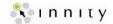
Innity Corporation Berhad (Company No. 764555-D) (Incorporated in Malaysia)



Quarterly report on results for the 1st Quarter ended 31 March 2014 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

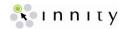
(The figures have not been audited)

	INDIVIDUAL C Current year quarter For the period	QUARTER Preceding year corresponding quarter	CUMULATIVE Current year For the period	QUARTER Preceding year corresponding period	
	1 January 2014 to 31 March 2014 RM'000	1 January 2013 to 31 March 2013 RM'000	1 January 2014 to 31 March 2014 RM'000	1 January 2013 to 31 March 2013 RM'000	
Revenue	10,770	8,208	10,770	8,208	
Direct costs	(6,248)	(4,785)	(6,248)	(4,785)	
Gross profit	4,522	3,423	4,522	3,423	
Other operating income	84	73	84	73	
Operating expenses	(5,365)	(4,675)	(5,365)	(4,675)	
Loss from operations	(759)	(1,179)	(759)	(1,179)	
Finance cost	(1)	(6)	(1)	(6)	
Share of loss of equity-accounted investees,net of tax	(6)	(68)	(6)	(68)	
Loss before taxation	(766)	(1,253)	(766)	(1,253)	
Tax expense	(44)	(2)	(44)	(2)	
Loss for the period	(810)	(1,255)	(810)	(1,255)	
Items that may be reclassified subsequently to profit or loss Foreign currency translation differences for foreign operations Total other comprehensive profit/(loss) for the period	127	(33)	127	(33)	
Comprehensive loss for the period	(683)	(1,288)	(683)	(1,288)	
Loss attributable to: Owners of the Company Non Controlling Interests Loss for the period	(763) (47) (810)	(1,110) (145) (1,255)	(763) (47) (810)	(1,110) (145) (1,255)	
Comprehensive loss attributable to: Owners of the Company Non Controlling Interest Comprehensive loss for the period	(658) (25) (683)	(1,141) (147) (1,288)	(658) (25) (683)	(1,141) (147) (1,288)	
Basic earnings per ordinary share (sen)	(0.55)	(0.84)	(0.55)	(0.84)	

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 2014 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2013.

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

Innity Corporation Berhad (Company No. 764555-D)



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

Quarterly report on results for the 1st Quarter ended 31 March 2014 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31 March 2014 RM'000	Audited As at 31 December 2013 RM'000
ASSETS	555	555
Non-current assets		
Property, plant and equipment	1,556	1,593
Development expenditure	3,057	3,032
Investment in associates	56	62
Deferred tax assets	40	39_
	4,709	4,726
_		
Current assets		
Trade receivables	17,666	20,015
Other receivables, deposit and prepayments	3,375	2,462
Tax Recoverable	28	24
Fixed deposits with licensed bank	1,707	1,702
Other Financial assets Cash and bank balances	5,338	5,307
Cash and bank balances	6,105 34,219	5,382 34,892
-	34,219	34,892
TOTAL ASSETS	38,928	39,618
EQUITY AND LIABILITIES		
Chara capital	12.040	12.940
Share capital Reserves	13,840	13,840
Total equity attributable to owners of the Company	11,657 25,497	12,315 26,155
rotal equity attributable to owners of the company	25,437	20,133
Non Controlling Interest	(553)	(528)
Total equity	24,944	25,627
Non-current liabilities		
Deferred tax liabilities	331	331
Long term borrowings	236	252
Retirement benefits obligation	56	53
_	623	636
Current liabilities		
Trade payables	8,641	9,456
Other payables and accruals	3,961	3,476
Short term borrowings	732	34
Tax payable	27	389
Total current liabilities	13,361	13,355
Total liabilities	13,984	13,991
	10,004	10,001
TOTAL EQUITY AND LIABILITIES	38,928	39,618
Net again and an attailment to the		
Net assets per share attributable to owners of the Company (sen)	10.40	10 00
owners of the Company (sen)	18.42	18.90

Notes:

The Condensed Consolidated Statement of Financial Position is prepared based on the consolidated results of the Group for the quarter ended 31 March 2014 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2013.

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

Innity Corporation Berhad

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

Quarterly report on results for the 1st Quarter ended 31 March 2014 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	< Non-distributable							
	Share Capital RM'000	Share Premium RM'000	Reverse acquisition reserve RM'000	Foreign currency translation reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2014	13,840	5,097	(2,512)	(414)	10,144	26,155	(528)	25,627
Foreign currency translation differences for foreign operations	-	-	-	105	-	105	22	127
Total other comprehensive income for the period	-	-	-	105	-	105	22	127
Loss for the period	-	-	-	-	(763)	(763)	(47)	(810)
Total comprehensive income/(loss) for the year	-	-	-	105	(763)	(658)	(25)	(683)
Balance as at 31 March 2014	13,840	5,097	(2,512)	(309)	9,381	25,497	(553)	24,944
			-					
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 period	-	-	-	(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

Innity Corporation Berhad

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

Quarterly report on results for the 1st Quarter ended 31 March 2014 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

CASH FLOWS FROM OPERATING ACTIVITIES Loss before tax		Current year For the period	Preceding year corresponding period
Adjustments for :		31 March 2014	31 March 2013
Amortisation of development expenditure 232 220 Depreciation of property, plant and equipment 73 55 Interest expense 1 6 (61) (61) Interest income (146) (61) Interest income (146) (61) Interest income (146) (62) Interest income (500) (854) Interest income (500) (120) Interest income		(766)	(1,253)
Amortisation of development expenditure 232 220 Depreciation of property, plant and equipment 73 55 Interest expense 1 6 (61) (61) Interest income (146) (61) Interest income (146) (61) Interest income (146) (62) Interest income (500) (854) Interest income (500) (120) Interest income			
Depreciation of property, plant and equipment		222	220
Interest expense 1		_	
Interest income (46) (61) (Gain) / loss on disposal of property, plant and equipment			
Gain / loss on disposal of property, plant and equipment Share of losses in equity-accounted investees 6 184	·	•	
Share of losses in equity-accounted investees		(+0)	(01)
Unrealised loss/(gain) on foreign exchange		6	184
Operating Profit before working capital changes		-	
(Increase) / Decrease in trade and other receivables Increase / (Decrease) in trade and other payables (2077) 1,557 Cash generated from operations Income tax paid (46) (2) Net cash generated from operating activities 139 598 CASH FLOWS (USED IN) INVESTING ACTIVITIES USED IN INVESTING ACTIVITIES USED IN INVESTING ACTIVITIES Development expenditure paid (257) (121) Increase in Fixed Deposits pledge (5) (1,005) Interest received 46 61 Purchase of plant and equipment (35) (95) Proceeds from disposal of plant and equipment 1 - (Advances to) / Repayments from associates 61 (115) Net cash used in investing activities (189) (1,275) CASH FLOWS USED IN FINANCING ACTIVITIES (189) (15) (8) Interest paid (1) (6) (7) (14) Exchange difference 15 (8) (15) (8) Net cash used in financing activities (16) (74) (7) Cash and cash equivalents at beginning of year 1	om oanood roos (gam) on roroign oxonango		(6)
(Increase) / Decrease in trade and other receivables Increase / (Decrease) in trade and other payables (2077) 1,557 Cash generated from operations Income tax paid (46) (2) Net cash generated from operating activities 139 598 CASH FLOWS (USED IN) INVESTING ACTIVITIES USED IN INVESTING ACTIVITIES USED IN INVESTING ACTIVITIES Development expenditure paid (257) (121) Increase in Fixed Deposits pledge (5) (1,005) Interest received 46 61 Purchase of plant and equipment (35) (95) Proceeds from disposal of plant and equipment 1 - (Advances to) / Repayments from associates 61 (115) Net cash used in investing activities (189) (1,275) CASH FLOWS USED IN FINANCING ACTIVITIES (189) (15) (8) Interest paid (1) (6) (7) (14) Exchange difference 15 (8) (15) (8) Net cash used in financing activities (16) (74) (7) Cash and cash equivalents at beginning of year 1	Operating Profit before working capital changes	(500)	(854)
Increase / (Decrease) in trade and other payables			
Cash generated from operations Income tax paid 185 (46) 600 (2) Net cash generated from operating activities 139 598 CASH FLOWS (USED IN) INVESTING ACTIVITIES Development expenditure paid (257) (121) Increase in Fixed Deposits pledge (5) (1,005) Interest received 46 61 Purchase of plant and equipment (35) (95) Proceeds from disposal of plant and equipment 1 - (Advances to) / Repayments from associates 61 (115) Net cash used in investing activities (189) (1,275) CASH FLOWS USED IN FINANCING ACTIVITIES Interest paid (1) (6) Repayment of term loans (15) (8) Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents comprise: 6,105 5,397	· · · · · · · · · · · · · · · · · · ·		
Net cash generated from operating activities 139 598 CASH FLOWS (USED IN) INVESTING ACTIVITIES Sevelopment expenditure paid (257) (121) Increase in Fixed Deposits pledge (5) (1,005) Interest received 46 61 Purchase of plant and equipment (35) (95) Proceeds from disposal of plant and equipment (Advances to) / Repayments from associates 61 (115) Net cash used in investing activities (189) (1,275) CASH FLOWS USED IN FINANCING ACTIVITIES (16) (6) Interest paid (1) (6) Repayment of term loans (15) (8) Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,443 Cash and cash equivalents comprise: 6,105 5,397 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686			
Net cash generated from operating activities 139 598 CASH FLOWS (USED IN) INVESTING ACTIVITIES Cash Flows (USED IN) INVESTING ACTIVITIES Cash (1,005) (121) Increase in Fixed Deposits pledge (5) (1,005) (1,005) (1,005) Interest received 46 61 61 61 (1,005) (95) Proceeds from disposal of plant and equipment 1	Income tax paid	(46)	(2)
Development expenditure paid (257) (121) Increase in Fixed Deposits pledge (5) (1,005) Interest received 46 61 61 Purchase of plant and equipment (35) (95) Proceeds from disposal of plant and equipment 1 - (Advances to) / Repayments from associates 61 (115)	Net cash generated from operating activities		598
Development expenditure paid (257) (121) Increase in Fixed Deposits pledge (5) (1,005) Interest received 46 61 61 Purchase of plant and equipment (35) (95) Proceeds from disposal of plant and equipment 1 - (Advances to) / Repayments from associates 61 (115)			
Increase in Fixed Deposits pledge			
Interest received			
Purchase of plant and equipment (35) (95) Proceeds from disposal of plant and equipment 1 - (Advances to) / Repayments from associates 61 (115) Net cash used in investing activities (189) (1,275) CASH FLOWS USED IN FINANCING ACTIVITIES (1) (6) Interest paid (1) (6) Repayment of term loans (15) (8) Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)	· · · · · · · · · · · · · · · · · · ·		
Proceeds from disposal of plant and equipment (Advances to) / Repayments from associates 1			
(Advances to) / Repayments from associates 61 (115) Net cash used in investing activities (189) (1,275) CASH FLOWS USED IN FINANCING ACTIVITIES Interest paid (1) (6) Repayment of term loans (15) (8) Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)			(95)
Net cash used in investing activities (189) (1,275) CASH FLOWS USED IN FINANCING ACTIVITIES (1) (6) Interest paid (15) (8) Repayment of term loans (15) (8) Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 Cash and cash equivalents comprise: 31 March 2014 31 March 2013 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)			- (4.45)
CASH FLOWS USED IN FINANCING ACTIVITIES Interest paid (1) (6) Repayment of term loans (15) (8) Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 Cash and cash equivalents comprise: 31 March 2014 31 March 2013 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)			
Interest paid	Net cash used in investing activities	(189)	(1,275)
Repayment of term loans (15) (8) Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 Cash and cash equivalents comprise: 31 March 2014 31 March 2013 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)			
Net cash used in financing activities (16) (14) Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 Sash and cash equivalents comprise: 31 March 2014 31 March 2013 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)			
Exchange difference 122 (93) Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 31 March 2014 31 March 2013 Cash and cash equivalents comprise: 6,105 5,397 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged 12,452 13,845 Less: Fixed deposits pledged (1,707) (1,686)	·		
Net increase / (decrease) in cash and cash equivalents 56 (784) Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 31 March 2014 31 March 2013 Cash and cash equivalents comprise: 6,105 5,397 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged 12,452 13,845 Less: Fixed deposits pledged (1,707) (1,686)	<u> </u>		
Cash and cash equivalents at beginning of year 10,689 12,943 Cash and cash equivalents at end of year 10,745 12,159 31 March 2014 31 March 2013 Cash and cash equivalents comprise: 6,105 5,397 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged 12,452 13,845 Less: Fixed deposits pledged (1,707) (1,686)	Exchange difference	122	(93)
Cash and cash equivalents at end of year 10,745 12,159 31 March 2014 31 March 2013 Cash and cash equivalents comprise: 8 6,105 5,397 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)	Net increase / (decrease) in cash and cash equivalents	56	(784)
Cash and cash equivalents comprise: 31 March 2014 31 March 2013 Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)	Cash and cash equivalents at beginning of year	10,689	12,943
Cash and cash equivalents comprise: Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)	Cash and cash equivalents at end of year	10,745	12,159
Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)		31 March 2014	31 March 2013
Cash and bank balances 6,105 5,397 Fixed deposits with a licensed bank 1,707 1,686 Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - Less: Fixed deposits pledged (1,707) (1,686)	Cash and cash equivalents comprise:		
Other financial assets 5,338 6,762 Less: Bank Overdraft (698) - 12,452 13,845 Less: Fixed deposits pledged (1,707) (1,686)		6,105	5,397
Less: Bank Overdraft (698) - 12,452 13,845 Less: Fixed deposits pledged (1,707) (1,686)		1,707	1,686
12,452 13,845 Less: Fixed deposits pledged (1,707) (1,686)		5,338	6,762
Less: Fixed deposits pledged (1,707) (1,686)	Less: Bank Overdraft		
<u>10,745</u> <u>12,159</u>	Less: Fixed deposits pledged		
		10,745	12,159

Notes:

The Condensed Consolidated Statement of Cash Flows is prepared based on the consolidated results of the Group for the quarter ended 31 March 2014 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2013.