



INIX Technologies Holdings Berhad

(665797-D)

(Incorporated in Malaysia)

Unaudited interim financial report

for the quarter ended 31 October 2014



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

Condensed consolidated income statement for the three-month period ended 31 October 2014

	<i>Note</i>	<i>Three months ended</i> 31 Oct 2014 <i>unaudited</i> RM'000	31 Oct 2013 <i>unaudited</i> RM'000
Revenue	A9	307	94
Cost of sales		(56)	(43)
Gross profit		250	51
Other income		0	0
Selling and marketing expenses		(6)	(0)
Administrative expenses		(715)	(262)
Research and development expenses		(20)	(870)
Other expenses		(187)	-
Finance costs		-	-
Profit/(Loss) before tax		(678)	(1,082)
Taxation	B5	-	-
profit/(Loss) for the period		(678)	(1,082)
Profit/(Loss) per share attributable to ordinary equity holders of the Company (sen)			
Basic	B13	(0.49)	(0.86)
Diluted	B13	N/A	N/A

The condensed consolidated income 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.



INIX Technologies Holdings Berhad (665797-D)
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Condensed consolidated balance sheet as at 31 October 2014

	<i>Note</i>	<i>As at 31 Oct 2014 unaudited RM'000</i>	<i>As at 31 July 2014 audited RM'000</i>
ASSETS			
Non-Current Assets			
Intangible assets		2,301	2,488
Property, plant and equipment		65	66
Investment in subsidiary		0	0
		2,366	2,554
Current Assets			
Inventories		0	22
Trade receivables		3,948	4,505
Other receivables, deposits and prepayments		1,105	1,105
Cash and bank balances		573	661
		5,626	6,293
TOTAL ASSETS		7,992	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		(15,783)	(15,105)
		7,037	7,715
Non-Current Liability			
Hire purchase payable	B9	-	-
Current liabilities			
Trade payables		13	5
Other payables and accruals		942	1,127
Amount due to director		-	-
		956	1,132
TOTAL EQUITY AND LIABILITIES		7,992	8,847
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.0506	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.



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 2014

	<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 2013 (audited)	12,645	8,658	-	(13,715)	7,588
Loss for the period	-	-	-	(1,082)	(1,082)
At 31 Oct 2013 (unaudited)	12,645	8,658	-	(14,797)	6,506
At 1 August 2014 (audited)	13,909	8,911	-	(15,105)	7,715
Loss for the period	-	-	-	(678)	(678)
At 31 Oct 2014 (unaudited)	13,909	8,911	-	(15,783)	7,037

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 accompanying explanatory notes attached to the interim financial statements.



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

Condensed consolidated cashflow statement for the three-month period ended 31 October 2014

	<i>Three months ended</i>	
	31 Oct 2014	31 Oct 2013
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(678)	(1,082)
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	2	2
Allowance for obsolete inventories	-	-
Amortisation of intangible assets	187	187
Net provision for warranty claims (written back)	-	-
Allowance for doubtful debts made/ (written back)	10	10
Operating profit/(loss) before working capital changes	(480)	(883)
Decrease/(Increase) in inventories	22	(5)
Decrease in trade receivables	547	718
Decrease/(Increase) in other receivables, deposits and prepayments	-	-
Increase in trade payables	8	1
Increase/(decrease) in other payables and accruals	(184)	(28)
Increase in amount due to director	-	125
Net cash generated from/(used in) operating activities	(87)	(72)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in Intangible assets	-	-
Purchase of property, plant & equipment	(0)	(14)
Research & development expenditure	-	-
Net cash generated from/(used in) investing activities	(0)	(14)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in share capital	-	-
Net cash generated from/(used in) financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(88)	(85)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	661	192
CASH AND CASH EQUIVALENTS AT END OF PERIOD	573	107
<i>These comprise:-</i>		
Cash in hand	14	20
Bank balances	559	87
	573	107

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.



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 2013.

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 2015.

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 2015. In presenting its first MFRS financial statements, the Group will be required restate the financial position as at 1 August 2014 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 2014 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

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.



Explanatory notes to the interim financial report

A9 Segmental information

(a) Operating segments

	<i>Software development and system integration</i> RM'000	<i>Sales of Books</i> RM'000	<i>Corporate</i> RM'000	<i>Elimina-tions</i> RM'000	<i>Total</i> RM'000
Three months ended 31 October 2014					
Revenue					
External customers	264	-	42	-	307
Inter-segment	-	-	-	-	-
Total revenue	264	-	42	-	307
Results					
Depreciation	(2)	-	-	-	(2)
Amortisation	(187)	-	-	-	(187)
Reversal of impairment loss on trade receivables	-	(10)	-	-	(10)
Share-based payments	-	-	-	-	-
Segment profit/(loss)	(637)	-	(41)	-	(678)
Assets					
Investment in subsidiaries	-	-	0	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from holding company	888	-	-	(888)	-
Amount due from a subsidiary company	4,144	-	-	(4,144)	(0)
Amount due from related company	-	-	-	-	-
Segment assets	8,709	-	4,315	(5,032)	7,992
Liabilities					
Amount due to holding company	-	12,269	-	(12,269)	-
Amount due to related company	-	-	3,187	(3,187)	-
Amount due to a subsidiary company	-	-	888	(888)	-
Segment liabilities	16,131	-	1,166	(16,341)	956



Explanatory notes to the interim financial report

A9 Segmental information (continued)

(a) Operating segments

	<i>Supply of hardware and software</i>	<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	RM'000
Three months ended 31 Oct 2013						
Revenue						
External customers	38	45	1	11	-	94
Inter-segment	-	-	-	-	-	-
Total revenue	<u>38</u>	<u>45</u>	<u>1</u>	<u>11</u>	<u>-</u>	<u>94</u>
Results						
Depreciation	-	(2)	-	-	-	(2)
Amortisation	-	(187)	-	-	-	(187)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Segment profit/(loss)	<u>(9)</u>	<u>(1,022)</u>	<u>1</u>	<u>(51)</u>	<u>-</u>	<u>(1,082)</u>
Assets						
Investment in subsidiaries	0	-	-	-	-	0
Additions to intangible assets	-	-	-	-	-	-
Additions of property, plant and equipment	12	-	-	-	-	12
Amount due from holding company	-	888	-	-	(888)	-
Amount due from a subsidiary company	-	-	-	3,503	(3,503)	-
Amount due from related company	-	416	-	-	(416)	-
Segment assets	<u>64</u>	<u>9,032</u>	<u>0</u>	<u>3,581</u>	<u>(4,807)</u>	<u>7,871</u>
Liabilities						
Amount due to holding company	-	11,579	-	-	(11,579)	-
Amount due to related company	-	3,604	-	-	(3,604)	-
Amount due to a subsidiary company	-	-	-	888	(888)	-
Segment liabilities	<u>77</u>	<u>15,961</u>	<u>-</u>	<u>1,444</u>	<u>(16,116)</u>	<u>1,366</u>

(b) Geographical information

	<i>Non-current assets</i>		<i>Current asset</i>		
	<i>Revenue</i>	<i>Profit/(Loss) before taxation</i>	<i>Property, plant and equipment</i>	<i>Intangible assets</i>	<i>Trade receivables</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 31 October 2014					
Malaysia	307	(678)	65	2,301	3,948
Three months ended 31 October 2013					
Malaysia	<u>94</u>	<u>(1,082)</u>	<u>54</u>	<u>3,047</u>	<u>3,358</u>



Explanatory notes to the interim financial report

A10 Payment in lieu of short notice

Payment by employee of a sum equivalent to one (1) 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 2014.

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	
	31-Oct-14 RM'000	31-Oct-13 RM'000
Fees on software development in progress receivable from EDSSB	-	-

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 ("FY15Q1"), the Group registered a pre-tax loss of RM0.678 million on sales turnover of RM0.307 million.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 Oct 2014</i>	<i>Preceding quarter ended 31 July 2014</i>
	RM'000	RM'000
Revenue	307	2,576
Profit/(Loss) before taxation	(678)	(508)

In comparison, the preceding quarter ("FY14Q4") recorded a pre-tax loss of RM0.508 million on a sales turnover of RM2.576 million. Administrative expenses were at RM0.715 million (FY14Q4: RM3.021million). The sales and marketing expenses includes tender fees and travelling expenses.

Other individual items of expenditure includes depreciation on property, plant and equipment of RM0.002 million (FY14Q4: RM0.013 million) and ammortisation of intangible assets of RM0.187 million.

The group is expecting further improvement in near future following on new business expansion funded by new private placement through research and development.

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

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

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”)

B9 Borrowings and debt securities

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

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>	
	31 Oct 2014	31 Oct 2013
Basic:		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(678)	(1,082)
Weighted average number of ordinary shares in issue ('000)	139,090	126,450
<i>Basic earnings/(loss) per ordinary share (sen)</i>	(0.49)	(0.86)
Diluted:		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(678)	(1,082)
Weighted average number of ordinary shares in issue ('000)	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
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	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 17th December 2014.