



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

Unaudited interim financial report

for the quarter ended 31 January 2011

SUMMARY OF KEY FINANCIAL INFORMATION				
31/01/2011				
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/01/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2010 RM'000	CURRENT YEAR TO DATE 31/01/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2010 RM'000
1 Revenue	1,011	484	2,019	673
2 Profit/(loss) before tax	40	120	(5)	236
3 Profit/(loss) for the period	40	120	(5)	236
4 Profit/(loss) attributable to ordinary equity holders of the parent	40	120	(5)	0
5 Basic earnings/(loss) per share (sen)	0.03	0.10	(0.00)	0.21
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0533		0.0533	



Condensed consolidated income statement for the three-month and six-month periods ended 31 January 2011

	Note	Three months ended		Six months ended	
		31 Jan 2011 unaudited RM'000	31 Jan 2010 unaudited RM'000	31 Jan 2011 unaudited RM'000	31 Jan 2010 unaudited RM'000
Revenue	A9	1,011	484	2,019	673
Cost of sales		(140)	(137)	(342)	(247)
Gross profit		871	347	1,677	426
Other operating income		-	-	-	623
Selling and marketing expenses		(27)	(2)	(54)	(38)
Administrative expenses		(154)	167	(530)	34
Research and development expenses		(490)	(254)	(789)	(533)
Other expenses		(159)	(138)	(308)	(276)
Finance costs		-	-	-	-
Profit/(Loss) before tax		40	120	(5)	236
Taxation	B5	-	-	-	-
Profit/(Loss) for the period		40	120	(5)	236
Profit/(Loss) per share attributable to ordinary equity holders of the Company (sen)					
Basic	B13	0.03	0.10	(0.00)	0.21
Diluted	B13	0.03	0.10	(0.00)	0.21

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2010 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 January 2011

	Note	As at 31 Jan 2011 unaudited RM'000	As at 31 Jul 2010 audited RM'000
ASSETS			
Non-Current Assets			
Intangible assets		749	484
Property, plant and equipment	A10	2,480	3,247
		3,229	3,731
Current Assets			
Inventories		416	454
Trade receivables		3,482	2,709
Other receivables, deposits and prepayments		322	281
Cash and bank balances		618	116
		4,838	3,560
TOTAL ASSETS		8,067	7,291
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		11,495	11,495
Share premium		8,658	8,658
Share option reserve		-	-
Accumulated losses		(14,027)	(14,022)
		6,126	6,131
Current liabilities			
Trade payables		142	148
Other payables and accruals		1,796	1,009
Provision for warranty claims		4	3
		1,942	1,160
TOTAL EQUITY AND LIABILITIES		8,067	7,291
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.0533	0.0533

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2010 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 January 2011

	<i>Attributable to equity holders of the Company</i>				
	<i>Share capital</i>	<i>Share premium</i>	<i>Share option reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2009 (audited)	11,495	8,658	364	(14,673)	5,844
Profit for the period	-	-	-	236	236
Employee share options granted	-	-	(179)	-	(179)
At 31 January 2010 (unaudited)	11,495	8,658	185	(14,437)	5,901
At 1 August 2010 (audited)	11,495	8,658	-	(14,022)	6,131
Loss for the period	-	-	-	(5)	(5)
At 31 January 2011 (unaudited)	11,495	8,658	-	(14,027)	6,126

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2010 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 six-month period ended 31 January 2011

	<i>Six months ended</i>	
	31 Jan 2011	31 Jan 2010
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(5)	236
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	812	810
Amortisation of intangible assets	155	154
Net provision for warranty claims written back	1	-
Allowance for doubtful debts	18	16
Interest expense on hire purchase financing	-	-
Share option expense	-	(179)
Operating profit/(loss) before working capital changes	981	1,037
Decrease in inventories	38	28
Decrease/(Increase) in trade receivables	(791)	(237)
Increase in other receivables, deposits and prepayments	(41)	(29)
Decrease in trade payables	(6)	(42)
Increase/(Decrease) in other payables and accruals	787	(748)
Net cash used in operating activities	967	9
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(46)	-
Research & development expenditure	(419)	-
Net cash generated from/(used in) investing activities	(465)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid on hire purchase financing	-	-
Net cash generated from/(used in) financing activities	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	502	9
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	116	30
CASH AND CASH EQUIVALENTS AT END OF PERIOD	618	39
<i>These comprise:-</i>		
Cash in hand	6	14
Bank balances	612	25
	618	39

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2010 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 2010. 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 2010.

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 2010.

The Group and the Company have not applied the following new and revised accounting standards (including consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

		<i>Effective for annual periods commencing on or after</i>
FRSs and Amendments		
Amendment to FRS 1	<i>Additional Exemptions for First-time Adopters</i>	1 Jan 2011
Amendment to FRS 1	<i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>	1 Jan 2011
Amendment to FRS 1	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 2	<i>Group Cash-settled Share-based Payment Transactions</i>	1 Jan 2011
Amendment to FRS 3	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 7	<i>Improving Disclosures about Financial Instruments</i>	1 Jan 2011
Amendment to FRS 7	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 101	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 121	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
FRS 124 (revised)	<i>Related Party Disclosures</i>	1 Jan 2012
Amendment to FRS 128	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 131	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 132	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 134	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to FRS 139	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Interpretations and Amendments		
IC Interpretation 4	<i>Determining Whether an Arrangement contains a Lease</i>	1 Jan 2011
Amendment to IC Interpretation 13	<i>[Improvements to FRSs (2010)]</i>	1 Jan 2011
Amendment to IC Interpretation 14	<i>Prepayments of a Minimum Funding Requirement</i>	1 Jul 2011
IC Interpretation 18	<i>Transfers of Assets from Customers</i>	1 Jan 2011
IC Interpretation 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 Jul 2011

A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 July 2010 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.



Explanatory notes to the interim financial report

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.

A8 Dividends paid

No dividends were paid during the financial year-to-date.

A9 Segmental information

(a) Operating segments

	<i>Development and sales of security, automation and surveillance systems</i> RM'000	<i>Software development and system integration</i> RM'000	<i>Corporate</i> RM'000	<i>Elimi- nations</i> RM'000	<i>Total</i> RM'000
Three months ended 31 Jan 2011					
Revenue					
External customers	66	945	-	-	1,011
Inter-segment	-	-	-	-	-
Total revenue	<u>66</u>	<u>945</u>	<u>-</u>	<u>-</u>	<u>1,011</u>
Results					
Depreciation	(405)	-	-	-	(405)
Amortisation	(78)	-	-	-	(78)
Impairment of non-financial assets	-	-	-	-	-
Inventories written-down	-	-	-	-	-
Provision for warranty claims	(3)	-	-	-	(3)
Share-based payments	-	-	-	-	-
Segment profit/(loss)	<u>232</u>	<u>(185)</u>	<u>(7)</u>	<u>-</u>	<u>40</u>
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to property, plant and equipment	-	-	-	-	-
Amount due from related company	-	-	-	-	-
Segment assets	<u>(579)</u>	<u>916</u>	<u>(0)</u>	<u>0</u>	<u>336</u>
Liabilities					
Amount due to holding company	10,828	-	-	(10,828)	-
Amount due to related company	-	-	628	-	628
Amount due to subsidiaries	-	-	3	-	3
Segment liabilities	<u>71</u>	<u>237</u>	<u>(2,421)</u>	<u>2,409</u>	<u>297</u>



Explanatory notes to the interim financial report

A9 Segmental information (continued)

(a) Operating segments (continued)

	<i>Development and sales of security, automation and surveillance systems</i>	<i>Software development and system integration</i>	<i>Corporate</i>	<i>Elimi- nations</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 31 Jan 2010					
Revenue					
External customers	484	-	-	-	484
Inter-segment	-	-	-	-	-
Total revenue	<u>484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>484</u>
Results					
Depreciation	(405)	-	-	-	(405)
Amortisation	(77)	-	-	-	77
Impairment of non-financial assets	-	-	-	-	-
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	<u>120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to property, plant and equipment	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from subsidiaries	-	-	-	-	-
Amount due from related company	-	-	-	-	-
Segment assets	<u>6,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,656</u>
Liabilities					
Amount due to holding company	-	-	-	-	-
Amount due to related company	-	-	-	-	-
Segment liabilities	<u>755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>755</u>



Explanatory notes to the interim financial report

A9 Segmental information (continued)

(a) Operating segments (continued)

	<i>Development and sales of security, automation and surveillance systems</i> RM'000	<i>Software development and system integration</i> RM'000	<i>Corporate</i> RM'000	<i>Elimi- nations</i> RM'000	<i>Total</i> RM'000
Six months ended 31 Jan 2011					
Revenue					
External customers	210	1,809	-	-	2,019
Inter-segment	-	-	-	-	-
Total revenue	<u>210</u>	<u>1,809</u>	<u>-</u>	<u>-</u>	<u>2,019</u>
Results					
Depreciation	(812)	-	-	-	(812)
Amortisation	(155)	-	-	-	(155)
Impairment of non-financial assets	-	-	-	-	-
Inventories written-down	-	-	-	-	-
Provision for warranty claims	(4)	-	-	-	4
Share-based payments	-	-	-	-	-
Segment profit/(loss)	<u>356</u>	<u>(340)</u>	<u>(21)</u>	<u>-</u>	<u>(5)</u>
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to property, plant and equipment	-	-	-	-	-
Amount due from related company	-	-	-	-	-
Segment assets	<u>8,500</u>	<u>530</u>	<u>2,714</u>	<u>(3,675)</u>	<u>8,067</u>
Liabilities					
Amount due to holding company	11,806	-	-	(11,806)	-
Amount due to related company	-	-	-	-	-
Amount due to subsidiaries	-	202	-	(202)	-
Segment liabilities	<u>12,791</u>	<u>870</u>	<u>293</u>	<u>(11,813)</u>	<u>1,942</u>



Explanatory notes to the interim financial report

A9 Segmental information (continued)

(a) Operating segments (continued)

	<i>Development and sales of security, automation and surveillance systems</i> RM'000	<i>Software development and system integration</i> RM'000	<i>Corporate</i> RM'000	<i>Elimi- nations</i> RM'000	<i>Total</i> RM'000
Six months ended 31 Jan 2010					
Revenue					
External customers	673	-	-	-	673
Inter-segment	-	-	-	-	-
Total revenue	673	-	-	-	673
Results					
Depreciation	(810)	-	-	-	(810)
Amortisation	(154)	-	-	-	(154)
Impairment of non-financial assets	-	-	-	-	-
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Share-based payments	-	-	-	-	-
Segment profit/(loss)	202	-	34	-	236
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to property, plant and equipment	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from subsidiaries	-	-	-	-	-
Amount due from related company	-	-	-	-	-
Segment assets	6,656	-	-	-	6,656
Liabilities					
Amount due to holding company	-	-	-	-	-
Amount due to related company	-	-	-	-	-
Segment liabilities	755	-	-	-	755



Explanatory notes to the interim financial report

(b) Geographical information

	Revenue RM'000	Profit/(Loss) before taxation RM'000	Non-current assets		Current asset
			Property, plant and equipment RM'000	Intangible assets RM'000	Trade receivables RM'000
Three months ended 31 Jan 2011					
Malaysia	1,011	40	(360)	342	(62)
Australia	-	-	-	-	-
	<u>1,011</u>	<u>-</u>	<u>(360)</u>	<u>342</u>	<u>(62)</u>
Three months ended 31 Jan 2010					
Malaysia	484	120	(405)	(77)	2,350
Australia	-	-	-	-	-
	<u>484</u>	<u>120</u>	<u>(405)</u>	<u>(77)</u>	<u>2,350</u>
Six months ended 31 Jan 2011					
Malaysia	2,019	49	2,480	385	3,482
Australia	-	(55)	-	364	-
	<u>2,019</u>	<u>(5)</u>	<u>2,480</u>	<u>749</u>	<u>3,482</u>
Six months ended 31 Jan 2010					
Malaysia	673	236	4,010	639	1,498
Australia	-	-	-	-	-
	<u>673</u>	<u>236</u>	<u>4,010</u>	<u>639</u>	<u>1,498</u>

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.



Explanatory notes to the interim financial report

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 2010.

A14 Significant related party transactions

On 1st April 2010, the Group via its subsidiaries ITSb, received a Contract from eNCoral Digital Solutions Sdn Bhd (EDSSB) for the development of Integrated Campus Management System (ICMS).

Significant transactions between related parties and the Group as at balance sheet date are as follows:

Revenue

	Three months ended		Six months ended	
	31 Jan 2011	31 Jan 2010	31 Jan 2011	31 Jan 2010
	RM	RM	RM	RM
Fees on software development in progress receivable from EDSSB	<u>920,000</u>	<u>-</u>	<u>1,784,000</u>	<u>-</u>

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 ("FY11Q2"), the Group registered a pre-tax profit of RM0.040 million on sales turnover of RM1.011 million. For the financial year-to-date, consolidated loss before tax is RM0.005 million on sales of RM2.019 million.

B2 Material change in profit before tax

	<i>Current quarter ended 31 Jan 2011</i>	<i>Preceding quarter ended 31 Oct 2010</i>
	RM'000	RM'000
Revenue	1,011	1,008
Profit/Loss before taxation	40	(45)

In comparison, the preceding quarter ("FY11Q1") recorded a pre-tax loss of RM0.045 million on a substantially lower sales turnover of RM1.008 million. For FY11Q2, there were no major changes on selling and marketing expenses (FY11Q1: +RM0.273 million). Research and development expenses was a positive RM0.492 million due to increase of staff cost in research and development department. (FYQ1: +RM0.299 million). Administrative expenses for FY11Q2 were lower at RM0.154 million (FY11Q1 : +RM0.376 million).

Other significant individual items of expenditure for FY11Q2 compared to FY11Q1 include depreciation on property, plant and equipment of RM0.812 million (FY11Q1: RM0.407million) and amortisation of intangible assets RM0.155 million (FY11Q1: RM0.077 million).

B3 Prospects

In the 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-a-vis the future economic benefits reasonably expected to flow to the Group therefrom, the Directors are hopeful of improved results for the current financial year ending 31st July 2011.

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.



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

The previous corporate proposal as announced on 4 January 2008 was not approved by the Securities Commission.

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.

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

The Company and an executive director of the Company are defendants to a suit brought against them by a third party for an amount of RM1,010,000. The solicitors acting on behalf of the Company and the said director are of the opinion that the claim is frivolous as it is based on illegality as well as fraud and as such unsustainable.

In an announcement on 30 March 2010, the Company informed that the High Court had on 25 March 2010 struck out the Plaintiff's main action against INIX with cost awarded to the Defendants. Further, after hearing INIX's witnesses, perusing the Company's documents and hearing submissions, the Court then allowed Inix Technologies Sdn Bhd's counter claim against the Plaintiff as follows: (i) judgement for the sum of RM337,300.00; (ii) interest at 8% on the sum of RM337,300.00 from 19 June 2006 until full settlement; and (iii) cost. The Company's lawyers will proceed to file and extract the Court's order.

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 financial year-to-date as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 Jan 2011</i>	<i>31 Jan 2010</i>	<i>31 Jan 2011</i>	<i>31 Jan 2010</i>
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	40	120	(5)	236
Weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
<i>Basic earnings/(loss) per ordinary share (sen)</i>	0.03	0.10	(0.00)	0.21
Diluted:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	40	120	(5)	236
Weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
Number of shares issuable under ESOS ('000)	-	4,250	-	295
Number of shares that would have been issued at fair value ('000)	-	(4,250)	-	(295)
Adjusted weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	0.03	0.10	(0.00)	0.21

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 29 March 2011.