



INIX Technologies Holdings Berhad

(665797-D)

(Incorporated in Malaysia)

Unaudited interim financial report

for the quarter ended 31 July 2016



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

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

	Note	<i>Three months ended</i>		<i>Twelve months ended</i>	
		<i>31 July 2016</i> <i>unaudited</i> RM'000	<i>31 July 2015</i> <i>unaudited</i> RM'000	<i>31 July 2016</i> <i>unaudited</i> RM'000	<i>31 July 2015</i> <i>unaudited</i> RM'000
Revenue	A9	2,528	2,153	3,738	5,230
Cost of sales		-	-	-	(59)
Gross profit		2,528	2,153	3,738	5,170
Other income		(0)	51	2	78
Selling and marketing expenses		(29)	-	(157)	(6)
Administrative expenses		(1,468)	(1,309)	(4,959)	(4,150)
Research and development expenses		-	-	(1,539)	(325)
Other expenses		(531)	(246)	(1,823)	(808)
Finance costs		-	-	-	-
Profit/(Loss) before tax		500	649	(4,738)	(42)
Taxation	B5	-	(3)	(7)	(3)
profit/(Loss) for the period		500	646	(4,745)	(44)
Profit/(Loss) per share attributable to ordinary equity holders of the Company (sen)					
Basic	B13	0.12	0.46	(1.14)	(0.03)
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 July 2016

	Note	As at 31 July 2016 unaudited RM'000	As at 31 Jul 2015 audited RM'000
ASSETS			
Non-Current Assets			
Intangible assets		995	1,741
Property, plant and equipment	A10	65	59
Investment		14,900	-
		15,961	1,800
Current Assets			
Inventories		0	0
Trade receivables		6,646	6,501
Other receivables, deposits and prepayments		8,022	1,655
Cash and bank balances		1,489	123
		16,157	8,279
TOTAL ASSETS		32,118	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		(19,899)	(15,153)
		30,740	7,667
Non-Current Liability			
Deferred tax liability		3	3
Current liabilities			
Trade payables		25	25
Other payables and accruals		1,351	1,185
Amount due to director		-	1,200
		1,376	2,410
TOTAL EQUITY AND LIABILITIES		32,118	10,080
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.0737	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 twelve-month period ended 31 July 2016

	<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	-	-	(42)	(42)
At 30 April 2015 (unaudited)	13,909	8,911	(15,147)	7,673
At 1 August 2015 (audited)	13,909	8,911	(15,153)	7,667
Issued during the year - Share Capital	27,818	-	-	27,818
Loss for the period	-	-	(4,745)	(4,745)
At 31 July 2016 (unaudited)	41,727	8,911	(19,899)	30,740

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 nine-month period ended 31 July 2016

	<i>Twelve months ended</i>	
	31 July 2016	31 July 2015
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(4,738)	(44)
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	6	12
Gain on disposal of property, plant and equipment	-	4
Amortisation of intangible assets	746	-
Allowance for doubtful debts made/ (written back)	-	746
Operating profit/(loss) before working capital changes	(3,986)	718
Increase in Intangible assets	-	-
Decrease/(Increase) in stock	(7)	22
Increase in trade receivables	(145)	(1,996)
Decrease/(Increase) in other receivables, deposits and prepayments	(6,367)	(551)
Increase/(decrease) in trade payables	-	19
Increase/(decrease) in other payables and accruals	166	55
Increase/(decrease) in amount due to director	(1,200)	1,200
Net cash generated from/(used in) operating activities	(11,539)	(533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13)	(5)
Decrease in intangible assets	-	-
Investment	(14,900)	-
Research & development expenditure	-	-
Net cash generated from/(used in) investing activities	(14,913)	(5)
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	1,366	(538)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	123	661
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,489	123
<i>These comprise:-</i>		
Cash in hand	3	8
Bank balances	1,485	115
	1,489	123

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 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 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 July 2016							
Revenue							
External customers	-	-	2,528	-	-	-	2,528
Inter-segment	-	-	-	-	-	-	-
Total revenue	-	-	2,528	-	-	-	2,528
Results							
Depreciation	-	-	(2)	-	(4)	-	(6)
Amortisation	-	(739)	-	-	-	-	(739)
Inventories written-down	-	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Segment profit/(loss)	-	(739)	-	(19)	(2,257)	-	500
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	-	(163)	11,054	-	8,419	-	582
Liabilities							
Amount due to holding company	-	652	13,560	-	-	-	14,212
Amount due to related company	-	377	2,810	-	-	-	2,810
Amount due to a subsidiary company	-	-	-	-	1,103	-	1,103
Segment liabilities	-	-	-	-	-	-	(3,244)



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A9 Segmental information (continued)

(a) Operating segments

	<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 July 2015						
Revenue						
External customers	2,152	-	-	-	-	2,152
Inter-segment	-	-	-	-	-	-
Total revenue	2,152	-	-	-	-	2,152
Results						
Depreciation	(6)	-	-	(2)	-	(8)
Amortisation	(187)	-	-	-	-	(187)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Segment profit/(loss)	645	1	-	-	-	646
Assets						
Investment in subsidiaries	-	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-	-
Amount due from holding company	213	-	-	-	(213)	-
Amount due from a subsidiary company	-	-	-	(2)	2	-
Amount due from related company	-	-	-	-	-	-
Segment assets	1,415	-	-	(205)	(211)	999
Liabilities						
Amount due to holding company	(1)	-	-	-	1	-
Amount due to related company	-	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-	-
Segment liabilities	328	-	-	233	(213)	348



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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
Twelve months ended 31 July 2016							
Revenue							
External customers	-	-	3,738	-	-	-	3,738
Inter-segment	-	-	-	-	-	-	-
Total revenue	-	-	3,738	-	-	-	3,738
Results							
Depreciation	-	-	(0)	-	(6)	-	(6)
Amortisation	-	-	(746)	-	-	-	(746)
Inventories written-down	-	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-	-
Segment profit/(loss)	(23)	(20)	-	(640)	(1,646)	-	(4,738)
Assets							
Investment in subsidiaries	-	-	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-	-	-
Amount due from holding company	-	213	888	0	-	-	1,101
Amount due from a subsidiary company	-	-	-	-	6,137	-	6,137
Amount due from related company	-	-	-	-	-	-	-
Segment assets	-	1,108	889	-	21,463	-	23,460
Liabilities							
Amount due to holding company	-	652	13,560	-	-	-	14,212
Amount due to related company	-	377	2,810	-	-	-	3,187
Amount due to a subsidiary company	-	-	-	-	1,103	-	1,103
Segment liabilities	-	-	-	-	-	-	917



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A9 Segmental information (continued)

(a) Operating segments (continued)

	Supply of hardware and software	Software development and system integration	Sales of Books	Corporate	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve months ended 31 July 2015						
Revenue						
External customers	4,784	2	-	444	-	5,230
Inter-segment	-	-	-	-	-	-
Total revenue	4,784	2	-	444	-	5,230
Results						
Depreciation	(8)	-	-	(5)	-	(12)
Amortisation	(746)	-	-	-	-	(746)
Inventories written-down	-	-	-	-	-	-
Provision for warranty claims	-	-	-	-	-	-
Segment profit/(loss)	198	2	-	(244)	-	(44)
Assets						
Investment in subsidiaries	-	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-	-
Amount due from holding company	1,101	-	-	-	(1,101)	-
Amount due from a subsidiary company	-	-	-	3,987	(3,987)	-
Amount due from related company	-	-	-	-	-	-
Segment assets	9,644	-	-	5,525	(5,088)	10,080
Liabilities						
Amount due to holding company	12,113	-	-	-	(12,113)	-
Amount due to related company	3,188	-	-	-	(3,188)	-
Amount due to a subsidiary company	-	-	-	1,101	(1,101)	-
Segment liabilities	16,226	-	-	2,579	(16,400)	2,405

(b) Geographical information

	Non-current assets		Current asset		
	Revenue	Profit/(Loss) before taxation	Property, plant and equipment	Intangible assets	Trade receivables
	RM'000	RM'000	RM'000	RM'000	RM'000
Three months ended 31 July 2016					
Malaysia	2,528	500	65	995	6,646
Three months ended 31 July 2015					
Malaysia	2,153	649	5	-	1,478
Twelve months ended 31 July 2016					
Malaysia	3,738	(4,738)	65	995	6,646
Twelve months ended 31 July 2015					
Malaysia	5,230	(42)	59	1,741	6,501



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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

The Company had on 10 August 2016 disposed off its 49% equity interest in Ansi Systems Sdn Bhd

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		Twelve months ended	
	31st July 2016	31st July 2015	31st July 2016	31st July 2015
	RM	RM	RM	RM
Fees on software development in progress receivable from EDSSB	2,500,000	-	3,708,515	-

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 ("FY16Q4"), the Group registered a pre-tax profit of RM0.500 million with RM2.528 million turnover for this current quarter. For financial year-to-date, the consolidated loss before tax was RM4.738 million with sales revenue of RM3.738 million mainly attributable to the R&D cost incurred during the year for a project which has yet to be commercialised.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 July 2016</i> RM'000	<i>Preceding quarter ended 30 Apr 2016</i> RM'000
Revenue	2,528	-
Profit/(Loss) before taxation	500	(2,909)

On a quarter to quarter comparison, the Group recorded a revenue of RM2.528 million and pre-tax profit of RM0.500 million in the quarter under review as compared to a nil revenue and pre-tax loss of RM2.909 million in the preceding quarter.

Other expenses of RM1.006 million for the current quarter under review mainly comprise of depreciation on property, plant and equipment of RM0.006 million (FY16Q3: RM0.002 million) and amortisation of intangible assets of RM0.746 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 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter and financial year-to-date.

B7 Corporate proposals

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



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Explanatory notes to the interim financial report

B8 Borrowings 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.



Explanatory notes to the interim financial report

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 ended</i>		<i>Twelve months ended</i>	
	<i>31 July 2016</i>	<i>31 July 2015</i>	<i>31 July 2016</i>	<i>31 July 2015</i>
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	500	646	(4,745)	(44)
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>	0.12	0.46	(1.14)	(0.03)
Diluted:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	500	646	(4,745)	(44)
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

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 28th Sept 2016.