



iNix Technologies Holdings Berhad (665797-D)

**SUMMARY OF KEY FINANCIAL INFORMATION**  
For The Second Quarter Ended 31 January 2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 31 Jan 2007 RM'000	Preceding Year Corresponding Quarter 31 Jan 2006 RM'000	Current Year To date 31 Jan 2007 RM'000	Preceding Year Corresponding Period 31 Jan 2006 RM'000
1. Revenue	919	2,429	1,509	7,839
2. Profit/(loss) before tax	(765)	375	(1,754)	2,155
3. Profit/(loss) for the period	(765)	375	(1,754)	2,155
4. Profit/(loss) attributable to ordinary equity holders of the parent	(765)	375	(1,754)	2,155
5. Basic earnings/(loss) per share (sen)	(0.77)	0.39	(1.79)	2.33
6. Proposed/declared dividend per share (sen)	-	-	-	-
		<b>AS AT END OF CURRENT QUARTER 31 Jan 2007</b>		<b>AS AT PRECEDING FINANCIAL YEAR END 31 Jul 2006</b>
7. Net assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.25</u>		<u>0.27</u>

**Remarks :**

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.

Please access the Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com) for the full text of the above.



iNix Technologies Holdings Berhad (665797-D)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
For The Second Quarter Ended 31 January 2007**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31 Jan 2007 RM'000	Preceding Year Corresponding Quarter 31 Jan 2006 RM'000	Current Year To date 31 Jan 2007 RM'000	Preceding Year Corresponding Period 31 Jan 2006 RM'000
Revenue		919	2,429	1,509	7,839
Cost of sales		(74)	(873)	(454)	(3,322)
Gross profit		845	1,556	1,055	4,517
Selling and marketing expenses		(189)	(181)	(325)	(464)
Administrative expenses		(593)	(603)	(1,011)	(1,023)
Other operating expenses		(583)	(127)	(948)	(349)
Research and development expenses		(245)	(270)	(525)	(526)
<b>Profit/(loss) from operations</b>		<b>(765)</b>	<b>375</b>	<b>(1,754)</b>	<b>2,155</b>
Finance costs		-	-	-	-
<b>Profit/(loss) before taxation</b>		<b>(765)</b>	<b>375</b>	<b>(1,754)</b>	<b>2,155</b>
Taxation	B5	-	-	-	-
<b>Profit/(loss) after taxation</b>		<b>(765)</b>	<b>375</b>	<b>(1,754)</b>	<b>2,155</b>
<b>Basic earnings/(loss) per share (sen)</b>	B12	<b>(0.77)</b>	<b>0.39</b>	<b>(1.79)</b>	<b>2.33</b>
<b>Diluted earnings per share (sen)</b>	B12	<b>(0.78)</b>	<b>0.39</b>	<b>(1.83)</b>	<b>2.27</b>

**Note:**

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 2007**

(The figures have not been audited)

		<b>As At End of Current Quarter 31 Jan 2007 RM'000</b>	<b>(Audited) As At Preceding Financial Year End 31 Jul 2006 RM'000</b>
<b>INTANGIBLE ASSET</b>		625	675
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	A9	8,516	6,752
<b>GOODWILL ON CONSOLIDATION</b>		4	4
<b>CURRENT ASSETS</b>			
Inventories		3,946	584
Trade receivables		12,955	17,674
Other receivables and prepayments		303	253
Cash and bank balances		603	448
		<b>17,807</b>	<b>18,959</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		680	550
Other payables		308	274
Provision for warranties		65	100
		<b>1,053</b>	<b>924</b>
<b>NET CURRENT ASSETS</b>		16,754	18,035
		<b>25,899</b>	<b>25,466</b>
<b>FINANCED BY</b>			
Share capital		10,296	9,500
Share premium		7,931	6,784
Share option reserve		818	574
Reserve on consolidation		4,648	4,648
Retained profits		2,206	3,960
		<b>25,899</b>	<b>25,466</b>
<b>Net tangible assets per share (RM)</b>		0.25	0.26
<b>Net assets per share (RM)</b>		0.25	0.27

*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 2007**

(The figures have not been audited)

	Non-distributable				Distributable	Total
	Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Reserve on consolidation RM'000	Retained profits RM'000	
<b>Preceding financial period ended 31 July 2006 (audited)</b>						
At 1 August 2005 (audited)	8,051	-	-	4,648	810	13,509
Issue of shares during the period	1,449	6,784	-	-	-	8,233
Proceeds from public issue	1,449	8,694	-	-	-	10,143
Listing expenses	-	(1,910)	-	-	-	(1,910)
Recognition of share option expense	-	-	574	-	-	574
Net profit for the period	-	-	-	-	3,150	3,150
Balance at 31 July 2006 (audited)	9,500	6,784	574	4,648	3,960	25,466
<b>Cumulative quarter ended 31 January 2007</b>						
At 1 August 2006 (audited)	9,500	6,784	574	4,648	3,960	25,466
Issue of shares during the period	796	1,147	-	-	-	1,943
Proceeds from placements	796	1,183	-	-	-	1,979
Placement issue expenses	-	(36)	-	-	-	(36)
Recognition of share option expense	-	-	244	-	-	244
Net profit/(loss) for the period	-	-	-	-	(1,754)	(1,754)
Balance at 31 January 2007	10,296	7,931	818	4,648	2,206	25,899

*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 2007**

(The figures have not been audited)

	Current Year Quarter 31 Jan 2007 RM'000	Preceding Year Corresponding Quarter 31 Jan 2006 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(765)	375
Adjustments for:		
Depreciation of property, plant and equipment	301	171
Amortisation of intangible asset	25	25
Provision/(Write-back of provision) for warranties	(22)	(30)
Allowance/(Write-back of allowance) for doubtful debts	134	(55)
Share option expense	99	188
<b>Operating profit before working capital changes</b>	<u>(228)</u>	<u>674</u>
(Increase) in inventories	(3,094)	(1,978)
Decrease in trade receivables	4,466	1,759
Decrease/(Increase) in other receivables	(27)	(141)
Increase/(Decrease) in trade payables	(166)	329
Increase in other payables	26	1,044
<b>Net cash generated from/(used in) operating activities</b>	<u>977</u>	<u>1,687</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) of property, plant and equipment	(2,227)	(4,099)
Disposal of property, plant and equipment	-	17
<b>Net cash generated from/(used in) investing activities</b>	<u>(2,227)</u>	<u>(4,082)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of placement shares	1,549	-
Placement shares issue expenses paid	(36)	-
<b>Net cash generated from financing activities</b>	<u>1,513</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>263</u>	<u>(2,395)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER</b>	<u>340</u>	<u>4,980</u>
<b>CASH AND CASH EQUIVALENTS AT END OF QUARTER</b>	<u>603</u>	<u>2,585</u>
These comprise:		
Cash in hand	18	-
Bank balances	585	2,585
	<u>603</u>	<u>2,585</u>

**Note:**

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)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2007**

**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 9 Part K Rule 9.22 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.

Save as disclosed in Note A2 below, 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 year ended 31 July 2006.

**A2 Changes in accounting policies**

In compliance with the transitional provisions of FRS 2: Share-based Payment, the Group has, in the preparation of the audited financial statements for the preceding financial year ended 31 July 2006, 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.

The Group has adopted the following new and/or revised FRS which are effective for financial statements in respect of financial years commencing on or after 1 January 2006. The adoption of the FRS does not have any significant impact on the Group.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

**A3 Audit report of preceding annual financial statements**

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

**A4 Seasonal or cyclical factors**

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



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2007**

**A5 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.

**A6 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.

**A7 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:

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	5,065,000	5,160,000
Granted and accepted during the period	-	-
Forfeited during the period	(285,000)	(380,000)
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	<u>4,780,000</u>	<u>4,780,000</u>
Exercisable at the end of the period	<u>2,439,000</u>	<u>2,439,000</u>



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2007**

**A7 Debt and equity securities (continued)**

Private placement exercise

The Company's proposed private placement exercise ("Proposed Private Placement") approved by the Securities Commission ("SC") and the Foreign Investment Committee ("FIC") on 24 May 2006 involves the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 10,036,000 new ordinary shares of RM0.10 each ("INIX Shares") to investors to be identified.

As at the date of this announcement, the Company had completed implementation of the Proposed Private Placement which involved the allotment and issue of a total of 9,500,000 new INIX shares in six tranche placements as follows:

Date of announcement	Placement tranche	No. of INIX shares	Issue price RM	Date of allotment
17 Aug 2006	First Tranche	856,000	0.500	21 Aug 2006
27 Nov 2006	Second Tranche	1,000,000	0.225	1 Dec 2006
1 Dec 2006	Third Tranche	1,000,000	0.215	8 Dec 2006
7 Dec 2006	Fourth Tranche	4,000,000	0.220	18 Dec 2006
15 Dec 2006	Fifth Tranche	1,100,000	0.210	22 Dec 2006
25 Jan 2007	Sixth (Final) Tranche	1,544,000	0.215	5 Feb 2007
	Total	<u>9,500,000</u>		

**A8 Dividend paid**

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

**A9 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.

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:

	Current Quarter RM'000	Year To Date RM'000
Asia	919	1,509
Africa	-	-
Australia	-	-
Europe	-	-
Revenue for the period	<u>919</u>	<u>1,509</u>

**A10 Valuation of property, plant and equipment**

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





iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2007**

**A11 Material events subsequent to the end of the quarter**

Save as disclosed below, there were no material events between the end of the reporting quarter and the date of this announcement.

Private placement exercise

As disclosed in Note A7, the Company completed implementation of all tranches of the Proposed Private Placement subsequent to the end of the reporting quarter. The Sixth and Final Tranche placement shares comprising 1,544,000 new INIX shares at an issue price of RM0.215 per placement share were issued and allotted on 8 February 2007.

Exclusive distribution agreement with Consolidated Distribution Pty Ltd of Australia

On 19 March 2007, the Company announced that its wholly-owned subsidiary, INIX Technologies Sdn Bhd, has appointed Consolidated Distribution Pty Ltd of Australia as the sole distributor of INIX's integrated intelligent home system in various consumer markets overseas, namely Australia, New Zealand, South Africa, the United States and Canada. The estimated value of sales to Consolidated under the Distributorship Agreement is in the region of RM16 million.

**A12 Changes in the composition of the Group**

There was no material change in the composition of the Group for the quarter under review.

**A13 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.

**A14 Capital commitment**

As at the end of the quarter under review, the Group has no material capital commitment in respect of property, plant and equipment.

**A15 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.

**A16 Cash and cash equivalents**

Short-term deposits with licensed banks  
Cash and bank balances

**RM'000**

-

603

603



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2007**

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

**B1 Review of performance**

For the quarter under review, the Group recorded an improved sales turnover of RM0.919 million, bringing cumulative sales for the first two quarters of the current financial year ending 31 July 2007 to RM1.509 million. Reflective of the continuing adverse operating environment for the Group and the resultant cost and expense pressures brought to bear on operations however, earnings remained in the negative, with an after-tax loss of RM0.765 million recorded for the current quarter ended 31 January 2007.

**B2 Variation of results against preceding quarter**

	<b>Current Quarter 31 Jan 2007 RM'000</b>	<b>Preceding Quarter 31 Oct 2006 RM'000</b>
Revenue	919	590
Profit/(Loss) after taxation	<u>(765)</u>	<u>(989)</u>

Sales revenue for the Group expanded a significant 55.8% from RM0.590 million in the previous quarter ("Q1"). Group after-tax losses declined 22.7% from RM0.989 million to RM0.765 million for the quarter under review. Significant individual items of expenditure for the quarter include depreciation on property, plant and equipment of RM0.301 million (Q1: RM0.201 million), allowance for bad and doubtful debts RM0.134 million (Q1: RM0.134 million) and share option expenses RM0.099 million (Q1: RM0.145 million).

**B3 Prospects**

Notwithstanding the generally depressed economic conditions, and the disappointing revenue and earnings outturns for the first half of the current financial year, the Directors remain confident of the overall prospects of the Group over the longer term. In the short to medium term however, revenue growth, more so net earnings, will undoubtedly come under severe pressure. So too the Group's prospects for a return to profitability for the current financial year ending 31 July 2007.

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

Not applicable as no profit forecast was published and no profit was guaranteed by the Group.

**B5 Taxation**

For the current quarter ended 31 January 2007, 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 2007**

**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**

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.

Kuala Lumpur High Court Civil Suit No. S7-22-222-2006

On 25 May 2006, the Company received a Writ and Statement of Claim dated 17 March 2006 in relation to the above suit filed by Mohd Yusoff Bin Mohd Noor ("Plaintiff"). The Plaintiff claims a sum of RM1,010,000 from the Company and one of its directors, namely Jimmy Tok Soon Guan (collectively, the "Defendants") which is allegedly owed to him premised on an alleged promise by the Defendants. The Defendants' Statement of Defence was filed on 20 June 2006, and the Reply filed on 10 July 2006. The Company's solicitors are of the opinion that the Plaintiff's claim is frivolous as it is based on illegality as well as fraud and as such unsustainable.

On 20 December 2006, the Company announced that the Plaintiff's solicitors had served the sealed copy of the application for Summary Judgment and that the Kuala Lumpur High Court had fixed the matter for hearing to which the Company had then announced on 21 March 2007 that the hearing has been adjourned to 11 June 2007 on the request of the Plaintiff's solicitors in order for them to file a further affidavit.

**B11 Dividends**

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



iNix Technologies Holdings Berhad (665797-D)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 January 2007**

**B12 Earnings per share**

	<b>Current Quarter 31 Jan 2007</b>	<b>Year To Date 31 Jan 2007</b>
Profit after taxation (RM'000)	(765)	(1,754)
Weighted average number of ordinary shares assumed in issue ('000)	99,901	97,785
Basic earnings/(loss) per share (sen)	<b>(0.77)</b>	<b>(1.79)</b>
Weighted average number of ordinary shares assumed in issue ('000)	99,901	97,785
Number of shares under option ('000)	4,780	4,780
Less: Number of shares that would have been issued at average fair value ('000)	(6,637)	(6,938)
Adjusted weighted average number of ordinary shares assumed in issue ('000)	98,044	95,628
Diluted earnings/(loss) per share (sen)	<b>(0.78)</b>	<b>(1.83)</b>

**B13 Status of corporate proposals**

Save as disclosed below, there were no corporate proposals announced but not yet completed as at the date of this announcement.

Private placement exercise

The Company's proposed private placement exercise ("Proposed Private Placement") approved by the Securities Commission ("SC") and the Foreign Investment Committee ("FIC") on 24 May 2006 involves the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 10,036,000 new ordinary shares of RM0.10 each ("INIX Shares") to investors to be identified.

As disclosed in Note A7 and Note A11, the Company had completed implementation of the Proposed Private Placement subsequent to the end of the reporting quarter.



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**B15 Utilisation of placement proceeds**

The status of utilisation of the proceeds raised is as follows:

	<b>As approved by the SC</b>		<b>Utilised at date of this report</b>	<b>Balance</b>
	<b>Proposed private placement</b>	<b>All tranche placement shares</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Expansion of production capacity	3,000	1,818	1,276	542
Working capital	714	433	433	-
Estimated expenses	100	61	40	21
	<b>3,814</b>	<b>2,311</b>	<b>1,749</b>	<b>562</b>

The proceeds raised have been allocated proportionately based on the 9,500,000 ordinary shares issued over the number of ordinary shares under the Proposed Private Placement. Any excess/(deficit) in the gross proceeds raised, upon completion, will be utilised for/(adjusted from) working capital.

**B16 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 27 March 2007.

**iNix Technologies Holdings Berhad**

28 March 2007