

# Innity Corporation Berhad

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



## Quarterly report on results for the 3rd Quarter ended 30 September 2017 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

### Financial review for current quarter and financial year to date

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current year quarter For the period	Preceding year corresponding quarter	Variance (%) Favourable/ (Adverse)	Current year For the period	Preceding year corresponding period	Variance (%) Favourable/ (Adverse)
	1 July 2017 to 30 September 2017 RM'000	1 July 2016 to 30 September 2016 RM'000		1 January 2017 to 30 September 2017 RM'000	1 January 2016 to 30 September 2016 RM'000	
Revenue	24,159	25,665	(6%)	73,904	69,596	6%
Direct costs	(14,549)	(13,971)	(4%)	(43,257)	(38,611)	(12%)
Gross profit	9,610	11,694	(18%)	30,647	30,985	(1%)
Other operating income	135	488	(72%)	456	755	(40%)
Operating expenses	(10,577)	(8,268)	(28%)	(34,613)	(26,355)	(31%)
(Loss)/Profit from operations	(832)	3,914	(121%)	(3,510)	5,385	(165%)
Finance cost	(3)	(3)	0%	(9)	(17)	47%
Share of profit of equity-accounted associates, net of tax	58	110	(47%)	291	370	(21%)
(Loss)/Profit before taxation	(777)	4,021	(119%)	(3,228)	5,738	(156%)
Income tax expense	(402)	(748)	46%	(650)	(1,680)	61%
(Loss)/Profit for the period	(1,179)	3,273	(136%)	(3,878)	4,058	(196%)
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences for foreign operations	(638)	32	(2094%)	(813)	(251)	(224%)
<b>Total other comprehensive (loss)/income for the period</b>	(638)	32	(2094%)	(813)	(251)	(224%)
<b>Total comprehensive (loss)/income for the period</b>	(1,817)	3,305	(155%)	(4,691)	3,807	(223%)
<b>(Loss)/Profit attributable to:</b>						
Owners of the Company	(1,268)	2,914	(144%)	(3,481)	3,587	(197%)
Non-controlling interests	89	359	(75%)	(397)	471	(184%)
<b>(Loss)/Profit for the period</b>	(1,179)	3,273	(136%)	(3,878)	4,058	(196%)
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company	(1,448)	2,963	(149%)	(4,183)	3,350	(225%)
Non-controlling interests	(369)	342	(208%)	(508)	457	(211%)
<b>Total comprehensive (loss)/income for the period</b>	(1,817)	3,305	(155%)	(4,691)	3,807	(223%)
<b>Basic (loss)/earnings per ordinary share (sen)</b>	(0.92)	2.11	(144%)	(2.52)	2.59	(197%)

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 2017 and should 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 3rd Quarter ended 30 September 2017 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

### Financial review for current quarter compared with immediate preceding quarter

	INDIVIDUAL QUARTER		
	Current year quarter For the period	Immediate Preceding quarter	Variance (%) Favourable/ (Adverse)
	1 July 2017 to 30 September 2017 RM'000	1 April 2017 to 30 June 2017 RM'000	
Revenue	24,159	27,154	(11%)
Direct costs	(14,549)	(15,900)	8%
Gross profit	9,610	11,254	(15%)
Other operating income	135	71	90%
Operating expenses	(10,577)	(10,150)	(4%)
(Loss)/Profit from operations	(832)	1,175	(171%)
Finance cost	(3)	(3)	0%
Share of profit of equity-accounted associates, net of tax	58	72	(19%)
(Loss)/Profit before taxation	(777)	1,244	(162%)
Income tax expense	(402)	(248)	(62%)
(Loss)/Profit for the period	(1,179)	996	(218%)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations	(638)	19	(3458%)
<b>Total other comprehensive (loss)/income for the period</b>	(638)	19	(3458%)
<b>Total comprehensive (loss)/income for the period</b>	(1,817)	1,015	(279%)
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company	(1,268)	1,324	(196%)
Non-controlling interests	89	(328)	127%
<b>(Loss)/Profit for the period</b>	(1,179)	996	(218%)
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(1,448)	969	(249%)
Non-controlling interests	(369)	46	(902%)
<b>Total comprehensive (loss)/income for the period</b>	(1,817)	1,015	(279%)
<b>Basic (loss)/earnings per ordinary share (sen)</b>	(0.92)	0.96	(196%)

#### 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 2017 and should 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)  
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## Quarterly report on results for the 3rd Quarter ended 30 September 2017 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*(The figures have not been audited)*

	Unaudited As at 30 September 2017 RM'000	Audited As at 31 December 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,437	1,940
Development expenditure	4,448	4,288
Goodwill	148	148
Investment in associates	821	530
Deferred tax assets	446	472
	<u>8,300</u>	<u>7,378</u>
<b>Current assets</b>		
Trade receivables	33,570	36,141
Other receivables, deposits and prepayments	4,241	4,049
Tax recoverable	326	144
Fixed deposits with licensed banks	2,076	2,792
Other financial assets	117	115
Cash and bank balances	16,535	18,992
	<u>56,865</u>	<u>62,233</u>
<b>TOTAL ASSETS</b>	<b>65,165</b>	<b>69,611</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	18,937	13,840
Reserves	11,065	21,558
<b>Total equity attributable to owners of the Company</b>	<b>30,002</b>	<b>35,398</b>
<b>Non-controlling interest</b>	1,707	510
<b>Total equity</b>	<b>31,709</b>	<b>35,908</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	737	644
Long term borrowings	115	137
Retirement benefits obligation	245	260
	<u>1,097</u>	<u>1,041</u>
<b>Current liabilities</b>		
Trade payables	20,074	19,065
Other payables and accruals	11,647	12,187
Short term borrowings	31	616
Tax payable	607	794
<b>Total current liabilities</b>	<u>32,359</u>	<u>32,662</u>
<b>Total liabilities</b>	<u>33,456</u>	<u>33,703</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>65,165</b>	<b>69,611</b>
<b>Net assets per share attributable to owners of the Company (sen)</b>	<b>15.84</b>	<b>25.58</b>

**Notes:**

The Condensed Consolidated Statement of Financial Position is prepared based on the consolidated results of the Group for the quarter ended 30 September 2017 and should 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 3rd Quarter ended 30 September 2017  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(The figures have not been audited)

	----- Non-distributable -----						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	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2017</b>	13,840	5,097	(2,512)	876	248	17,849	35,398	510	35,908
Loss for the period	-	-	-	-	-	(3,481)	(3,481)	(397)	(3,878)
Other comprehensive loss	-	-	-	(702)	-	-	(702)	(111)	(813)
<b>Total Comprehensive Loss</b>	-	-	-	(702)	-	(3,481)	(4,183)	(508)	(4,691)
Transfer pursuant to Companies Act 2016*	5,097	(5,097)	-	-	-	-	-	-	-
Acquisitions of non-controlling interest	-	-	-	(35)	-	(1,178)	(1,213)	1,705	492
<b>Total transactions with Owners and changes in ownership interests</b>	5,097	(5,097)	-	(35)	-	(1,178)	(1,213)	1,705	492
<b>Balance as at 30 September 2017</b>	18,937	-	(2,512)	139	248	13,190	30,002	1,707	31,709
<b>Balance as at 1 January 2016</b>	13,840	5,097	(2,512)	442	248	13,506	30,621	(139)	30,482
Profit for the period	-	-	-	-	-	3,587	3,587	471	4,058
Other comprehensive loss	-	-	-	(237)	-	-	(237)	(14)	(251)
<b>Total Comprehensive (Loss)/Income</b>	-	-	-	(237)	-	3,587	3,350	457	3,807
<b>Balance as at 30 September 2016</b>	13,840	5,097	(2,512)	205	248	17,093	33,971	318	34,289

Notes:

The Condensed Consolidated Statement of Changes in Equity is prepared based on the consolidated results of the Group for the quarter ended 30 September 2017 and should 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.

\* Upon the commencement of the Companies Act 2016 ("CA2016") on 31 January 2017, the amount standing to the credit of the Company's share premium is now treated as part of the Company's share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon the commencement of section 74 of the CA2016.

## Quarterly report on results for the 3rd Quarter ended 30 September 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 30 September 2017 RM'000	1 January 2016 to 30 September 2016 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(3,228)	5,738
Adjustments for:		
Amortisation of development expenditure	1,021	853
Allowance for doubtful debts	2,149	-
Allowance for doubtful debts no longer required	(678)	-
Depreciation of property, plant and equipment	397	361
Gain on disposal of plant and equipment	*	(1)
Interest expense	9	17
Interest income	(120)	(120)
Loss on disposal of plant and equipment	-	11
Property, plant and equipment written off	57	-
Share of profit in equity-accounted associates	(291)	(370)
Unrealised loss on foreign exchange, net	394	259
<b>Operating (loss)/profit before working capital changes</b>	<b>(290)</b>	<b>6,748</b>
Decrease in trade and other receivables	720	2,522
Increase in trade and other payables	65	881
<b>Cash generated from operations</b>	<b>495</b>	<b>10,151</b>
Income tax paid	(886)	(1,409)
Income tax refunded	-	4
<b>Net cash generated (used in)/from operating activities</b>	<b>(391)</b>	<b>8,746</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Development expenditure paid	(1,193)	(1,174)
Increase in fixed deposits pledge	(195)	(2,540)
Interest received	120	120
Purchased of plant and equipment	(1,004)	(221)
Proceeds from disposal of plant and equipment	*	3
Repayments from associates	197	30
<b>Net cash used in investing activities</b>	<b>(2,075)</b>	<b>(3,782)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Interest paid	(9)	(17)
Repayment of term loans	(24)	(27)
Acquisitions of non-controlling interest	492	-
<b>Net cash from/(used in) financing activities</b>	<b>459</b>	<b>(44)</b>
Exchange difference	(776)	(275)
<b>Net increase in cash and cash equivalents</b>	<b>(2,783)</b>	<b>4,645</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>19,435</b>	<b>12,494</b>
<b>Cash and cash equivalents at end of year</b>	<b>16,652</b>	<b>17,139</b>
	<b>30 September 2017</b>	<b>30 September 2016</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	16,535	17,025
Fixed deposits with licensed banks	2,076	4,350
Other financial assets	117	114
	18,728	21,489
Less: Fixed deposits pledged	(2,076)	(4,350)
	16,652	17,139

Notes:

\* represents value below RM1,000.

The Condensed Consolidated Statement of Cash Flows is prepared based on the consolidated results of the Group for the quarter ended 30 September 2017 and should 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.