



**INIX Technologies Holdings Berhad**

**(665797-D)**

(Incorporated in Malaysia)

# **Unaudited interim financial report**

**for the quarter ended 31 October 2015**



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

## Condensed consolidated income statement for the three-month period ended 31 October 2015

	<i>Note</i>	<i>Three months ended</i>	
		<i>31 Oct 2015</i> <i>unaudited</i> RM'000	<i>31 Oct 2014</i> <i>unaudited</i> RM'000
Revenue	A9	1,186	307
Cost of sales		-	(56)
<hr/>			
<i>Gross profit</i>		1,186	250
Other income		0	0
Selling and marketing expenses		(109)	(6)
Administrative expenses		(777)	(715)
Research and development expenses		(5)	(20)
Other expenses		(187)	(187)
Finance costs		-	-
<hr/>			
<b><i>Profit/(Loss) before tax</i></b>		108	(678)
Taxation	B5	-	-
<hr/>			
<b><i>profit/(Loss) for the period</i></b>		108	(678)
<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	0.08	(0.49)
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Diluted	B13	N/A	N/A
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The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2015 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 2015

	<i>Note</i>	<i>As at 31 Oct 2015 unaudited RM'000</i>	<i>As at 31 July 2015 audited RM'000</i>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible assets		1,555	1,741
Property, plant and equipment		59	59
Investment in subsidiary		0	0
		<b>1,614</b>	<b>1,800</b>
<b>Current Assets</b>			
Inventories		1	0
Trade receivables		6,063	6,501
Other receivables, deposits and prepayments		2,260	1,655
Cash and bank balances		98	123
		<b>8,422</b>	<b>8,279</b>
<b>TOTAL ASSETS</b>		<b>10,036</b>	<b>10,080</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to Equity Holders of the Company</b>			
Share capital		13,909	13,909
Share premium		8,911	8,911
Share option reserve	A7	-	-
Accumulated losses		(15,045)	(15,153)
		<b>7,775</b>	<b>7,667</b>
<b>Non-Current Liability</b>			
Deferred Tax Liability		3	3
<b>Current liabilities</b>			
Trade payables		25	25
Other payables and accruals		858	1,185
Amount due to director		1,375	1,200
		<b>2,258</b>	<b>2,410</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,036</b>	<b>10,080</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>			
		0.0559	0.0551

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2015 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 2015

	<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 2014</b> (audited)	13,909	8,911	-	(15,105)	7,715
Loss for the period	-	-	-	(678)	(678)
<b>At 31 Oct 2014</b> (unaudited)	13,909	8,911	-	(15,783)	7,037
<b>At 1 August 2015</b> (audited)	13,909	8,911	-	(15,153)	7,667
Profit for the period	-	-	-	108	108
<b>At 31 Oct 2015</b> (unaudited)	13,909	8,911	-	(15,045)	7,775

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.*



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated cashflow statement for the three-month period ended 31 October 2015

	<i>Three months ended</i>	
	<b>31 Oct 2015</b>	<b>31 Oct 2014</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>	108	(678)
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	-	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
<b><i>Operating profit/(loss) before working capital changes</i></b>	<b>305</b>	<b>(480)</b>
Decrease/(Increase) in inventories	(1)	22
Decrease in trade receivables	428	547
Decrease/(Increase) in other receivables, deposits and prepayments	(604)	-
Increase in trade payables	-	8
Increase/(decrease) in other payables and accruals	(327)	(184)
Increase in amount due to director	175	-
<b><i>Net cash generated from/(used in) operating activities</i></b>	<b>(25)</b>	<b>(87)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in Intangible assets	-	-
Purchase of property, plant & equipment	(0)	(0)
Research & development expenditure	-	-
<b><i>Net cash generated from/(used in) investing activities</i></b>	<b>(0)</b>	<b>(0)</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>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(25)</b>	<b>(87)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>123</b>	<b>661</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>98</b>	<b>573</b>
<i>These comprise:-</i>		
Cash in hand	17	14
Bank balances	81	559
	<b>98</b>	<b>573</b>

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2015 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 2015. 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 2015.

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 2016. In presenting its first MFRS financial statements, the Group will be required restate the financial position as at 1 August 2015 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 2015 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
<b>Three months ended 31 October 2015</b>					
<b>Revenue</b>					
External customers	1,184	2	-	-	1,186
Inter-segment	-	-	-	-	-
Total revenue	<u>1,184</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>1,186</u>
<b>Results</b>					
Depreciation	-	-	-	-	-
Amortisation	(187)	-	-	-	(187)
Reversal of impairment loss on trade receivables	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	<u>107</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>108</u>
<b>Assets</b>					
Investment in subsidiaries	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from holding company	1,101	-	-	(1,101)	-
Amount due from a subsidiary company	-	-	3,987	(3,987)	-
Amount due from related company	-	-	-	-	-
Segment assets	<u>9,669</u>	<u>-</u>	<u>5,454</u>	<u>(5,088)</u>	<u>10,036</u>
<b>Liabilities</b>					
Amount due to holding company	12,112	-	-	(12,112)	-
Amount due to related company	3,188	-	-	(3,188)	-
Amount due to a subsidiary company	-	-	1,101	(1,101)	-
Segment liabilities	<u>15,901</u>	<u>-</u>	<u>2,754</u>	<u>(16,397)</u>	<u>2,258</u>



## 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
<b>Three months ended 31 Oct 2014</b>					
<b>Revenue</b>					
External customers	264	-	42	-	307
Inter-segment	-	-	-	-	-
<b>Total revenue</b>	<b>264</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>307</b>
<b>Results</b>					
Depreciation	(2)	-	-	-	(2)
Amortisation	(187)	-	-	-	(187)
Reversal of impairment loss on trade receivables	-	(10)	-	-	(10)
Share-based payments	-	-	-	-	-
<b>Segment profit/(loss)</b>	<b>(637)</b>	<b>-</b>	<b>(41)</b>	<b>-</b>	<b>(678)</b>
<b>Assets</b>					
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	-	-	-	-	-
<b>Segment assets</b>	<b>8,709</b>	<b>-</b>	<b>4,315</b>	<b>(5,032)</b>	<b>7,992</b>
<b>Liabilities</b>					
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)	-
<b>Segment liabilities</b>	<b>16,131</b>	<b>-</b>	<b>1,166</b>	<b>(16,341)</b>	<b>956</b>

#### (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
<b>Three months ended 31 October 2015</b>					
Malaysia	1,186	108	59	1,555	6,063
<b>Three months ended 31 October 2014</b>					
Malaysia	307	(678)	65	2,301	3,948





## 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 2015.

### 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-15 RM'000	31-Oct-14 RM'000
Fees on software development in progress receivable from EDSSB	1,180	-

### 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 ("FY16Q1"), the Group registered a pre-tax profit of RM0.180 million on sales turnover of RM1.186 million.

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

	<i>Current quarter ended 31 Oct 2015</i>	<i>Preceding quarter ended 31 July 2015</i>
	RM'000	RM'000
Revenue	1,186	2,153
Profit/(Loss) before taxation	108	649

In comparison, the Group recorded an decrease of approximately 44.9% in its revenue to RM 1.186 million for FY16Q1 against RM2.153 million in FY15Q4. As a result thereof, the Group registered profit before tax ("PBT") RM 0.180 million for FY16Q1 against profit before tax ("PBT") RM 0.649 million for FY15Q4. Eventhough revenue decreases, the performance is better compared to same quarter last year.

Other individual items of expenditure for FY16Q1 includes ammortisation of intangible assets of RM0.187 million.

#### **B3 Prospects**

Despite global economic slowdown together with weakening Malaysian Ringgit and the implementation of the Goods and Services Tax ("GST"), the Group still manages to overcome the challenges and improved in the financial result for this financial year. Notwithstanding these challenges, the Group will continue to focus on improving operational efficiencies and controlling its operational expenses to improve overall overheads.

#### **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 Sale of unquoted investments and properties**

There were no sales of unquoted investments and properties in the current quarter and financial year-to-date.



## Explanatory notes to the interim financial report

### **B7 Quoted securities**

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

### **B8 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
  - (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**”).

**As of the date of this announcement, the above multiple proposals have been completed.**

### **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 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.



## Explanatory notes to the interim financial report

### 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 and year-to-date ended</i>	
	<b>31 Oct 2015</b>	<b>31 Oct 2014</b>
<b>Basic:</b>		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	108	(678)
Weighted average number of ordinary shares in issue ('000)	139,090	139,090
<i>Basic earnings/(loss) per ordinary share (sen)</i>	0.08	(0.49)
<b>Diluted:</b>		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	108	(678)
Weighted average number of ordinary shares in issue ('000)	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
<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 29th December 2015.