,244)</u>	<u>967</u>



Explanatory notes to the interim financial report

A9 Segmental information

(a) Operating segments

	<i>Software development and system integration</i>	<i>Sales of Books</i>	<i>Corporate</i>	<i>Elimina- tions</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months ended 30 April 2013					
Revenue					
External customers	2,100	12	-	-	2,112
Inter-segment	-	-	-	-	-
Total revenue	<u>2,100</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>2,112</u>
Results					
Depreciation	(5)	-	-	-	(5)
Amortisation	-	-	-	-	-
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Segment profit/(loss)	<u>(831)</u>	<u>12</u>	<u>(72)</u>	<u>-</u>	<u>(891)</u>
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to intangible assets	560	-	-	-	560
Amount due from holding company	902	-	-	(902)	-
Amount due from a subsidiary company	-	-	3,493	(3,493)	-
Amount due from related company	-	-	1,014	(1,014)	-
Segment assets	<u>3,571</u>	<u>5,047</u>	<u>4,603</u>	<u>(5,410)</u>	<u>7,811</u>
Liabilities					
Amount due to holding company	11,619	-	-	(11,619)	-
Amount due to related company	3,602	-	-	(3,602)	-
Amount due to a subsidiary company	-	-	902	(902)	-
Segment liabilities	<u>16,100</u>	<u>-</u>	<u>1,259</u>	<u>(16,120)</u>	<u>1,239</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 30 April 2014					
Malaysia	1,735	1,101	29	-	1,573
Three months ended 30 April 2013					
Malaysia	1,032	27	17	-	1,030
Nine months ended 30 April 2014					
Malaysia	2,374	(865)	72	3,890	3,426
Nine months ended 30 April 2013					
Malaysia	2,112	(891)	25	3,702	2,560

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.

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 at 31 July 2013.



Explanatory notes to the interim financial report

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		Nine months ended	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	RM	RM	RM	RM
Fees on software development in progress receivable from EDSSB	1,100	1,030	1,100	2,060

A16 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 ("FY14Q3"), the Group registered a pre-tax profit of RM1.101 million on sales turnover of RM1.735 million. For financial year-to-date, consolidated loss before tax is RM0.865 million on sales of RM2.374 million.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 30 Apr 2014</i>	<i>Preceding quarter ended 30 Jan 2014</i>
	RM'000	RM'000
Revenue	1,735	544
Profit/(Loss) before taxation	1,101	(885)

In comparison, the preceding quarter ("FY14Q2") recorded a pre-tax loss of RM0.885 million on a sales turnover of RM0.544 million. For FY14Q3 selling and marketing expenses were maintained at +RM0.001 million. Administrative expenses were higher for FY14Q3 by +RM0.303 million (FY14Q2: RM0.352million). There is also an increase in research and development expenses which includes staff salary and product development cost.

Other individual items of expenditure for FY14Q3 compared to FY14Q2 includes depreciation on property, plant and equipment of RM0.001 million (FY13Q3: RM0.005 million) and amortisation of intangible assets of RM0.560 million.

B3 Prospects

The group registered pre-tax profit of RM1.101 for "FY14Q3" compared to RM0.885 loss in the previous quarter "FY14Q2". The group is expecting further improvement in near future following on new business expansion funded by new private placement.

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.

B7 Quoted securities

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



Explanatory notes to the interim financial report

B8 Corporate proposals

- (a) As of the additional listing of and quotation for up to 12,644,500 new ordinary shares of RM0.10 each in INIX ("Placement Shares") on the ACE Market of the Bursa Malaysia Securities Berhad, the Company has exercised the private placement which were fully subscribed at an issue price of RM0.12 per share. These exercises were completed and were subsequently issued and allotted to the investors on 1 November 2013;

Other than the above, there were no corporate proposals announced for the current quarter.

The gross proceeds raised from the Public Issue of RM1.517 million is expected to be utilised for the financial year ending 31st July 2014 in the following manner:

Purpose	Utilisation of proceeds RM'000
Business expansion	1,300.00
Working Capital	117.34
Listing Expenses	100.00
TOTAL	1,517.34

All proceeds raised were received by ITHB on 1st November 2013.

- (b) **On 15th May 2014, an announcement was made on multiple proposals;**

I. Proposed renounceable rights issue of up to 139,089,500 ordinary shares of rm0.10 each in inix ("rights shares") together with up to 139,089,500 free detachable warrants ("warrants") on the basis of one (1) rights share together with one (1) warrant for every one (1) ordinary share of rm0.10 each in inix ("inix share") held by the entitled shareholders of the company on an entitlement date to be determined and announced later ("proposed rights issue with warrants");

II. Proposed increase in the authorised share capital of the company from rm25,000,000 comprising 250,000,000 inix shares to rm100,000,000 comprising 1,000,000,000 inix shares and the amendments to the memorandum of association of the company to accommodate the increase in the authorised share capital ("proposed increase in authorised share capital"); and

III. Proposed acquisition of 51,000 ordinary shares of indonesian rupiah ("idr") 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 ("proposed acquisition"),

(collectively referred to as the "proposals")



Explanatory notes to the interim financial report

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.

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 2014</i>	<i>30 Apr 2013</i>	<i>30 Apr 2014</i>	<i>30 Apr 2013</i>
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	1,101	27	(865)	(891)
Weighted average number of ordinary shares in issue ('000)	139,090	126,450	139,090	126,450
<i>Basic earnings/(loss) per ordinary share (sen)</i>	0.79	0.02	(0.62)	(0.70)
Diluted:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	1,101	27	(865)	(891)
Weighted average number of ordinary shares in issue ('000)	139,090	126,450	139,090	126,450
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	126,450	139,090	126,450
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	N/A	N/A	N/A	N/A



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Explanatory notes to the interim financial report

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 19th June 2014.

INIX Technologies Holdings Berhad
19th June 2014