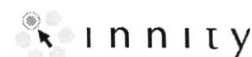


Innity Corporation Berhad

(Company No. 764555-D)
(Incorporated in Malaysia)



Quarterly report on results for the 1st Quarter ended 31 March 2009 CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter For the period	Preceding year corresponding quarter	Current year For the period	Preceding year corresponding period
	1 January 2009 to 31 March 2009 RM'000	1 January 2008 to 31 March 2008 RM'000	1 January 2009 to 31 March 2009 RM'000	1 January 2008 to 31 March 2008 RM'000
Revenue	2,784	N/A	2,784	N/A
Direct costs	(1,910)	N/A	(1,910)	N/A
Gross profit	874	N/A	874	N/A
Other operating income	39	N/A	39	N/A
Operating expenses	(1,323)	N/A	(1,323)	N/A
Loss from operations	(410)	N/A	(410)	N/A
Finance cost	(8)	N/A	(8)	N/A
Share of loss from an associate	(2)	N/A	(2)	N/A
Loss before taxation	(420)	N/A	(420)	N/A
Tax expense	-	N/A	-	N/A
Loss for the period	<u>(420)</u>	<u>N/A</u>	<u>(420)</u>	<u>N/A</u>
Attributable to:				
Shareholders of the Company	(377)	N/A	(377)	N/A
Minority interest	(43)	N/A	(43)	N/A
Loss for the period	<u>(420)</u>	<u>N/A</u>	<u>(420)</u>	<u>N/A</u>
Basic loss Per Share (sen)	<u>(0.30)</u>	<u>N/A</u>	<u>(0.30)</u>	<u>N/A</u>

Notes:

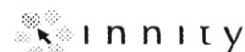
The condensed consolidated income statement is prepared based on the consolidated results of Innity Corporation Berhad ("ICB") and its subsidiary companies ("Group") for the quarter ended 31 March 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2008.

The accompanying notes are an integral part of this quarterly report.

ICB completed the acquisition of its subsidiary companies on 28 April 2008 and was listed on 30 June 2008, hence there are no comparative consolidated figures for the preceding financial year's corresponding quarter and period to date.

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Quarterly report on results for the 1st Quarter ended 31 March 2009 CONDENSED CONSOLIDATED BALANCE SHEET

(The figures have not been audited)

	Unaudited As at 31 Mar 2009 RM'000	Audited As at 31 December 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	957	953
Development expenditure	2,393	2,394
Investment in associated company	-	2
	<u>3,350</u>	<u>3,349</u>
Current assets		
Trade receivables	4,653	4,712
Other receivables, deposit and prepayments	343	284
Amount due from associated equity	128	128
Tax recoverable	76	61
Fixed and short term deposits	8,544	8,494
Cash and cash equivalents	1,103	1,500
	<u>14,847</u>	<u>15,179</u>
TOTAL ASSETS	<u>18,197</u>	<u>18,528</u>
EQUITY AND LIABILITIES		
Share capital	12,582	12,582
Reserves	(2,361)	(2,385)
Retained Profits	5,005	5,382
Total equity attributable to shareholders of the Company	<u>15,226</u>	<u>15,579</u>
Minority interest	55	98
Total equity	<u>15,281</u>	<u>15,677</u>
Non-current liabilities		
Borrowings	399	405
	<u>399</u>	<u>405</u>
Current liabilities		
Trade payables	2,326	2,037
Amount due to a director of a subsidiary company	-	48
Other payables and accruals	167	337
Borrowings	24	24
Total current liabilities	<u>2,517</u>	<u>2,446</u>
Total liabilities	<u>2,916</u>	<u>2,851</u>
TOTAL EQUITY AND LIABILITIES	<u>18,197</u>	<u>18,528</u>
Net assets per share (sen)	<u>12.10</u>	<u>12.38</u>

Notes:

The condensed consolidated Balance Sheet is prepared based on the consolidated results of the Group for the quarter ended 31 March 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2008.

The accompanying notes are an integral part of this quarterly report.

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Quarterly report on results for the 1st Quarter ended 31 March 2009 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Non-distributable Reverse Acquisition Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance as at 1 January 2009	12,582	136	(2,512)	(9)	5,382	15,579	98	15,677
Translation differences	-	-	-	24	-	24	-	24
Net profit/(loss) for the period	-	-	-	-	(377)	(377)	(43)	(420)
Balances as at 31 March 2009	12,582	136	(2,512)	15	5,005	15,226	55	15,281
Balance as at 1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Translation differences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Profit/(loss) for the period	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balance as at 31 March 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 March 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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Quarterly report on results for the 1st Quarter ended 31 March 2009 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current year For the period	Preceding year corresponding period
	From 1 January 2009 to 31 March 2009 RM'000	From 1 January 2008 to 31 March 2008 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax	(420)	N/A
Adjustments for :		
Depreciation	36	N/A
Amortisation of development expenditure	155	N/A
Interest income from short term deposits	(35)	N/A
Interest expense	8	N/A
Share of loss of an associate	2	N/A
Operating loss before working capital changes	(254)	N/A
Changes in working capital:		
Increase in trade and other receivables	-	N/A
Increase in trade and other payables	119	N/A
Cash used in operations	(135)	N/A
Income tax paid	(15)	N/A
Net cash used in operating activities	(150)	N/A
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of plant and equipment	(39)	N/A
Development expenditure paid	(154)	N/A
Increase in Fixed Deposits pledge	(15)	N/A
Interest received	35	N/A
Subscription of additional shares in Subsidiary by minority interests	-	N/A
Net cash used in investing activities	(173)	N/A
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Repayments to a director of a Subsidiary	(48)	N/A
Interest paid	(8)	N/A
Repayments of term loans	(6)	N/A
Net cash used in financing activities	(62)	N/A
Exchange difference	24	N/A
Net decrease in cash and cash equivalents	(361)	N/A
Cash and cash equivalents at beginning of period	9,568	N/A
Cash and cash equivalents at end of period	9,207	N/A
	31-Mar-09	31-Mar-08
<u>Cash and cash equivalents consist of:</u>		
Cash and cash balances	1,103	N/A
Fixed and short term deposits	8,544	N/A
Bank overdrafts	-	N/A
	9,647	N/A
Less: Fixed deposits pledged	(440)	N/A
	9,207	N/A

Notes:

The condensed consolidated Cashflow is prepared based on the consolidated results of the Group for the quarter ended 31 March 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2008.

The accompanying notes are an integral part of this quarterly report.

ICB completed the acquisition of its subsidiary companies on 28 April 2008 and was listed on 30 June 2008, hence there are no comparative consolidated figures for the preceding financial year's corresponding quarter and period to date.

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Quarterly report on results for the 1st Quarter ended 31 March 2009

A NOTES TO INTERIM FINANCIAL REPORT

A1 Basis of preparation of Interim Financial Report

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") No. 134: Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market ("MMLR").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2008. The 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 Innity Corporation Berhad ("ICB") and its subsidiary companies ("Group") for the financial period ended 31 March 2009.

The accounting policies and methods of computation adopted by ICB and its subsidiary companies, Innity Sdn Bhd ("ISB"), Innity Limited, Innity Singapore Pte Ltd (formerly known as IM Innity Pte Ltd) and Innity Vietnam Company Limited, in the preparation of this interim financial statements are consistent with those adopted in the latest audited financial statements for the year ended 31 December 2008.

A2 Auditors' report on preceding annual financial statements

There was no audit qualification on the financial statements of the Group for the financial year ended 31 December 2008.

A3 Seasonal or cyclical factors

In general, online advertising activities would pick up during second half of the calendar year especially towards year end. Hence the review of current quarter performance should be conducted in that perspective.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year-to-date.

A5 Material changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter and financial year-to-date results.

A6 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 for the current financial quarter.

A7 Dividend paid

There were no dividends paid by the Company during the current financial quarter.

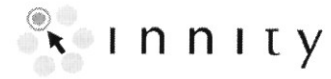
A8 Segmental information

Segment information is presented in respect of the Group's geographical segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure. A secondary format is not presented as the Group's activities in each geographical location is similar.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that

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Quarterly report on results for the 1st Quarter ended 31 March 2009

A8 Segmental information (Cont'd)

can be allocated on a reasonable basis. Unallocated items mainly comprise investments and related revenue, corporate assets and head office expenses, tax assets and liabilities.

Geographical segments

The Group comprises the following main geographical segments:

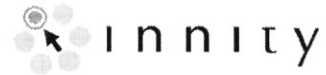
Malaysia
Singapore
Vietnam

Cumulative Quarter Ended 31/03/2009 (The figures have not been audited)

Geographical Segments	Malaysia RM'000	Singapore RM'000	Vietnam RM'000	Group RM'000
Revenue from external customers	2,665	82	37	2,784
Inter-segment revenue	-	-	-	-
Total revenue	2,665	82	37	2,784
Segment result				
Results from operating activities	(299)	(104)	(7)	(410)
Share of loss from associated company	(2)	-	-	(2)
Finance Costs	(8)	-	-	(8)
Loss before taxation	(309)	(104)	(7)	(420)
Tax expense	-	-	-	-
Loss for the period	(309)	(104)	(7)	(420)
Segment assets	17,540	318	339	18,197
Total assets				18,197
Segment liabilities	2,893	20	3	2,916
Total liabilities				2,916

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Quarterly report on results for the 1st Quarter ended 31 March 2009

A9 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A10 Material events subsequent to the end of the quarter

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

A11 Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter.

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

A13 Capital commitments

The amount of capital commitment not provided for in the interim financial statements as at 31 March 2009 is as follows:-

As at
31 March 2009

RM'000

Approved and not contracted for – Property, plant and equipment

220

A14 Significant related party transactions

During the current financial quarter, the Directors are of the opinion that the Group has no related party transactions save for recurrent related party transactions of a revenue or trading nature, which would have a significant impact on the financial position and business of the Group.

The Company had on 16 March 2009 announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had granted the Company an extension of time until the forthcoming Annual General Meeting ("AGM"), to obtain shareholders' ratification for the recurrent related party transactions of a revenue or trading nature entered / to be entered into from the listing date of 30 June 2008 until the forthcoming AGM (or extraordinary general meeting, if held earlier).

The Company will, at the forthcoming AGM, seek shareholders' ratification for the RRPTs entered into from listing date till the date of the forthcoming AGM as well as shareholders' mandate for the RRPTs to be entered into from the date of the forthcoming AGM to the next AGM by 30 June 2009.

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Quarterly report on results for the 1st Quarter ended 31 March 2009

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 Review of performance

For the current quarter ended 31 March 2009, ICB Group recorded a loss after taxation ("LAT") of RM0.42 million on the back of revenue of RM2.78 million mainly from the provision of technology based online advertising solutions. Net loss attributable to shareholders of the Company for the current quarter was RM0.38 million.

B2 Variation of results against immediate preceding quarter

	Current Quarter 31 Mar 2009 RM'000	Preceding Quarter 31 Dec 2008 RM'000
Revenue	2,784	3,447
(Loss)("LBT)/Profit before tax("PBT")	(420)	148

The Group recorded a revenue of RM2.78 million and LBT of RM0.42 million in the current quarter as compared to a revenue of RM3.4 million and PBT of RM0.15 million in the immediate preceding quarter. This represent a decrease in revenue and PBT of approximately 19% and 384% respectively as compared to the preceding quarter. The drop in revenue was due to the cyclical nature of the business, in which first half of the calendar year is normally a lull season for online advertising activities and it would generally pick up towards the end of the calendar year. The loss before tax in the current quarter as opposed to the profit before tax in the preceding quarter is mainly due to lower profit margin of sales resulting from the more demanding media buying behavior in response to the tightening market conditions. Overall the Group suffered a slowdown in sales performance especially by the foreign subsidiary companies and was toughened by rising operational costs.

B3 Prospects for the financial year ending 31 December 2009

The Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2009 will be challenging in view of the current financial crisis.

B4 Profit forecast, profit guarantee and internal targets

This is not applicable to the Group.

B5 Income tax expense

	Current year quarter 31-Mar-2009 RM'000	Current year to date 31-Mar-2009 RM'000
Income tax based on the results for the period under review	-	-

The zero income tax for the current period under review is due to the loss reported by the Group.

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Quarterly report on results for the 1st Quarter ended 31 March 2009

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group for the current financial quarter.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current financial quarter. The Group does not have any quoted securities as at 31 March 2009.

B8 Group's borrowings and debt securities

The Group's borrowings as at 31 March 2009 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Term Loans	24	-	24
Long Term borrowings:-			
Term Loans	399	-	399
Total	423	-	423

The Group does not have any foreign currency borrowings.

B9 Off balance sheet financial instruments

As at reporting date, the Group does not have any off balance sheet financial instruments.

B10 Material litigation

As at reporting date, neither the Company nor its subsidiary companies are 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 companies 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 companies.

B11 Dividends

There was no dividend declared for the current quarter and the financial year to date.

B12 Earnings per share

	Current Quarter 31 Mar 2009	Current Year To Date 31 Mar 2009
Loss after taxation after minority interest (RM'000)	(377)	(377)

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONT'D)

B12 Earnings Per Share (Cont'd)

	Current Quarter 31 Mar 2009	Current Year To Date 31 Mar 2009
- Number of ordinary shares in issue ('000)	125,821	125,821
Basic losses/earnings per share (sen)	<u>(0.30)</u>	<u>(0.30)</u>

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 March 2009.

B13 Status of corporate proposals

Save as disclosed in Note A14 above, there were no corporate proposals announced but not yet completed as at the date of this announcement.

B14 Status of utilization of proceeds

ICB raised gross proceeds of RM11.35 million from the rights issue and public issue during the initial public offering and has utilised approximately 47.3% of the proceeds as at 31 March 2009:

	Proposed RM'000	Actual RM'000	Balance RM'000	Intended time frame for utilisation from listing date
R&D expenditure	4,500	(1,067)	3,433	Within 24 months
Set up cost of regional offices	1,500	(175)	1,325	Within 24 months
Marketing expenditure	1,000	(73)	927	Within 18 months
Working Capital	2,850	(2,548)	302	Within 24 months
Defrayment of listing expenses	1,500	(1,500)	-	Within 6 months
	<u>11,350</u>	<u>(5,363)</u>	<u>5,987</u>	

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONT'D)

B15 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the Board of Directors' meeting held on 21 May 2009.

On Behalf of the Board

Phang Chee Leong
Executive Chairman

Date: 21-May-2009