

Innity Corporation Berhad

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



Quarterly report on results for the 3rd Quarter ended 30 September 2014 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 2014 to 30 September 2014 RM'000	1 July 2013 to 30 September 2013 RM'000	1 January 2014 to 30 September 2014 RM'000	1 January 2013 to 30 September 2013 RM'000
Revenue	10,082	13,044	33,452	35,092
Direct costs	(5,014)	(7,817)	(17,906)	(20,634)
Gross profit	5,068	5,227	15,546	14,458
Other operating income	99	75	293	208
Operating expenses	(5,111)	(4,785)	(15,521)	(13,689)
Profit from operations	56	517	318	977
Finance cost	(14)	(6)	(22)	(20)
Share of loss of equity-accounted associates, net of tax	(10)	(106)	(25)	(296)
Profit before taxation	32	405	271	661
Tax expense	(18)	(2)	(95)	(143)
Profit for the period	14	403	176	518
Other Comprehensive income/(loss) :				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	73	(250)	(21)	(297)
Dilution of interest in an equity-accounted associates, net of tax	248	-	248	-
Other comprehensive income/ (loss) for the period	321	(250)	227	(297)
Total comprehensive income for the period	335	153	403	221
Profit/(loss) attributable to:				
Owners of the Company	15	390	167	729
Non Controlling Interests	(1)	13	9	(211)
Profit for the period	14	403	176	518
Total comprehensive income/(loss) attributable to:				
Owners of the Company	327	153	386	439
Non Controlling Interest	8	-	17	(218)
Total comprehensive income for the period	335	153	403	221
Basic earnings per ordinary share (sen)	0.01	0.28	0.12	0.53

Notes:

The Condensed Consolidated Statement of Profit or Loss And Other 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 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)

(Incorporated in Malaysia)



Quarterly report on results for the 3rd Quarter ended 30 September 2014 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30 September 2014 RM'000	Audited As at 31 December 2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,582	1,593
Development expenditure	3,431	3,032
Investment in associates	286	62
Deferred tax assets	39	39
	<u>5,338</u>	<u>4,726</u>
Current assets		
Trade receivables	19,640	20,015
Other receivables, deposit and prepayments	3,688	2,462
Tax Recoverable	38	24
Fixed deposits with licensed bank	1,750	1,702
Other Financial assets	2,994	5,307
Cash and bank balances	5,396	5,382
	<u>33,506</u>	<u>34,892</u>
TOTAL ASSETS	38,844	39,618
EQUITY AND LIABILITIES		
Share capital	13,840	13,840
Reserves	12,701	12,315
Total equity attributable to owners of the Company	26,541	26,155
Non Controlling Interest	(511)	(528)
Total equity	26,030	25,627
Non-current liabilities		
Deferred tax liabilities	331	331
Long term borrowings	219	252
Retirement benefits obligation	53	53
	<u>603</u>	<u>636</u>
Current liabilities		
Trade payables	8,372	9,456
Other payable and accruals	3,623	3,476
Short term borrowings	203	34
Tax payable	13	389
Total current liabilities	12,211	13,355
Total liabilities	12,814	13,991
TOTAL EQUITY AND LIABILITIES	38,844	39,618
Net assets per share attributable to owners of the Company (sen)	19.18	18.90

Notes:

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

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Quarterly report on results for the 3rd Quarter ended 30 September 2014 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	----- Non-distributable ----->					Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Reverse acquisition reserve RM'000	Foreign currency translation reserve RM'000	Other reserve 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	-	-	-	(29)	-	-	(29)	8	(21)
Dilution of interests in an associate	-	-	-	-	248	-	248	-	248
Total other comprehensive income/(loss) for the period	-	-	-	(29)	248	-	219	8	227
Profit for the period	-	-	-	-	-	167	167	9	176
Total comprehensive income/(loss) for the period	-	-	-	(29)	248	167	386	17	403
Balance as at 30 September 2014	13,840	5,097	(2,512)	(443)	248	10,311	26,541	(511)	26,030
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 for the period	-	-	-	-	-	729	729	(211)	518
Total comprehensive income/(loss) for the period	-	-	-	(290)	-	729	439	(218)	221
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

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Quarterly report on results for the 3rd Quarter ended 30 September 2014 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	Current year For the period	Preceding year corresponding period
	1 January 2014 to 30 September 2014 RM'000	1 January 2013 to 30 September 2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	271	661
Adjustments for :		
Amortisation of development expenditure	696	767
Depreciation of property, plant and equipment	236	222
Interest expense	22	20
Interest income	(166)	(143)
Gain on disposal of plant and equipment	-	(1)
Property, plant and equipment written off	31	4
Share of losses in equity-accounted associates	24	296
Impairment losses on trade receivables	-	15
Reversal of impairment losses on trade receivables	(6)	(4)
Gain on combination	-	(4)
Unrealised gain on foreign exchange	-	(13)
Operating Profit before working capital changes	1,108	1,820
(Increase) / Decrease in trade and other receivables	(651)	(6,868)
Increase / (Decrease) in trade and other payables	(1,545)	5,885
Cash generated from/(used in) operations	(1,088)	837
Income tax paid	(105)	(198)
Net cash generated from/(used in) operating activities	(1,193)	639
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Development expenditure paid	(1,095)	(714)
Increase in Fixed Deposits pledge	(49)	(1,014)
Interest received	166	143
Purchase of plant and equipment	(266)	(520)
Proceeds from disposal of plant and equipment	7	6
(Advances to) / Repayments from associates	35	(298)
Net cash used in investing activities	(1,202)	(2,397)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Interest paid	(22)	(20)
Refund / (Payment) for listing expenses	-	12
Repayment of term loans	(33)	(25)
Net cash used in financing activities	(55)	(33)
Net decrease in cash and cash equivalents	(2,468)	(2,095)
Exchange difference	(18)	(304)
Cash and cash equivalents at beginning of year	10,689	12,943
Cash and cash equivalents at end of year	8,221	10,544
	30 September 2014	30 September 2013
Cash and cash equivalents comprise:		
Cash and bank balances	5,396	5,222
Fixed deposits with a licensed bank	1,750	1,695
Other financial assets	2,994	5,626
Less: Bank Overdraft	(169)	-
	9,971	12,543
Less: Fixed deposits pledged	(1,750)	(1,695)
	8,221	10,848

Notes:

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