



INIX Technologies Holdings Berhad

(665797-D)

(Incorporated in Malaysia)

Unaudited interim financial report

for the quarter ended 31 October 2018



Condensed consolidated income statement for the three-month period ended 31 October 2018

	Note	Current Quarter Three months ended		Year-to-date Three months ended	
		31 Oct 2018 unaudited RM'000	31 Oct 2017 unaudited RM'000	31 Oct 2018 unaudited RM'000	31 Oct 2017 unaudited RM'000
Revenue	A9	1,422	863	1,422	863
Cost of sales		(998)	(218)	(998)	(218)
Gross profit		424	645	424	645
Other income		-	21	-	21
Selling and marketing expenses		(1)	-	(1)	-
Administrative expenses		(1,195)	(1,116)	(1,195)	(1,116)
Research and development expenses		(250)	-	(250)	-
Other expenses		(1)	(187)	(1)	(187)
Share of associates profit/(loss)		77	(103)	77	(103)
(Loss)/profit before tax		(946)	(740)	(946)	(740)
Taxation	B5	-	-	-	-
(Loss)/profit for the period		(946)	(740)	(946)	(740)
Owners of the company		(941)	(543)	(941)	(543)
Non-controlling interest		(5)	(197)	(5)	(197)
(Loss)/profit for the period		(946)	(740)	(946)	(740)
(Loss)/profit per share attributable to ordinary equity holders of the Company (sen)					
Basic	B12	(0.36)	(0.21)	(0.36)	(0.21)
Diluted	B12	(0.36)	(0.21)	(0.36)	(0.21)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



Condensed consolidated balance sheet

as at 31 October 2018

	<i>Note</i>	As at 31 Oct 2018 <i>unaudited</i> RM'000	As at 31 July 2018 <i>audited</i> RM'000
ASSETS			
Non-Current Assets			
Intangible assets		2	2
Property, plant and equipment		1,513	1,538
Investment in associates		3,544	3,467
Other investment		7,700	7,700
		12,759	12,707
Current Assets			
Amount due from associates		53	53
Trade receivables		1,292	1,910
Other receivables, deposits and prepayments		766	526
Cash and bank balances		270	671
		2,381	3,160
TOTAL ASSETS		15,140	15,867
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		38,997	38,997
Share premium		-	-
Warrant reserve		12,309	12,309
Other reserve		-12,309	(12,309)
Share option reserve	A7	-	-
Accumulated losses		(17,009)	(16,068)
		21,988	22,929
Non-controlling interest		(10,058)	(10,053)
Current liabilities			
Trade payables		25	25
Other payables and accruals		2,212	1,615
Amount due to director		972	1,350
Provision for taxation		1	1
		3,210	2,991
TOTAL EQUITY AND LIABILITIES		15,140	15,867
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.0848	0.0885

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



Condensed consolidated statement of changes in equity for the three-month period ended 31 October 2018

	Attributable to equity holders of the Company				Total	Non-Controlling interest	Total Equity
	Share capital	Share premium	SIS Option reserve	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000			
At 1 August 2017 (audited)	37,903	-	459	(738)	37,624	(9,204)	28,420
Share options exercised	599	-	-	-	599	-	599
Share-based payment transaction	-	-	36	-	36	-	36
Equity-settled share option arrangements	495	-	(495)	-	-	-	-
Loss for the period	-	-	-	(15,330)	(15,330)	(849)	(16,179)
At 31 July 2018 (audited)	38,997	-	-	(16,068)	22,929	(10,053)	12,876
At 1 August 2018 (audited)	38,997	-	-	(16,068)	22,929	(10,053)	12,876
Loss for the period	-	-	-	(941)	(941)	(5)	(946)
At 31 Oct 2018 (unaudited)	38,997	-	-	(17,009)	21,988	(10,058)	11,930

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



Condensed consolidated cashflow statement for the three-month period ended 31 October 2018

	<i>Three months ended</i>	
	31 October 2018 <i>unaudited</i> RM'000	31 July 2018 <i>audited</i> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(946)	(16,177)
<i>Adjustments:</i>		
Amortisation of intangible assets	-	274
Depreciation of property, plant and equipment	45	365
Dividend income	-	(700)
Equity-settled share-based payment expenses	-	36
- Trade receivables	-	2,528
- Other receivables	-	1,875
- Vessel	-	4,950
Interest income	-	(1)
Reversal of impairment on trade receivable	-	(7)
Share of results of associates	(77)	6,897
Operating loss before working capital changes	(978)	40
Increase in stock	-	-
Decrease/(Increase) in trade receivables	618	(1,481)
Decrease/(Increase) in other receivables, deposits and prepayments	(240)	(75)
Increase in trade payables	-	-
Increase in other payables and accruals	597	70
Increase/(decrease) in amount due to director	(378)	1,350
Interest received	-	1
Net cash generated from/(used in) operating activities	(381)	(95)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(20)	(857)
Dividend received	-	700
Net cash generated from/(used in) investing activities	(20)	(157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	599
Net cash generated from/(used in) financing activities	-	599
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(401)	347
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	671	324
CASH AND CASH EQUIVALENTS AT END OF PERIOD	270	671
<i>These comprise:-</i>		
Cash and bank balances	270	671
	270	671

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2018 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 2018. 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 2018.

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 2018.

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 2019.

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 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 July 2018 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.

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</i> RM'000	<i>Books</i> RM'000	<i>Dredging</i> RM'000	<i>Corporate</i> RM'000	<i>Adjustments/</i> RM'000	<i>Total</i> RM'000
Three months ended 31 October 2018						
Revenue						
External customers	1,412	10	-	-	-	1,422
Inter-segment	-	-	-	-	-	-
Total revenue	1,412	10	-	-	-	1,422
Results						
Depreciation	(3)	-	-	(42)	-	(45)
Amortisation	-	-	-	-	-	-
Impairment loss on PPE	-	-	-	-	-	-
Segment profit/(loss)	33	-	(1)	(1,055)	77	(946)
Segment assets	3,285	-	40	19,992	(8,177)	15,140
Segment liabilities	17,280	-	5,572	4,454	(24,096)	3,210

	<i>Software</i> RM'000	<i>Books</i> RM'000	<i>Dredging</i> RM'000	<i>Corporate</i> RM'000	<i>Adjustments/</i> RM'000	<i>Total</i> RM'000
Twelve months year ended 31 July 2018 (audited)						
Revenue						
External customers	9,448	-	-	-	-	9,448
Inter-segment	-	-	-	-	-	-
Total revenue	9,448	-	-	-	-	9,448
Results						
Depreciation	(8)	-	(275)	(82)	-	(365)
Amortisation	(274)	-	-	-	-	(274)
Impairment loss on PPE	-	-	(4,950)	-	-	(4,950)
Segment profit/(loss)	(1,578)	-	(5,241)	(2,461)	(6,898)	(16,178)
Segment assets	3,525	-	40	20,556	(8,254)	15,867
Segment liabilities	17,553	-	5,571	3,963	(24,096)	2,991

(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>
	RM'000	RM'000	RM'000	RM'000
Three months ended 31 October 2018				
Malaysia	1,422	(946)	1,513	2
Three months ended 31 October 2017				
Malaysia	863	(740)	5,203	89



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 2018.

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-18	31-Oct-17
	RM'000	RM'000
Fees on software development in progress receivable from EDSSB	365	261

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 financial period ended 31 October 2018, the group recorded revenue of RM1.422 million compared to RM0.863 million in the preceding year corresponding period. The group recorded a loss before taxation of RM0.946 million for FPE 31 October 2018 as compared to a loss before taxation of RM0.740 million registered in the preceding year corresponding quarter.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 Oct 2018</i>	<i>Preceding quarter ended 31 July 2018</i>
	RM'000	RM'000
Revenue	1,422	3,028
(Loss)/Profit before taxation	(946)	(18,170)

The group recorded a loss before taxation of RM0.946 million for FPE 31 October 2018 as compared to a loss before taxation of RM18.17 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.



Explanatory notes to the interim financial report

B7 Corporate proposals

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

B8 Borrowing and debt securities

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

B9 Off Balance sheet Financial instruments

There were no off balance sheet financial instruments as at the date of this report.

B10 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.

B11 Dividend payable

No interim ordinary dividend has been declared for the financial period under review.

B12 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 2018</i>	<i>31 Oct 2017</i>
Basic:		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(941)	(543)
Weighted average number of ordinary shares in issue ('000)	259,141	253,154
<i>Basic earnings/(loss) per ordinary share (sen)</i>	<i>(0.36)</i>	<i>(0.21)</i>
Diluted:		
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(941)	(543)
Weighted average number of ordinary shares in issue ('000)	259,141	253,154
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)	259,141	253,154
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	<i>(0.36)</i>	<i>(0.21)</i>



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

Explanatory notes to the interim financial report

B13 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 31st December 2018.

INIX Technologies Holdings Berhad
31st December 2018