



**INIX Technologies Holdings Berhad**

**(665797-D)**

(Incorporated in Malaysia)

# **Unaudited interim financial report**

**for the quarter ended 31 October 2013**



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

## Condensed consolidated income statement for the three-month period ended 31 October 2013

	<i>Note</i>	<i>Three months ended</i>	
		<b>31 Oct 2013</b> <i>unaudited</i> RM'000	<b>31 Oct 2012</b> <i>unaudited</i> RM'000
Revenue	A9	94	8
Cost of sales		(43)	-
<hr/>			
<i>Gross profit</i>		51	8
Other income		0	6
Selling and marketing expenses		(0)	-
Administrative expenses		(262)	(953)
Research and development expenses		(870)	-
Other expenses		-	-
Finance costs		-	-
<hr/>			
<b><i>Profit/(Loss) before tax</i></b>		(1,082)	(939)
Taxation	B5	-	-
<hr/>			
<b><i>profit/(Loss) for the period</i></b>		(1,082)	(939)
<hr/>			
<b><i>Profit/(Loss) per share</i></b> <b><i>attributable to ordinary equity</i></b> <b><i>holders of the Company (sen)</i></b>			
Basic	B13	(0.86)	(0.74)
<hr/>			
Diluted	B13	N/A	N/A
<hr/>			

*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 31 October 2013

	<i>Note</i>	<i>As at 31 Oct 2013 unaudited RM'000</i>	<i>As at 31 July 2013 audited RM'000</i>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible assets		3,047	3,234
Property, plant and equipment	A10	54	43
Investment in subsidiary		0	0
		<hr/> 3,102	<hr/> 3,277
<b>Current Assets</b>			
Inventories		6	0
Trade receivables		3,358	4,087
Other receivables, deposits and prepayments		1,298	1,298
Cash and bank balances		107	192
		<hr/> 4,769	<hr/> 5,577
<b>TOTAL ASSETS</b>		<hr/> <b>7,871</b>	<hr/> <b>8,855</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to Equity Holders of the Company</b>			
Share capital		12,645	12,645
Share premium		8,658	8,658
Share option reserve	A7	-	-
Accumulated losses		(14,797)	(13,715)
		<hr/> 6,505	<hr/> 7,587
<b>Non-Current Liability</b>			
Hire purchase payable	B9	-	-
<b>Current liabilities</b>			
Trade payables		201	200
Other payables and accruals		890	918
Amount due to director		275	150
		<hr/> 1,366	<hr/> 1,268
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/> <b>7,871</b>	<hr/> <b>8,855</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>			
		0.0514	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)  
(Incorporated in Malaysia)

## Condensed consolidated statement of changes in equity for the three-month period ended 31 October 2013

	<i>Attributable to equity holders of the Company</i>				<i>Total</i> RM'000
	<i>Share capital</i> RM'000	<i>Share premium</i> RM'000	<i>Share option reserve</i> RM'000	<i>Accumulated losses</i> RM'000	
<b>At 1 August 2012</b> (audited)	12,645	8,658	-	(13,839)	7,464
Loss for the period	-	-	-	(939)	(939)
<b>At 31 Oct 2012</b> (unaudited)	12,645	8,658	-	(14,778)	6,525
<b>At 1 August 2013</b> (audited)	12,645	8,658	-	(13,715)	7,588
Loss for the period	-	-	-	(1,082)	(1,082)
<b>At 31 Oct 2013</b> (unaudited)	12,645	8,658	-	(14,797)	6,506

*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 three-month period ended 31 October 2013

	<i>Three months ended</i>	
	<b>31 Oct 2013</b>	<b>31 Oct 2012</b>
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) for the period</b>	(1,082)	(939)
<i>Adjustments:</i>		
Waiver of advances from directors	-	-
Depreciation of property, plant and equipment	2	3
Allowance for obsolete inventories	-	-
Amortisation of intangible assets	187	-
Net provision for warranty claims (written back)	-	-
Allowance for doubtful debts made/ (written back)	10	-
<b><i>Operating profit/(loss) before working capital changes</i></b>	<b>(883)</b>	<b>(936)</b>
Decrease/(Increase) in inventories	(5)	-
Decrease in trade receivables	718	1,460
Decrease/(Increase) in other receivables, deposits and prepayments	-	-
Increase in trade payables	1	-
Increase/(decrease) in other payables and accruals	(28)	36
Increase in amount due to director	125	-
<b><i>Net cash generated from/(used in) operating activities</i></b>	<b>(72)</b>	<b>560</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in Intangible assets	-	(463)
Purchase of property, plant & equipment	(14)	-
Research & development expenditure	-	-
<b><i>Net cash generated from/(used in) investing activities</i></b>	<b>(14)</b>	<b>(463)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in share capital	-	-
<b><i>Net cash generated from/(used in) financing activities</i></b>	<b>-</b>	<b>-</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(85)	97
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	192	154
CASH AND CASH EQUIVALENTS AT END OF PERIOD	107	251
<i>These comprise:-</i>		
Cash in hand	20	6
Bank balances	87	245
	107	251

*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 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 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 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 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 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 2014. In presenting its first MFRS financial statements, the Group will be required restate the financial position as at 1 August 2013 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.

#### **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>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
<b>Three months ended 31 Oct 2013</b>						
<b>Revenue</b>						
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>
<b>Results</b>						
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>
<b>Assets</b>						
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>
<b>Liabilities</b>						
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>



## Explanatory notes to the interim financial report

### A9 Segmental information (continued)

#### (a) Operating segments (continued)

	<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
<b>Three months ended 31 Oct 2012</b>					
<b>Revenue</b>					
External customers	-	8	-	-	8
Inter-segment	-	-	-	-	-
Total revenue	-	8	-	-	8
<b>Results</b>					
Depreciation	(3)	-	-	-	(3)
Amortisation	-	-	-	-	-
Impairment of financial assets (made)/ written back	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	(932)	8	(15)	-	(939)
<b>Assets</b>					
Investment in subsidiaries	-	-	-	-	-
Additional of property, plant and equipment	1	-	-	-	1
Additions to intangible assets	463	-	-	-	463
Amount due from holding company	902	-	-	(902)	-
Amount due from subsidiaries	3,539	-	-	(3,539)	-
Amount due from related company	864	-	-	(864)	-
Segment assets	9,644	1	3,545	(5,305)	7,885
<b>Liabilities</b>					
Amount due to holding company	11,675	-	-	(11,675)	-
Amount due to related company	-	3,543	-	(3,543)	-
Amount due to subsidiaries	-	-	888	(888)	-
Segment liabilities	16,199	-	1,177	(16,016)	1,360

#### (b) Geographical information

	Non-current assets		Current asset		
	<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
<b>Three months ended 31 Oct 2013</b>					
Malaysia	94	(1,082)	54	3,047	3,358
<b>Three months ended 31 Oct 2012</b>					
Malaysia	8	(939)	10	3,605	2,727





## Explanatory notes to the interim financial report

### 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 2012.

### A14 Significant related party transactions

There is no new additional significant transactions between related parties and the Group as at balance sheet date.

#### Revenue

	Three months ended	
	31st Oct 2013	31st Oct 2012
	RM	RM
Fees on software development in progress receivable from EDSSB	-	-

### 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

For the current quarter under review ("FY14Q1"), the Group registered a pre-tax loss of RM 1.082 million on sales turnover of RM0.094 million.

#### B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 Oct 2013</i>	<i>Preceding quarter ended 31 July 2013</i>
Revenue	RM'000 94	RM'000 2,515
Profit/(Loss) before taxation	(1,082)	972

In comparison, the preceding quarter ("FY13Q4") recorded a pre-tax profit of RM0.972 million on a sales turnover of RM2.515 million. For FY14Q1, research and development expenses were lower at +RM0.870 million (FY13Q4: +RM1.010 million). Administrative expenses for FY14Q1 is at +RM0.262 million.

Other significant individual items of expenditure for FY14Q1 includes depreciation on property, plant and equipment of RM0.002 million (FY13Q4: RM0.007million) and amortisation 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 Corporate proposals**

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 issued on 30 October 2013.

The exercise has not been completed as of the end of this quarter.

### **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 2013</i>	<i>31 Oct 2012</i>
<b>Basic:</b>		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(1,082)	(939)
Weighted average number of ordinary shares in issue ('000)	126,450	126,450
<i>Basic earnings/(loss) per ordinary share (sen)</i>	<i>(0.86)</i>	<i>(0.74)</i>
<b>Diluted:</b>		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(1,082)	(939)
Weighted average number of ordinary shares in issue ('000)	126,450	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)	126,450	126,450
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	<i>N/A</i>	<i>N/A</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 30th December 2013.