



INIX Technologies Holdings Berhad

(665797-D)

(Incorporated in Malaysia)

Unaudited interim financial report

for the quarter ended 31 January 2016



Condensed consolidated income statement for the three-month and six-month periods ended 31 January 2016

	Note	Three months ended		Six months ended	
		31 Jan 2016 unaudited RM'000	31 Jan 2015 unaudited RM'000	31 Jan 2016 unaudited RM'000	31 Jan 2015 unaudited RM'000
Revenue	A9	24	2,107	1,210	2,414
Cost of sales		-	(13)		(69)
Gross profit		24	2,095	1,210	2,345
Other income		1	35	1	35
Selling and marketing expenses		(19)	(0)	(128)	(6)
Administrative expenses		(1,110)	(1,190)	(1,887)	(1,905)
Research and development expenses		(539)	(20)	(544)	(40)
Other expenses		(795)	(187)	(981)	(374)
Finance costs			-	-	-
Profit/(Loss) before tax		(2,438)	733	(2,329)	55
Taxation	B5	-	-	-	-
profit/(Loss) for the period		(2,438)	733	(2,329)	55
Profit/(Loss) per share attributable to ordinary equity holders of the Company (sen)					
Basic	B13	(0.58)	0.53	(0.56)	0.04
Diluted	B13	-	-	-	-

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 January 2016

	Note	As at 31 Jan 2016 unaudited RM'000	As at 31 Jul 2015 audited RM'000
ASSETS			
Non-Current Assets			
Intangible assets		1,368	1,741
Property, plant and equipment	A10	34	59
Investment		7,200	-
		8,602	1,800
Current Assets			
Inventories		1	0
Trade receivables		5,304	6,501
Other receivables, deposits and prepayments		7,029	1,655
Cash and bank balances		13,142	123
		25,476	8,279
TOTAL ASSETS		34,078	10,080
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		41,727	13,909
Share premium		8,911	8,911
Share option reserve	A7	-	-
Accumulated losses		(17,481)	(15,153)
		33,157	7,667
Non-Current Liability			
Deferred tax liability		3	3
Current liabilities			
Trade payables		25	25
Other payables and accruals		893	1,185
Amount due to director		-	1,200
		918	2,410
TOTAL EQUITY AND LIABILITIES		34,078	10,080
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.0795	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 six-month period ended 31 January 2015

	<i>Attributable to equity holders of the Company</i>			
	<i>Share capital</i>	<i>Share premium</i>	<i>Accu- mulated losses</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000
At 1 August 2014 (audited)	13,909	8,911	(15,105)	7,715
Profit for the period	-	-	55	55
At 31 Jan 2015 (unaudited)	13,909	8,911	(15,050)	7,770
At 1 August 2015 (audited)	13,909	8,911	(15,152)	7,668
Issued during the year - Share Capital	27,818	-		27,818
Loss for the period	-	-	(2,329)	(2,329)
At 31 Jan 2016 (unaudited)	41,727	8,911	(17,481)	33,157

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 15 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 six-month period ended 31 January 2016

	<i>Six months ended</i>	
	31 Jan 2016	31 Jan 2015
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(2,329)	55
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	25	3
Gain on disposal of property, plant and equipment	-	-
Amortisation of intangible assets	373	374
Allowance for doubtful debts made/ (written back)	-	10
Operating profit/(loss) before working capital changes	(1,931)	442
Increase in Intangible assets	-	-
Decrease/(Increase) in stock	(1)	22
Increase in trade receivables	1,197	(498)
Decrease/(Increase) in other receivables, deposits and prepayments	(5,374)	99
Increase/(decrease) in trade payables	-	19
Increase/(decrease) in other payables and accruals	(290)	(284)
Increase/(decrease) in amount due to director	(1,200)	50
Net cash generated from/(used in) operating activities	(7,599)	(150)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Decrease in intangible assets	-	-
Investment	(7,200)	-
Research & development expenditure	-	-
Net cash generated from/(used in) investing activities	(7,200)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in share capital	27,818	-
Increase in share premium	-	-
Net cash generated from/(used in) financing activities	27,818	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,019	(150)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	123	661
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,142	511
<i>These comprise:-</i>		
Cash in hand	16	4
Bank balances	13,126	507
	13,142	511

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.



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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 2015.

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 acception 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.



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Explanatory notes to the interim financial report

A9 Segmental information

(a) Operating segments

	<i>Land reclamation</i>	<i>Supply of hardware and software</i>	<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
Three months ended 31 Jan 2016							
Revenue							
External customers	-	-	24	1	-	-	25
Inter-segment	-	-	-	-	-	-	-
Total revenue	-	-	24	1	-	-	25
Results							
Depreciation	-	-	-	-	-	-	-
Amortisation	-	(187)	-	-	-	-	(187)
Inventories written-down	-	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Segment profit/(loss)	-	(187)	-	(19)	(2,257)	-	(2,438)
Assets							
Investment in subsidiaries	-	-	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-	-	-
Amount due from holding company	-	-	-	-	-	-	-
Amount due from a subsidiary company	-	-	-	-	-	-	-
Amount due from related company	-	-	-	-	-	-	-
Segment assets	-	(945)	11,943	-	13,044	-	24,042
Liabilities							
Amount due to holding company	-	-	-	-	-	-	-
Amount due to related company	-	-	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-	-	-
Segment liabilities	(5,500)	-	1,339	-	-	-	(4,161)



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Explanatory notes to the interim financial report

A9 Segmental information (continued)

(a) Operating segments

	Supply of hardware and software	Software development and system integration RM'000	Sales of Books RM'000	Corporate RM'000	Elimina-tions RM'000	Total RM'000
Three months ended 31 Jan 2015						
Revenue						
External customers	28	2,085	1	28	-	2,142
Inter-segment	-	-	-	-	-	-
Total revenue	28	2,085	1	28	-	2,142
Results						
Depreciation	-	(1)	-	(1)	-	(2)
Amortisation	-	(187)	-	-	-	(187)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Segment profit/(loss)	-	1,044	-	(312)	-	732
Assets						
Investment in subsidiaries	-	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-	-
Amount due from holding company	-	-	-	-	-	-
Amount due from a subsidiary company	-	-	-	(124)	124	-
Amount due from related company	-	-	-	-	-	-
Segment assets	(131)	864	-	(163)	124	694
Liabilities						
Amount due to holding company	(124)	-	-	-	124	-
Amount due to related company	-	-	-	-	-	-
Amount due to a subsidiary company	(7)	-	-	-	-	-
Segment liabilities	(131)	(180)	-	150	124	(37)



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Explanatory notes to the interim financial report

A9 Segmental information

(a) Operating segments

	Land Reclamation	Supply of hardware and software	Software development and system integration	Sales of Books	Corporate	Elimina-tions	Total
			RM'000	RM'000	RM'000	RM'000	RM'000
Six months ended 31 Jan 2016							
Revenue							
External customers	-	-	1,208	2	-	-	1,210
Inter-segment	-	-	-	-	-	-	-
Total revenue	-	-	1,208	2	-	-	1,210
Results							
Depreciation	-	-	(23)	-	(2)	-	(25)
Amortisation	-	-	(373)	-	-	-	(373)
Inventories written-down	-	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-	-
Segment profit/(loss)	(23)	(20)	-	(640)	(1,646)	-	(2,329)
Assets							
Investment in subsidiaries	-	-	-	-	-	-	-
Additions to intangible assets	-	-	1,368	-	-	-	1,368
Amount due from holding company	-	-	-	-	-	-	-
Amount due from a subsidiary company	-	-	-	-	-	-	-
Amount due from related company	-	-	-	-	-	-	-
Segment assets	5,477	323	7,377	-	20,900	-	34,078
Liabilities							
Amount due to holding company	-	-	-	-	-	-	-
Amount due to related company	-	-	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-	-	-
Segment liabilities	5,500	-	592	-	278	49	6,419



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Explanatory notes to the interim financial report

A9 Segmental information (continued)

(a) Operating segments (continued)

	<i>Software Supply of development hardware and and system software 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
Six months ended 31 Jan 2015					
Revenue					
External customers	269	2,109	1	35	2,414
Inter-segment	-	-	-	-	-
Total revenue	269	2,109	1	35	2,414
Results					
Depreciation	-	(2)	-	(1)	(3)
Amortisation	-	(374)	-	-	(374)
Inventories written-down	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-
Segment profit/(loss)	160	247	2	(352)	55
Assets					
Investment in subsidiaries	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-
Amount due from holding company	-	888	-	(888)	-
Amount due from a subsidiary company	-	-	-	4,020	(4,020)
Amount due from related company	-	-	-	-	-
Segment assets	572	8,871	-	4,153	(4,908)
Liabilities					
Amount due to holding company	583	11,562	-	-	(12,145)
Amount due to related company	-	3,187	-	-	(3,187)
Amount due to a subsidiary company	-	888	-	-	(888)
Segment liabilities	572	15,248	-	1,316	(16,218)

(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
Three months ended 31 Jan 2016					
Malaysia	24	(2,438)	34	1,368	5,304
Three months ended 31 Jan 2015					
Malaysia	2,107	733	63	2,115	4,993



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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 2015.

A14 Significant related party transactions

There were no new additional significant transactions between related parties and the Group as at balance sheet date:

Revenue

	Three months ended		Six months ended	
	31st Jan 2016	31st Jan 2015	31st Jan 2016	31st Jan 2015
	RM	RM	RM	RM
Fees on software development in progress receivable from EDSSB	-	2,085,000	1,208,000	2,085,000

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 ("FY16Q2"), the Group registered a pre-tax loss of RM2.438 million on sales turnover of RM0.024 million. For financial year-to-date, consolidated loss before tax is RM2.329 million on sales of RM1.210 million.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 Jan 2016</i> RM'000	<i>Preceding quarter ended 31 Oct 2015</i> RM'000
Revenue	24	1,186
Profit/(Loss) before taxation	(2,438)	108

In comparison, the preceding quarter ("FY16Q1") recorded a pre-tax profit of RM0.108 million on a sales turnover of RM1.186million. The revenue decrease due to there are no new software development during current quarter. Administrative expenses were higher for FY16Q2 at +RM1.110 million (FY16Q1: RM0.777million). There are major increase in expenses, mainly due to corporate exercise expenses for FY16Q2 at RM607.807million. There is also a slight increase in research and development expenses which includes product development cost.

Other individual items of expenditure for FY16Q2 includes depreciation on property, plant and equipment of RM0.003 million (FY15Q2: RM0.006 million) and amortisation of intangible assets of RM0.374 million.

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, The Groups diversify initiative into dredging and land reclamation services industry through the acquisition of Galactic and will provide alternative income stream for Inix in future.

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.

B7 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

B8 Corporate proposals

Save for the following, there were no other corporate proposals announced:-

(i) On 24 November 2015, the Corporate Proposals was completed with the listing of 275,175,000 Rights Shares together with 208,634,250 Warrants on the ACE Market of Bursa Malaysia Securities Berhad.

The Satus of the utilisation of proceed raised from the Corporate Proposals as at 31 January 2016 are as follows:-

Corporate Exercise	Purpose	Approved Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Right Issue with Warrants	a) Purchase consideration for acquisition 30% equity interest in Galactic (Malaysia) Sdn. Bhd.	7,200	7,200	-
	b) Purchase of new vessel**	5,500	5,500	-
	c) Expansion of Inix Group's existing IT business	8,000	-	8,000
	d) Working capital for Inix Group	6,318	1,780	4,538
	e) Estimated expenses in relation to the corporate	800	800	-

**The Vessel is awaiting ownership transfer which will be made in due time.

(i) On 22 March 2016, an announcement was made on the following Corporate Proposals:-

- a) Proposed Acquisition of 25% Equity Interest in HyperQB Sdn. Bhd; and
- b) Variation of the Utilisation of Proceeds raised from Right Issue which was completed on 24 November 2015.



Explanatory notes to the interim financial report

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.

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 year as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 Jan 2016</i>	<i>31 Jan 2015</i>	<i>31 Jan 2016</i>	<i>31 Jan 2015</i>
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(2,438)	733	(2,329)	55
Weighted average number of ordinary shares in issue ('000)	417,269	139,090	417,269	139,090
<i>Basic earnings/(loss) per ordinary share (sen)</i>	(0.58)	0.53	(0.56)	0.04
Diluted:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(2,438)	733	(2,329)	55
Weighted average number of ordinary shares in issue ('000)	417,269	139,090	417,269	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)	417,269	139,090	417,269	139,090
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	N/A	N/A	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 31st March 2016.