



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

Unaudited interim financial report

for the quarter ended 31 July 2018



Condensed consolidated income statement for the three-month and twelve-month periods ended 31 July 2018

	Note	Three months ended		Twelve months ended	
		31 July 2018 unaudited RM'000	31 July 2017 unaudited RM'000	31 July 2018 unaudited RM'000	31 July 2017 unaudited RM'000
Revenue	A9	3,028	1,049	9,448	5,232
Cost of sales		(3,637)	(60)	(5,953)	(2,126)
Gross profit		(609)	989	3,495	3,106
Other income		(2,439)	501	731	1,255
Selling and marketing expenses		-	(2)	(6)	(5)
Administrative expenses		(9,186)	(2,898)	(13,214)	(9,509)
Research and development expenses		-	(593)	-	(901)
Other expenses		(1)	(2,620)	(250)	(3,734)
Share of loss in associates company		(5,935)	(1,125)	(6,897)	(904)
Loss before taxation		(18,170)	(5,748)	(16,141)	(10,692)
Taxation	B5	-	-	(1)	-
Loss for the period		(18,170)	(5,748)	(16,142)	(10,692)
Owners of the company		(15,517)	(5,594)	(15,294)	(8,562)
Non-controlling interest		(2,653)	(154)	(848)	(2,130)
Loss for the period		(18,170)	(5,748)	(16,142)	(10,692)
(Loss)/profit per share attributable to ordinary equity holders of the Company (sen)					
Basic	B13	(5.99)	0.24	(5.90)	(0.37)
Diluted	B13	N/A	N/A	N/A	N/A

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2017 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 2018

	Note	As at 31 July 2018 unaudited RM'000	As at 31 July 2017 audited RM'000
ASSETS			
Non-Current Assets			
Intangible assets		2	276
Property, plant and equipment		1,538	5,996
Investment in associates		3,467	10,364
Other investment		7,700	7,700
		12,707	24,336
Current Assets			
Amount due from associates		53	53
Trade receivables		1,910	2,950
Other receivables, deposits and prepayments		527	2,326
Cash and bank balances		671	324
		3,161	5,653
TOTAL ASSETS		15,868	29,989
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		38,502	37,903
Share premium		-	-
Other reserve		-	-
Share option reserve	A7	459	459
Accumulated (losses)		(16,032)	(738)
		22,929	37,624
Non-controlling interest		(10,052)	(9,204)
Current liabilities			
Trade payables		25	25
Other payables and accruals		1,616	1,544
Amount due to director		1,350	-
		2,991	1,569
TOTAL EQUITY AND LIABILITIES		15,868	29,989
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.06	0.10

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2017 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 2018

	<i>Attributable to equity holders of the Company</i>						Non-Controlling interest	Total Equity
	<i>Share capital</i>	<i>Share premium</i>	<i>Warrant/ Other Reserve</i>	<i>SIS Option reserve</i>	<i>Accumulated losses</i>	<i>Total</i>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 August 2016 (audited)	41,727	8,911	-	-	(20,114)	30,524	(2,130)	28,394
SIS Option granted	(3,824)	(8,911)	-	459	27,938	15,662	-	15,662
Loss for the year	-	-	-	-	(8,562)	(8,562)	(7,074)	(15,636)
At 31 July 2017 (audited)	37,903	-	-	459	(738)	37,624	(9,204)	28,420
At 1 August 2017 (audited)	37,903	-	-	459	(738)	37,624	(9,204)	28,420
Share Options exercised	599	-	599	(599)	-	599	-	599
Loss for the year	-	-	-	-	(15,294)	(15,294)	(848)	(16,142)
At 31 July 2018 (unaudited)	38,502	-	599	(140)	(16,032)	22,929	(10,052)	12,877

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial statements.



Condensed consolidated cashflow statement for the twelve-month period ended 31 July 2018

	<i>Twelve months ended</i>	
	31 July 2018	31 July 2017
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(16,141)	(10,692)
<i>Adjustments:</i>		
Amortisation of intangible assets	274	769
Depreciation of property, plant and equipment	365	326
Impairment loss on:		
- Property, plant and equipment	4,950	-
Dividend income	(700)	(1,175)
Equity-settled share-based payment expenses	-	4,136
Gain on disposal of subsidiary	-	-
Impairment loss on:		
- Trade receivables	3,668	1,982
- Other receivables	735	450
Reversal of trade receivables	(7)	-
Interest income	(1)	(2)
Written off on:-		
- Property, plant and equipment	-	10
Reversal of other payables	-	(61)
Share of results of associates	6,897	904
Operating loss before working capital changes	40	(3,353)
Increase in stock	-	1
Decrease/(Increase) in trade receivables	(2,621)	852
Decrease/(Increase) in other receivables, deposits and prepayments	1,064	5,249
Increase in trade payables	-	-
Increase in other payables and accruals	71	199
Increase/(decrease) in amount due to director	1,350	-
Interest	1	2
Net cash generated from/(used in) operating activities	(95)	2,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment/acquisition of an associate	-	(3,420)
Acquisition of subsidiary company	-	-
Acquisition of property, plant and equipment	(857)	(6,271)
Acquisition of intangible asset	-	(50)
Dividend received	700	1,175
Decrease in investment	-	-
Net cash generated from/(used in) investing activities	(157)	(8,566)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	599	4,452
Net cash generated from/(used in) financing activities	599	4,452
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	347	(1,164)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	324	1,488
CASH AND CASH EQUIVALENTS AT END OF PERIOD	671	324
<i>These comprise:-</i>		
Cash in hand	1	5
Bank balances	670	319
	671	324

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial statements.



Explanatory notes to the interim financial report For the fourth quarter ended 31 July 2018

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 2017. 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 2017.

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 2017.

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 2017.

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 2016 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 2017 was unqualified.

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.



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	Mobile Apps	Corporate	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve months ended 31 July 2018							
Revenue							
External customers	-	1,093	8,307	48	-	-	9,448
Inter-segment	-	-	-	-	-	-	-
Total revenue	-	1,093	8,307	48	-	-	9,448
Results							
Depreciation	-	-	2	-	5	-	7
Amortisation	-	-	249	-	-	-	249
Reversal of impairment loss on trade receivables	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Segment profit/(loss)	-	-	-	-	-	-	(16,141)
Assets							
Investment in subsidiaries	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	-	-	-
Additions to intangible assets	-	-	-	-	-	-	-
Amount due from holding company	-	-	-	-	-	-	-
Amount due from a subsidiary company	-	-	-	-	-	-	-
Amount due from related company	-	-	-	-	-	-	-
Segment assets	-	-	-	-	-	-	-
Liabilities							
Amount due to holding company	-	-	-	-	-	-	-
Amount due to related company	-	-	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-	-	-
Segment liabilities	-	-	-	-	-	-	-



Explanatory notes to the interim financial report

A9 Segmental information (continued)

(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	RM'000	RM'000
Twelve months ended 31 July 2017							
Revenue							
External customers	-	-	5,232	-	-	-	5,232
Inter-segment	-	-	-	-	-	-	-
Total revenue	-	-	5,232	-	-	-	5,232
Results							
Depreciation	-	-	-	-	527	-	527
Amortisation	-	-	746	-	-	-	746
Reversal of impairment loss on trade receivables	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Segment profit/(loss)	-	-	(1,732)	(6)	(5,198)	-	(8,869)
Assets							
Investment in subsidiaries	-	-	-	-	-	-	-
Additions to intangible assets	-	-	(50)	-	-	-	(50)
Amount due from holding company	-	-	-	-	-	-	-
Amount due from a subsidiary company	-	-	-	-	-	-	-
Amount due from related company	-	-	-	-	-	-	-
Segment assets	-	-	-	-	-	-	8,510
Liabilities							
Amount due to holding company	-	-	-	-	-	-	-
Amount due to related company	-	-	-	-	-	-	-
Amount due to a subsidiary company	-	-	-	-	-	-	-
Segment liabilities	-	-	-	-	-	-	1,432



Explanatory notes to the interim financial report

(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 2018					
Malaysia	3,028	(18,170)	(4,135)	(25)	(3,298)
Three months ended 31 July 2017					
Malaysia	1,049	(5,748)	(3)	(187)	(56)
Twelve months ended 31 July 2018					
Malaysia	9,448	(16,141)	1,538	2	1,910
Twelve months ended 31 July 2017					
Malaysia	5,232	(8,869)	5,622	299	2,950

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 2017.

A14 Significant related party transactions

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

Revenue

	Three months ended		Twelve months ended	
	31-Jul-18	31-Jul-17	31-Jul-18	31-Jul-17
	RM'000	RM'000	RM'000	RM'000
Fees on software development in progress receivable from EDSSB	1,118	236	2,353	2,108

A15 Subsequent events

There were no material events subsequent to the end of the current quarter.



Explanatory notes to the interim financial report For the fourth quarter ended 31 July 2018

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 ("FY18Q4"), the Group registered pre-tax of loss RM18.170 million with turnover RM3.028 million for this current quarter compared to a last year same quarter ("FY17Q4"), the Group registered pre-tax loss of RM5.748 million with RM1.049 million turnover.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 July 2018</i>	<i>Preceding quarter ended 30 Apr 2018</i>
	RM'000	RM'000
Revenue	3,028	2,978
Loss before taxation	(18,170)	(34)

On a quarter to quarter comparison, the group recorded a revenue RM3.028 million and pre-tax loss of RM18.170 million in the quarter under review as compared to a revenue of RM2.978 million and pre-tax loss of RM0.034 million in the preceding quarter.

Other expenses for the current quarter mainly comprise of depreciation on property, plant and equipment and amortisation of intangible assets.

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, tax is calculated on estimated assessable profits for the financial year.

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.

B8 Borrowing and debt securities

There were no borrowings and debt securities outstanding and/or issued as at the end of the reporting period.



Explanatory notes to the interim financial report

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.

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 2018</i>	<i>31 July 2017</i>	<i>31 July 2018</i>	<i>31 July 2017</i>
Basic:				
Net loss attributable to owner's to company (RM'000)	(15,517)	(5,594)	(15,294)	(8,562)
Weighted average number of ordinary shares in issue ('000)	259,141	253,154	259,141	253,154
<i>Basic earnings/(loss) per ordinary share</i>	(5.99)	(2.21)	(5.90)	(3.38)
Diluted:				
Net loss attributable to ordinary shareholders (RM'000)	(15,517)	(5,594)	(15,294)	(8,562)
Weighted average number of ordinary shares in issue ('000)	259,141	253,154	259,141	37,903
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)	259,141	253,154	259,141	37,903
<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 2018.