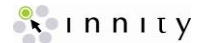


Innity Corporation Berhad

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



Quarterly report on results for the 1st Quarter ended 31 March 2016

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 2016 to 31 March 2016 RM'000	1 January 2015 to 31 March 2015 RM'000	1 January 2016 to 31 March 2016 RM'000	1 January 2015 to 31 March 2015 RM'000
Revenue	21,297	13,419	21,297	13,419
Direct costs	(12,256)	(7,674)	(12,256)	(7,674)
Gross profit	9,041	5,745	9,041	5,745
Other operating income	989	698	989	698
Operating expenses	(10,756)	(6,937)	(10,756)	(6,937)
Loss from operations	(726)	(494)	(726)	(494)
Finance cost	(4)	(6)	(4)	(6)
Share of profit/(loss) of equity-accounted investees, net of tax	209	(47)	209	(47)
Loss before taxation	(521)	(547)	(521)	(547)
Tax expense	(362)	(170)	(362)	(170)
Loss for the period	(883)	(717)	(883)	(717)
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(429)	35	(429)	35
Total other comprehensive income/(loss) for the period	(429)	35	(429)	35
Total Comprehensive loss for the period	(1,312)	(682)	(1,312)	(682)
Profit/(loss) attributable to:				
Owners of the Company	(826)	(725)	(826)	(725)
Non Controlling Interests	(57)	8	(57)	8
Loss for the period	(883)	(717)	(883)	(717)
Total Comprehensive income/(loss) attributable to:				
Owners of the Company	(1,257)	(676)	(1,257)	(676)
Non Controlling Interest	(55)	(6)	(55)	(6)
Total Comprehensive loss for the period	(1,312)	(682)	(1,312)	(682)
Basic earnings/(loss) per ordinary share (sen)	(0.60)	(0.52)	(0.60)	(0.52)

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 31 March 2016 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2015.

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 2016 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited As at 31 March 2016 RM'000	Audited As at 31 December 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,959	2,048
Development expenditure	3,896	3,805
Goodwill	148	148
Investment in associates	511	302
Deferred tax assets	295	303
	6,809	6,606
Current assets		
Trade receivables	24,436	33,446
Other receivables, deposits and prepayments	4,195	3,934
Tax Recoverable	275	3
Fixed deposits with licensed bank	1,818	1,810
Other Financial assets	438	1,183
Cash and bank balances	16,341	11,311
	47,503	51,687
TOTAL ASSETS	54,312	58,293
EQUITY AND LIABILITIES		
Share capital	13,840	13,840
Reserves	15,524	16,781
Total equity attributable to owners of the Company	29,364	30,621
Non controlling interest	(194)	(139)
Total equity	29,170	30,482
Non-current liabilities		
Deferred tax liabilities	635	635
Long term borrowings	163	170
Retirement benefits obligation	163	172
	961	977
Current liabilities		
Trade payables	16,872	18,551
Other payables and accruals	6,501	7,839
Short term borrowings	32	35
Tax payable	776	409
Total current liabilities	24,181	26,834
Total liabilities	25,142	27,811
TOTAL EQUITY AND LIABILITIES	54,312	58,293
Net assets per share attributable to owners of the Company (sen)	21.22	22.13

Notes:

The Condensed Consolidated Statement of Financial Position is prepared based on the consolidated results of the Group for the quarter ended 31 March 2016 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2015.

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 2016 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Non-distributable					Retained Earnings	Equity attributable to owners of the Company	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reverse acquisition reserve	Foreign currency translation reserve	Other reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000				
Balance as at 1 January 2016	13,840	5,097	(2,512)	442	248	13,506	30,621	(139)	30,482
Foreign currency translation differences for foreign operations	-	-	-	(431)	-	-	(431)	2	(429)
Total other comprehensive income/(loss) for the period	-	-	-	(431)	-	-	(431)	2	(429)
Loss for the period	-	-	-	-	-	(826)	(826)	(57)	(883)
Total comprehensive loss for the year	-	-	-	(431)	-	(826)	(1,257)	(55)	(1,312)
Balance as at 31 March 2016	13,840	5,097	(2,512)	11	248	12,680	29,364	(194)	29,170
Balance as at 1 January 2015	13,840	5,097	(2,512)	(318)	248	10,801	27,156	(530)	26,626
Foreign currency translation differences for foreign operations	-	-	-	49	-	-	49	(14)	35
Total other comprehensive income/(loss) for the period	-	-	-	49	-	-	49	(14)	35
Profit/(Loss) for the period	-	-	-	-	-	(725)	(725)	8	(717)
Total comprehensive income/(loss) for the period	-	-	-	49	-	(725)	(676)	(6)	(682)
Dilution of investment in an associate	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2015	13,840	5,097	(2,512)	(269)	248	10,076	26,480	(536)	25,944

The Condensed Consolidated Statement of Changes in Equity is prepared based on the consolidated results of the Group for the quarter ended 31 March 2016 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2015.

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

Quarterly report on results for the 1st Quarter ended 31 March 2016 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	Current year For the period	Preceding year corresponding period
	1 January 2016 to 31 March 2016 RM'000	1 January 2015 to 31 March 2015 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	(521)	(547)
Adjustments for :		
Amortisation of development expenditure	287	288
Depreciation of property, plant and equipment	116	76
Loss on disposal of plant and equipment	12	-
Interest expense	4	6
Interest income	(28)	(34)
Share of (profit)/loss in equity-accounted associates	(209)	47
Unrealised (gain)/loss on foreign exchange, net	663	(152)
Operating profit/(loss) before working capital changes	324	(316)
Decrease in trade and other receivables	8,466	1,750
Increase/(Decrease) in trade and other payables	(3,569)	1,546
Cash generated from operations	5,221	2,980
Income tax paid	(243)	(20)
Income tax refunded	4	-
Net cash generated from operating activities	4,982	2,960
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Development expenditure paid	(378)	(410)
Increase in Fixed Deposits pledge	(8)	(1,506)
Interest received	28	34
Purchase of plant and equipment	(91)	(103)
Repayments from associates	175	245
Net cash used in investing activities	(274)	(1,740)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Interest paid	(4)	(6)
Repayment of term loans	(10)	(9)
Net cash used in financing activities	(14)	(15)
Exchange difference	(409)	28
Net increase in cash and cash equivalents	4,285	1,233
Cash and cash equivalents at beginning of year	12,494	9,432
Cash and cash equivalents at end of year	16,779	10,665
	31 March 2016	31 March 2015
Cash and cash equivalents comprise:		
Cash and bank balances	16,341	8,436
Fixed deposits with a licensed bank	1,818	3,260
Other financial assets	438	2,229
Less: Bank Overdraft	-	-
	18,597	13,925
Less: Fixed deposits pledged	(1,818)	(3,260)
	16,779	10,665

Notes:

The Condensed Consolidated Statement of Cash Flows is prepared based on the consolidated results of the Group for the quarter ended 31 March 2016 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2015.

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