



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

Unaudited interim financial report

for the quarter ended 30 April 2015



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

Condensed consolidated income statement for the three-month and nine-month periods ended 30 April 2015

		<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>Note</i>	<i>30 April 2015</i>	<i>30 April 2014</i>	<i>30 April 2015</i>	<i>30 April 2014</i>
		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	663	1,735	3,077	2,374
Cost of sales		-	(92)	(69)	(186)
Gross profit		663	1,644	3,008	2,187
Other income		0	11	35	13
Selling and marketing expenses		0	-	(6)	(2)
Administrative expenses		(936)	(303)	(2,841)	(918)
Research and development expenses		(285)	(250)	(325)	(2,139)
Other expenses		(187)	(1)	(561)	(7)
Finance costs		-	-	-	-
Profit/(Loss) before tax		(745)	1,101	(690)	(865)
Taxation	B5	-	-	-	-
profit/(Loss) for the period		(745)	1,101	(690)	(865)
Profit/(Loss) per share attributable to ordinary equity holders of the Company (sen)					
Basic	B13	-	-	-	-
Diluted	B13	(0.54)	0.79	(0.50)	(0.62)

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)
(Incorporated in Malaysia)

Condensed consolidated balance sheet as at 30 April 2015

	<i>Note</i>	As at 30 Apr 2015 unaudited RM'000	As at 31 Jul 2014 audited RM'000
ASSETS			
Non-Current Assets			
Intangible assets		1,928	2,488
Property, plant and equipment		63	66
Investment in subsidiary		-	0
Investment		720	-
		2,711	2,554
Current Assets			
Inventories		0	22
Trade receivables		5,023	4,505
Other receivables, deposits and prepayments		1,005	1,105
Cash and bank balances		342	661
		6,371	6,293
TOTAL ASSETS		9,081	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		(15,795)	(15,105)
		7,024	7,715
Non-Current Liability			
Hire purchase payable		-	-
Current liabilities			
Trade payables		25	5
Other payables and accruals		932	1,127
Amount due to director		1,100	-
		2,057	1,132
TOTAL EQUITY AND LIABILITIES		9,081	8,847
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.0505	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)
(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity for the nine-month period ended 30 April 2015

	<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 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
At 1 August 2014 (audited)	13,909	8,911	(15,105)	7,715
Loss for the period	-	-	(690)	(690)
At 30 April 2015 (unaudited)	13,909	8,911	(15,795)	7,025

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 nine-month period ended 30 April 2015

	<i>Nine months ended</i>	
	30 April 2015	30 April 2014
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(690)	(865)
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	4	7
Gain on disposal of property, plant and equipment	-	-
Amortisation of intangible assets	560	560
Allowance for doubtful debts made/ (written back)	10	10
Operating profit/(loss) before working capital changes	(116)	(288)
Increase in Intangible assets	-	(1,216)
Decrease/(Increase) in inventories	22	-
Decrease in trade receivables	(528)	651
Decrease/(Increase) in other receivables, deposits and prepayments	99	(13)
Increase in trade payables	19	3
Increase/(decrease) in other payables and accruals	(195)	(154)
Increase/(decrease) in amount due to director	1,100	(150)
Net cash generated from/(used in) operating activities	402	(1,167)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(0)	(36)
Research & development expenditure	-	-
Investment	(720)	-
Net cash generated from/(used in) investing activities	(720)	(36)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in share capital	-	1,264
Increase in share premium	-	253
Net cash generated from/(used in) financing activities	-	1,264
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(319)	315
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	661	192
CASH AND CASH EQUIVALENTS AT END OF PERIOD	342	507
<i>These comprise:-</i>		
Cash in hand	3	14
Bank balances	339	493
	342	507

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 2014.

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 2014.

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 exception 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 2015

Revenue						
External customers	6	657	1	-	-	663
Inter-segment	-	-	-	-	-	-
Total revenue	6	657	1	-	-	663
Results						
Depreciation	-	(1)	-	-	-	(1)
Amortisation	-	(187)	-	-	-	(187)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Segment profit/(loss)	(302)	(335)	1	(110)	-	(745)
Assets						
Investment in subsidiaries	-	-	-	-	-	-
Investment	-	-	-	720	-	720
Additions to intangible assets	-	-	-	-	-	-
Amount due from holding company	-	-	-	-	-	-
Amount due from a subsidiary company	-	-	-	31	(31)	-
Amount due from related company	-	-	-	-	-	-
Segment assets	(333)	(881)	-	1,577	31	394
Liabilities						
Amount due to holding company	31	-	-	-	(31)	-
Amount due to related company	-	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-	-
Segment liabilities	31	109	-	1,030	(31)	1,139



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 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

(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
Nine months ended 30 April 2015						
Revenue						
External customers	275	2,766	2	35	-	3,077
Inter-segment	-	-	-	-	-	-
Total revenue	275	2,766	2	35	-	3,077
Results						
Depreciation	-	(4)	-	-	-	(4)
Amortisation	-	(560)	-	-	-	(560)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Segment profit/(loss)	(141)	(745)	2	(462)	-	(1,347)
Assets						
Investment in subsidiaries	-	-	-	0	-	-
Investment	-	-	-	720	-	720
Additions to intangible assets	-	-	-	-	-	-
Amount due from holding company	-	888	-	-	(888)	-
Amount due from a subsidiary company	-	3,989	-	-	(3,989)	-
Amount due from related company	-	-	-	-	-	-
Segment assets	239	8,647	-	5,073	(4,877)	9,081
Liabilities						
Amount due to holding company	552	11,562	-	-	(12,114)	0
Amount due to related company	-	3,187	-	-	(3,187)	0
Amount due to a subsidiary company	-	-	-	888	(888)	-
Segment liabilities	541	15,357	-	2,345	(16,187)	2,057



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 2014						
Revenue						
External customers	749	1,610	4	11	-	2,374
Inter-segment	-	-	-	-	-	-
Total revenue	749	1,610	4	11	-	2,374
Results						
Depreciation	-	(7)	-	-	-	(7)
Amortisation	-	(560)	-	-	-	(560)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Segment profit/(loss)	421	(516)	4	(774)	-	(865)
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	599	9,460	-	4,082	(4,935)	9,206
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	182	15,879	-	1,150	(16,244)	967



Explanatory notes to the interim financial report

(b) Geographical information

	Non-current assets			Current asset	
	Revenue	Profit/(Loss) before taxation	Property, plant and equipment	Intangible assets	Trade receivables
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 30 April 2015					
Malaysia	663	(745)	-	-	663
Three months ended 30 April 2014					
Malaysia	1,735	1,101	29	-	1,573
Nine months ended 30 April 2015					
Malaysia	3,077	(690)	63	1,928	5,023
Nine months ended 30 April 2014					
Malaysia	2,374	(865)	72	3,890	3,426

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 2014.



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-15	30-Apr-13	30-Apr-15	30-Apr-13
	RM	RM	RM	RM
Fees on software development in progress receivable from EDSSB	-	1,100	-	1,100

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 ("FY15Q3"), the Group registered a pre-tax loss of RM0.745 million on sales turnover of RM0.663 million. For financial year-to-date, consolidated loss before tax is RM0.690 million on sales of RM3.077 million.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 30 Apr 2015</i>	<i>Preceding quarter ended 31 Jan 2015</i>
	RM'000	RM'000
Revenue	663	2,107
Profit/(Loss) before taxation	(745)	733

In comparison, the preceding quarter ("FY15Q2") recorded a pre-tax profit of RM0.733 million on a sales turnover of RM2.107 million. Administrative expenses were higher for FY15Q3 by +RM0.963 million (FY15Q2: RM1.190million). There is also an increase of RM0.285 million in research and development expense which includes product development cost.

Other individual items of expenditure for FY15Q3 includes depreciation on property, plant and equipment of RM0.003million (FY15Q2: RM0.006 million) and ammortisation of intangible assets of RM0.187 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 2014.

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 (ii) Corporate proposals

On 16th March 2015, an announcement was made on new multiple proposals;

- (i) proposed renounceable rights issue of up to 278,179,000 new ordinary shares of RM0.10 each in Inix
- (ii) proposed acquisition of 30% equity interest in Galactic Maritime (Malaysia) Sdn Bhd (“Galactic”) comprising 4,050,000 ordinary shares of RM1.00 each in Galactic (“Sale Shares”) (“Galactic Shares”) for a purchase consideration of RM7,200,000 (“Purchase Consideration”) to be satisfied in cash (“Proposed Acquisition”);
- (iii) proposed diversification of the business of Inix to include the provision of dredging and land reclamation services (“Proposed Diversification”);
- (iv) proposed establishment of a share issuance scheme of up to thirty percent (30%) of the Company’s total issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the scheme for the Directors and employees of Inix and its subsidiaries (“Inix Group” or “Group”) (excluding dormant subsidiaries) (“Proposed SIS”);
- (v) proposed increase in the authorised share capital of Inix from RM25,000,000 comprising 250,000,000 Inix Shares to RM100,000,000 comprising 1,000,000,000 Inix Shares (“Proposed Increase in Authorised Share Capital”); and
- (vi) proposed amendments to the memorandum of association of Inix to facilitate the Proposed Increase in Authorised Share Capital (“Proposed Amendments”).

(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 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 ended</i>		<i>Nine months ended</i>	
	<i>30 April 2015</i>	<i>30 April 2014</i>	<i>30 April 2015</i>	<i>30 April 2014</i>
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(745)	1,101	(690)	(865)
Weighted average number of ordinary shares in issue ('000)	139,090	139,090	139,090	139,090
<i>Basic earnings/(loss) per ordinary share (sen)</i>	(0.54)	0.79	(0.50)	(0.62)
Diluted:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(745)	1,101	(690)	(865)
Weighted average number of ordinary shares in issue ('000)	139,090	139,090	139,090	139,090
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	139,090	139,090	139,090
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	N/A	N/A	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 26th June 2015.

INIX Technologies Holdings Berhad
26th June 2015