

Innity Corporation Berhad

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



Quarterly report on results for the 3rd Quarter ended 30 September 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 July 2013 to 30 September 2013 RM'000	1 July 2012 to 30 September 2012 RM'000	1 January 2013 to 30 September 2013 RM'000	1 January 2012 to 30 September 2012 RM'000
Revenue	13,044	9,563	35,092	29,748
Direct costs	(7,817)	(5,448)	(20,634)	(17,249)
Gross profit	5,227	4,115	14,458	12,499
Other operating income	75	30	208	115
Operating expenses	(4,785)	(3,675)	(13,689)	(10,818)
Profit from operations	517	470	977	1,796
Finance cost	(6)	(7)	(20)	(22)
Share of loss of equity-accounted investees, net of tax	(106)	(2)	(296)	(2)
Profit before taxation	405	461	661	1,772
Tax expense	(2)	(44)	(143)	(116)
Profit for the period	403	417	518	1,656
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(250)	(215)	(297)	(194)
Total other comprehensive loss for the period	(250)	(215)	(297)	(194)
Comprehensive income for the period	153	202	221	1,462
Profit/(Loss) attributable to:				
Owners of the Company	390	503	729	1,801
Non Controlling Interests	13	(86)	(211)	(145)
Profit/(Loss) for the period	403	417	518	1,656
Comprehensive income/(loss) attributable to:				
Owners of the Company	153	297	439	1,624
Non Controlling Interest	-	(95)	(218)	(162)
Comprehensive income/(loss) for the period	153	202	221	1,462
Basic earnings per ordinary share (sen)	0.28	0.40	0.53	1.43

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 30 September 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 3rd Quarter ended 30 September 2013 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30 September 2013 RM'000	Audited As at 31 December 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,643	1,346
Development expenditure	2,752	2,805
Investment in associates	137	433
Deferred tax assets	39	41
	4,571	4,625
Current assets		
Trade receivables	18,455	14,096
Other receivables, deposit and prepayments	3,035	1,776
Tax Recoverable	29	51
Fixed deposits with licensed bank	1,695	681
Other Financial assets	5,626	7,743
Cash and bank balances	5,222	5,199
	34,062	29,546
TOTAL ASSETS	38,633	34,171
EQUITY AND LIABILITIES		
Share capital	13,840	13,840
Reserves	10,500	10,049
Total equity attributable to owners of the Company	24,340	23,889
Non Controlling Interest	(501)	(283)
Total equity	23,839	23,606
Non-current liabilities		
Deferred tax liabilities	175	175
Long term borrowings	260	286
Retirement benefits obligation	45	50
	480	511
Current liabilities		
Trade payables	10,670	6,781
Other payables and accruals	3,576	3,021
Short term borrowings	34	33
Tax payable	34	219
Total current liabilities	14,314	10,054
Total liabilities	14,794	10,565
TOTAL EQUITY AND LIABILITIES	38,633	34,171
Net assets per share attributable to owners of the Company (sen)	17.59	17.26

Notes:

The Condensed Consolidated Statement of Financial Position is prepared based on the consolidated results of the Group for the quarter ended 30 September 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.

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Quarterly report on results for the 3rd Quarter ended 30 September 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	-	-	-	(290)	-	(290)	(7)	(297)
Total other comprehensive loss for the period	-	-	-	(290)	-	(290)	(7)	(297)
Profit/(Loss) for the period	-	-	-	-	729	729	(211)	518
Total comprehensive income/(loss) for the year	-	-	-	(290)	729	439	(218)	221
Refund of share issue expenses	-	12	-	-	-	12	-	12
Balance as at 30 September 2013	13,840	5,109	(2,512)	(531)	8,434	24,340	(501)	23,839
			-					
Balance as at 1 January 2012	12,582	136	(2,512)	(71)	6,382	16,517	(41)	16,476
Foreign currency translation differences for foreign operations	-	-	-	(177)	-	(177)	(17)	(194)
Total other comprehensive loss for the period	-	-	-	(177)	-	(177)	(17)	(194)
Profit/(Loss) for the period	-	-	-	-	1,801	1,801	(145)	1,656
Comprehensive income /(Loss) for the period	-	-	-	(177)	1,801	1,624	(162)	1,462
Issue of ordinary shares	1,258	5,142	-	-	-	6,400	-	6,400
Balance as at 30 September 2012	13,840	5,278	(2,512)	(248)	8,183	24,541	(203)	24,338

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Quarterly report on results for the 3rd Quarter ended 30 September 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 30 September 2013 RM'000	1 January 2012 to 30 September 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	661	1,772
Adjustments for :		
Amortisation of development expenditure	767	659
Depreciation of property, plant and equipment	222	161
Retirement benefit	-	(3)
Interest expense	20	22
Interest income	(143)	(63)
(Gain) / loss on disposal of property, plant and equipment	(1)	2
Property, Plant and equipments written off	4	23
Share of losses in equity-accounted investees	296	2
Impairment losses on trade receivables	15	-
Reversal of impairment losses on trade receivables	(4)	-
Gain on combination	(4)	-
Unrealised (gain) / loss on foreign exchange	(13)	-
Operating Profit before working capital changes	1,820	2,575
(Increase) / Decrease in trade and other receivables	(6,868)	(1,364)
Increase / (Decrease) in trade and other payables	5,885	707
Cash generated from operations	837	1,918
Income tax paid	(198)	(174)
Net cash generated from operating activities	639	1,744
CASH FLOWS GENERATED (USED IN) INVESTING ACTIVITIES		
Development expenditure paid	(714)	(721)
Increase in Fixed Deposits pledge	(1,014)	(30)
Interest received	143	63
Purchase of plant and equipment	(520)	(318)
Proceeds from disposal of plant and equipment	6	2
Acquisition of subsidiaries	-	(657)
Investment in associates	-	(585)
(Advances to) / Repayments from associates	(298)	(98)
Net cash used in investing activities	(2,397)	(2,344)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(20)	(22)
Proceeds from issue of share	-	7,325
Refund / (Payment) for listing expenses	12	(268)
Repayment of term loans	(25)	(23)
Net cash used in financing activities	(33)	7,012
Exchange difference	(304)	(185)
Net (decrease) / increase in cash and cash equivalents	(2,095)	6,227
Cash and cash equivalents at beginning of year	12,943	5,078
Cash and cash equivalents at end of year	10,848	11,305
	30 September 2013	30 September 2012
Cash and cash equivalents comprise:		
Cash and bank balances	5,222	3,771
Fixed deposits with a licensed bank	1,695	658
Other financial assets	5,626	7,534
Less: Bank Overdraft	-	-
	12,543	11,963
Less: Fixed deposits pledged	(1,695)	(658)
	10,848	11,305

Notes:

The Condensed Consolidated Statement of Cash Flows is prepared based on the consolidated results of the Group for the quarter ended 30 September 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.