



**INIX Technologies Holdings Berhad**

**200401027289**

(Incorporated in Malaysia)

# **UNAUDITED INTERIM FINANCIAL REPORT**

**FOR THE PERIOD ENDED 30 JUNE 2021**



## CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Period Ended 30 June 2021

|   | Note | Current Quarter<br>2 months ended |                            | Cumulative Quarter<br>17 Months Ended |                            |
|---|------|-----------------------------------|----------------------------|---------------------------------------|----------------------------|
|   |      | 30 June 2021                      | 30 June 2020               | 30 June 2021                          | 30 June 2020               |
|   |      | <i>unaudited</i><br>RM'000        | <i>unaudited</i><br>RM'000 | <i>unaudited</i><br>RM'000            | <i>unaudited</i><br>RM'000 |
| Revenue   | A9   | 3,755                             | -                          | 16,036                                | -                          |
| Cost of sales   |      | (2,891)                           | -                          | (11,143)                              | -                          |
| <b>Gross profit</b>   |      | <b>864</b>                        | <b>-</b>                   | <b>4,893</b>                          | <b>-</b>                   |
| Other income  |      | 241                               | -                          | 2,469                                 | -                          |
| Selling and marketing expenses  |      | -                                 | -                          | -                                     | -                          |
| Administrative expenses   |      | (6,097)                           | -                          | (17,676)                              | -                          |
| Research and development expenses   |      | -                                 | -                          | -                                     | -                          |
| Finance Costs   |      | (19)                              | -                          | (36)                                  | -                          |
| Share of associates profit/(loss)   |      | -                                 | -                          | -                                     | -                          |
| <b>(Loss)/profit before tax</b>   |      | <b>(5,011)</b>                    | <b>-</b>                   | <b>(10,350)</b>                       | <b>-</b>                   |
| Taxation  | B5   | -                                 | -                          | -                                     | -                          |
| <b>(Loss)/profit for the period</b>   |      | <b>(5,011)</b>                    | <b>-</b>                   | <b>(10,350)</b>                       | <b>-</b>                   |
| Owners of the company   |      | (4,816)                           | -                          | (10,899)                              | -                          |
| Non-controlling interest  |      | (195)                             | -                          | 549                                   | -                          |
| <b>(Loss)/profit for the period</b>   |      | <b>(5,011)</b>                    | <b>-</b>                   | <b>(10,350)</b>                       | <b>-</b>                   |
| <b>(Loss)/profit per share<br/>attributable to ordinary equity<br/>holders of the Company (sen)</b> |      |                                   |                            |                                       |                            |
| Basic   | B13  | (2.70)                            | -                          | (2.70)                                | (0.92)                     |
| Diluted   | B13  | (2.70)                            | -                          | (2.70)                                | (0.92)                     |

Notes:

- i) The Group has changed its financial year end from 31 January to 30 June. As such, there will be no comparative financial information available for the financial period ended 30 June 2021.
- ii) The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flow and Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 January 2020 and the accompanying notes to the Interim Statements.



## CONDENSED CONSOLIDATES STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

|   | <i>Note</i> | <i>As at<br/>30 June 2021<br/>unaudited<br/>RM'000</i> | <i>As at<br/>31 Jan 2020<br/>audited<br/>RM'000</i> |
|---|-------------|--|---|
| <b>ASSETS</b>   |             |  |   |
| <b>Non-Current Assets</b>   |             |  |   |
| Intangible assets   |             | -  | -   |
| Property, plant and equipment   |             | 11,138   | 1,416   |
| Rights of Use Assets  |             | 2,772  | -   |
| Investment in associates  |             | -  | -   |
| Goodwill in consolidation   |             | 5,668  |   |
| Other investment  |             | 3,850  | 7,700   |
|   |             | <u>23,428</u>  | <u>9,116</u>  |
| <b>Current Assets</b>   |             |  |   |
| Amount due from associates  |             | -  | -   |
| Inventory   |             | 768  |   |
| Trade receivables   |             | 1,916  | 600   |
| Other receivables, deposits and prepayments   |             | 10,928   | 5,181   |
| Amount due from directors   |             | 7  | 9   |
| Cash and bank balances  |             | 760  | 1,163   |
|   |             | <u>14,379</u>  | <u>6,953</u>  |
| <b>TOTAL ASSETS</b>   |             | <u>37,807</u>  | <u>16,069</u>                                       |
| <b>EQUITY AND LIABILITIES</b>   |             |  |   |
| <b>Attributable to Equity Holders of the Company</b>                                    |             |  |   |
| Share capital   |             | 64,536   | 42,274  |
| Share premium   |             | -  | -   |
| Warrant reserve   |             | -  | 12,309  |
| Other reserve   |             | -  | (12,309)  |
| Share option reserve  | A7          | -  | -   |
| Accumulated losses  |             | (28,616)   | (18,806)  |
|   |             | <u>35,920</u>  | <u>23,468</u>                                       |
| Non-controlling interest  |             | (9,701)  | (9,824)   |
|   |             | <u>26,219</u>  | <u>13,644</u>                                       |
| <b>Non Current Liabilities</b>  |             |  |   |
| Lease Liabilities   |             | 2,425  | -   |
|   |             | <u>2,425</u>   | <u>-</u>  |
| <b>Current liabilities</b>  |             |  |   |
| Trade payables  |             | 2,135  | 25  |
| Contract Liabilities  |             | 1,798  |   |
| Other payables and accruals   |             | 1,989  | 2,252   |
| Amount due to directors   |             | 2,272  | 147   |
| Lease Liabilities   |             | 968  | -   |
| Provision for taxation  |             | 1  | 1   |
|   |             | <u>9,163</u>   | <u>2,425</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |             | <u>37,807</u>  | <u>16,069</u>                                       |
| <b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b> |             |  |   |
|   |             | 0.0891   | 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.



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Period Ended 30 June 2021

|  | <i>Attributable to equity holders of the Company</i> |                      |                           |                           |              | Non-Controlling interest | Total Equity |
|--|--|----------------------|---------------------------|---------------------------|--------------|--------------------------|--------------|
|  | <i>Share capital</i>                                 | <i>Share premium</i> | <i>SIS Option reserve</i> | <i>Accumulated losses</i> | <i>Total</i> |                          |              |
|  | RM'000   | RM'000               | RM'000                    | RM'000                    | RM'000       |                          |              |
| <b>At 1 August 2018 (audited)</b>          | 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)      |
| <b>At 31 January 2020 (audited)</b>        | 42,274   | -                    | -                         | (18,806)                  | 23,468       | (9,824)                  | 13,644       |
| <b>At 1 February 2020 (audited)</b>        | 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       |
| Change in Stake                            | -  | -                    | -                         | -                         | -            | 318                      | 318          |
| Loss for the period                        | -  | -                    | -                         | (10,350)                  | (10,350)     | (195)                    | (10,545)     |
| <b>At 30 June 2021 (unaudited)</b>         | 64,536   | -                    | -                         | (29,156)                  | 35,380       | (9,701)                  | 25,679       |

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 Period Ended 30 June 2021

|  | <b>17 months ended</b><br><b>30 June 2021</b> | <b>31 Jan 2020</b>       |
|--|---|--------------------------|
|  | <i>unaudited</i><br>RM'000                    | <i>audited</i><br>RM'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |   |                          |
| <b>Loss before taxation</b>  | (10,350)                                      | (3,359)                  |
| <i>Adjustments:</i>  |   |                          |
| Amortisation of intangible assets                                  | -   | 2                        |
| Depreciation of property, plant and equipment                      | 230   | 289                      |
| Impairment gain on:  |   |                          |
| - Trade Creditors  | -   | -                        |
| Impairment Loss on Property, Plant and equipment                   | 1,102   | -                        |
| Impairment Loss on Investment                                      | 3,850   | -                        |
| Impairment Loss on Other Debtors                                   | 310   | -                        |
| Dividend income  | -   | (1,075)                  |
| Equity-settled share-based payment expenses                        | -   | 600                      |
| Interest income  | -   | (3)                      |
| Written off on:-   |   |                          |
| - Property, plant and equipment                                    | -   | 12                       |
| Reversal of impairment on trade receivable                         | -   | -                        |
| Loss on Disposal of Associated Company - GMSB                      | -   | 467                      |
| Share of results of associates                                     | -   | -                        |
| <b>Operating profit/(loss) before working capital changes</b>      | <b>(4,858)</b>                                | <b>(3,067)</b>           |
| Decrease / (Increase) Increase in Inventory                        | (768)   | -                        |
| Decrease/(Increase) in trade receivables                           | (1,316)                                       | 1,310                    |
| Decrease/(Increase) in other receivables, deposits and prepayments | (5,747)                                       | (4,655)                  |
| Decrease/(Increase) in amount due from associates                  | -   | 53                       |
| Decrease/(Increase) in amount due by directors                     | 2   | (9)                      |
| Increase/(Decrease) in trade payables                              | 2,109   | -                        |
| Increase/(Decrease) in other payables and accruals                 | (263)   | 637                      |
| Increase/(decrease) in amount due to director                      | 2,125   | (1,203)                  |
| Increase/(decrease) in provision for taxation                      | -   | -                        |
| Interest received  | -   | 3                        |
| <b>Net cash generated from/(used in) operating activities</b>      | <b>(8,715)</b>                                | <b>(6,931)</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |   |                          |
| Additional investment/acquisition of associate company             | -   | -                        |
| Additional investment/acquisition of subsidiary company            | (6,500)                                       | (886)                    |
| Drawdown of Lease  | 418   | -                        |
| Acquisition of property, plant and equipment                       | (7,868)                                       | (180)                    |
| Acquisition of intangible asset                                    | -   | -                        |
| Dividend received  | -   | 1,075                    |
| Proceeds from disposal of subsidiary company                       | -   | -                        |
| Proceeds from disposal of associated company                       | -   | 3,000                    |
| <b>Net cash generated from/(used in) investing activities</b>      | <b>(13,950)</b>                               | <b>3,009</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |   |                          |
| Proceeds from issuance of shares                                   | 22,262  | 4,414                    |
| <b>Net cash generated from/(used in) financing activities</b>      | <b>22,262</b>                                 | <b>4,414</b>             |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>        | <b>(403)</b>                                  | <b>492</b>               |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>            | <b>1,163</b>                                  | <b>671</b>               |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                  | <b>760</b>                                    | <b>1,163</b>             |
| <i>These comprise:-</i>  |   |                          |
| Cash and bank balances   | 760   | 1,163                    |
|  | <b>760</b>                                    | <b>1,163</b>             |

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.

## **EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For The Period Ended 30 June 2021**

### **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.

On 25 May 2021, the Group has announced the change of Financial Year End from 31 January to 30 June. As such, there will be no comparative financial information available for the financial period ended 30 June 2021. The next audited financial statement shall be for a period of seventeen (17) months from 1 February 2020 to 30 June 2021 and thereafter, the financial year end shall be 30 June for each subsequent year.

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 Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2021.

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 January 2021.

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 exception 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 to 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 on 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 January 2020 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.

##### **(a) Coronavirus Diseases 2019 (COVID-19)**

The outbreak of COVID-19 since early 2020 has resulted in the occurrence of a multitude of associated events such as temporary or prolonged closure of businesses, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in a reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess the extent in which these series of events provide additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities at 30 June 2021.

## EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For The Period Ended 30 June 2021

### 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.

### A9 Segmental information

#### (a) Operating segments

|  | Software &<br>Books<br>RM'000 | Piling Works<br>RM'000 | Dredging<br>RM'000 | Corporate<br>RM'000 | Glove<br>RM'000 | Adjustments<br>/Elimination<br>RM'000 | Total<br>RM'000 |
|--|-------------------------------|------------------------|--------------------|---------------------|-----------------|---------------------------------------|-----------------|
|--|-------------------------------|------------------------|--------------------|---------------------|-----------------|---------------------------------------|-----------------|

#### 2 months ended 30 June 2021 (unaudited)

|                                  | Software &<br>Books<br>RM'000 | Piling Works<br>RM'000 | Dredging<br>RM'000 | Corporate<br>RM'000 | Glove<br>RM'000 | Adjustments<br>/Elimination<br>RM'000 | Total<br>RM'000 |
|----------------------------------|-------------------------------|------------------------|--------------------|---------------------|-----------------|---------------------------------------|-----------------|
| <b>Revenue</b>                   |                               |                        |                    |                     |                 |                                       |                 |
| External customers               | 394                           | -                      | -                  | -                   | 3,361           | -                                     | 3,755           |
| Inter-segment                    | -                             | -                      | -                  | -                   | -               | -                                     | -               |
| Total revenue                    | 394                           | -                      | -                  | -                   | 3,361           | -                                     | 3,755           |
| <b>Results</b>                   |                               |                        |                    |                     |                 |                                       |                 |
| Depreciation                     | (27)                          | (28)                   | -                  | (55)                | (120)           | -                                     | (230)           |
| Fixed Assets written off         | -                             | -                      | -                  | -                   | -               | -                                     | -               |
| Impairment loss on PPE           | -                             | -                      | -                  | -                   | (1,102)         | -                                     | (1,102)         |
| Impairment Loss on Investment    | -                             | -                      | -                  | (3,850)             | -               | -                                     | (3,850)         |
| Impairment Loss on Other Debtors | (310)                         | -                      | -                  | -                   | -               | -                                     | (310)           |
| Segment profit/(loss)            | (510)                         | (1,131)                | -                  | (4,117)             | 748             | -                                     | (5,010)         |
| Segment assets                   | 6,380                         | 30                     | 141                | 21,795              | 26,021          | (16,560)                              | 37,807          |
| Segment liabilities              | 19,524                        | 302                    | 15                 | 1,867               | 23,701          | (33,821)                              | 11,588          |

|  | Software &<br>Books<br>RM'000 | Piling Works<br>RM'000 | Dredging<br>RM'000 | Corporate<br>RM'000 | Adjustments<br>/Elimination<br>RM'000 | Total<br>RM'000 |
|--|-------------------------------|------------------------|--------------------|---------------------|---------------------------------------|-----------------|
|--|-------------------------------|------------------------|--------------------|---------------------|---------------------------------------|-----------------|

#### Eighteen months ended 31 January 2020 (audited)

|                          | Software &<br>Books<br>RM'000 | Piling Works<br>RM'000 | Dredging<br>RM'000 | Corporate<br>RM'000 | Adjustments<br>/Elimination<br>RM'000 | Total<br>RM'000 |
|--------------------------|-------------------------------|------------------------|--------------------|---------------------|---------------------------------------|-----------------|
| <b>Revenue</b>           |                               |                        |                    |                     |                                       |                 |
| External customers       | 7,765                         | 284                    | -                  | -                   | -                                     | 8,049           |
| Inter-segment            | -                             | -                      | -                  | -                   | -                                     | -               |
| Total revenue            | 7,765                         | 284                    | -                  | -                   | -                                     | 8,049           |
| <b>Results</b>           |                               |                        |                    |                     |                                       |                 |
| Depreciation             | (30)                          | (253)                  | -                  | (6)                 | -                                     | (289)           |
| Amortisation             | (2)                           | -                      | -                  | -                   | -                                     | (2)             |
| Fixed Assets written off | (1)                           | -                      | -                  | (11)                | -                                     | (12)            |
| Impairment loss on PPE   | -                             | -                      | -                  | -                   | -                                     | -               |
| Segment profit/(loss)    | (1,353)                       | (150)                  | (15)               | (1,841)             | -                                     | (3,359)         |
| Segment assets           | 3,103                         | 1,510                  | 15                 | 13,215              | (1,774)                               | 16,069          |
| Segment liabilities      | 18,485                        | 157                    | 5,560              | 797                 | (22,574)                              | 2,425           |



## EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For The Period Ended 30 June 2021

### (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            |
| <b>Two months ended 30 June 2021</b> |                    |                               |                               |                   |                   |
| Malaysia                             | 3,755              | (5,011)                       | 11,138                        | -                 | 1,916             |

### 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

On 21 January 2021, the Group via Inix Glove Manufacturing Sdn. Bhd. ("GMSB"), a wholly owned subsidiary of the Company had entered into the Share Sale Agreement ("SSA") to acquire 331,500 ordinary shares representing 51% in L& S Gloves Sdn. Bhd. for a total cash consideration of RM6,500,000.

### A12 Capital commitments

Capital commitments of the Group in respect purchase of steel and stainless steel (for structural framework of the rubber glove manufacturing lines); purchase of other components to equip the manufacturing lines (i.e., auto-stripping machine, former holder track and former holder, conveyor chain tracks and conveyor chain, compressor, chiller, heating burner, infrared burner and motor); and building systems which enable the supply of utilities (i.e., electricity and water) and chlorination system to treat wastewater arising from manufacture of gloves, ovens and dipping tanks as at 30 June 2021 are as follows:

|                                 | RM'000         |
|---------------------------------|----------------|
| Approved and not contracted for | <u>124,000</u> |

### 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 January 2020.

### A14 Significant related party transactions

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

| Revenue   | Two months ended |               |
|---|------------------|---------------|
|   | 30 June 2021     | 30 April 2020 |
|   | RM'000           | RM'000        |
| Supply, installation & maintenance of hardware and fees on software development in progress receivable from EDSSB | -                | -             |

### A15 Subsequent events

There were no items, transaction or event of a material and unusual nature which has arisen which would substantially affect the results of the Group and the Company for the period between 30 June 2021 and the date of this report.





## EXPLANTORY NOTES TO THE INTERIM FINANCIAL REPORT For the Period Ended 30 June 2021

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

#### B1 Performance review

For the sixth quarter ended 30 June 2021, the group recorded revenue of RM3,755 million. . The group recorded at loss before taxation of RM5,011 million for the sixth quarter ended 30 June 2021. The Group incurred the losses due to Impairment of Investemtn in Associated Company, Property Plant and Equipment and Other Debtors. During the same period the Glove Segement had generated a profit of RM788 Thousand.

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

|                               | <i>Two Months<br/>ended 30 June 2021</i> | <i>Preceding quarter<br/>ended 30 June 2020</i> |
|-------------------------------|--|---|
|                               | RM'000                                   | RM'000  |
| Revenue                       | 3,755                                    | -   |
| (Loss)/Profit before taxation | (5,011)                                  | -   |

The group recorded a loss before taxation of RM257 thousand for the sixth quarter ended 30 June 2021.

#### 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. The competitiveness and productivity. In expansion of existing business, despite focusing on making ICT solutions. Since the IT industry is facing stiff competition , during the financial year the Group had ventured into the Glove Industry by acquiring 51% of L & S Glove Sdn. Bhd. The is expecting favourable contribution from this segment.

#### 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 Unquoted securities

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

#### B8 Corporate proposals

On 21 July 2021, TA Securities Holdings Berhad ("TA Securities"), on behalf of the Board, announced that the Company proposed to undertake the following:

- i) proposed private placement of new ordinary shares in Inix ("**Inix Share(s)**"), representing not more than 10% of the number of Inix Shares in issue (excluding treasury shares, if any) ("**Proposed Private Placement**"); and
- ii) proposed diversification of the existing business of Inix and its subsidiaries ("**Group**") to include manufacturing,



## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT For the Period Ended 30 June 2021

### B9 Borrowing 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

Vide Kuala Lumpur High Court Suit No: WA-23NCvC-49-07/2020, Inix Technologies Holdings Berhad (“Inix”) was served with a Writ dated 16 July 2020 by its former Non-Independent and Non-Executive Director, Mohd Anuar bin Mohd Hanadzlah (“Plaintiff”). The Plaintiff claimed that Inix had made defamatory statements against him for, among others, its announcement in Bursa over the suspension of the Plaintiff from his position in Inix due to alleged abuse of power and/or misconduct pending the outcome from the Investigative Working Group. Inix had attempted to strike out the said Writ by its application under Order 18 Rule 19 of the Rules of Court 2012 which was then dismissed by the High Court. Currently, Inix is appealing to the Court of Appeal vide Appeal No: W-02(IM)(NCVC)-296-02/2021 to reverse the High Court decision on the merit that the announcement in Bursa was made in compliance and aligned to the Bursa Malaysia Securities Berhad: Ace Market Listing Requirement. The appeal is scheduled on 2 December 2021 before the Court of Appeal. Meanwhile, the Kuala Lumpur High Court has fixed 20 October 2021 till 22 October 2021 for trial.

### B12 Dividend payable

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

### 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>Two Months ended</i> |   | <i>Fifteen months ended</i> |                    |
|---|-------------------------|---|-----------------------------|--------------------|
|   | <i>30 June 2021</i>     |   | <i>30 June 2021</i>         | <i>31 Jan 2020</i> |
| <b>Basic:</b>   |                         |   |                             |                    |
| Net profit/(loss) attributable to ordinary shareholders (RM'000)    | (4,816)                 |   | (10,899)                    | (2,738)            |
| Weighted average number of ordinary shares in issue ('000)          | 402,944                 |   | 402,944                     | 298,255            |
| <i>Basic earnings/(loss) per ordinary share (sen)</i>               | (1.20)                  | - | (2.70)                      | (0.92)             |
| <b>Diluted:</b>   |                         |   |                             |                    |
| Net profit/(loss) attributable to ordinary shareholders (RM'000)    | (4,816)                 | - | (10,899)                    | (2,738)            |
| Weighted average number of ordinary shares in issue ('000)          | 402,944                 | - | 402,944                     | 298,255            |
| 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) | 402,944                 | - | 402,944                     | 298,255            |
| <i>Diluted earnings/(loss) per ordinary</i>                         | (1.20)                  | - | (2.70)                      | (0.92)             |

### 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