



INIX Technologies Holdings Berhad

200401027289

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE QUARTER ENDED 31 OCTOBER 2020



CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Nine Months Period Ended 31 October 2020

| | Note | Current Quarter Three months ended | | Year-to-date Nine months ended | |
|---|------|---|---|---|---|
| | | 31 October 2020 unaudited RM'000 | 31 October 2019 unaudited RM'000 | 31 October 2020 unaudited RM'000 | 31 October 2019 unaudited RM'000 |
| Revenue | A9 | 762 | 1,156 | 2,021 | 6,432 |
| Cost of sales | | (904) | (445) | (2,535) | (4,990) |
| Gross profit | | (142) | 711 | (514) | 1,442 |
| Other income | | 368 | 136 | 841 | 1,336 |
| Selling and marketing expenses | | - | (3) | (1) | (16) |
| Administrative expenses | | (1,191) | (918) | (1,455) | (5,305) |
| Research and development expenses | | - | - | - | (250) |
| Share of associates profit/(loss) | | - | - | - | (3,467) |
| (Loss)/profit before tax | | (965) | (74) | (1,129) | (6,260) |
| Taxation | B5 | (1) | - | - | - |
| (Loss)/profit for the period | | (966) | (74) | (1,129) | (6,260) |
| Owners of the company | | (811) | (119) | (974) | (5,814) |
| Non-controlling interest | | (155) | 45 | (155) | (446) |
| (Loss)/profit for the period | | (966) | (74) | (1,129) | (6,260) |
| (Loss)/profit per share attributable to ordinary equity holders of the Company (sen) | | | | | |
| Basic | B13 | (0.24) | (1.95) | (0.24) | (1.95) |
| Diluted | B13 | (0.24) | (1.95) | (0.24) | (1.95) |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATES STATEMENT OF FINANCIAL POSITION**

as at 31 October 2020

| | <i>Note</i> | As at 31 October 2020 unaudited RM'000 | As at 31 Jan 2020 audited RM'000 |
|---|-------------|---|---|
| ASSETS | | | |
| Non-Current Assets | | | |
| Intangible assets | | - | - |
| Property, plant and equipment | | 1,500 | 1,416 |
| Investment in associates | | - | - |
| Other investment | | 7,700 | 7,700 |
| | | 9,200 | 9,116 |
| Current Assets | | | |
| Amount due from associates | | - | - |
| Trade receivables | | 453 | 600 |
| Other receivables, deposits and prepayments | | 7,358 | 5,181 |
| Amount due by directors | | 9 | 9 |
| Cash and bank balances | | 14,705 | 1,163 |
| | | 22,525 | 6,953 |
| TOTAL ASSETS | | 31,725 | 16,069 |
| EQUITY AND LIABILITIES | | | |
| Attributable to Equity Holders of the Company | | | |
| Share capital | | 56,114 | 42,274 |
| Share premium | | - | - |
| Warrant reserve | | 12,309 | 12,309 |
| Other reserve | | (12,309) | (12,309) |
| Share option reserve | A7 | - | - |
| Accumulated losses | | (19,617) | (18,806) |
| | | 36,497 | 23,468 |
| Non-controlling interest | | (9,978) | (9,824) |
| | | 26,519 | 13,644 |
| Current liabilities | | | |
| Trade payables | | 24 | 25 |
| Other payables and accruals | | 4,940 | 2,252 |
| Amount due to directors | | 241 | 147 |
| Provision for taxation | | 1 | 1 |
| | | 5,206 | 2,425 |
| TOTAL EQUITY AND LIABILITIES | | 31,725 | 16,069 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | | | |
| | | 0.0906 | 0.0787 |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Nine Months Period Ended 31 October 2020

| | <i>Attributable to equity holders of the Company</i> | | | | | Non-Controlling interest | Total Equity |
|--|--|----------------------|---------------------------|---------------------------|--------------|--------------------------|--------------|
| | <i>Share capital</i> | <i>Share premium</i> | <i>SIS Option reserve</i> | <i>Accumulated losses</i> | <i>Total</i> | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| At 1 August 2018 (audited) | 38,997 | - | - | (16,068) | 22,929 | (10,053) | 12,876 |
| Issuance of Shares under ESOS | 1,800 | - | - | - | 1,800 | - | 1,800 |
| Issuance of Shares under Private Placement | 1,477 | - | - | - | 1,477 | - | 1,477 |
| Change in Stake | - | - | - | - | - | 850 | 850 |
| Loss for the period | - | - | - | (2,738) | (2,738) | (621) | (3,359) |
| At 31 January 2020 (audited) | 42,274 | - | - | (18,806) | 23,468 | (9,824) | 13,644 |
| At 1 February 2020 (audited) | 42,274 | - | - | (18,806) | 23,468 | (9,824) | 13,644 |
| Issuance of Shares under ESOS | 7,293 | - | - | - | 7,293 | - | 7,293 |
| Issuance of Shares under Private Placement | - | - | - | - | - | - | - |
| Conversion of Warrants | 6,547 | - | - | - | 6,547 | - | 6,547 |
| Loss for the period | - | - | - | (811) | (811) | (155) | (966) |
| At 31 October 2020 (unaudited) | 56,114 | - | - | (19,617) | 36,497 | (9,979) | 26,518 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The Nine Months Period Ended 31 October 2020

| | <i>9 months ended</i> 31 October 2020 <i>unaudited</i> RM'000 | 31 Jan 2020 <i>audited</i> RM'000 |
|--|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (965) | (3,359) |
| <i>Adjustments:</i> | | |
| Amortisation of intangible assets | - | 2 |
| Depreciation of property, plant and equipment | 44 | 289 |
| Impairment gain on: | | |
| - Trade Creditors | - | - |
| Dividend income | - | (1,075) |
| Equity-settled share-based payment expenses | - | 600 |
| Gain on disposal of subsidiary | - | - |
| Impairment loss on: | | |
| - Trade receivables | - | - |
| - Other receivables | - | - |
| - Vessel | - | - |
| - Property, plant and equipment | - | - |
| - Amount due from holding co. | - | - |
| Interest income | - | (3) |
| Written off on:- | | |
| - Property, plant and equipment | - | 12 |
| Reversal of impairment on trade receivable | - | - |
| Loss on Disposal of Associated Company - GMSB | - | 467 |
| Share of results of associates | - | - |
| Operating profit/(loss) before working capital changes | (921) | (3,067) |
| Increase in stock | - | - |
| Decrease/(Increase) in trade receivables | 147 | 1,310 |
| Decrease/(Increase) in other receivables, deposits and prepayments | (2,177) | (4,655) |
| Decrease/(Increase) in amount due from associates | - | 53 |
| Decrease/(Increase) in amount due by directors | - | (9) |
| Increase/(Decrease) in trade payables | (1) | - |
| Increase/(Decrease) in other payables and accruals | 2,644 | 637 |
| Increase/(decrease) in amount due to director | 94 | (1,203) |
| Increase/(decrease) in provision for taxation | - | - |
| Interest received | - | 3 |
| Net cash generated from/(used in) operating activities | (214) | (6,931) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additional investment/acquisition of associate company | - | - |
| Additional investment/acquisition of subsidiary company | - | (886) |
| Acquisition of property, plant and equipment | (84) | (180) |
| Acquisition of intangible asset | - | - |
| Dividend received | - | 1,075 |
| Proceeds from disposal of subsidiary company | - | - |
| Proceeds from disposal of associated company | - | 3,000 |
| Net cash generated from/(used in) investing activities | (84) | 3,009 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | 13,840 | 4,414 |
| Net cash generated from/(used in) financing activities | 13,840 | 4,414 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 13,542 | 492 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 1,163 | 671 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 14,705 | 1,163 |
| <i>These comprise:-</i> | | |
| Cash and bank balances | 14,705 | 1,163 |
| | 14,705 | 1,163 |

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT For the Third Quarter Ended 31 October 2020

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 January 2020. 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 January 2020.

A2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2020.

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 January 2021.

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 2016. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 August 2016 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 January 2020 was unqualified.

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.



EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For the Third Quarter Ended 31 October 2020

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>Software & Books</i> | <i>Piling Works</i> | <i>Dredging</i> | <i>Corporate</i> | <i>Adjustments /Elimination</i> | <i>Total</i> |
|---|---------------------------------|---------------------|-----------------|------------------|-------------------------------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <i>Three months ended 31 October 2020 (unaudited)</i> | | | | | | |
| Revenue | | | | | | |
| External customers | 762 | - | - | - | - | 762 |
| Inter-segment | - | - | - | - | - | - |
| Total revenue | <u>762</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>762</u> |
| Results | | | | | | |
| Depreciation | - | (43) | - | (1) | - | (44) |
| Fixed Assets written off | - | - | - | - | - | - |
| Impairment loss on PPE | - | - | - | - | - | - |
| Segment profit/(loss) | <u>(164)</u> | <u>(0.02)</u> | <u>(259)</u> | <u>(543)</u> | <u>-</u> | <u>(966)</u> |
| Segment assets | <u>5,266</u> | <u>1,380</u> | <u>142</u> | <u>26,507</u> | <u>(1,570)</u> | <u>31,725</u> |
| Segment liabilities | <u>20,458</u> | <u>891</u> | <u>5,688</u> | <u>1,205</u> | <u>(24,332)</u> | <u>5,206</u> |

| | <i>Software & Books</i> | <i>Piling Works</i> | <i>Dredging</i> | <i>Corporate</i> | <i>Adjustments /Elimination</i> | <i>Total</i> |
|--|---------------------------------|---------------------|-----------------|------------------|-------------------------------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <i>Eighteen months ended 31 January 2020 (audited)</i> | | | | | | |
| Revenue | | | | | | |
| External customers | 7,765 | 284 | - | - | - | 8,049 |
| Inter-segment | - | - | - | - | - | - |
| Total revenue | <u>7,765</u> | <u>284</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,049</u> |
| Results | | | | | | |
| Depreciation | (30) | (253) | - | (6) | - | (289) |
| Amortisation | (2) | - | - | - | - | (2) |
| Fixed Assets written off | (1) | - | - | (11) | - | (12) |
| Impairment loss on PPE | - | - | - | - | - | - |
| Segment profit/(loss) | <u>(1,353)</u> | <u>(150)</u> | <u>(15)</u> | <u>(1,841)</u> | <u>-</u> | <u>(3,359)</u> |
| Segment assets | <u>3,103</u> | <u>1,510</u> | <u>15</u> | <u>13,215</u> | <u>(40,368)</u> | <u>22,525</u> |
| Segment liabilities | <u>18,485</u> | <u>157</u> | <u>5,560</u> | <u>797</u> | <u>(24,999)</u> | <u>4,931</u> |



EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For the Third Quarter Ended 31 October 2020

(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 |
| Nine months ended 31 October 2020 | | | | | |
| Malaysia | 2,021 | (1,129) | 9,200 | - | 453 |
| Nine months ended 31 October 2019 | | | | | |
| Malaysia | 1,156 | (74) | 1,501 | - | 93 |

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 January 2020.

A14 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 2020 | 31 Oct 2019 |
| | RM'000 | RM'000 |
| Supply, installation & maintenance of hardware and fees on software development in progress receivable from EDSSB | - | - |

A15 Subsequent events

On 4 December 2020, the Company entered into a Memorandum of Agreement to acquire 51% of L & S Gloves Sdn. Bhd. a glove manufacturing Company. The Company also on 8 December signed a Memorandum of Agreement to acquire 51% of World Glove International Group Sdn. Bhd. a glove distribution company.



INIX Technologies Holdings Berhad (200401027289)

(Incorporated in Malaysia)

EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For the Third Quarter Ended 31 October 2020

B Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market

B1 Performance review

For the third quarter ended 31 October 2020, the group recorded revenue of RM0.762 million compared to RM1.156 million in the preceding year corresponding quarter. The group recorded a loss before taxation of RM0.965 million for the third quarter ended 31 October 2020 as compared to a loss before taxation of RM0.074 million in the preceding year corresponding quarter.

B2 Material change in profit/(loss) before tax

| | <i>Current quarter ended 31 October 2020</i> | <i>Preceding quarter ended 31 October 2019</i> |
|-------------------------------|--|--|
| | RM'000 | RM'000 |
| Revenue | 762 | 1,156 |
| (Loss)/Profit before taxation | (965) | (74) |

The group recorded a loss before taxation of RM0.965 million for the third quarter ended 31 October 2020 as compared to a loss before taxation of RM0.74 million registered in the preceding quarter.

B3 Prospects

The Group expects stiff competition in the domestic and regional market in respect of the ICT segment. Nevertheless, the Group is leveraging on its strong track record and extensive customer networking in expanding and penetrating both existing and new markets. The Group also steps up its effort to invest in R&D expenses in order to enhance its competitiveness and productivity. In expansion of existing business, despite focusing on making ICT solutions.

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, tax is calculated on estimated assessable profits for the financial year.

B6 Quoted securities

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

B7 Unquoted securities

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

B8 Corporate proposals

There were no corporate proposals during the financial period under review.

B9 Borrowing and debt securities

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

EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For the Third Quarter Ended 31 October 2020

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

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>31 Oct 2020</i> | <i>31 Oct 2019</i> | <i>31 Oct 2020</i> | <i>31 Oct 2019</i> |
| Basic: | | | | |
| Net profit/(loss) attributable to ordinary shareholders (RM'000) | (811) | (119) | (974) | (5,814) |
| Weighted average number of ordinary shares in issue ('000) | 402,944 | 298,255 | 402,944 | 298,255 |
| <i>Basic earnings/(loss) per ordinary share (sen)</i> | <i>(0.20)</i> | <i>(0.04)</i> | <i>(0.24)</i> | <i>(1.95)</i> |
| Diluted: | | | | |
| Net profit/(loss) attributable to ordinary shareholders (RM'000) | (811) | (119) | (974) | (5,814) |
| Weighted average number of ordinary shares in issue ('000) | 402,944 | 298,255 | 402,944 | 298,255 |
| 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) | 402,944 | 298,255 | 402,944 | 298,255 |
| <i>Diluted earnings/(loss) per ordinary</i> | <i>(0.20)</i> | <i>(0.04)</i> | <i>(0.24)</i> | <i>(1.95)</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 17 December 2020