

Innity Corporation Berhad

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



Quarterly report on results for the 1st Quarter ended 31 March 2013 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(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 2013 to 31 March 2013 RM'000	1 January 2012 to 31 March 2012 RM'000	1 January 2013 to 31 March 2013 RM'000	1 January 2012 to 31 March 2012 RM'000
Revenue	8,208	8,492	8,208	8,492
Direct costs	(4,785)	(4,528)	(4,785)	(4,528)
Gross profit	3,423	3,964	3,423	3,964
Other operating income	73	50	73	50
Operating expenses	(4,675)	(3,686)	(4,675)	(3,686)
Profit/(Loss) from operations	(1,179)	328	(1,179)	328
Finance cost	(6)	(9)	(6)	(9)
Share of loss of equity-accounted investees, net of tax	(68)	-	(68)	-
Profit/(Loss) before taxation	(1,253)	319	(1,253)	319
Tax expense	(2)	(30)	(2)	(30)
Profit/(Loss) for the period	<u>(1,255)</u>	<u>289</u>	<u>(1,255)</u>	<u>289</u>
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(33)	(87)	(33)	(87)
Total other comprehensive loss for the period	<u>(33)</u>	<u>(87)</u>	<u>(33)</u>	<u>(87)</u>
Comprehensive income/(loss) for the period	<u>(1,288)</u>	<u>202</u>	<u>(1,288)</u>	<u>202</u>
Profit/(Loss) attributable to:				
Owners of the Company	(1,110)	329	(1,110)	329
Non Controlling Interests	(145)	(40)	(145)	(40)
Profit/(Loss) for the period	<u>(1,255)</u>	<u>289</u>	<u>(1,255)</u>	<u>289</u>
Comprehensive income/(loss) attributable to:				
Owners of the Company	(1,141)	255	(1,141)	255
Non Controlling Interest	(147)	(53)	(147)	(53)
Comprehensive income/(loss) for the period	<u>(1,288)</u>	<u>202</u>	<u>(1,288)</u>	<u>202</u>
Basic earnings/(Loss) per ordinary share (sen)	<u>(0.84)</u>	<u>0.24</u>	<u>(0.84)</u>	<u>0.24</u>

Notes:

The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income are prepared based on the consolidated results of Innity Corporation Berhad ("ICB") and its subsidiary companies ("Group") for the quarter ended 31 March 2013 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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 1st Quarter ended 31 March 2013 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31 March 2013 RM'000	Audited As at 31 December 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,386	1,346
Development expenditure	2,707	2,805
Investment in associates	365	433
Deferred tax assets	41	41
	4,499	4,625
Current assets		
Trade receivables	13,118	14,096
Other receivables, deposit and prepayments	2,167	1,776
Tax Recoverable	61	51
Fixed deposits with licensed bank	1,686	681
Other Financial assets	6,762	7,743
Cash and bank balances	5,397	5,199
	29,191	29,546
TOTAL ASSETS	33,690	34,171
EQUITY AND LIABILITIES		
Share capital	13,840	13,840
Reserves	8,908	10,049
Total equity attributable to owners of the Company	22,748	23,889
Non Controlling Interest	(430)	(283)
Total equity	22,318	23,606
Non-current liabilities		
Deferred tax liabilities	175	175
Long term borrowings	277	286
Retirement benefits obligation	50	50
	502	511
Current liabilities		
Trade payables	6,881	6,781
Other payables and accruals	3,948	3,021
Short term borrowings	34	33
Tax payable	7	219
Total current liabilities	10,870	10,054
Total liabilities	11,372	10,565
TOTAL EQUITY AND LIABILITIES	33,690	34,171
Net assets per share attributable to owners of the Company (sen)	16.44	17.26

Notes:

The Condensed Consolidated Statement of Financial Position is prepared based on the consolidated results of the Group for the quarter ended 31 March 2013 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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

Innity Corporation Berhad

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Quarterly report on results for the 1st Quarter ended 31 March 2013 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	<----- Non-distributable ----->				Retained Earnings	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reverse acquisition reserve	Translation Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2013	13,840	5,097	(2,512)	(241)	7,705	23,889	(283)	23,606
Foreign currency translation differences for foreign operations	-	-	-	(31)	-	(31)	(2)	(33)
Total other comprehensive loss for the period	-	-	-	(31)	-	(31)	(2)	(33)
Loss for the period					(1,110)	(1,110)	(145)	(1,255)
Total comprehensive loss for the year	-	-	-	(31)	(1,110)	(1,141)	(147)	(1,288)
Balance as at 31 March 2013	13,840	5,097	(2,512)	(272)	6,595	22,748	(430)	22,318

Balance as at 1 January 2012

- as previously reported	12,582	136	(2,512)	(71)	6,382	16,517	(41)	16,476
- prior year adjustments					(801)	(801)	(16)	(817)
- as restated	12,582	136	(2,512)	(71)	5,581	15,716	(57)	15,659
Foreign currency translation differences for foreign operations				(74)	-	(74)	(13)	(87)
Total other comprehensive loss for the period				(74)	-	(74)	(13)	(87)
Profit/(Loss) for the period					329	329	(40)	289
Total comprehensive income/(loss) for the year				(74)	329	255	(53)	202
Balance as at 31 March 2012	12,582	136	(2,512)	(145)	5,910	15,971	(110)	15,861

The Condensed Consolidated Statement of Changes in Equity is prepared based on the consolidated results of the Group for the quarter ended 31 March 2013 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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Quarterly report on results for the 1st Quarter ended 31 March 2013 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	Current year For the period	Preceding year corresponding period
	1 January 2013 to 31 March 2013 RM'000	1 January 2012 to 31 March 2012 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit / (loss) before tax	(1,253)	319
Adjustments for :		
Amortisation of development expenditure	220	220
Depreciation of property, plant and equipment	55	48
Interest expense	6	9
Interest income	(61)	(23)
Property, Plant and equipments written off	-	21
Share of losses in equity-accounted investees	184	-
Unrealised loss on foreign exchange	(5)	-
Operating (Loss)/Profit before working capital changes	<u>(854)</u>	<u>594</u>
(Increase) / Decrease in trade and other receivables	(103)	2,538
Increase / (Decrease) in trade and other payables	1,557	(1,229)
Cash generated from operations	<u>600</u>	<u>1,903</u>
Income tax paid	(2)	(141)
Net cash generated from operating activities	<u>598</u>	<u>1,762</u>
CASH FLOWS GENERATED FROM / (USED IN) INVESTING ACTIVITIES		
Development expenditure paid	(121)	(240)
Increase in Fixed Deposits pledge	(1,005)	(19)
Interest received	61	23
Purchase of plant and equipment	(95)	(139)
(Advances to) / Repayments from associates	(115)	51
Net cash used in investing activities	<u>(1,275)</u>	<u>(324)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(6)	(9)
Repayment of term loans	(8)	(7)
Net cash used in financing activities	<u>(14)</u>	<u>(16)</u>
Exchange difference	(93)	(84)
Net (decrease) / increase in cash and cash equivalents	<u>(784)</u>	<u>1,338</u>
Cash and cash equivalents at beginning of year	12,943	5,078
Cash and cash equivalents at end of year	<u>12,159</u>	<u>6,416</u>
	31 March 2013	31 March 2012
Cash and cash equivalents comprise:		
Cash and bank balances	5,397	3,538
Fixed deposits with a licensed bank	1,686	635
Other financial assets	6,762	2,878
	<u>13,845</u>	<u>7,051</u>
Less: Fixed deposits pledged	(1,686)	(635)
	<u>12,159</u>	<u>6,416</u>

Notes:

The Condensed Consolidated Statement of Cash Flows is prepared based on the consolidated results of the Group for the quarter ended 31 March 2013 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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