

Innity Corporation Berhad

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



Quarterly report on results for the 1st Quarter ended 31 March 2017

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 2017 to 31 March 2017 RM'000	1 January 2016 to 31 March 2016 RM'000	1 January 2017 to 31 March 2017 RM'000	1 January 2016 to 31 March 2016 RM'000
Revenue	22,591	21,297	22,591	21,297
Direct costs	(12,808)	(12,256)	(12,808)	(12,256)
Gross profit	9,783	9,041	9,783	9,041
Other operating income	250	348	250	348
Operating expenses	(13,886)	(10,115)	(13,886)	(10,115)
Loss from operations	(3,853)	(726)	(3,853)	(726)
Finance cost	(3)	(4)	(3)	(4)
Share of profit of equity-accounted investees, net of tax	161	209	161	209
Loss before taxation	(3,695)	(521)	(3,695)	(521)
Tax expense	-	(362)	-	(362)
Loss for the period	(3,695)	(883)	(3,695)	(883)
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(194)	(429)	(194)	(429)
Total other comprehensive loss for the period	(194)	(429)	(194)	(429)
Total Comprehensive loss for the period	(3,889)	(1,312)	(3,889)	(1,312)
Loss attributable to:				
Owners of the Company	(3,537)	(826)	(3,537)	(826)
Non Controlling Interests	(158)	(57)	(158)	(57)
Loss for the period	(3,695)	(883)	(3,695)	(883)
Total Comprehensive income/(loss) attributable to:				
Owners of the Company	(3,704)	(1,257)	(3,704)	(1,257)
Non Controlling Interest	(185)	(55)	(185)	(55)
Total Comprehensive loss for the period	(3,889)	(1,312)	(3,889)	(1,312)
Basic loss per ordinary share (sen)	(2.56)	(0.60)	(2.56)	(0.60)

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 2017 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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 2017 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited As at 31 March 2017 RM'000	Audited As at 31 December 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,883	1,940
Development expenditure	4,378	4,288
Goodwill	148	148
Investment in associates	691	530
Deferred tax assets	472	472
	<u>7,572</u>	<u>7,378</u>
Current assets		
Trade receivables	25,791	36,141
Other receivables, deposits and prepayments	4,373	4,049
Tax Recoverable	255	144
Fixed deposits with licensed bank	1,888	2,792
Other Financial assets	116	115
Cash and bank balances	19,922	18,992
	<u>52,345</u>	<u>62,233</u>
TOTAL ASSETS	<u>59,917</u>	<u>69,611</u>
EQUITY AND LIABILITIES		
Share capital	13,840	13,840
Reserves	17,854	21,558
Total equity attributable to owners of the Company	<u>31,694</u>	<u>35,398</u>
Non controlling interest	325	510
Total equity	<u>32,019</u>	<u>35,908</u>
Non-current liabilities		
Deferred tax liabilities	644	644
Long term borrowings	132	137
Retirement benefits obligation	261	260
	<u>1,037</u>	<u>1,041</u>
Current liabilities		
Trade payables	15,222	19,065
Other payables and accruals	11,231	12,187
Short term borrowings	31	616
Tax payable	377	794
Total current liabilities	<u>26,861</u>	<u>32,662</u>
Total liabilities	<u>27,898</u>	<u>33,703</u>
TOTAL EQUITY AND LIABILITIES	<u>59,917</u>	<u>69,611</u>
Net assets per share attributable to owners of the Company (sen)	<u>22.90</u>	<u>25.58</u>

Notes:

The Condensed Consolidated Statement of Financial Position is prepared based on the consolidated results of the Group for the quarter ended 31 March 2017 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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 2017 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 2017	13,840	5,097	(2,512)	876	248	17,849	35,398	510	35,908
Foreign currency translation differences for foreign operations	-	-	-	(167)	-	-	(167)	(27)	(194)
Total other comprehensive loss for the period	-	-	-	(167)	-	-	(167)	(27)	(194)
Loss for the period	-	-	-	-	-	(3,537)	(3,537)	(158)	(3,695)
Total comprehensive loss for the year	-	-	-	(167)	-	(3,537)	(3,704)	(185)	(3,889)
Balance as at 31 March 2017	13,840	5,097	(2,512)	709	248	14,312	31,694	325	32,019
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 period	-	-	-	(431)	-	(826)	(1,257)	(55)	(1,312)
Dilution of investment in an associate	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	13,840	5,097	(2,512)	11	248	12,680	29,364	(194)	29,170

The Condensed Consolidated Statement of Changes in Equity is prepared based on the consolidated results of the Group for the quarter ended 31 March 2017 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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

Quarterly report on results for the 1st Quarter ended 31 March 2017 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	Current year For the period	Preceding year corresponding period
	1 January 2017 to 31 March 2017 RM'000	1 January 2016 to 31 March 2016 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax	(3,695)	(521)
Adjustments for :		
Amortisation of development expenditure	341	287
Allowance for doubtful debts	2,192	-
Allowance for doubtful debts no longer required	(65)	-
Depreciation of property, plant and equipment	121	116
Loss on disposal of plant and equipment	-	12
Interest expense	3	4
Interest income	(57)	(28)
Share of profit in equity-accounted associates	(161)	(209)
Unrealised (gain)/loss on foreign exchange, net	(15)	663
Operating profit/(loss) before working capital changes	(1,336)	324
Decrease in trade and other receivables	8,385	8,466
Increase/(Decrease) in trade and other payables	(5,563)	(3,569)
Cash generated from operations	1,486	5,221
Income tax paid	(515)	(243)
Income tax refunded	-	4
Net cash generated from operating activities	971	4,982
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Development expenditure paid	(434)	(378)
Increase in Fixed Deposits pledge	(6)	(8)
Interest received	57	28
Purchase of plant and equipment	(64)	(91)
Repayments from associates	293	175
Net cash used in investing activities	(154)	(274)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Interest paid	(3)	(4)
Repayment of term loans	(8)	(10)
Net cash used in financing activities	(11)	(14)
Exchange difference	(203)	(409)
Net increase in cash and cash equivalents	603	4,285
Cash and cash equivalents at beginning of year	19,435	12,494
Cash and cash equivalents at end of year	20,038	16,779
	31 March 2017	31 March 2016
Cash and cash equivalents comprise:		
Cash and bank balances	19,922	16,341
Fixed deposits with a licensed bank	1,888	1,818
Other financial assets	116	438
	21,926	18,597
Less: Fixed deposits pledged	(1,888)	(1,818)
	20,038	16,779

Notes:

The Condensed Consolidated Statement of Cash Flows is prepared based on the consolidated results of the Group for the quarter ended 31 March 2017 and is to be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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