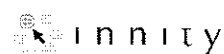


Innity Corporation Berhad

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



Quarterly report on results for the 3rd Quarter ended 30 September 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 July 2009 to 30 September 2009 RM'000	1 July 2008 to 30 September 2008 RM'000	1 January 2009 to 30 September 2009 RM'000	29 April 2008 to 30 September 2008 RM'000
Revenue	3,580	2,651	9,057	4,157
Direct costs	(2,420)	(1,370)	(6,267)	(2,245)
Gross profit	<u>1,160</u>	<u>1,281</u>	<u>2,790</u>	<u>1,912</u>
Other operating income	24	15	90	18
Operating expenses	(1,551)	(1,030)	(4,452)	(1,597)
(Loss)/profit from operations	<u>(367)</u>	<u>266</u>	<u>(1,572)</u>	<u>333</u>
Finance cost	(8)	(6)	(24)	(9)
Share of loss from an associate	-	(25)	(2)	(25)
(Loss)/profit before taxation	<u>(375)</u>	<u>235</u>	<u>(1,598)</u>	<u>299</u>
Tax expense	-	(13)	-	(13)
(Loss)/profit for the period	<u><u>(375)</u></u>	<u><u>222</u></u>	<u><u>(1,598)</u></u>	<u><u>286</u></u>
Attributable to:				
Shareholders of the Company	(382)	168	(1,514)	249
Minority interest	7	54	(84)	37
(Loss)/profit for the period	<u><u>(375)</u></u>	<u><u>222</u></u>	<u><u>(1,598)</u></u>	<u><u>286</u></u>
Basic (loss)/earnings per share (sen)	<u><u>(0.30)</u></u>	<u><u>0.53</u></u>	<u><u>(1.20)</u></u>	<u><u>0.50</u></u>

Notes:

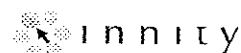
The condensed consolidated income statement is prepared based on the consolidated results of Innity Corporation Berhad ("ICB") and its subsidiary companies ("Group") for the quarter ended 30 September 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December 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.

Innity Corporation Berhad

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

CONDENSED CONSOLIDATED BALANCE SHEET

(The figures have not been audited)

	Unaudited As at 30 September 2009 RM'000	Audited As at 31 December 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,165	953
Development expenditure	2,395	2,394
Investment in associated company	-	2
	<u>3,560</u>	<u>3,349</u>
Current assets		
Trade receivables	4,977	4,712
Other receivables, deposit and prepayments	230	284
Amount due from an associate	248	128
Tax recoverable	95	61
Fixed and short term deposits	8,105	8,494
Cash and cash equivalents	367	1,500
	<u>14,022</u>	<u>15,179</u>
TOTAL ASSETS	<u>17,582</u>	<u>18,528</u>
EQUITY AND LIABILITIES		
Share capital	12,582	12,582
Reserves	(2,364)	(2,385)
Retained Profits	3,868	5,382
Total equity attributable to shareholders of the Company	<u>14,086</u>	<u>15,579</u>
Minority interest	14	98
Total equity	<u>14,100</u>	<u>15,677</u>
Non-current liabilities		
Borrowings	386	405
	<u>386</u>	<u>405</u>
Current liabilities		
Trade payables	2,815	2,037
Amount due to a director of a subsidiary company	-	48
Other payables and accruals	256	337
Borrowings	25	24
Total current liabilities	<u>3,096</u>	<u>2,446</u>
Total liabilities	<u>3,482</u>	<u>2,851</u>
TOTAL EQUITY AND LIABILITIES	<u>17,582</u>	<u>18,528</u>
Net assets per share (sen)	<u>11.20</u>	<u>12.38</u>

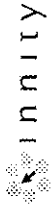
Notes:

The condensed consolidated Balance Sheet is prepared based on the consolidated results of the Group for the quarter ended 30 September 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 3rd Quarter ended 30 September 2009 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Share 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	-	-	-	21	-	21	-	21
Net profit/(loss) for the period	-	-	-	-	(1,514)	(1,514)	(84)	(1,598)
Balances as at 30 September 2009	12,582	136	(2,512)	12	3,868	14,086	14	14,100
Balance as at 29 April 2008	410	-	-	(12)	4,959	5,357	79	5,436
Arising from reverse acquisition	2,512	-	(2,512)	-	-	-	-	-
Right issue of shares	2,000	-	-	-	-	2,000	-	2,000
Public issue of shares	1,700	7,650	-	-	-	9,350	-	9,350
Bonus issue of shares	5,960	(5,960)	-	-	-	-	-	-
Share issue expenses	-	(1,397)	-	-	-	(1,397)	-	(1,397)
Goodwill written off	-	-	-	-	(6)	(6)	-	(6)
Translation difference	-	-	-	(4)	-	(4)	2	(2)
Net profit for the period	-	-	-	-	249	249	37	286
Balance as at 30 September 2008	12,582	293	(2,512)	(16)	5,202	15,549	118	15,667

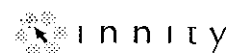
The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 30 September 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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.

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Quarterly report on results for the 3rd Quarter ended 30 September 2009 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current year For the period	Preceding year corresponding period
	1 January 2009 to 30 September 2009 RM'000	29 April 2008 to 30 September 2008 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before tax	(1,598)	299
Adjustments for :		
Depreciation of property, plant and equipment	115	56
Amortisation of development expenditure	466	161
Interest income from fixed and short term deposits	(74)	(18)
Interest expense	24	9
Share of loss of an associate	2	25
Operating profit/(loss) before working capital changes	<u>(1,065)</u>	<u>532</u>
Changes in working capital:		
(Increase)/Decrease in trade and other receivables	(212)	977
Increase/(Decrease) in trade and other payables	698	(742)
Cash generated from/(used in) operations	<u>(579)</u>	<u>767</u>
Income tax paid	(34)	(29)
Net cash generated from/(used in) operating activities	<u>(613)</u>	<u>738</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(327)	(330)
Payment of capitalised development expenditure	(466)	(412)
Increase in Fixed Deposits pledge	(45)	-
Interest received	74	18
Investment in an associate company	-	(55)
Net cash used in investing activities	<u>(764)</u>	<u>(779)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from rights issue of shares	-	2,000
Proceeds from public issues	-	9,350
Share issue expenses	-	(1,397)
Repayments to a director of a Subsidiary	(48)	-
Interest paid	(24)	(9)
Repayments of term loans	(18)	(23)
Advances to associate	(120)	-
Net cash from/(used in) financing activities	<u>(210)</u>	<u>9,921</u>
Exchange difference	21	(8)
Net Increase/(decrease) in cash and cash equivalents	<u>(1,566)</u>	<u>9,872</u>
Cash and cash equivalents at beginning of period	9,568	21
Cash and cash equivalents at end of period	<u>8,002</u>	<u>9,893</u>
	30-Sep-09	30-Sep-08
<u>Cash and cash equivalents consist of:</u>		
Cash and cash balances	367	9,893
Fixed and short term deposits	8,105	375
Bank overdrafts	-	-
	<u>8,472</u>	<u>10,268</u>
Less: Fixed deposits pledged	(470)	(375)
	<u>8,002</u>	<u>9,893</u>

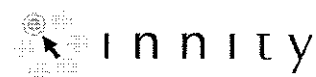
Notes:

The condensed consolidated Cashflow statement is prepared based on the consolidated results of the Group for the quarter ended 30 September 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 3rd Quarter ended 30 September 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 paragraph 9.22 of Bursa Malaysia Securities Berhad ("Bursa Securities")'s ACE Market Listing Requirements ("ACE LR").

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 30 September 2009.

The accounting policies and methods of computation adopted by ICB and its subsidiary companies, Innity Sdn Bhd ("ISB"), Innity Limited ("Innity Ltd"), Innity Singapore Pte Ltd ("Innity Singapore") (formerly known as IM Innity Pte Ltd), Innity Vietnam Company Limited (Innity Vietnam"), Spiral Vibe Sdn Bhd ("SVSB") and Advenue Digital Advertising Sdn Bhd ("ADASB") in the preparation of this interim financial statements are consistent with those adopted in the 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.

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 shares and resale of treasury shares for the current financial quarter.

A7 Dividend paid

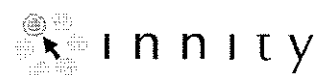
There were no dividends paid by the Company during the current financial quarter.

A8 Segmental information

Segment information is presented in respect of the Group's geographical segments. The primary format,

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

A8 Segmental Information (Cont'd)

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 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:

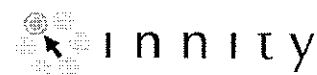
Malaysia
Singapore
Vietnam

Cumulative for the period from 1/1/09 to 30/09/2009
(The figures have not been audited)

Geographical Segments	Malaysia RM'000	Singapore RM'000	Vietnam RM'000	Inter-Segment Elimination RM'000	Group RM'000
Revenue from external customers	8,233	689	135	-	9,057
Inter-segment revenue	-	-	-	-	-
Total Revenue	8,233	689	135	-	9,057
Segment result					
Results from operating activities	(1,314)	(231)	(27)	-	(1,572)
Share of loss from associated company	(2)	-	-	-	(2)
Finance Costs	(24)	-	-	-	(24)
Loss before taxation	(1,340)	(231)	(27)	-	(1,598)
Tax expense	-	-	-	-	-
Loss for the period	(1,340)	(231)	(27)	-	(1,598)
Segment assets	16,964	291	327	-	17,582
Total assets					17,582

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

A8 Segmental Information (Cont'd)

Geographical Segments	Malaysia RM'000	Singapore RM'000	Vietnam RM'000	Inter-Segment Elimination RM'000	Group RM'000
Segment liabilities	2,970	297	215	-	3,482
Total liabilities					<u>3,482</u>

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

During the financial year-to-date, the following change in composition of group was effected:-

- (i) On 24 April 2009, ICB had acquired 100% equity interest in Advenue Digital Advertising Sdn Bhd (852955-U) ("ADASB") and Spiral Vibe Sdn Bhd (852969-U) ("SVSB") comprising two ordinary shares of RM1.00 each.

Both ADASB and SVSB were incorporated on 9 April 2009 under the Companies Act, 1965. The authorized share capital of ADASB and SVSB are RM100,000.00 each divided into 100,000 ordinary shares of RM1.00 each of which two ordinary shares of RM1.00 each were issued and fully paid up.

Both ADASB and SVSB are currently dormant. The intended principal activity of ADASB is to provide technology solutions for digital advertising activities via advertising serving, advertising targeting, advertising optimization, report and analytics software system whilst the intended principal activity of SVSB is to carry on the business as an advertising agency with a full suite of services.

- (ii) On 3 August 2009, Innity Ltd acquired an additional 35% equity interest in Innity Singapore Pte Ltd ("Innity Singapore") (formerly known as IM Innity Pte Ltd). With the acquisition, Innity Singapore becomes a 95% subsidiary of Innity Ltd.

Save for the above, there was no change in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

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.

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

A13 Capital commitments

As at 30 September 2009, the Group has no material capital commitments in respect of property, plant and equipment.

A14 Significant related party transactions

The following were the significant related party transactions:-

	Cumulative Year to date 30.09.2009 RM
Sale of advertisement space	34,924
Purchase of advertisement space	66,071
Purchase of online recruitment services	5,513
	<hr/> <hr/> 106,508 <hr/> <hr/>

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

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

B1 Review of performance

For the current quarter ended 30 September 2009, ICB Group recorded a loss after taxation ("LAT") of RM0.38 million on the back of revenue of RM3.58 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 30 Sept 2009 RM'000	Preceding Quarter 30 June 2009 RM'000
Revenue	3,580	2,693
Loss before tax ("LBT")	(375)	(803)

The Group recorded a revenue of RM3.58 million and LBT of RM0.38 million in the current quarter as compared to a revenue of RM2.69 million and LBT of RM0.80 million in the immediate preceding quarter. This represents approximately 33% increase in revenue and 53% decrease in LBT as compared to the preceding quarter. The increase in revenue was in line with the seasonal nature of our business whereby second half of the year normally brings about relatively higher revenue performance.

The drop in LBT in the current quarter as compared to the LBT in the preceding quarter is mainly due to the rise in gross profit contributed by higher revenue. Gross profit margin has also improved from 28% to 32%, mainly due to the higher contribution from our more profitable new products namely Premium Network and Performance Network which were launched in March 2009 and had started to gain more popular acceptance among the clients during the current quarter.

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.

B4 Profit forecast, profit guarantee and internal targets

This is not applicable to the Group.

B5 Income tax expense

	Current year quarter 30 Sept 2009 RM'000	Current year to date 30 Sept 2009 RM'000
Income tax based on the results for the period under review	-	-

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B5 Income Tax expense (Cont'd)

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

B6 Unquoted investments and properties

There were no material 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 30 September 2009.

B8 Group's borrowings and debt securities

The Group's borrowings as at 30 Sept 2009 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Term Loans	25	-	25
Long Term borrowings:-			
Term Loans	386	-	386
Total	411	-	411

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.

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

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

B12 Earnings per share	Current Quarter 30 Sept 2009	Current Year To Date 30 Sept 2009
Loss after taxation after minority interest (RM '000)	(382)	(1,514)
Number of ordinary shares in issue ('000)	125,821	125,821
Basic losses/earnings per share (sen)	(0.30)	(1.20)

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 30 September 2009.

B13 Status of corporate proposals

As at the date of this announcement, there are no corporate proposals announced but not yet completed.

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Quarterly report on results for the 3rd Quarter ended 30 September 2009

B14 Utilisation 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 53% of the proceeds as at 30 September 2009.

As announced on 13 November 2009, the Company had obtained Securities Commission's approval to revise the utilisation of proceeds raised during the initial public offering. The revised utilisation and actual utilisation as at 30 September 2009 are as follows:-

Details of planned utilisation of proceeds	Planned utilisation as stated in Prospectus (RM'000)	Revised utilisation (RM'000)	Actual utilisation as of 30 September 2009 (RM'000)	Revised balance (RM'000)	Intended time frame for utilisation from listing date
Research and development expenditure	4,500	4,500	(1,394)	3,106	Within 24 months
Set up cost of regional offices	1,500	1,500	(370)	1,130	Within 24 months
Marketing expenditure	1,000	207	(207)	-	Within 18 months
Working capital	2,850	3,643	(2,548)	1,095	Within 24 months
Defrayment of listing expenses	1,500	1,500	(1,500)	-	Within 6 months
Total	11,350	11,350	(6,019)	5,331	

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 19 November 2009.

On Behalf of the Board

Phang Chee Leong
Executive Chairman

Date: 19 November 2009