





iNix Technologies Holdings Berhad (665797-D)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
For The Second Quarter Ended 31 January 2006**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31 Jan 2006 RM'000	Preceding Year Corresponding Quarter 31 Jan 2005 RM'000	Current Year To date 31 Jan 2006 RM'000	Preceding Year Corresponding Period 31 Jan 2005 RM'000
Revenue		2,429	-	7,839	-
Cost of sales		(873)	-	(3,322)	-
Gross profit		1,556	-	4,517	-
Selling and marketing expenses		(181)	-	(464)	-
Administrative expenses		(603)	(3)	(1,023)	(6)
Other operating expenses		(127)	-	(349)	-
Research and development expenses		(270)	-	(526)	-
<b>Profit/(loss) from operations</b>		<b>375</b>	<b>(3)</b>	<b>2,155</b>	<b>(6)</b>
Finance costs		-	-	-	-
<b>Profit/(loss) before taxation</b>		<b>375</b>	<b>(3)</b>	<b>2,155</b>	<b>(6)</b>
Taxation	B5	-	-	-	-
<b>Profit/(loss) after taxation</b>		<b>375</b>	<b>(3)</b>	<b>2,155</b>	<b>(6)</b>
<b>Basic earnings/(loss) per share (sen)</b>	B12	<b>0.39</b>	<b>(150,000)</b>	<b>2.33</b>	<b>(300,000)</b>
<b>Diluted earnings per share (sen)</b>	B12	<b>0.39</b>	<b>(150,000)</b>	<b>2.27</b>	<b>(300,000)</b>

**Note:**

The comparative figures presented are in respect of the Company from date of incorporation on 13 September 2004 to 31 January 2005. The Company completed the acquisition of its subsidiary INIX Technologies Sdn Bhd on 17 June 2005, and was listed on the MESDAQ Market on 1 September 2005.

*The annexed notes are an integral part of this statement*



**iNix Technologies Holdings Berhad** (665797-D)

**CONDENSED CONSOLIDATED BALANCE SHEET**

**As At 31 January 2006**

(The figures have not been audited)

	Note	As At End of Current Quarter 31 Jan 2006 RM'000	As At Preceding Financial Year End 31 Jul 2005 RM'000
<b>INTANGIBLE ASSET</b>		725	775
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	A9	5,390	1,360
<b>CURRENT ASSETS</b>			
Inventories		2,631	380
Trade receivables		14,235	10,944
Other receivables and prepayments		741	799
Cash and bank balances		2,585	135
		<b>20,192</b>	<b>12,258</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		561	352
Other payables		1,451	469
Provision for warranties		107	63
		<b>2,119</b>	<b>884</b>
<b>NET CURRENT ASSETS</b>		18,073	11,374
		<b>24,188</b>	<b>13,509</b>
<b>FINANCED BY</b>			
Share capital		9,500	8,051
Share premium		7,075	-
Reserve on consolidation		4,648	4,648
Retained profits		2,965	810
		<b>24,188</b>	<b>13,509</b>
<b>Net Tangible Assets per share (RM)</b>		<b>0.25</b>	<b>0.16</b>
<b>Net Assets per share (RM)</b>		<b>0.25</b>	<b>0.17</b>

*The annexed notes are an integral part of this statement*



**iNix Technologies Holdings Berhad (665797-D)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For The Second Quarter Ended 31 January 2006**

(The figures have not been audited)

	Share capital RM'000	Non-distributable		Distributable	Total RM'000
		Share premium RM'000	Reserve on consolidation RM'000	Retained profits RM'000	
<b>Preceding financial period ended 31 July 2005</b>					
At date of incorporation	*	-	-	-	-
Issue of shares during the period	8,051	-	-	-	8,051
Net profit for the period	-	-	-	810	810
Reserve on acquisition of a subsidiary company	-	-	4,648	-	4,648
Balance at 31 July 2005	8,051	-	4,648	810	13,509

\* denotes RM2.00

**Cumulative Quarter  
ended 31 January 2006**

At 1 August 2005	8,051	-	4,648	810	13,509
Issue of shares during the period	1,449	6,782	-	-	8,231
Proceeds from public issue	1,449	8,694	-	-	10,143
Listing expenses	-	(1,912)	-	-	(1,912)
Effect of share option expenses	-	293	-	-	293
Net profit for the period	-	-	-	2,155	2,155
Balance at 31 January 2006	9,500	7,075	4,648	2,965	24,188

*The annexed notes are an integral part of this statement*



iNix Technologies Holdings Berhad (665797-D)

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT  
For The Second Quarter Ended 31 January 2006**

(The figures have not been audited)

	Current Year Quarter 31 Jan 2006 RM'000	Preceding Year Corresponding Quarter 31 Jan 2005 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	375	(6)
Adjustments for:		
Depreciation of property, plant and equipment	171	-
Amortisation of intangible asset	25	-
Provision for warranties / (written back)	(30)	-
Allowance for doubtful debts / (written back)	(55)	-
Share option expenses credited to share premium	188	-
<b>Operating profit/(loss) before working capital changes</b>	<b>674</b>	<b>(6)</b>
(Increase) in inventories	(1,978)	-
Decrease in trade receivables	1,759	-
(Increase) in other receivables	(141)	-
Increase in trade payables	329	-
Increase in other payables	1,044	6
<b>Net cash used operating activities</b>	<b>1,687</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) of property, plant and equipment	(4,099)	-
Disposal of property, plant and equipment	17	-
<b>Net cash used in investing activities</b>	<b>(4,082)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	*
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>*</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,395)</b>	<b>*</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>4,980</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,585</b>	<b>*</b>
These comprise:		
Cash in hand	-	*
Bank balances	2,585	-
	<b>2,585</b>	<b>*</b>

\* denotes RM2.00

**Note:**

The comparative figures presented are in respect of the Company from date of incorporation on 13 September 2004 to 31 January 2005. The Company completed the acquisition of its subsidiary INIX Technologies Sdn Bhd on 17 June 2005, and was listed on the MESDAQ Market on 1 September 2005.

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**iNix Technologies Holdings Berhad (665797-D)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2006**

**A NOTES TO THE INTERIM FINANCIAL REPORT**

**A1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting, and Chapter 7 Part VI of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market

The interim financial statements of the Group and of the Company are prepared based on the historical cost convention except as disclosed in the notes to this statement, and in compliance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In compliance with the transitional provisions of FRS 2: Share-based Payment, the Company has applied this FRS to grants of shares, share options or other equity instruments that were granted after 31 December 2004 and had not yet vested at the effective date of this FRS on 1 January 2006.

Save as disclosed above, the accounting policies and methods of computation adopted by the Group in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial period ended 31 July 2005.

The comparative figures presented are in respect of the Company from date of incorporation on 13 September 2004 to 31 January 2005. The Company completed the acquisition of its subsidiary INIX Technologies Sdn Bhd on 17 June 2005.

**A2 Audit report of preceding annual financial statements**

The preceding year annual audited financial statements were not subject to any qualification.

**A3 Seasonal or cyclical factors**

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

**A5 Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review.

**A6 Debt and equity securities**

Save as disclosed below, 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 for the current quarter under review:



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2006**

**A6 Debt and equity securities (continued)**

Employee Share Option Scheme

The INIX Employee Share Option Scheme ("ESOS" or "the Scheme") grants options to eligible directors and employees of the INIX Group to subscribe for shares up to 15% of INIX's issued and paid-up share capital. The Scheme is in force for a duration of 5 years commencing from 25 August 2005 being the date of full compliance with all relevant requirements of the Scheme.

On 12 September 2005, 6,000,000 share options were granted and accepted at an exercise price of RM0.40 per share pursuant to the Company's ESOS. The estimated fair value of RM0.20 per option was calculated using the Black-Scholes option pricing model with inputs into the model as follows:

Weighted average share price	RM0.44
Exercise price	RM0.40
Expected volatility	60%
Expected life	3 years
Risk free rate	3.33%
Expected dividend yield	nil

Expected volatility was determined by calculating the historical volatility of the share prices of the Company and of other companies listed on the same exchange, board and sector. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Details of the share options outstanding during the period under review are as follows:

	<b>No. of share options at exercise price of RM0.40 each</b>	
	<b>Current Quarter</b>	<b>Year To Date</b>
Outstanding at the beginning of the period	6,000,000	-
Granted and accepted during the period	-	6,000,000
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	<u>6,000,000</u>	<u>6,000,000</u>
Exercisable at the end of the period	<u>-</u>	<u>-</u>

**A7 Dividend paid**

No dividend has been paid in the current quarter under review.

**A8 Segmental information**

Business segments

Business segment information is not presented as the Group is primarily engaged in one business segment, which is the development and sales of integrated intelligent wireless security, automation and closed-circuit television surveillance systems.



**iNix Technologies Holdings Berhad (665797-D)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2006**

**A8 Segmental information (continued)**

Geographical segments

As the Group operates predominantly in Malaysia, geographical segment information is not presented other than revenue by geographical markets which is analysed as follows:

	<b>Current Quarter RM'000</b>	<b>Year To Date RM'000</b>
Asia	1,629	5,564
Africa	-	675
Australia	800	1,600
Revenue for the period	<u>2,429</u>	<u>7,839</u>

**A9 Valuation of property, plant and equipment**

There were no valuation of the property, plant and equipment in the current quarter under review.

**A10 Material events subsequent to the end of the quarter**

There were no material events between the end of the reporting quarter and the date of this announcement.

**A11 Changes in the composition of the Group**

Save as disclosed below, there was no material change in the composition of the Group for the quarter under review.

On 28 December 2005, INIX's wholly-owned subsidiary company INIX Technologies Sdn Bhd acquired two ordinary shares of RM1.00 each in Inix Industrial Sdn. Bhd. ("IISB"), representing the entire issued and paid-up share capital of IISB for a total cash consideration of RM2.00, thereby resulting in IISB becoming a wholly-owned indirect subsidiary of INIX. IISB remained a dormant company as at the end of period under review. Its intended principal activity is the manufacturing and production of wireless integrated intelligent security, automation and CCTV surveillance systems for the INIX Group.

**A12 Contingent liabilities**

During the period, the directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have material impact on the financial position and business of the Group.

**A13 Capital commitment**

As at 31 January 2006, the Group has no material capital commitment in respect of property, plant and equipment.

**A14 Significant related party transactions**

During the period, the directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

**A15 Cash and cash equivalents**

Short-term deposits with licensed banks	-
Cash and bank balances	2,585
	<u>2,585</u>

**RM'000**





iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2006**

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

**B1 Review of performance**

For the current quarter ended 31 January 2006, the Group recorded a net profit after taxation of RM0.375 million. Group sales revenue for the period, coinciding with the festive months of November, December and January, amounted to RM2.429 million. Overall, sales turnover during the period was dampened by heightened economic concerns emanating from continuing uncertainty over escalating world crude oil prices, and rising interest rates.

**B2 Variation of results against preceding quarter**

	<b>Current Quarter 31 Jan 2006 RM'000</b>	<b>Preceding Quarter 31 Oct 2005 RM'000</b>
Revenue	2,429	5,410
Profit after taxation	375	1,780

Reflecting a less favourable operating environment during the period under review, Group sales turnover declined significantly from the preceding quarter. Total operating expenses contracted in tandem, but only moderately so. In this, deemed share option expenses arising from the grant of employee share options on 12 September 2005 were charged for the full three month period of the current quarter, compared to less than two months' charge (from 12 September 2005) for the preceding quarter. Also, research and development efforts, as did expenses, were sustained at preceding quarter levels. Consequently, the Group's after taxation earnings declined to RM0.375 million from RM1.780 million in the preceding quarter.

**B3 Prospects**

The generally depressed present economic conditions notwithstanding, the Directors remain confident of the excellent overall prospects of the Group, albeit now over a slightly longer term. Recognising that the prevailing conditions do not impact all market segments homogeneously, efforts have already commenced to target those geographical, sectoral, business and product segments likely to be least (or not at all) affected by increased oil prices and rising interest rates, including expansion and/or diversification of the Group's range of products and services. It is cautioned however that these efforts may require some time, and expense, before bearing the desired fruit of sustained Group earnings into the future. Nonetheless, barring any unforeseen significant further deterioration in the current economic state of affairs locally as well as globally, the Directors are cautiously optimistic that Group earnings for the financial year ending 31 July 2006 will remain in positive territory.

**B4 Variance of actual profit from forecast profit**

Not applicable as no profit forecast was published.

**B5 Taxation**

For the current quarter ended 31 January 2006, the Company has no taxable income while its subsidiary enjoyed 100% exemption of tax as a pioneer status company. The pioneer status had been granted to its subsidiary for 5 years commencing 1 December 2003 being an MSC status company, and pursuant to the benefits/incentives available, its statutory income is fully exempted from income tax.



**iNix Technologies Holdings Berhad (665797-D)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2006**

**B6 Unquoted investments and properties**

There were no changes in the unquoted investments and properties of the Group during the current quarter under review.

**B7 Quoted securities**

There were no acquisitions or disposals of quoted securities during the current quarter under review.

**B8 Group's borrowings and debt securities**

There were no borrowings and debt securities outstanding and/or issued during the current quarter under review.

**B9 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at the date of this announcement applicable to the Group.

**B10 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 Dividends**

No dividends have been declared in respect of the current quarter under review.

**B12 Earnings per share**

	<b>Current Quarter 31 Jan 2006</b>	<b>Year To Date 31 Jan 2006</b>
Profit after taxation (RM'000)	375	2,155
Weighted average number of ordinary shares assumed in issue ('000)	95,000	92,572
Basic earnings per share (sen)	<b>0.39</b>	<b>2.33</b>
Weighted average number of ordinary shares assumed in issue ('000)	95,000	92,572
Number of shares under option ('000)	6,000	6,000
Less: Number of shares that would have been issued at average fair value ('000)	(4,032)	(3,837)
Adjusted weighted average number of ordinary shares assumed in issue ('000)	96,968	94,735
Diluted earnings per share (sen)	<b>0.39</b>	<b>2.27</b>



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**B13 Status of corporate proposals**

There were no corporate proposals announced but not yet completed as at the date of this announcement.

**B14 Utilisation of IPO proceeds**

The status of utilisation of the proceeds raised from the public issue pursuant to the listing of the Company on Mesdaq Market of Bursa Malaysia Securities Berhad amounting to RM10.143 million is as follows :

	<b>As approved by the Securities Commission</b>	<b>Utilised as at the date of this report</b>	<b>Balance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Research and development	2,500	1,276	1,224
Purchase of equipment/fixed assets	500	499	1
Advertising and promotion	1,000	1,000	-
Working capital	4,343	4,343	-
Estimated listing expenses	1,800	1,800 *	-
	<u>10,143</u>	<u>8,918</u>	<u>1,225</u>

*Note: \* Actual listing expenses amounted to RM1.912 million. The additional expense amount of RM0.112 million was paid from the proceeds for working capital requirement.*

**B15 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 21 March 2006.

**iNix Technologies Holdings Berhad**

23 March 2006