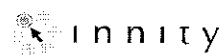


Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 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 October 2009 to 31 December 2009 RM'000	1 October 2008 to 31 December 2008 RM'000	1 January 2009 to 31 December 2009 RM'000	1 January 2008 to 31 December 2008 RM'000
Revenue	3,990	3,458	13,047	10,792
Direct costs	(2,317)	(2,293)	(8,584)	(6,832)
Gross profit	1,673	1,165	4,463	3,960
Other operating income	62	45	152	90
Operating expenses	(1,682)	(1,040)	(6,134)	(3,619)
(Loss)/profit from operations	53	170	(1,519)	431
Finance cost	(7)	(7)	(31)	(24)
Share of loss from an associate	-	(23)	(2)	(49)
(Loss)/profit before taxation	46	140	(1,552)	358
Tax expense	-	13	-	-
(Loss)/profit for the period	46	153	(1,552)	358
Attributable to:				
Shareholders of the Company	20	167	(1,494)	350
Minority interest	26	(14)	(58)	8
(Loss)/profit for the period	46	153	(1,552)	358
Basic (loss)/earnings per share (sen)	0.02	0.53	(1.19)	0.40

Notes:

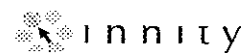
The condensed consolidated income statement is prepared based on the consolidated results of Innity Corporation Berhad ("ICB") and its subsidiary companies ("Group") for the quarter ended 31 December 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December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

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



Quarterly report on results for the 4th Quarter ended 31 December 2009 CONDENSED CONSOLIDATED BALANCE SHEET

(The figures have not been audited)

	Unaudited As at 31 December 2009 RM'000	Audited As at 31 December 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,145	953
Development expenditure	2,396	2,394
Investment in associated company	-	2
	<u>3,541</u>	<u>3,349</u>
Current assets		
Trade receivables	5,598	4,712
Other receivables, deposit and prepayments	471	284
Amount due from an associate	248	128
Tax recoverable	95	61
Fixed and short term deposits	7,652	8,494
Cash and cash equivalents	576	1,500
	<u>14,640</u>	<u>15,179</u>
TOTAL ASSETS	<u>18,181</u>	<u>18,528</u>
EQUITY AND LIABILITIES		
Share capital	12,582	12,582
Reserves	(2,396)	(2,385)
Retained Profits	3,888	5,382
Total equity attributable to shareholders of the Company	<u>14,074</u>	<u>15,579</u>
Minority interest	<u>40</u>	<u>98</u>
Total equity	<u>14,114</u>	<u>15,677</u>
Non-current liabilities		
Long Term Borrowings	381	405
	<u>381</u>	<u>405</u>
Current liabilities		
Trade payables	3,289	2,037
Amount due to a director of a subsidiary company	-	48
Other payables and accruals	373	337
Short Term Borrowings	24	24
Total current liabilities	<u>3,686</u>	<u>2,446</u>
Total liabilities	<u>4,067</u>	<u>2,851</u>
TOTAL EQUITY AND LIABILITIES	<u>18,181</u>	<u>18,528</u>
Net assets per share (sen)	<u>11.19</u>	<u>12.38</u>

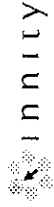
Notes:

The condensed consolidated Balance Sheet is prepared based on the consolidated results of the Group for the quarter ended 31 December 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.

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 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	-	-	-	(11)	-	(11)	-	(11)
Net profit/(loss) for the period	-	-	-	-	(1,494)	(1,494)	(58)	(1,552)
Balance as at 31 December 2009	12,582	136	(2,512)	(20)	3,888	14,074	40	14,114
Balance as at 1 January 2008	410	-	-	(2)	5,032	5,440	12	5,452
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	-	(1,554)	-	-	-	(1,554)	-	(1,554)
Subscription of additional shares in subsidiaries	-	-	-	-	-	-	78	78
Translation difference	-	-	-	(7)	-	(7)	-	(7)
Net profit for the period	-	-	-	-	350	350	8	358
Balance as at 31 December 2008	12,582	136	(2,512)	(9)	5,382	15,579	98	15,677

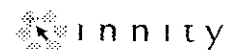
The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 December 2009 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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

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



Quarterly report on results for the 4th Quarter ended 31 December 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 31 December 2009 RM'000	1 January 2008 to 31 December 2008 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before tax	(1,552)	358
Adjustments for :		
Depreciation of property, plant and equipment	157	134
Amortisation of development expenditure	621	387
Interest income from fixed and short term deposits	(111)	(90)
Interest expense	31	24
Share of loss of an associate	2	49
Operating profit/(loss) before working capital changes	<u>(852)</u>	<u>862</u>
Changes in working capital:		
Increase in trade and other receivables	(1,073)	(577)
Increase in trade and other payables	1,288	799
Cash generated from/(used in) operations	<u>(637)</u>	<u>1,084</u>
Income tax paid	(34)	(71)
Net cash generated from/ (used in) operating activities	<u>(671)</u>	<u>1,013</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(350)	(249)
Payment of capitalised development expenditure	(622)	(1,173)
Increase in Fixed Deposits pledge	(60)	(95)
Subscription of additional shares in subsidiaries by minority interests	-	77
Acquisition of subsidiaries	-	2
Interest received	111	90
Investment in an associate company	-	(52)
Advances to an associate	-	(128)
Net cash used in investing activities	<u>(921)</u>	<u>(1,528)</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	-	(1,554)
Repayments to a director of a Subsidiary	(48)	(16)
Interest paid	(31)	(24)
Repayments of term loans	(24)	(32)
Advances to associate	(120)	-
Net cash generated from/(used in) financing activities	<u>(223)</u>	<u>9,724</u>
Exchange difference	(11)	(7)
Net Increase/(decrease) in cash and cash equivalents	<u>(1,826)</u>	<u>9,202</u>
Cash and cash equivalents at beginning of period	9,569	367
Cash and cash equivalents at end of period	<u>7,743</u>	<u>9,569</u>
	31-Dec-09	31-Dec-08
Cash and cash equivalents consist of:		
Cash and bank balances	576	1,500
Fixed and short term deposits	7,652	8,494
	8,228	9,994
Less: Fixed deposits pledged	(485)	(425)
	<u>7,743</u>	<u>9,569</u>

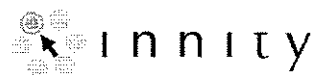
Notes:

The condensed consolidated Cashflow statement is prepared based on the consolidated results of the Group for the quarter ended 31 December 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.

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 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 31 December 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,

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 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 31/12/2009
(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	11,700	965	382		13,047
Inter-segment revenue	117		-	(117)	-
Total Revenue	11,817	965	382	(117)	13,047
Segment result					
Results from operating activities	(1,459)	(246)	186	-	(1,519)
Share of loss from associated company	(2)	-	-	-	(2)
Finance Costs	(31)	-	-	-	(31)
Profit/(Loss) before taxation	(1,492)	(246)	186		(1,552)
Tax expense	-	-	-	-	-
Profit/(Loss) for the period	(1,492)	(246)	186		(1,552)
Segment assets	17,002	501	678	-	18,181
Total assets					18,181

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 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	3,967	96	4	-	4,067
Total liabilities					<u>4,067</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 the Group was effected:-

- (i) On 24 April 2009, ICB 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 19 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.

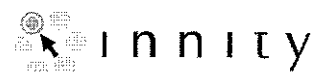
Save for the above, there was no change in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

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.

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 2009

A13 Capital commitments

As at 31 December 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:-

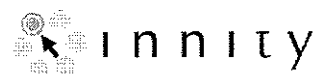
	Cumulative Year to date 31.12.2009 RM
Sale of advertisement space	34,924
Purchase of advertisement space *	56,966
Purchase of online recruitment services	10,185
	<hr/> 102,075 <hr/>

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

* The reduction of the purchase of advertisement space is due to the over allocation of amount RM15,510 in the preceding quarter, hence there is a reduction of the total amount as compared to preceding quarter.

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 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 31 December 2009, ICB Group recorded revenue of RM3.99 million, an increase of approximately 15% when compared to RM3.46 million in the corresponding period of the preceding year. The revenue consists mainly of the provision of technology based online advertising solutions. The lower profit before tax for the current quarter was mainly due to the increase in operating cost including staff costs, selling and marketing and other administration costs in line with the expansion plan.

The Group generated revenue of RM13.05 million and a loss before tax of RM1.5 million for the financial year ended 31 December 2009, as compared to the revenue of RM10.8 million and profit before tax of RM358,000 for the financial year ended 31 December 2008. The loss position was mainly due to the increase in operating cost especially staff costs in preparation for the regional expansion plan to maintain market leadership, increase in amortization cost, professional and consultancy fee, traveling cost to regional offices, hosting fee and various compliance costs such as annual general meeting and internal audit fee.

B2 Variation of results against immediate preceding quarter

	Current Quarter 31 Dec 2009 RM'000	Preceding Quarter 30 Sept 2009 RM'000
Revenue	3,990	3,580
Profit/(Loss) before tax ("PBT"/"LBT")	46	(375)

During the current quarter under review, the Group recorded a revenue of RM3.99 million, representing an increase of RM0.41 million or 11% as compared to a revenue of RM3.58 million in the immediate preceding quarter. The increase in revenue was in line with the seasonal nature of our business, whereby the second half of the year normally brings about relatively higher revenue performance, especially in the last quarter. This is because advertisers tend to finish their advertising budget towards the year end.

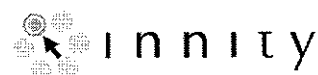
The Group recorded a PBT of RM46,000 for the current quarter as compared to a LBT of RM375,000 for the preceding quarter. In the current quarter, the Group managed to turnaround from a loss to profit position. The Group's profitable position was brought about by the higher gross profit contribution from our more profitable new products namely Performance Network which started to gain more popular acceptance among the clients during the current quarter. Increased online advertisement production from overseas subsidiaries with high gross profit margin had also contributed towards the better performance in the current quarter.

B3 Prospects for the financial year ending 31 December 2010

The Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2010 would be challenging as advertisers would remain cautious in light of economic uncertainty. Although, advertisement budgets of multinational companies would generally increase in conjunction with major events such as the upcoming FIFA World Cup and Commonwealth Games, the uncertain global conditions may result in cost cutting in advertising expenses by the parent companies.

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 2009

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

B4 Revenue or profit estimate, forecast, projection or internal targets

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets.

B5 Income tax expense

Current quarter 31 Dec 2009 RM'000	Current year to date 31 Dec 2009 RM'000
------------------------------------------	--------------------------------------------------

Income tax based on the results for the period under review

-	-
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No income tax was incurred for the current period under review and financial year to date due to the full year 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 and financial year to date.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current period under review.

B8 Group's borrowings and debt securities

The Group's borrowings as at 31 December 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	381	-	381
Total	405	-	405

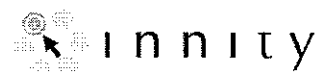
The Group does not have any foreign currency borrowings.

B9 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at 5 February 2010 (being the date not earlier than 7 days before the date of this announcement).

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 2009

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

B10 Material litigation

As at 5 February 2010 (being the date not earlier than 7 days before the date of this announcement), 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/(Loss) per share

	Current Quarter 31 Dec 2009	Current Year To Date 31 Dec 2009
Profit/(Loss) after tax and minority interest (RM '000)	20	(1,494)
Number of ordinary shares in issue ('000)	125,821	125,821
Basic earnings/(losses) per share (sen)	0.02	(1.19)

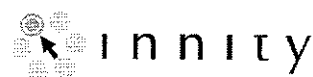
Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 December 2009.

B13 Status of corporate proposals

There are no corporate proposals announced but not yet completed as at 5 February 2010 (being the date not earlier than 7 days before the date of this announcement).

Innity Corporation Berhad

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



Quarterly report on results for the 4th Quarter ended 31 December 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 55% of the proceeds as at 31 December 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 31 December 2009 are as follows:-

Purpose	Planned utilisation as stated in Prospectus (RM'000)	Revised Utilisation (RM'000)	Actual utilisation as at 31 December 2009 (RM'000)	Balance Unutilised		Intended time frame for utilisation from listing date
				(RM'000)	%	
Research and development expenditure	4,500	4,500	(1,557)	2,943	65.4	Within 24 months
Set up cost of regional offices	1,500	1,500	(422)	1,078	71.9	Within 24 months
Marketing expenditure	1,000	207	(207)	-	-	Within 18 months
Working capital	2,850	3,643	(2,548)	1,095	30.1	Within 24 months
Defrayment of listing expenses	1,500	1,500	(1,500)	-	-	Within 6 months
Total	11,350	11,350	(6,234)	5,116	45.1	

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 11 February 2010

On Behalf of the Board

Phang Chee Leong
Executive Chairman

Date: 11 February 2010