



**INIX Technologies Holdings Berhad**

**(665797-D)**

(Incorporated in Malaysia)

# **Unaudited interim financial report**

**for the quarter ended 31 October 2019**



## Condensed consolidated income statement for the three-month and twelve-month periods ended 31 October 2019

	Note	Current Quarter Three months ended		Year-to-date Fifteen months ended	
		31 Oct 2019 unaudited RM'000	31 Jul 2018 unaudited RM'000	31 Oct 2019 unaudited RM'000	31 Jul 2018 unaudited RM'000
Revenue	A9	1,156	3,028	6,432	9,448
Cost of sales		(445)	(3,637)	(4,990)	(5,953)
<b>Gross profit</b>		711	(609)	1,442	3,495
Other income		136	(2,439)	1,336	731
Selling and marketing expenses		(3)	-	(16)	(6)
Administrative expenses		(918)	(9,223)	(5,305)	(13,500)
Research and development expenses		-	-	(250)	-
Share of associates profit/(loss)		-	(5,936)	(3,467)	(6,897)
<b>(Loss)/profit before tax</b>		(74)	(18,207)	(6,260)	(16,177)
Taxation	B5	-	(1)	-	(1)
<b>(Loss)/profit for the period</b>		(74)	(18,208)	(6,260)	(16,178)
Owners of the company		(119)	(15,555)	(5,814)	(15,330)
Non-controlling interest		45	(2,653)	(446)	(848)
<b>(Loss)/profit for the period</b>		(74)	(18,208)	(6,260)	(16,178)
<b>(Loss)/profit per share attributable to ordinary equity holders of the Company (sen)</b>					
Basic	B12	(0.04)	(6.00)	(1.95)	(5.92)
Diluted	B12	(0.04)	(6.00)	(1.95)	(5.92)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



## Condensed consolidated balance sheet

as at 31 October 2019

	<i>Note</i>	<b>As at 31 Oct 2019</b> <i>unaudited</i> RM'000	<b>As at 31 Jul 2018</b> <i>audited</i> RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible assets		-	2
Property, plant and equipment		1,461	1,538
Investment in associates		-	3,467
Other investment		7,700	7,700
		<b>9,161</b>	<b>12,707</b>
<b>Current Assets</b>			
Amount due from associates		103	53
Trade receivables		1,211	1,910
Other receivables, deposits and prepayments		1,501	526
Amount due by directors		10	-
Cash and bank balances		519	671
		<b>3,344</b>	<b>3,160</b>
<b>TOTAL ASSETS</b>		<b>12,505</b>	<b>15,867</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to Equity Holders of the Company</b>			
Share capital		41,556	38,997
Share premium		-	-
Warrant reserve		12,309	12,309
Other reserve		(12,309)	(12,309)
Share option reserve	A7	-	-
Accumulated losses		(21,859)	(16,068)
		<b>19,697</b>	<b>22,929</b>
Non-controlling interest		(9,669)	(10,053)
<b>Current liabilities</b>			
Trade payables		25	25
Other payables and accruals		2,118	1,615
Amount due to directors		333	1,350
Provision for taxation		1	1
		<b>2,477</b>	<b>2,991</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,505</b>	<b>15,867</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<b>0.0660</b>	<b>0.0885</b>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



## Condensed consolidated statement of changes in equity for the fifteen-month period ended 31 October 2019

	Attributable to equity holders of the Company					Non-Controlling interest	Total Equity
	Share capital	Share premium	SIS Option reserve	Accumulated losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>At 1 August 2017</b> (audited)	37,903	-	459	(738)	37,624	(9,204)	28,420
Share options exercised	599	-	-	-	599	-	599
Share-based payment transaction	-	-	36	-	36	-	36
Equity-settled share option arrangements	495	-	(495)	-	-	-	-
Loss for the period	-	-	-	(15,330)	(15,330)	(849)	(16,179)
<b>At 31 July 2018</b> (audited)	38,997	-	-	(16,068)	22,929	(10,053)	12,876
<b>At 1 August 2018</b> (audited)	38,997	-	-	(16,068)	22,929	(10,053)	12,876
Issuance of Shares under ESOS	1,200	-	-	-	1,200	-	1,200
Share options exercised	1,359	-	-	-	1,359	-	1,359
Issuance of Shares in Subsidiary Company	-	-	-	-	-	850	850
Loss for the period	-	-	-	(5,814)	(5,814)	(446)	(6,260)
<b>At 31 October 2019</b> (unaudited)	41,556	-	-	(21,882)	19,674	(9,649)	10,025

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



## Condensed consolidated cashflow statement for the fifteen-month period ended 31 October 2019

	<i>Fifteen months ended</i> <b>31 October 2019</b> <i>unaudited</i> RM'000	<b>31 July 2018</b> <i>audited</i> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(6,260)	(16,177)
<i>Adjustments:</i>		
Amortisation of intangible assets	2	274
Depreciation of property, plant and equipment	239	365
Dividend income	(625)	(700)
Equity-settled share-based payment expenses	600	36
Impairment loss on:		
- Trade receivables	-	2,528
- Other receivables	-	1,875
- Vessel	-	4,950
- Property, plant and equipment	-	-
Interest income	(2)	(1)
Written off on:-		
- Property, plant and equipment	12	-
Reversal of impairment on trade receivable	-	(7)
Share of results of associates	3,467	6,897
<b>Operating profit/(loss) before working capital changes</b>	<b>(2,567)</b>	<b>40</b>
Increase in stock	-	-
Decrease/(Increase) in trade receivables	701	(1,481)
Decrease/(Increase) in other receivables, deposits and prepayments	(976)	(75)
Decrease/(Increase) in amount due from associates	(50)	-
Decrease/(Increase) in amount due by directors	(9)	-
Increase/(Decrease) in trade payables	-	-
Increase/(Decrease) in other payables and accruals	502	70
Increase/(decrease) in amount due to director	(1,017)	1,350
Interest received	2	1
<b>Net cash generated from/(used in) operating activities</b>	<b>(3,414)</b>	<b>(95)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment/acquisition of associate company	-	-
Additional investment/acquisition of subsidiary company	(885)	-
Acquisition of property, plant and equipment	(172)	(857)
Acquisition of intangible asset	-	-
Dividend received	625	700
Proceed from disposal of subsidiary company	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(432)</b>	<b>(157)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	3,694	599
<b>Net cash generated from/(used in) financing activities</b>	<b>3,694</b>	<b>599</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(152)	347
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	671	324
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>519</b>	<b>671</b>
<i>These comprise:-</i>		
Cash and bank balances	519	671
	<b>519</b>	<b>671</b>

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



## **Explanatory notes to the interim financial report For the Fith quarter ended 31 October 2019**

### **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 October 2018. 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 2018.

#### **A2 Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 October 2018.

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 October 2019.

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 2018 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 was 13,557,000 shares issued under Private Placement during the quarter.



## Explanatory notes to the interim financial report For the Fith quarter ended 31 October 2019

### A8 Dividends paid

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

### A9 Segmental information

#### (a) Operating segments

	<i>Software &amp; Books</i>	<i>Piling Works</i>	<i>Dredging</i>	<i>Corporate</i>	<i>Adjustments</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Fifteen months ended 31 October 2019 (unaudited)</b>						
<b>Revenue</b>						
External customers	6,148	284	-	-	-	6,432
Inter-segment	-	-	-	-	-	-
Total revenue	6,148	284	-	-	-	6,432
<b>Results</b>						
Depreciation	(23)	(210)	-	(6)	-	(239)
Amortisation	(2)	-	-	-	-	(2)
Fixed Assets written off	(1)	-	-	(11)	-	(12)
Impairment loss on PPE	-	-	-	-	-	-
Segment profit/(loss)	(1,079)	(105)	(13)	(1,596)	(3,467)	(6,260)
Segment assets	2,626	1,601	27	10,024	(1,773)	12,505
Segment liabilities	17,867	160	5,570	1,484	(22,604)	2,477

	<i>Software &amp; Books</i>	<i>Piling Works</i>	<i>Dredging</i>	<i>Corporate</i>	<i>Adjustments</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Twelve months ended 31 July 2018 (audited)</b>						
<b>Revenue</b>						
External customers	9,448	-	-	-	-	9,448
Inter-segment	-	-	-	-	-	-
Total revenue	9,448	-	-	-	-	9,448
<b>Results</b>						
Depreciation	(8)	-	(275)	(82)	-	(365)
Amortisation	(274)	-	-	-	-	(274)
Fixed Assets written off	-	-	-	-	-	-
Impairment loss on PPE	-	-	(4,950)	-	-	(4,950)
Segment profit/(loss)	(1,578)	-	(5,241)	(2,461)	(6,898)	(16,178)
Segment assets	3,525	-	40	20,556	(8,254)	15,867
Segment liabilities	17,553	-	5,571	3,963	(24,096)	2,991



## Explanatory notes to the interim financial report For the Fith quarter ended 31 October 2019

### (b) Geographical information

	Non-current assets		Current asset		
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Property, plant and equipment RM'000	Intangible assets RM'000	Trade receivables RM'000
<b>Three months ended 31 October 2019</b>					
Malaysia	1,156	(74)	1,461	-	1,211
<b>Three months ended 31 October 2018</b>					
Malaysia	3,028	(18,207)	1,538	2	1,910

### 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 October 2018.

### 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		Fifteen months ended	
	31-Oct-19 RM'000	31-Jul-18 RM'000	31-Oct-19 RM'000	31-Jul-18 RM'000
Supply, installation & maintenance of hardware and fees on software development in progress receivable from EDSSB	47	1,118	774	2,353

### 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 fifth quarter ended 31 October 2019**

### **B Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market**

#### **B1 Performance review**

For the fifth quarter ended 31 October 2019, the group recorded revenue of RM1.156 million compared to RM1.391 million in the preceding year corresponding quarter. The group recorded a loss before taxation of RM0.074 million for the fifth quarter ended 31 October 2019 as compared to a loss before taxation of RM4.075 million in the preceding year corresponding quarter.

#### **B2 Material change in profit/(loss) before tax**

	<i>Current quarter ended 31 October 2019</i>	<i>Preceding quarter ended 31 July 2019</i>
	RM'000	RM'000
Revenue	1,156	1,391
(Loss)/Profit before taxation	(74)	(4,075)

The group recorded a loss before taxation of RM0.074 million for the fifth quarter ended 31 October 2019 as compared to a loss before taxation of RM4.075 million registered in the preceding quarter.

#### **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.

#### **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.

#### **B9 Off Balance sheet Financial instruments**

There were no off balance sheet financial instruments as at the date of this report.

## Explanatory notes to the interim financial report For the Fith quarter ended 31 October 2019

### 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>Fifteen ended</i>	
	<i>31 October 2019</i>	<i>31 July 2018</i>	<i>31 October 2019</i>	<i>31 July 2018</i>
<b>Basic:</b>				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(119)	(15,555)	(5,814)	(15,330)
Weighted average number of ordinary shares in issue ('000)	298,255	259,141	298,255	259,141
<i>Basic earnings/(loss) per ordinary share (sen)</i>	(0.04)	(6.00)	(1.95)	(5.92)
<b>Diluted:</b>				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(119)	(15,555)	(5,814)	(15,330)
Weighted average number of ordinary shares in issue ('000)	298,255	259,141	298,255	259,141
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)	298,255	259,141	298,255	259,141
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	(0.04)	(6.00)	(1.95)	(5.92)

### 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 31st December 2019.