



INIX Technologies Holdings Berhad

200401027289

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT

FOR THE QUARTER ENDED 30 APRIL 2021

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Quarter Ended 30 April 2021

	Note	Quarter Ended		For the Period Ended	
		30 April 2021	30 April 2020	30 April 2021	30 April 2020
		unaudited	unaudited	unaudited	unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	6,163	630	12,281	7,062
Cost of sales		(4,293)	(882)	(8,252)	(5,872)
Gross profit		1,870	(252)	4,029	1,190
Other income		2	156	2,228	1,492
Selling and marketing expenses		-	(1)	(1)	(17)
Administrative expenses		(1,505)	(396)	(11,410)	(5,701)
Research and development expenses		-	-	-	(250)
Finance Costs		(6)	-	(17)	-
Share of associates profit/(loss)		-	-	-	(3,467)
(Loss)/profit before tax		361	(493)	(5,171)	(6,753)
Taxation	B5	(215)	-	(215)	-
(Loss)/profit for the period		146	(493)	(5,386)	(6,753)
Net profit / (loss) Attributable to:					
Equity holders of the parent		570	(332)	(6,130)	(5,814)
Non-controlling interests		(424)	(161)	744	(607)
		146	(493)	(5,386)	(6,421)
Earning Per Share (sen)					
Basic	B13	0.14	(0.11)	(1.52)	(1.95)
		-	-		

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 April 2021

	<i>Note</i>	<i>As at 30 April 2021 unaudited RM'000</i>	<i>As at 31 Jan 2020 audited RM'000</i>
ASSETS			
Non-Current Assets			
Intangible assets		-	-
Property, plant and equipment		11,021	1,416
Rights of Use Assets		2,859	-
Investment in associates		-	-
Other investment		7,700	7,700
Goodwill on Consolidation		5,668	
		27,248	9,116
Current Assets			
Inventory		1,350	-
Trade receivables		2,074	600
Other receivables, deposits and prepayments		12,283	5,181
Amount due from directors		7	9
Cash and bank balances		3,210	1,163
		18,924	6,953
TOTAL ASSETS		46,172	16,069
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		64,536	42,274
Share premium		-	-
Warrant reserve		-	12,309
Other reserve		-	(12,309)
Share option reserve	A7	-	-
Accumulated losses		(24,192)	(18,806)
		40,344	23,468
Non-controlling interest		(9,080)	(9,824)
		31,264	13,644
Non Current Liabilities			
Lease Liabilities		2,505	-
		2,505	-
Current liabilities			
Trade payables		1,933	25
Other payables and accruals		5,389	2,252
Amount due to directors		4,499	147
Lease Liabilities		366	-
Provision for taxation		216	1
		12,403	2,425
TOTAL EQUITY AND LIABILITIES		46,172	16,069
Net Assets Per Share (RM)		0.1001	0.0787

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Quarter Ended 30 April 2021

	<i>Attributable to owners of the Company</i>						
	Non - Distributable Reserves			Distributable Reserve	Total	Non-Controlling interest	Total Equity
	<i>Share capital</i>	<i>Share premium</i>	<i>SIS Option reserve</i>	<i>Retained Profits / (Losses)</i>			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2018 (audited)	38,997	-	-	(16,068)	22,929	(10,053)	12,876
Issuance of Shares under ESOS	1,800	-	-	-	1,800	-	1,800
Issuance of Shares under Private Placement	1,477	-	-	-	1,477	-	1,477
Change in Stake	-	-	-	-	-	850	850
Loss for the period	-	-	-	(2,738)	(2,738)	(621)	(3,359)
At 31 January 2020 (audited)	42,274	-	-	(18,806)	23,468	(9,824)	13,644
At 1 February 2020 (audited)	42,274	-	-	(18,806)	23,468	(9,824)	13,644
Issuance of Shares under ESOS	7,293	-	-	-	7,293	-	7,293
Issuance of Shares under Private Placement	-	-	-	-	-	-	-
Conversion of Warrants	14,969	-	-	-	14,969	-	14,969
Loss for the period	-	-	-	(5,386)	(5,386)	744	(4,642)
At 30 April 2021 (unaudited)	64,536	-	-	(24,192)	40,344	(9,080)	31,264

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASHFLOW STATEMENT
For The Quarter Ended 30 April 2021

	15 months ended 30 April 2021 <i>unaudited</i> RM'000	31 Jan 2020 <i>audited</i> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,171)	(3,359)
Adjustments:		
Amortisation of intangible assets	-	2
Bad Debt Written Off	1,204	
Depreciation of property, plant and equipment	421	289
Depreciation of Rights of Use	222	
Dividend income	-	(1,075)
Equity-settled share-based payment expenses	-	600
Impairment loss on:		
- Trade receivables	144	-
- Other receivables	3,450	-
- Property, plant and equipment	8	-
Interest expenses	17	
Interest income	(2)	(3)
Written off on:-		
- Property, plant and equipment	-	12
Loss on Disposal of Associated Company - GMSB	-	467
Operating profit/(loss) before working capital changes	293	(3,067)
Decrease / (Increase) in Inventory	(1,350)	-
Decrease/(Increase) in trade receivables	(1,919)	1,310
Decrease/(Increase) in other receivables, deposits and prepayments	(10,552)	(4,655)
Decrease/(Increase) in amount due from associates	-	53
Decrease/(Increase) in amount due by directors	-	(9)
Increase/(Decrease) in trade payables	1,908	-
Increase/(Decrease) in other payables and accruals	3,137	637
Increase/(decrease) in amount due to director	4,352	(1,203)
Increase/(decrease) in provision for taxation	215	-
Interest received	2	3
Net cash generated from/(used in) operating activities	(3,914)	(6,931)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment/acquisition of associate company	-	-
Additional investment/acquisition of subsidiary company	(6,500)	(886)
Drawdown of Lease	2,871	
Acquisition of property, plant and equipment	(12,672)	(180)
Acquisition of intangible asset	-	-
Dividend received	-	1,075
Proceeds from disposal of associated company	-	3,000
Net cash generated from/(used in) investing activities	(16,301)	3,009
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	22,262	4,414
Net cash generated from/(used in) financing activities	22,262	4,414
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,047	492
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,163	671
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,210	1,163
<i>These comprise:-</i>		
Cash and bank balances	3,210	1,163
	3,210	1,163

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

For The Quarter Ended 30 April 2021

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 BASIS OF PREPARATION

These condensed consolidated financial statements ("Condensed Report") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting, the International Accounting Standard ("IAS") 34 Interim Financial Reporting and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report has also been prepared in accordance with paragraph 9.22 and Appendix 9B of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2020. 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 January 2020.

A2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 January 2020. As at the date of authorisation of this Condensed Report, the following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

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 30 June 2021.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2022 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2022; and
- from the annual period beginning on 1 January 2023 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2023.

The Group does not plan to apply MFRS 17, Insurance Contracts that is effective for annual period beginning on 1 January 2023 as it is not applicable to the Group. The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the Group.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

For The Quarter Ended 30 April 2021

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A3 AUDIT QUALIFICATION

The auditors' report on the financial statements for the year ended 31 January 2020 was unqualified.

A4 SEASONAL AND CYCLICAL NATURE OF GROUP'S PRODUCTS , SERVICES AND OPERATIONS

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 MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

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 DIVIDEND PAID

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

A9 SEGMENTAL REPORTING

The Group's activities are primarily conducted in Malaysia and therefore the financial information by geographical location was not presented.

The segmental analysis for the financial period ended 30 April 2021 was as follows:

Analysis by Activity

	<i>Software & Books</i>	<i>Piling Works</i>	<i>Dredging</i>	<i>Corporate</i>	<i>Glove</i>	<i>Adjustments/ Eliminations</i>	<i>Consolidated</i>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External Customers	7,626	-	-	-	4,655	-	12,281
Inter -segment Sales	-	-	-	-	-	-	-
Total revenue	7,626	-	-	-	4,655	-	12,281
Segment Results:							
Segment Profit /(Loss)	1,275	(1,773)	(9)	(10,635)	(92)	6,063	(5,171)
Assets							
Segment assets	7,066	1,161	140	25,713	16,364	(11,972)	38,472
Investment in associated companies	-	-	-	7,700	-	-	7,700
	7,066	1,161	140	33,413	16,364	(11,972)	46,172

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

For The Quarter Ended 30 April 2021

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9 SEGMENTAL REPORTING(CONTINUED)

	<i>Software & Books</i>	<i>Piling Works</i>	<i>Dredging</i>	<i>Corporate</i>	<i>Gloves</i>	<i>Adjustments/ Eliminations</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
<i>Eighteen months ended 31 January 2020 (audited)</i>							
Revenue							
External Customers	7,765	284	-	-	-	-	8,049
Inter - segment	-	-	-	-	-	-	-
Total revenue	7,765	284	-	-	-	-	8,049
Results							
Segment Profit / (Loss)	(1,353)	(150)	(15)	(1,841)	-	-	(3,359)
Assets							
Segment assets	3,103	1,510	15	5,515	-	(1,774)	8,369
Investment in associated companies	-	-	-	7,700	-	-	7,700
	3,103	1,510	15	13,215	-	(1,774)	16,069

A10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There has been no revaluation of property, plant and equipment during the financial year-to-date.

A11 CHANGES IN THE COMPOSITION OF GROUP

During the current Quarter , the Group had acquired 51% shares in L & S Gloves Sdn. Bhd. on 21 January 2021.

A12 CAPITAL COMMITMENT

Capital Commitment of the Group as at the end of the financial period are as follows:

Property, Plant and Equipment	As at 30-Apr-21 RM'000	As At 31-Jan-20 RM'000
Approved but not contracted for	<u>60,000</u>	<u>-</u>

A13 CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 January 2020.

A16 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the financial period reported that have not been reflected in this interim financial report.

EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT

For The Quarter Ended 30 April 2021

B EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 PERFORMANCE REVIEW

For the fifth quarter ended 30 April 2021, the group recorded revenue of RM6,163 million compared to RM630 thousand in the preceding year corresponding quarter. The group recorded profit before taxation of RM361 thousand for the fifth quarter ended 30 April 2021 as compared to a loss before taxation of RM493 thousand in the preceding year corresponding quarter.

B2 PROFIT BEFORE TAX

	3 Months Ended		15 Months Ended	
	30-Apr-21	30-Apr-20	30-Apr-21	30-Apr-20
Profit before tax is arrived at after charging:				
Finance Costs				
- lease liabilities	(6)	-	(17)	-
Property, Plant and Equipment				
- depreciation	(191)	-	(421)	-
- depreciation of right to use assets	(129)	-	(222)	-
- loss on disposal	-	-	-	-
Bad Debt Written Off			(1,204)	
Allowance on Impairment Loss on:				
- Trade Receivables			(144)	
- Other Receivables	-	-	(3,450)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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.

During the quarter the Group had acquired L & S Gloves Sdn. Bhd. , which has paved way for the group to venture into the manufacturing and distribution of rubber gloves . Due to the COVID 19 Pandemic , there has been significant demand for rubber gloves and the group are expecting an improvement in the Group's financial results .

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.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

For The Quarter Ended 30 April 2021

B EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7 UNQUOTED SECURITIES

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

B8 CORPORATE PROPOSALS

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

B9 BORROWING AND DEBT SECURITIES

The Group borrowings as at 30 April 2021 were as follows

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 30 April 2021 RM'000	Total as at 30 April 2020 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	366	2,505	2,871	-

There were no borrowings in foreign currency.

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 LITIGATIONS

On 16 July 2020, En. Mohd Anuar Bin Mohd Hanadzlah ("Plaintiff"), had through his solicitors Messrs The Law Chambers Of Fauzi & Nasser, filed a Writ of Summons against Inix Technologies Holdings Berhad ("Defendant") ("The Company") claiming the following:-

- (a) General damages of RM1,000,000;
- (b) Compensatory Damages;
- (c) Aggravated Damages;
- (d) Exemplary Damages to be determined by the Court;
- (e) An injunction against the company, its agents, auditor, staff from dissemination, speaking and writing or publishing any injuries words against the Plaintiff;
- (f) An apology from the company in written form prepared by the Plaintiff relating to all the accusations made by the company against the Plaintiff to be published in the Edge and the Star with a measurement of 10 X 6 cm within 7 days from the Court Order;
- (g) That the Company be estopped or prevented from publishing in any form accusations that would defame the Plaintiff and/or the Plaintiffs' reputation;
- (h) interest of 5% p.a. from the date of filling until settlement;
- i) cost of the action

B12 DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period under review.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

For The Quarter Ended 30 April 2021

B EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA

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>Fifteen months ended</i>	
	<i>30 April 2021</i>	<i>30 April 2020</i>	<i>30 April 2021</i>	<i>30 April 2020</i>
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	570	(332)	(6,130)	(5,814)
Weighted average number of ordinary shares in issue ('000)	402,944	298,255	402,944	298,255
<i>Basic earnings/(loss) per ordinary share (sen)</i>	0.14	(0.11)	(1.52)	(1.95)

B14 AUTHORISATION TO ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated

INIX Technologies Holdings Berhad