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



Quarterly report on results for the 4th Quarter ended 31 December 2014

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 2014, the Group recorded revenue of RM10.80 million and Profit Before Tax ("PBT") of RM0.90 million as compared to revenue of RM11.41 million and PBT of RM2.25 million respectively in the preceding year's corresponding quarter; representing approximately 5% decrease in revenue and 60% decrease in PBT. The decline in revenue and PBT were mainly due to Malaysia, Indonesia and China segments' performance.

Malaysia segment recorded a slight decrease of revenue by 4% to RM5.14 million from RM5.36 million in the preceding year's corresponding quarter. Advertising spend had risen in the final quarter as compared to previous quarter in year 2014 albeit affected by the slower sentiment after the unfortunate local events. The segment's Profit before tax ("PBT") had drop by 88% compared to the same quarter last year, this was in tandem with the decrease in revenue and increase in operating costs.

For the quarter, Singapore segment recorded revenue and PBT at RM825,000 and RM427,000 as compared to RM1.98 million and RM171,000 respectively in the same period last year, representing 58% decrease in revenue and 149% increase in PBT. The segment is still undergoing a transitional period to realign the sales strategies to regain the market share from new competitors. This is in line with ICB regional direction which we expect will gain higher volume in the long term. The improved PBT was mainly due to high product mix margin.

The Indonesia segment recorded lower revenue at RM0.98 million as compared to RM2.68 million in the same period last year, representing 63% decrease in revenue. The change in the sales team structure and the restructuring initiative in manpower and staff headcount eventually impacted the revenue in the current quarter. The segment incurred a loss before tax ("LBT") at RM59,000 as compared to PBT at RM0.83 million, the negative results in LBT was in tandem with the decline in revenue.

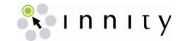
During the current quarter, Vietnam's segment revenue was 186% higher at RM0.86 million compared to RM0.30 million in the preceding year's corresponding quarter. The increase in revenue was mainly due to higher advertising spend from the new clienteles in the current quarter. The lower product mix margin and increase operating costs had led to 47% drop in PBT.

Hong Kong segment achieved higher revenue and PBT of 100% and 187% respectively as compared to the same period last year. The improved performance was attributed to new clientele brought in by the sales team which strengthens its market share. The improved PBT was in tandem with the higher revenue achieved. China segment revenue was registered at RM207,000, a decrease by 58% from RM496,000 reported in the preceding year's corresponding quarter. The China market remains challenging as it requires more time to penetrate to gain larger market share. The segment incurred LBT of RM119,000, as compared to PBT of RM82,000 in the previous year's same quarter. The decline in PBT was in tandem with the reduction in revenue.

For the quarter under review, Philippine segment revenue gained 79% to RM1.07 million from RM0.60 million in the previous year's corresponding quarter. The increase in revenue was mainly due to advertisers allocating their advertising budget towards the year end festive promotions to attract higher spending during the holidays. Despite the increase in operating cost by 123% as compared to preceding year's corresponding quarter, the positive PBT was in tandem with the increase in revenue.

For the Taiwan segment, since the operation only began in December 2014, comparable results can only be reflected in the fourth quarter 2015.

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B2	Variation of results against immediate preceding quarter	Current quarter 31 December 2014 RM'000	Preceding quarter 30 September 2014 RM'000
	Revenue	10,802	10,082
	PBT	899	32

For the 4th quarter ended 31 December 2014, the Group recorded revenue of RM10.80 million, an increase of approximately 7% compared to the immediate preceding quarter. Generally all the segments contributed higher revenue in the current quarter except Singapore and Hong Kong segments as compared to the immediate preceding quarter in line with the Company cyclical nature of the business whereby advertisers tend to finish their advertising budget towards the year end.

The Group reported a PBT of RM0.90 million in the current quarter as compared to a PBT of RM32,000 in the immediate preceding quarter. The improved PBT was due to high margin product mix.

B3 Prospects for the next financial year

Despite the struggling global economy due to distress on high-income countries facing the global financial crisis and a lack of dynamics in emerging economies, the Group's performance for the next financial year remains cautiously optimistic. However, we do foresee increased competition with the entry of several new industry players in the market.

Generally, digital media continues to make headway in the advertising and marketing industry as an effective communication tool. Much of the potential anticipated growth will come from the continued acceptance of digital online advertising as a mainstream media with customers switching from traditional advertising media. As such the future outlook for the regional digital advertising market remains strong in spite of the uncertain global economic growth.

Innity continues to remain confident and is constantly innovating to deliver effective and diverse range of interactive online marketing ad solutions focusing on mobile, content and social marketing tools catering to a broad spectrum of industries aimed at helping advertisers increase advertisement engagement to boost ROI for their campaigns.

B4 Revenue or profit estimate

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets for the financial period ended 31 December 2014.

B5 Profit for the period

	Quarter ended		Year-to-date ended	
Profit for the period is arrived at after (Crediting)/charging:	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(31)	(34)	(197)	(177)
Foreign exchange gain – realized	(185)	(160)	(233)	(202)
- unrealized	(478)	(34)	(478)	(47)

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B5 Profit for the period (cont'd)

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	Quarter 31 December 2014 RM'000	31 December 2013 RM'000	Year-to-da 31 December 2014 RM'000	31 December 2013 RM'000
Profit for the period is arrived at after (Crediting)/charging:				
Other income				
-Miscellaneous	(88)	(155)	(117)	(184)
-Gain on Combination	-	-	-	(4)
-Allowance for doubtful debts no longer				
required	-	(2)	(7)	(6)
Allowance for doubtful debts	407	63	407	78
Interest expenses	5	5	27	25
Depreciation and amortization	310	316	1,242	1,214
Development expenditure written off	107	126	107	126
Property and equipment written off	-	5	31	5
Loss on foreign exchange				
-realised	72	(72)	123	13
-unrealised	48	443	48	443
Retirement benefit	76	12	76	12

B6 Income tax expense

	Quarter ended		Year-to-date ended	
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Current year income tax				
- Malaysia	33	41	83	50
- Overseas	153	386	198	520
Under/(Over) provision in prior year				
- Malaysia	(10)	2	(10)	2
- Overseas		(27)	-	(27)
	176	402	271	545
Deferred tax liabilities/(assets)				
- Malaysia	173	154	173	154
- Overseas	25	(1)	25	(1)
	198	153	198	153
	374	555	469	698

A subsidiary of the Malaysia segment, Innity Sdn Bhd ("ISB")'s effective tax rate is lower than the statutory tax rate due to its MSC-Status, which allows it to be exempted from tax until year 2015. However, the non-operating income is chargeable to tax based on the current year income tax rate.

A provision of taxation is provided in respect of Indonesia and Philippine segments according to the country tax rate. Singapore's segment effective tax rate is lower than the statutory tax rate, mainly due to the Company benefitting from the partial tax exemption scheme that was introduced since year 2008.

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B7 Group borrowings and debt securities

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Short term borrowings:-		
Secured		
Term Loans	34	34
	34	34
Long term Borrowings:- Secured		
Term Loans	209	252
	209	252

The Group does not have any foreign currency borrowings.

B8 Material Litigation

As at 19 February 2015 (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.

B9 Dividend

There was no dividend declared for the current quarter or the financial year to date.

B10 Earnings per share

Basic earnings per ordinary share	Current Quarter 31 December 2014	Current Year to Date 31 December 2014	
Profit after tax and non controlling interest (RM'000)	523	690	
Number of issued ordinary shares ('000)	138,403	138,403	
Basic earnings per ordinary share (sen)	0.38	0.50	

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 December 2014.

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B11 Status of corporate proposals

There are no corporate proposals announced but not yet completed as at 19 February 2015 (being the date not early than 7 days before the date of this announcement).

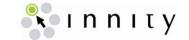
B12 Realised and Unrealised Profit/(Losses) Disclosure

The retained profits as at 31 December 2014 and 31 December 2013 are analysed as follows:

	As at 31 December 2014	As at 31 December 2013
Total retained profits/(accumulated losses) of the Company and Subsidiaries		0. 20000. 2010
-Realised	10,452,609	10,280,263
-Unrealised	(192,693)	(741,227)
	10,259,916	9,539,036
Total share of accumulated losses from an associate		
-Realised	(602,647)	(574,818)
	9,657,269	8,964,218
Add: Consolidation adjustments	1,176,609	1,179,677
Total Group retained profits	10,833,878	10,143,895

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010. The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

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B13 Utilisation of proceeds – 12,582,128 new ordinary shares subscription

On 20 September 2012, ICB raised gross proceeds of RM6.67 million from the subscription of 12,582,128 new ordinary shares pertaining to the conditional Subscription Agreement ("**SA**") with DAC, and has utilised approximately 70% of the proceeds as at 31 December 2014.

The gross proceeds raised from the subscription are expected to be utilised in the following manner:

Purpose	Planned utilisation as stated in the circular	^(f) Change of utilisation (RM'000)	Revised utilisation (RM'000)	Actual utilisation as at 31 December 2014 (RM'000)		ance ilised	Intended time frame for utilisation from listing date
Working capital	6,169	51	6,220	(4,350)	1,870	30.1	Within 24 months
^(') Defrayment of listing expenses	500	(51)	449	(449)	-	-	Utilised
Total	6,669	-	6,669	(4,799)	1,870	30.1	

⁽i) Any surplus of funds following payment of listing expenses not being utilised within 2 months after the completion of the subscription, will be utilised as working capital for the Group.

B14 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 26 February 2015.

On Behalf of the Board

Phang Chee Leong Executive Chairman

Date: 26 February 2015