

ANNUAL
REPORT
2022

INNITY CORPORATION BERHAD



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CORPORATE PROFILE

ABOUT

○ INNITY GROUP ○

Innity Corporation Berhad and its subsidiaries (“INNITY Group”) is the leading online advertising company in Asia that provides data-driven, interactive online marketing solutions and technologies for advertisers and publishers.

Established in 1999, Innity is a digital marketing and media solutions company with a strong foothold in the APAC market. Innity’s solutions provide a combination of creative advertising, content and influencer marketing, as well as community and commerce technologies for brands, agencies, advertisers and publishers. INNITY Group has presence in Malaysia, Singapore, Indonesia, Vietnam, Philippines, Taiwan, South Korea, Hong Kong, Cambodia and Myanmar, with over 300 staff in total.

All in all, INNITY Group provides a diverse range of interactive online marketing solutions such as:

- Interactive Engagement & Rewards Solutions
- Rewarded Challenges Solutions
- Cause Collaborative Solutions
- Branded Content & Community Solutions
- Shoppable Solutions
- Programmatic Buying Solutions

INNITY Group is committed to constantly exploring online marketing opportunities for all our partners through our versatile combination of online media proficiency, industry clout, and the development of cutting-edge technology in a brand-safe and fraud-free environment.



Total Influencers

17,000+

Total Active Advertisers



1,501

Total Publishers



3,460

Total Campaigns



3,800+

2022
in Numbers



Total Engagements

90 Million+



Total Clicks

36 Million+



Total Impressions Captured

2.8 Billion+



Total Programmatic Impressions

92 Million+

Certifications:



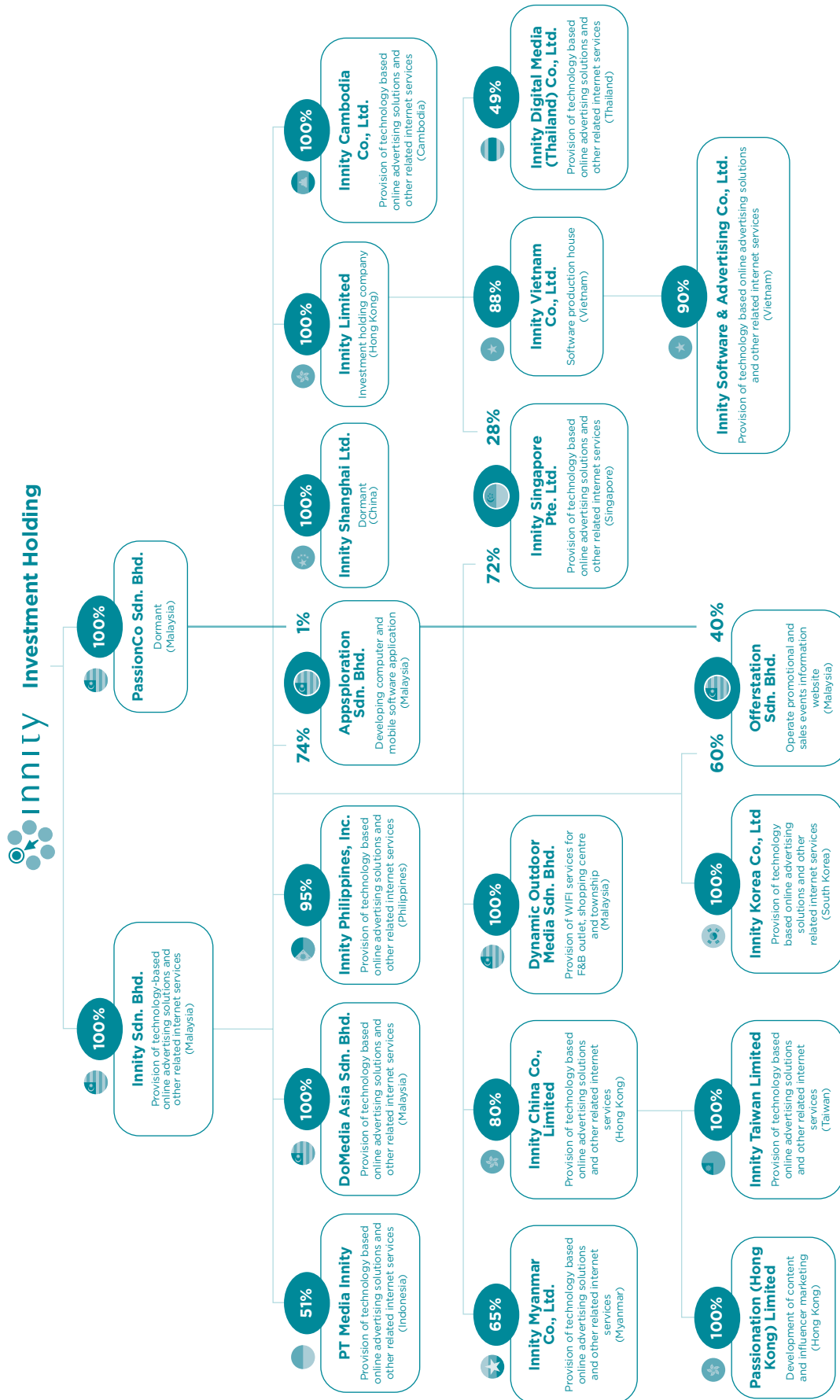
Member of:



Verified by:



CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Phang Chee Leong	<i>Executive Chairman</i>
Looa Hong Tuan	<i>Managing Director</i>
Wong Kok Woh	<i>Executive Director</i>
Seah Kum Loong	<i>Executive Director</i>
Shamsul Ariffin Bin Mohd Nor	<i>Independent Non-Executive Director (Resigned on 1 September 2022)</i>
Norliza Binti Rasool Khan	<i>Independent Non-Executive Director (Appointed on 1 September 2022)</i>
Fung Kam Foo	<i>Independent Non-Executive Director</i>
Cheong Chee Yun	<i>Independent Non-Executive Director</i>
Gregory Charles Poarch	<i>Non-Independent Non-Executive Director</i>
Liong Wei Li	<i>Alternate Director to Gregory Charles Poarch</i>
Michihiko Suganuma	<i>Non-Independent Non-Executive Director</i>
Rieko Yoshikawa	<i>Alternate Director to Michihiko Suganuma</i>

AUDIT AND RISK MANAGEMENT COMMITTEE

Cheong Chee Yun
(Chairman)
Shamsul Ariffin Bin Mohd Nor
(Resigned on 1 September 2022)
Fung Kam Foo
Norliza Binti Rasool Khan
(Appointed on 1 September 2022)

REMUNERATION COMMITTEE

Fung Kam Foo
(Chairman)
Shamsul Ariffin Bin Mohd Nor
(Resigned on 1 September 2022)
Phang Chee Leong
(Resigned on 22 March 2023)
Norliza Binti Rasool Khan
(Appointed on 1 September 2022)
Cheong Chee Yun
(Appointed on 22 March 2023)

NOMINATION COMMITTEE

Fung Kam Foo
(Chairman)
Shamsul Ariffin Bin Mohd Nor
(Resigned on 1 September 2022)
Cheong Chee Yun
Norliza Binti Rasool Khan
(Appointed on 1 September 2022)

COMPANY SECRETARIES

Wong Wai Foong
*(MAICSA 7001358)/
(SSM PC No. 202008001472)
(Resigned on 14 December 2022)*
Fong Seah Lih
*(MAICSA 7062297)/
(SSM PC NO. 202008000973)*
Tham Yin Tong
*(MAICSA 7049718)/
(SSM PC NO.202008001314)*

AUDITORS

BDO PLT
(LLP0018825-LCA & AF 0206)
*Level 8, BDO @ Menara CentARa 360,
Jalan Tuanku Abdul Rahman 50100
Kuala Lumpur*

PRINCIPAL BANKERS

HSBC Bank Berhad
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
Public Bank Berhad
Bank Simpanan Nasional

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
*Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222*

REGISTERED OFFICE

*Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9191
Fax : 603-2783 9111*

BUSINESS OFFICE

Headquarters
*C501 & C502, Block C
Kelana Square
17, Jalan SS 7/26, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7880 5611
Fax : 603-7880 5622
Email : enquiry@innity.com*

STOCK INFORMATION

Bursa Malaysia - ACE Market
Bursa Malaysia Code: 0147
Reuters Code : INNY.KL
Bloomberg Code : INNC:MK

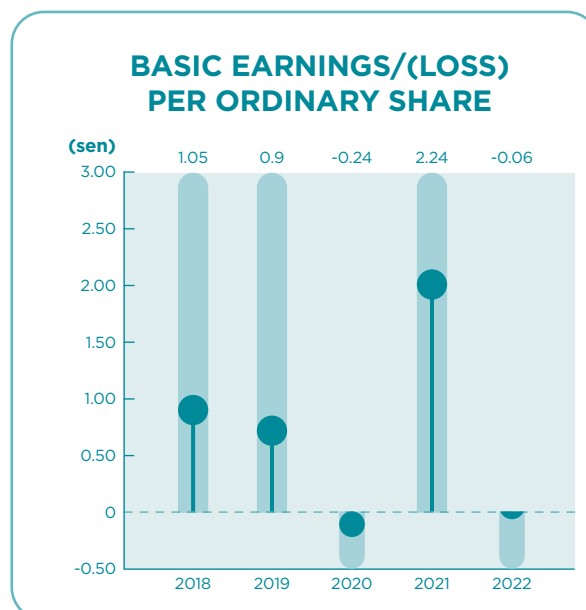
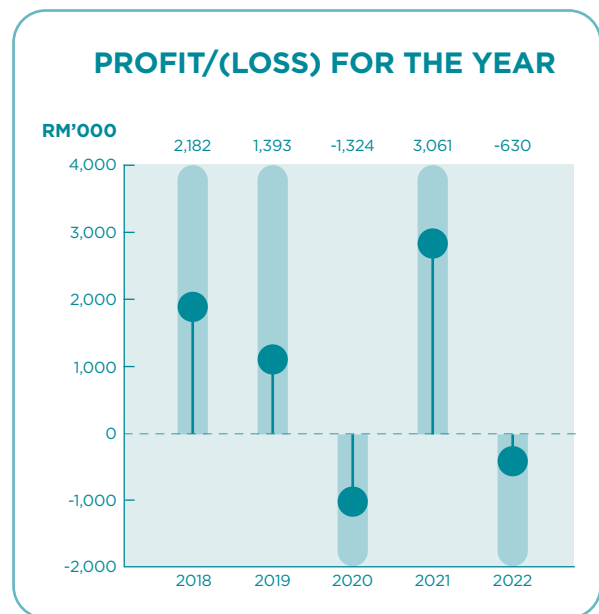
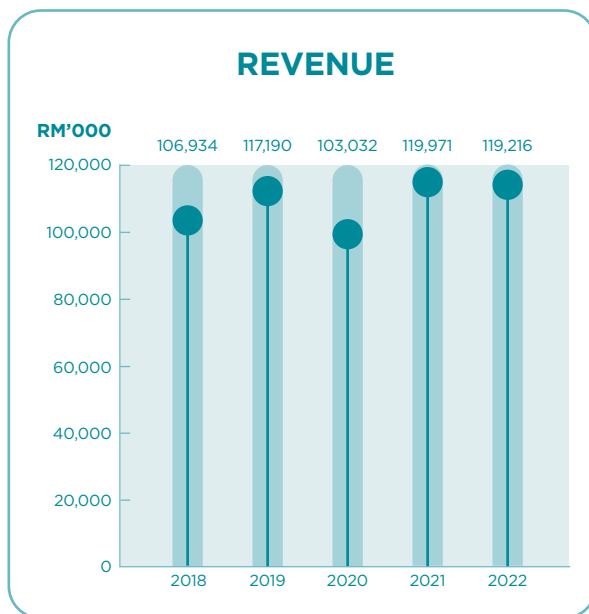
WEBSITE

www.innity.com

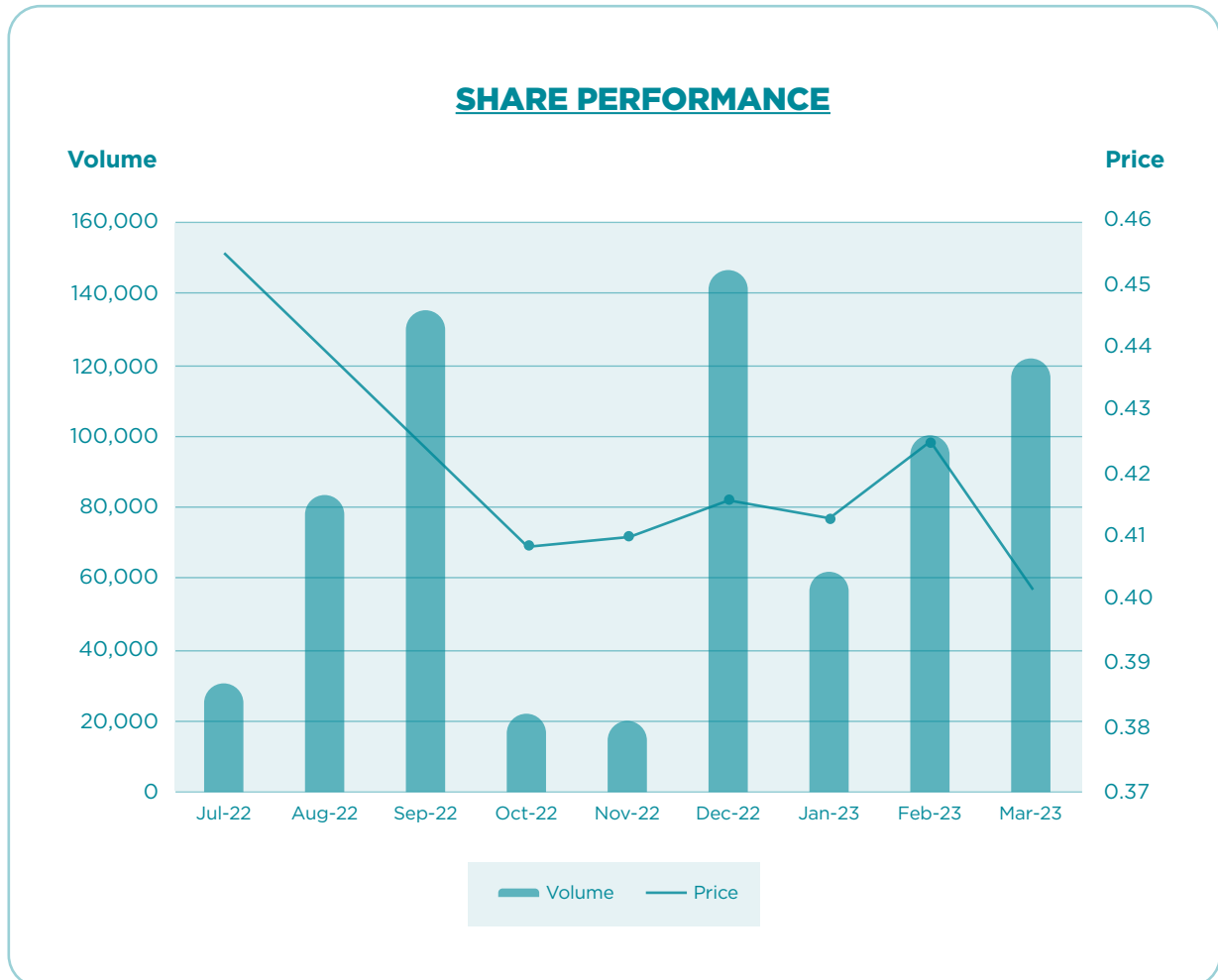
5-YEAR GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

	AUDITED				
	2018	2019	2020	2021	2022
Revenue (RM'000)	106,934	117,190	103,032	119,971	119,216
Profit/(Loss) for the year (RM'000)	2,182	1,393	-1,324	3,061	-630
Basic Earnings/(Loss) per ordinary share (sen)	1.05	0.90	-0.24	2.24	-0.06



SHARE PERFORMANCE



MARKET VALUE RATIO

At 31 March 2023

Market capitalisation : RM55.1 million

Price / Book value : 1.57x

DIRECTORS'S PROFILE

Phang Chee Leong

Executive Chairman

Member of the Remuneration Committee (Resigned on 22 March 2023)

Malaysian, aged 52 (M)

Phang Chee Leong was appointed as the Executive Chairman on 28 April 2008. He graduated with a Bachelor of Science Degree in Microelectronics from Campbell University, USA in 1995. He started his career as a software engineer with PC Automation Sdn Bhd, a company involved in industrial automation. Moving on, he joined Asia Connect Sdn Bhd as a senior software architect and technical manager where he was involved in video streaming, testing and deployment of new technology. Subsequently in 1997, he joined Consortio, a US company that implemented large-scale e-business solutions. In 1999, he co-founded Innity Sdn Bhd ("ISB") and took on the position of Chief Executive Officer /Chief Technology Officer. Through his 23 years of experience in the digital industry, Mr. Phang has been a visionary for the company, helping to develop Innity over the years into a leading provider of online interactive marketing technologies. Mr. Phang's continuous enthusiasm and zeal to look beyond the ordinary has been a key factor in facilitating the company's growth. He is deeply involved in directing product development and R&D strategies in order to ensure that all future developments are integrated with cutting edge technology so as to deliver value-added and optimised digital advertising solutions. He does not hold any other directorship of public companies.

Mr.Phang attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2022.

Looa Hong Tuan

Managing Director

Malaysian, aged 52 (M)

Looa Hong Tuan was appointed as the Managing Director on 28 April 2008. He graduated with a Bachelor of Science Degree in Microelectronics from Campbell University, USA in 1995. He started his career as the Head of Sales Department in Jebesen & Jessen, a Danish multinational video conferencing, streaming and networking company and has since been involved in a number of projects across various industries, such as e-learning, e-government and telemedicine. In 1999, he co-founded ISB and took on the position of Sales and Marketing Director and has helped the company to grow multifold over the years. He is responsible for leading the sales and marketing team in pitching for new online advertising campaigns, establishing relationships with various online publishers, and planning the Group's branding efforts while contributing extensively to the industry from the time of its inception. He currently heads the sales and marketing team. He is also involved in the Group's business development together with Phang Chee Leong. He does not hold any other directorship of public companies.

Mr.Looa attended all the six (6) Board Meetings of the Company of the Company held during the financial year ended 31 December 2022.

Director's Profile (Cont'd)

Wong Kok Woh

*Executive Director
Malaysian, aged 52 (M)*

Wong Kok Woh was appointed as the Executive Director on 28 April 2008. He graduated with a Bachelor of Science Degree in Microelectronics from Campbell University, USA in 1995. Upon his graduation from university, he joined Nokia Malaysia as a wireless network-planner under the client-servicing department, where he was in charge of handling and implementing numerous GSM phone network projects across the Asia Pacific region. After a few internal promotions, he was transferred to Nokia China in 1997 as Jiang Xi's province network planning manager. Moving on, he left Nokia in 1999, co-founded ISB in December 1999 and took on the role as Client Services Director. His job scope entails the implementation and streamlining of daily workflow processes in order to ensure timely and efficient communications with clients to deliver quality work of the highest standards. He plays a critical role in the account management for clients, due to his vast experience in the campaign management of large scale projects. He also works closely with the R&D team to ensure development efforts are consistent with prospective client requirements. He does not hold any other directorship of public companies.

Mr.Wong attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2022.

Seah Kum Loong

*Executive Director
Malaysian, aged 51 (M)*

Seah Kum Loong was appointed as the Executive Director on 28 April 2008. He obtained an Advanced Diploma in Advertising and Design from the Lim Kok Wing Institute of Creative Technology. Following his graduation, he joined Asia Connect Sdn Bhd as a design executive from 1996 to 1998. In 1998, he moved on to Mcities Sdn Bhd, a leading online music entertainment portal as their Creative Director. He later joined Labtyd Sdn Bhd, a leading local advertising agency, as an Art Director, where he was part of a team in designing and producing advertisements catering to specific customer needs. He has vast experience in multiple aspects of the design process, encompassing traditional branding, brand identity and packaging to conceptual interface development. In 1999, he co-founded ISB and was appointed as Creative Director. He currently heads the design department and is in charge of leading and managing the various designers to ensure consistent design output of the finest quality. He is also actively involved with the Group's R&D efforts due to his insights of the ad creation process, current online advertising design trends and the technologies used to create these ads. His job requires him to communicate and fully understand specific needs of clients and then designing an advertisement that accurately represents the client's business. He does not hold any other directorship of public companies.

Mr.Seah attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2022.

Director's Profile (Cont'd)

Norliza Binti Rasool Khan

*Independent Non-Executive Director
Audit and Risk Management Committee Member
Member of the Remuneration and Nominating Committees
Malaysian, aged 49 (F)*

Norliza Binti Rasool Khan was appointed as the Independent Non-Executive Director on 1 September 2022. She obtained her Bachelor of Laws degree from International Islamic University in 1998, diploma in International Arbitration in 2018 and Executive Certificate in Islamic Banking and Finance in year 2021. She is a Fellow of Chartered Institute of Arbitrators, Fellow of Malaysian Institute of Arbitrators, Fellow of Asian International Arbitration Centre, Fellow of Asian Institute of Alternative Dispute Resolution, Member of Association of Women Lawyers Malaysia, Co-Chair of Arbitration Committee of the Bar and Co-Deputy Chair of Women's Rights Committee.

She was called to the Malaysia Bar in year 2000 and has been practicing as an Advocate & Solicitor of the High Court of Malaya for 22 years. Having acquired experience in leading Malaysian firm, she embarked on her entrepreneurial journey in her own firm Liza Khan Chambers. She has extensive experience in Corporate Governance and Capital Markets, personal data, gaming laws and sustainability laws as well as restructuring exercise and currently practises primarily in corporate and commercial advisory and dispute resolution.

Norliza Binti Rasool Khan is also a Board Member of Voice of the Children Sdn Bhd, a non-profit NGO that advocates for childrens' rights where she is involved in driving campaigns and raising funds resulting in significant changes in policies on child marriage and amendments to the Childs Act.

She currently holds the position of independent non-executive director for RedOne Holding Berhad, IFCA MSC Berhad and Executive Director in Mimir Sdn Bhd.

Norliza Binti Rasool Khan attended two (2) out of six (6) Board Meetings of the Company held during the financial year ended 31 December 2022 as her appointment was only on 1 September 2022.

Fung Kam Foo

*Independent Non-Executive Director
Chairman of Nomination and Remuneration Committee
Member of the Audit and Risk Management Committee
Malaysian, aged 60 (M)*

Fung Kam Foo was appointed as Independent Non-Executive Director to our Board on 1 August 2019. He is currently the Head of Group Digital at Damansara Holdings Berhad since April 2022. He obtained Bachelor of Computer Science and Business Administration (Honours) from University of Guelph, Ontario, Canada in 1984.

Mr. Fung is a well-respected figure in the ICT industry, having worked in various sub-sectors of the industry for more than 30 years. Mr. Fung was the CEO of PIKOM (The National Tech Association of Malaysia) from October 2018 to September 2019. He was also with PIKOM as an Executive Director from 1994 to 2000 before embarking on an entrepreneurial journey to start his own company, permission.com, an email marketing company in the year 2000 and later on to become the CEO of txt123, a Maybank Associate company in the year 2001. He also worked in MNCs including Digital Equipment Corp, the second largest global computer company in the 1990s.

Prior to his return to PIKOM in the year 2018, Mr.Fung held the position of Senior Manager for Enterprise Development Division at the Malaysia Digital Economy Corporation (MDEC) and was the founding team member of MDEC Global Acceleration and Innovation (GAIN) programme focusing on globalising selected high-growth Malaysian tech companies.

He was instrumental in spearheading his team to turn around a then loss-making PIKOM in the 90s, into a profitable, vibrant and respected industry association by the time he left in 2000. In recognition of his work at PIKOM, he was selected as one of Malaysia' top 50 local IT Personalities by the Computerworld Magazine.

Mr Fung was also appointed as Independent Non-Executive Director of IFCA MSC Bhd and Damansara Technology Sdn Bhd on 1 Nov 2021 and 15 June 2022 respectively.

Mr.Fung attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2022.

Director's Profile (Cont'd)

Cheong Chee Yun

*Independent Non-Executive Director
Chairman of the Audit and Risk Management Committee
Member of Nomination Committee and Remuneration Committee (Appointed on 22 March 2023)
Malaysian, aged 62 (M)*

Cheong Chee Yun was appointed as Independent Non-Executive Director of Innity Corporation Berhad on 27 September 2018. He is a Chartered Accountant member of the Malaysian Institute of Accountants, a member of the Certified Practising Accountant Australia (CPA Australia) and also a member of the Asian Institute of Chartered Bankers.

In the year 1985, he graduated with a Bachelor of Accounting (Hons) from Universiti Malaya. In the same year, he started his career as an executive officer with RHB Bank Berhad (formerly known as D&C Bank). He was involved in all branch operational aspects, corporate banking, trade financing and international banking matters and last held a managerial position. Thereafter, he joined a PC assembly and monitor manufacturer, KT Technology Sdn Bhd as Financial Controller in the year 1998. He then joined a software development and system integration company known as Object Solutions Sdn Bhd as director in the year 1999. In the year 2001, he joined Saferay (M) Sdn Bhd, a manufacturer and exporter of architectural mouldings as an operation director. In the year 2003, he was also appointed as a non-executive director in CS Opto Semiconductors Sdn Bhd but had resigned in the year 2012. In the year 2006, he was appointed as operational director in Eastmont Sdn Bhd, a building construction services company. He has since resigned in November 2018.

In year the 2012, he joined Enco Holdings Sdn Bhd, a biomass thermal energy solutions provider as Head of Finance & Corporate Affairs and is now an executive director of the company. He is also a non-executive director of Kencana Bio Energy Pte Ltd, Singapore,(now known as Enco Power Pte.Ltd., Singapore) a biomass power generation holding company. Moreover, he currently holds the post of independent non-executive director for Innity Corporation Berhad, ManagePay Systems Berhad, ETA World Group Berhad and Executive Director for Samchem Holdings Berhad.

Mr Cheong attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2022.

Gregory Charles Poarch

*Non-Independent Non-Executive Director
American, aged 58 (M)*

Gregory Charles Poarch was appointed as the Non-Independent Non-Executive Director on 19 August 2009. He graduated with a Bachelor degree in Accounting from Southwestern Oklahoma State University, USA in 1988. He commenced his career in 1988 as a Senior Auditor with Finley & Cook, a Certified Public Accounting Firm. Moving on, he joined Occidental Petroleum Corporation as an Audit Supervisor. Subsequently in 1996, he joined MEASAT Broadcast Network Systems Sdn. Bhd. as a Project Manager. He was promoted to Senior Manager level in 1997. He joined the JobStreet.com group in 2000 and took on the position of Vice President, Finance & Administration. With the listing of the JobStreet group in November 2004, he became the Chief Financial Officer of JCBNext Berhad (formerly known as JobStreet Corporation Berhad). He does not hold any other directorship of public companies.

Mr. Poarch attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2022.

Director's Profile (Cont'd)

Liong Wei Li

*Alternate Director to Gregory Charles Poarch
Malaysian, aged 39 (M)*

Liong Wei Li was appointed as the Alternate Director to Gregory Charles Poarch on 26 August 2019. He received his Bachelor of Economics from University of Malaya in 2008 and a Masters of Philosophy in Economics from University of Cambridge, United Kingdom in 2012. Mr Liong also holds a Bachelor of Laws degree from University of London (external), United Kingdom and obtained the Certificate of Legal Practice in 2010. He commenced his career as a research associate at Institute of China Studies and Faculty of Economics, University of Malaya. He joined JcbNext Berhad as the Special Officer to the Chief Executive Officer in the year 2012. He was then promoted as Chief Executive Officer in the year 2021. Mr. Liong is a holder of Chartered Financial Analyst (CFA), Chartered Alternative Investment Analyst (CAIA Charter), and Certificate in Investment Performance Measurement (CIPM) designations. He does not hold any other directorship of public companies.

Michihiko Suganuma

*Non-Independent Non-Executive Director
Japanese, aged 44 (M)*

Michihiko Suganuma was appointed as Non-Independent Non-Executive Director on 1 April 2017. He graduated with a Bachelor of Business from the University of Tsukuba in 2003. He started his career in International Marketing at Pioneer Corporation. In 2006 he joined D.A.Consortium("DAC"), Japan's leading online media agency. He is now the Executive Officer and the Head of the Global Business Group at DAC. He is in charge of promoting DAC's global businesses. He manages DAC's overseas subsidiaries, strategic partnerships with global companies, and cross-border business. He does not hold any other directorship of public companies.

Mr. Michihiko attended five (5) out of six (6) Board Meetings of the Company held during the financial year ended 31 December 2022.

Rieko Yoshikawa

*Alternate Director to Michihiko Suganuma
Japanese, aged 43 (F)*

Rieko Yoshikawa was appointed as the Alternate Director to Michihiko Suganuma on 24 August 2020. She received her Bachelor of Policy Studies from Kwansai Gakuin University in 2002 and a Masters of Policy and Management from Doshisha University in 2004. She started her career as Media Planner at D.A.Consortium Inc. from year 2004 to 2008. She then took up the role of Accounting Supervisor at D.A.Consortium Inc. from year 2008 to 2014. She is now Senior Manager of Global Business Group at DAC. She does not hold any other directorship of public companies.

Notes:

Save as disclosed above:

1. None of the Directors have family relationships with any other Director and/or major shareholder of the Company.
2. None of the Directors have been convicted of any offences within the past five years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
3. None of the Directors have any conflict of interest with the company.
4. Gender of Directors are represented by (M) Male, (F) Female.

KEY SENIOR MANAGEMENT'S PROFILE

The Key Senior Management in FY 2022 comprises Mr. Phang - Executive Chairman of Innity Corporation Berhad and Chief Executive Officer of Innity Sdn Bhd ("ISB"); Mr. Looa - Managing Director of Innity Corporation Berhad and Sales and Marketing Director of ISB; Mr. Wong - Executive Director of Innity Corporation Berhad and Client Services Director of ISB; and Mr. Seah - Executive Director of Innity Corporation Berhad and Creative Director of ISB are included under the Directors' profiles on (page 8 to page 12) in the Annual Report 2022 and the following persons:

Chow Tat Kee

*Corporate Strategy Director
Malaysian, aged 57 (M)*

Chow Tat Kee is the Director of Corporate Strategies of INNITY group of companies. He obtained a Diploma in Financial Accounting from Kolej Damansara Utama in year 1990. He worked as an auditor with Kassim Chan & Co (now known as Deloitte KassimChan & Co) from 1991 to 1994, where he was involved in the auditing of companies in various industries such as trading and services, manufacturing, banking and finance, stock broking, petroleum and property development. He left Kassim Chan & Co in 1994 as an Audit Senior to join Pilecon Engineering Berhad as the Personal Assistant to the Operations Director. Subsequently, he joined Syarikat Binaan Budi Sawmill Berhad (now known as SBBS Consortium Berhad) in year 1996 as an accountant. In 1997, he joined Cheetah Holdings Berhad as the Finance and Administration Manager. In September 2005, he joined ISB as the Financial Controller and in 2008 was further promoted to the position of Finance Director of INNITY group. In 25 February 2013, he was re-designated as the Corporate Strategic Director. His current responsibilities in INNITY group of companies include establishing the Group's key thrusts and performance targets, effecting of organisation-wide planning cycle as well as the allocation of resources within the Group to optimise corporate performance.

Edward Lum Chi Kwan

*Head of Creative & Design
Malaysian, aged 44 (M)*

Edward graduated from the Central Academy of Arts with a Diploma in Graphic Design in year 2000. Edward started his career as a self-taught web designer for a prominent digital publisher. In the year 2001, he joined ISB as a creative designer rising through the ranks to be the Lead Designer focusing on web development, UI and UX as well as product development in the area of digital advertising. He left ISB in 2006 as senior designer at OfferStation Sdn Bhd., responsible for maintaining the content and marketing of the brand. In January 2009, Edward re-joined ISB as a Head of Creative & Design, to be in charged of branding and creative development of INNITY's ad solution as well as heading the creative production team together with the marketing team.

Key Senior Management's Profile (Cont'd)

Yap Soon Kim

*Chief Financial Officer
Malaysian, aged 49 (F)*

Yap Soon Kim graduated from Association of Chartered Certified Accountants (ACCA) and is a member of Malaysia Institute of Accountants (MIA). She has more than 20 years of experience in the areas of accounting, taxation and finance. She had previously held senior positions in several private companies and Public Listed companies. She started her career as audit associate and involved in auditing of trading, services, construction and manufacturing sectors. Ms Yap held an Accountant position in Kumpulan H&L Berhad from 2004 to 2006, in charged of group reporting. She was subsequently promoted to be the Finance Manager in charged of a subsidiary's financial management and taxation. Prior joining Innity, she was attached with PECD Berhad, in charge of group reporting. She joined ISB in February 2009 as the Finance Manager responsible for group reporting, In year 2011, she was promoted as the Group Finance Manager, undertaking financial management, group reporting, taxation, treasury and statutory compliance roles. On 25 February 2013, she was re-designated to be the Chief Financial Officer of INNITY Group and subsequently on 19 March 2014 she was being assigned an additional role as Head of Finance of INNITY's Subsidiary to handle Internal control, drive continuous improvement to finance operation, financial planning and analysis and overseeing regional finance operation and tax compliances.

Lee Pey Ling

*Regional, Head of Strategic Partnership
Malaysian, age 45 (F)*

Lee Pey Ling is a senior management professional with over 20 years of extensive experience in the digital advertising & ad technology industry. She holds a Bachelor's degree in IT, Interactive Multimedia. On September 2022, she was appointed as the Regional, Head of Strategic Partnership of INNITY Group. She has a proven track record of driving business growth and achieving sales targets through strategic planning and effective execution. Her expertise lies in developing and implementing sales and marketing strategies, managing campaign performance and customer expectation towards the optimal result, and building high-performing teams. Prior to her current role, She held various senior management positions in media agency & technology companies, where she honed her skills in ad operations, business development, product development & management, and team leadership. She is an excellent communicator, which allow her to effectively collaborate with cross-functional teams and build strong partnerships with clients and stakeholders. She is also a strong advocate for diversity and inclusion in the workplace and is actively involved in mentoring and coaching aspiring professionals. Further, she is a results-driven leader with a passion for innovation and excellence, coupled with her strategic mindset, technical expertise and people skills.

Key Senior Management's Profile (Cont'd)

Gilbert Chee Guang Yao

*Strategy and Implementation Director
Malaysian, age 35 (M)*

Gilbert has always had a strong passion for digital media, which he pursued immediately after completing his Bachelor's Degree in Commerce from Curtin University of Technology. With more than a decade of experience in the digital marketing industry, Gilbert has been going places. He started his career at Sizmek and has grown to become a Strategic Account Manager overseeing multiple Southeast Asian countries. He then joined IPG Mediabrands to gain agency exposure, before progressing to Innity as an Associate Account Director to lead and grow the sales team. In between, he has also garnered brand-side experience during his tenure in U Mobile. As his diverse career path stretches across different digital playgrounds, the broad and comprehensive POV has given him an integrated strategic mindset in digital marketing. He was appointed as Strategy and Implementation Director on November 2022. He is now responsible for strategic planning for our key clients and solving their business challenges via integrated marketing.

Notes:

Save as disclosed above:

1. None of the Key Senior Management have family relationships with any other Director and/or major shareholder of the Company.
2. None of the Key Senior Management have been convicted of any offences within the past five years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
3. None of the Key Senior Management have any conflict of interest with the company.
4. Gender of Key Senior Management are represented by (M) Male, (F) Female.
5. None of the Key Senior Management hold any directorship of public companies.

EXECUTIVE CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (“the Board”) of Innity Corporation Berhad (“INNITY” or “the Company”), it gives me great pleasure to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2022.

ECONOMIC OVERVIEW

The impact of the Covid-19 pandemic has undoubtedly created unprecedented challenges globally. In particular, global businesses have been forced to quickly adapt to new ways of doing business such as adopting digitalisation in “bricks and mortar” companies as well as swiftly embracing the Environmental, Social and Governance (“ESG”) Agenda for long-term business sustainability. Adding to the evolving post-pandemic landscape, the International Monetary Fund (“IMF”) has warned that the global economy may likely be on the cusp of a worldwide recession over the next 2 years. The IMF has forecasted global economic expansion to slow to 3.2% in 2022 (3.6% previously) and 2.9% in 2023 (Source: IMF World Economic Outlook, 26 July 2022).

On the home front, it was a rather challenging FY2022 for INNITY. The operating environment appeared to weigh down on private consumption and overall economic growth as Malaysia transitions into endemicity. The IMF has revised Malaysia’s economic growth projection to 5.1% in 2022 from 5.6% previously. (Source: IMF’s World Economic Outlook, 26 July 2022).

Although there has been considerable progress in reopening the domestic economy, increasing energy and food prices continue to squeeze living standards more quickly than expected as inflation continues to set in due to lingering supply and demand imbalances. In line with the IMF’s revision, Bank Negara Malaysia (“BNM”) has projected a moderate growth range of 5.3% to 6.3% for 2022.

The past two years have only reinforced the role of digital technology in sparking a marked acceleration of digitalisation in a plethora of businesses embracing e-commerce - from warehouses to delivery services. Faster broadband speeds spawned an upsurge in demand for hand-held mobile devices and portable devices. This encouraging growth trend has continually fueled the internet penetration rate in Malaysia. The lockdown or circuit-breaker measures that were implemented under the Movement Control Order, from 18 March 2020 to 12 May 2020 and from 1 June 2021 to mid-September 2021, also boosted online traffic from the ‘Work from Home’ demographic. In 2021, about 88.56% of the Malaysian population were using the internet. (Source: Statista Research - 5 October 2022). The imminent rollout of the 5G networks will inevitably accelerate the overall broadband penetration rate in Malaysia to reach 100% by 2025 (Source: Ministry of Communications and Multimedia).

Executive Chairman's Statement (Cont'd)

FY2022 PERFORMANCE

Despite the rapid progress made in reopening the domestic economy, INNITY faced a volatile and uncertain business landscape in 2022. During financial year (FY) 2022, the Group recorded a loss after tax of RM0.63 million (2021:RM3.1 million) back on total revenue of RM119.0 million (2021: RM120.0 million). After years of expansion, digital advertising growth momentum has slowed going into FY 2022 as advertisers adopted a more cautious approach in spending amid the threat of economic headwinds.

The market share in emerging growth markets like Vietnam and Hong Kong/China, in FY 2022, have markedly improved as indicated by their satisfactory financial results. Traditional markets such as Malaysia and Philippines recorded lower bottom lines but remained profitable in FY 2022.

A detailed discussion of the Group's financial performance in 2022 is found under the Management Discussion & Analysis section in the ensuing pages.

BUSINESS OUTLOOK

Going into 2023, business confidence in Southeast Asia remains cautiously optimistic in the shadow of a looming economic recession. There is also a concern that domestic sentiment and economic activity could be affected if the risk of a resurgence of COVID-19 or its variants remains a reality and continues to pose a threat to businesses and communities.

The current pace and trajectory of recovery for the Malaysian economy is expected be slower with a range of between 4.5% to 5.3% in 2023, as accelerating price increases eat away at incomes, savings and profits. The effectiveness of pandemic containment measures such as robust testing and tracing mechanisms should help to mitigate the risks of future resurgence.

Our commitment to technology leadership in research and development ('R&D') is a major asset to the INNITY Group. We continue to deliver new online advertising solutions and enhanced product features and capabilities.

Moving forward, the paradigm shift to digitalisation is indeed a welcome opportunity for INNITY to reinforce its role as a leading provider of online advertising solutions and other related internet-based services. The Group retains the long-held virtues for which it has always been recognized: Innovative, lowly geared, renowned R & D culture and a strong overseas presence.

Executive Chairman's Statement (Cont'd)

BUSINESS OUTLOOK (CONT'D)

Despite the uncertain but optimistic outlook facing us in 2023, INNITY will actively focus on:

- a. Taking progressive steps in the integration of ESG sustainable practices into Innity's core strategies;
- b. Determining the long-term success of ESG sustainable practices that have been embedded into Innity's group operations;
- c. Engaging our ESG agenda to our entire value chain ecosystem of stakeholders i.e., advertisers, publishers, suppliers and business partners;
- d. Actively launching new digital marketing online advertising solutions using our vast experience and knowledge in R&D;
- e. Improving credit control and credit recovery procedures on long outstanding trade receivables which are considered as high business risk;
- f. Continuing to secure new business and/or customers to minimise our risk of dependency on a handful of major customers;
- g. Maintaining cordial and long-term customer relationships to ensure continuity of business;
- h. Discovering viable business opportunities particularly in its overseas networks; and
- i. Embracing initiatives such as data-driven IoT - which will lead to our versatile combination of sustainable high-impact, media cutting-edge modeling and analytical solutions that are reasonably priced and rapidly executed.

CORPORATE GOVERNANCE

Innity is committed to conducting its businesses in full compliance with the legal and regulatory jurisdictions under which it operates. The Group conducts its businesses professionally with the utmost integrity and corporate governance.

In achieving a high level of corporate governance best practices to protect and enhance shareholder value, the Board is fully supportive of the recommendations of the Malaysian Code on Corporate Governance ('MCCG 2021') and, where appropriate, has taken the necessary steps to embrace and adopt the "Comprehend, Apply and Report" ('CARE') approach as set out in the latest MCCG 2021 ('the Code').

As we face uncertain economic times in the coming years, we have sought to identify and strengthen governance weaknesses, refined our analysis of the online marketing space and further stepped up our development and compliance to boost sustainable growth.

In line with the Code, a Corporate Governance Report ('CG Report') and Corporate Governance Overview Statement ('CG Overview Statement') have been prepared and approved by the Board. They provide an account of the Group's application of the 3 Principles espoused in the Code. Where relevant, the Group's focus areas and future priorities are presented in relation to its Corporate Governance practices.

The Board adopts a zero-tolerance approach towards any form of corruption, bribery or other improper payments in any of its business operations. In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and in light of amendments to the ACE Market Listing Requirements relating to Anti-Corruption and Whistle-Blowing, the CG Overview Statement outlines clear guidelines and procedures of these policies with the aim of promoting better governance culture and ethical behavior within Innity as well as provide greater accountability and transparency to investors.

Executive Chairman's Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Innity's CSR commitment of building long-lasting, mutually beneficial relationships with our stakeholders and the society at large within the spirit of appreciation. In 2022, Innity's Passionation has consistently supported local NGOs like the National Autism Society of Malaysia (NASOM) and the National Cancer Society of Malaysia (NCSM), by highlighting their causes on Passionation's platform to drive traffic and awareness. Additionally, during Deepavali, Passionation also supported Ibupreneur - a social enterprise empowering financially dependent and vulnerable mothers, by purchasing Deepavali gift sets for the Passionation community.

In another event held in 2022, Passionation worked with Procter & Gamble (P&G) Malaysia to generate awareness of P&G's new hair product range by tapping in on Passionation's extensive influencer network and in the process awarding netizens with 150 free hair makeovers.

A statement detailing Innity's actions in addressing environmental, social and governance ("ESG") risks and opportunities, in 2022, is found under the Corporate Sustainability Statement in the ensuing pages.

APPRECIATION

As Executive Chairman of the Group, I would like to extend my sincere gratitude and appreciation to my fellow Board members for the immense contribution, professional advice and commitment as we continue to persevere and preserve shareholder value in these challenging times.

Under their valued guidance, I would like to express my sincere appreciation and thanks to the Management and employees of the Group for their unfailing dedication and teamwork towards achieving the Group's objectives.

Lastly, on behalf of the Board, I would like to extend our heartfelt thanks and gratitude to our shareholders, customers, business partners and bankers for placing their confidence and continuing support to the Board and Management.

Stay strong and stay safe and we will be on the road to getting back eventually to our normal lives.

PHANG CHEE LEONG
EXECUTIVE CHAIRMAN

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

The following Management Discussion & Analysis (MD&A) contains data derived from audited financial statements and factual statements of INNITY and INNITY Group. It provides an overview of the Group's business and operations and how INNITY addresses risks, foreign exchange fluctuations, impact of inflation and other economic uncertainties for the financial period ended 31 December 2022 ("FY2022").

The MD&A should be read in conjunction with the financial statements and the accompanying notes to the financial statements. The financial statements were audited and subsequently approved and authorised for release by the Board of Directors.

1. GROUP BUSINESS AND OPERATIONS

INNITY is principally, an investment holding company. The core operations of the Group are carried out by subsidiary companies which are involved in the provision of interactive online marketing platforms and data-driven technologies for advertisers and publishers.

INNITY is a public limited liability company, incorporated and domiciled in Malaysia. The Company's shares are listed and traded on the ACE Market of Bursa Malaysia Securities Berhad.

Our Group is principally involved in providing technology-based online advertising solutions, to our customers in the Asia Pacific region, using in-house developed technology platforms. Our role in the online advertising process is to serve as a one-stop centre for advertisers and advertising agencies in offering the 3 major functions of the online advertising process, i.e., Creative, Media and Research. In essence, the Group assumes the role of the advertising agency, creative agency, media agency and researcher.

As a leading architect of origination and innovation, our strategy is to develop and consistently deliver relevant and functional technology-based online advertising solutions and other related internet services to a global audience.

We belong to an industry that is constantly evolving to be more complex and sophisticated. Frequent changes in consumer demand due to our industry's vast client demographic and intense competition amongst the industry players inevitably leads to greater challenges. For the Group to thrive to ensure its returns are not diminished, requires continuous Research & Development ("R&D") expertise in creating innovative and sustainable advertising solutions to stay ahead of our competitors.

The global economy has yet to stabilise and return to normalcy following a resurgence of COVID-19 variants in a few countries around the world. The renewed waves and new variants pose concerns for the market outlook in 2023. The IMF cautioned that one-third of the global economy is expected to have negative growth in 2023 (Source: Extracted from The Star dated 24 January 2023).

The anticipated downturn in global growth, particularly in 2023, would unavoidably affect domestic private consumption growth. Malaysia's economy will be confronted with the negative ripple effects from the gloomier external environment and, in turn, the dampening effect it has on its overall economic performance.

Although Malaysia's COVID-19 standard operating procedures ("SOP") have largely been revoked, a few SOPs are still applicable currently. The compulsory wearing of masks, aprons and hand gloves by food and beverage purveyors are one such example.

Management Discussion & Analysis (Cont'd)

1. GROUP BUSINESS AND OPERATIONS (CONT'D)

To safeguard the health and safety of its employees and stakeholders, INNITY continues to abide by SOPs which it considers highly relevant to protect its ecosystem. Since the endemic phase officially commenced on 1 April 2022, the Group continues to adopt the following SOPs: -

- Limiting staff working from office by adopting hybrid working model. Each staff is only allowed to work in the office twice a week; and
- Making the wearing of masks compulsory;

a) Summary Financial Results of the Group Operations

Financial Year Ended 31 December	2022	2021	2020	%Change	%Change
	(RM'000)			2022 vs 2021	2021 vs 2020
Revenue	119,216	119,971	103,032	(1)	16.4
Net (loss)/profit attributed to Equity Shareholders	(79)	3,122	(329)	> (100.0)	> 100
Basic (loss)/earnings per share (sen)*	(0.06)	2.24	(0.24)	> (100.0)	> 100

NOTE: * Basic (loss)/earnings per share is calculated based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares on issue for the applicable financial year.

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares as at the applicable period.

b) Compliance with Applicable Accounting Standards

The financial statements were prepared in accordance with the new and revised Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of Company Act 2016 in Malaysia. Preparing consolidated financial statements requires the Board/ARMC members to make a judgement call affecting the reported amounts of assets, liabilities, revenue and expenses.

The accounting policies adopted by the Group are consistent with previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed on pages 167 in the financial statements.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW

a) Group Review of Revenue and Profit Before Tax

By the second quarter of 2022 (Q2 FY2022), most of Innity's business units have re-opened in tandem with the reopening of international borders and welcoming international travelers as life returns to normalcy.

In line with the reopening of businesses, the growth momentum in consumer spending was mainly outdoors. As a result, advertisers shifted advertising spending from digital to offline. Digital advertising spending started to slow sharply since Q3 FY2022 and continued the slowdown in Q4 FY2022 as compared to pandemic highs in Q2 FY2021.

Consequently, INNITY's group revenue declined by a marginal 1% or RM0.75 million to RM119.97 million in FY2022 compared with RM119.22 million in FY2021.

In tandem with the decrease in revenue, the Group posted loss after tax ("LAT") of RM0.63 million compared to a profit after tax ("PAT") of RM3.06 million in FY2021. Other income improved by RM0.36 million or 27% to RM1.70 million in FY2022 compared with RM1.34 million in FY2021. The improvement in other income was mainly attributed to the unrealised foreign exchange gain.

Other operating expenses increased by approximately 9% or RM4.39 million to RM51.17 million in FY2022 from RM46.78 million in FY2021. Other operating expenses comprised staff costs, administration expenses, selling and marketing expenses, depreciation and amortisation. Higher staff costs, selling and marketing expenses and administration expenses were incurred in FY2022. Following the removal and relaxation of international border restrictions, economic activities were normalised which led to an increase in sales and marketing activities in FY2022 compared to FY2021.

Higher administration costs were also registered in FY2022 due mainly to the increase in realised and unrealised foreign currency exchange losses. The increase in staff costs was mainly due to staff retention initiatives. Competitive salary packages were offered to retain staffs of local and regional business units due to the dearth of talent in some overseas countries.

b) Segmental Results of Group Operations

Revenue

	Business Units in:	Financial Year Ended ("FYE") 31 December					
		2022		2021		2020	
		RM'000	% Change	RM'000	% Change	RM'000	% Change
1.	Malaysia	49,108	1.8	48,260	30.0	37,122	(3.7)
2.	Hong Kong/China	17,533	(1.5)	17,791	(2.8)	18,307	(39.3)
3.	Indonesia	3,703	(31.2)	5,380	49.4	3,601	(74.1)
4.	Philippines	13,320	6.1	12,553	32.2	9,498	(3.9)
5.	Singapore	9,864	(28.3)	13,757	1.8	13,515	(1.7)
6.	Taiwan	4,974	(4.7)	5,222	30.1	4,013	(10.4)
7.	Vietnam	19,210	32.8	14,465	17.8	12,285	>100.0
8.	South Korea	81	(78.9)	383	(57.0)	891	(9.9)
9.	Cambodia	1,420	(33)	2,119	(40.9)	3,583	>100.0
10.	Myanmar	3	(92.7)	41	(81.1)	217	>100.0
	Total Revenue	119,216		119,971		103,032	

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

b) Segmental Results of Group Operations (Cont'd)

Profit/(Loss) Before Tax

		FYE 31 December					
		2022		2021		2020	
		Business Units in:	RM'000	% Change	RM'000	% Change	RM'000
1.	Malaysia	1,237	(51)	2,501	>100.0	380	>100.0
2.	Hong Kong/China	1,160	7	1,083	(30.3)	1,554	(49.1)
3.	Indonesia	(1,265)	> (100)	155	>100.0	(1,869)	> (100.0)
4.	Philippines	717	(47)	1,342	>100.0	302	(77.1)
5.	Singapore	(561)	> (100)	766	40.3	546	>100.0
6.	Taiwan	(1,158)	> (100)	(529)	39.7	(877)	> (100.0)
7.	Vietnam	445	>100	178	35.0	143	>100.0
8.	South Korea	31	>100	(112)	64.7	(317)	43.8
9.	Cambodia	(5)	> (100)	37	(76.4)	157	>100.0
10.	Myanmar	(124)	14	(144)	41.8	(249)	(9.7)
Total Profit/(Loss) Before Tax		477		5,277		(230)	

c) Country-Level Performance

South-East Asia's digital advertising spending is slowing after years of expansion, slowing sharply from pandemic highs as advertisers adopted a more cautious approach in spending amid looming economic headwinds. A marginal decline of 1% in Group revenue was recorded in FY 2022 compared with FY 2021.

Malaysia, Vietnam and the Philippines are the business units contributing to the marginal growth in Group revenue. These business units contributed a combined PBT of RM0.48 million in FY2022 as compared to PBT of RM5.28 million in FY 2021. PBT declined due mainly to higher operating costs incurred in staff costs and losses recorded in realized and unrealized foreign currency in FY 2022.

The Hong Kong business unit is gradually recovering from the fifth wave of Covid-19 which hit the island nation at the beginning of 2022. Revenue was badly affected due to the imposition of lockdowns and circuit breaker measures. Nevertheless, PBT improved by 7%, which was attributable to higher product margins.

The Singapore business unit was affected by overall market conditions as demand slowed down across almost all industries in Singapore. The island nation's GDP for FY2022 has dropped to 3.6% compared to FY2021 of 7.6%. With the economic slowdown, inflation also set in causing a negative growth impact on the digital marketing budget as demand shifted from online to offline.

Similarly, the Indonesian business unit posted lower revenue and PBT in FY2022. Soon after the removal of border restrictions in Q2 FY2022, the business unit underwent a series of training sessions conducted by a product team based at Innity's Head Office. The aim was to strengthen the product knowledge of the sales force which would result in a gradual turnaround in performance for the months ahead.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

c) Country-Level Performance (Cont'd)

Performance of the business unit in Taiwan remained challenging in view of the competitive market conditions coupled with economic headwinds. Hence, the business unit recorded a decrease in revenue and LBT.

The business unit in South Korea ceased to operate effective from June 2022. The PBT of RM0.03 million recorded in FY2022 was mainly due to forfeiture of debts owed to an associate company.

Performance of the business unit in Cambodia registered lower revenue and recorded LBT in FY2022. The decline in revenue was mainly due to the lack of on-site training to manage the sales workforce in the first six months of FY2022. This was because travel restrictions were only uplifted in the second half of FY2022.

The business environment in Myanmar continues to be challenging due to ongoing political instability and looming global economic headwinds.

Further detailed breakdown of Group revenue is as follows:

d) Revenue by Business Segments

Financial Year Ended 31 December	2022	2021	2020	%Change	%Change
	RM'000			2022 vs 2021	2021 vs 2020
Advenue Premium	77,943	75,623	65,646	3.1	15.2
Advenue Performance	31,647	34,459	28,708	(8.2)	20.0
Programmatic Advertising	4,196	3,619	4,010	15.9	(9.8)
Content and Production	3,800	3,689	3,847	3.0	31.5
Others	1,630	2,581	821	(36.8)	47.4
Total	119,216	119,971	103,032		

e) Significant Financial Disclosures

Liquidity

Our Group's principal sources of liquidity have been cash from operations, short-term borrowings in the form of overdraft and long-term borrowings in the form of term loans.

The following summarises the various sources of cash flow as at FYE 31 December 2022:

	2022	2021	2020
	RM'000	RM'000	RM'000
Net cash generated from/ (used in):			
-Operating activities	6,814	12,665	(1,861)
-Investing activities	(5,646)	(1,228)	(1,440)
-Financing activities	(1,126)	(1,511)	(1,258)
-Exchange difference	1,334	83	(361)
Net increase/(decrease) in cash and cash equivalents	1,376	10,009	(4,920)

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

e) Significant Financial Disclosures (Cont'd)

Key Financial Ratios

		2022	2021	2020
a.	Trade debtors' collection period (days)	83	114	132
b.	Trade creditors' payment period (days)	113	138	148
c.	Current ratio	1.96	1.80	1.77

Trade debtors' ageing continued to improve from 114 days in FY2021 to 83 days in FY2022. Collection has improved due to better market conditions after Covid-19 vaccination rates increased coupled with the gradual reopening of the domestic economy.

Trade creditors' payment period decreased to 113 days in FY2022 from 138 days in FY2021. The payment period was shortened in FY2022 compared to FY2021 as the domestic economy gradually recovered.

The Group's cash and cash equivalents increased by 4.9% or RM1.38 million, to RM29.43 million from RM28.05 million as at FY2021. The Group will further strengthening its cash flow in FY2023 by adopting the following measures:-

- Limiting the number of overseas business units. In FY2023, there will be no expansion overseas;
- Tightening capital and operational expenditure spending;
- Securing longer credit terms with publishers and influencers;
- Negotiate discounts from publishers or influencers demanding cash terms; and
- Collecting down payment/upfront deposits from new customers.

Research & Development ("R&D") Expenses

R&D is top priority as INNITY's competitive edge relies on continuous R&D development for new product innovation and improvements in display, mobile and programmatic advertising. Total development expenditure incurred in FY2022 amounted to RM1.60 million (FY2021: RM1.46 million).

Expenditures incurred at the research phase, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are charged to profit or loss.

Expenditures incurred at the development phase are recognised as intangible assets provided the following specific criteria are met:

- It is technically feasible to complete the development of the intangible asset so that it will be available for use or sales;
- Management intends to complete the intangible asset and use it or sell it;
- Ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

The capitalised capital expenditures cover direct labour and cost of materials associated with product development and other related software used for product development activities.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

e) Significant Financial Disclosures (Cont'd)

Income Tax Expense

Tax expense included income tax and deferred tax. The Group incurred an income tax expense of RM1.11 million in FY2022 (FY2021: RM2.20 million).

The Group's effective tax rate in FY2022 was higher than the statutory tax rate mainly due to the following:

Higher effective tax rates were recorded for Malaysia and Philippines business units compared to the statutory tax rate in FY2021. Malaysia business unit's effective tax rate in FY2022 were higher than the statutory tax rate in the profitable subsidiaries mainly due to deferred tax liability which was recorded for an income tax payable in future period in respect of taxable temporary differences. The higher effective tax rate posted in Philippines business unit was mainly due to certain expenses that were not tax deductible.

Vietnam business unit's effective tax rate was lower than the statutory tax rate. This was due to the effect of offsetting unabsorbed losses brought forward against current year taxable profit.

Hong Kong business unit's effective tax rate was consistent with current year statutory tax rate.

Identified Risks Affecting Group Performance

We belong to an industry that is constantly evolving and highly competitive. Frequent changes in technology and consumer demand require our expertise in creating innovative and sustainable advertising solutions to stay ahead of our competitors, at home and abroad.

The identified risks affecting Group performance are:

Credit Risk

The Group's credit risk primarily comprises trade and other receivables. Credit risks are managed through credit checks using the services of credit reporting and checking agencies such as RAM Credit Information Sdn. Bhd. ("RAMCI"). Credit risks are also minimised through selective interaction and association with creditworthy business partners.

The Group continued to further strengthen credit control and recovery procedures by developing more stringent procedures for new businesses as well as introducing a "watch list" for closer monitoring of long outstanding trade receivables considered as risky exposures.

Foreign Currency Exchange Risk

The Group continues with its existing presence in ten (10) countries. As business transactions are conducted in foreign currencies, our Group is exposed to foreign currency risk. Foreign currency denominated assets and liabilities together with its expected cash flows arising from sales and purchases give rise to foreign exchange exposures.

The majority of foreign currency transactions within the Group involved sales and purchase transactions. Besides, the Group's cash and cash equivalents were maintained in a foreign currency account in all business units to meet current and future financial obligations. There is a risk of significant fluctuation on MYR against multiple foreign currencies where the business unit transacted may significantly affect the results of the Group.

These transactions provide a natural hedge against fluctuations in foreign currencies. Hence, the Group does not adopt bank hedging or enter into forward exchange contracts in view of the minimum amount of hedging required.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

e) Significant Financial Disclosures (Cont'd)

Competition Risk

Our long-term success depends largely on how we continue to secure new businesses and/or customers to minimise our risk of dependency on a handful of major customers. Furthermore, maintaining cordial and long-term customer relationships are essential to ensure continuity of business.

Notwithstanding our strengths, we continue to face competition from existing and prospective industry players. Despite the competition risk, we have developed long-term business relationships with our publishers by entering into reseller partnerships to bring in a variety of quality inventories to strengthen our market share.

Interest Rate Risk

The group's primary interest rate risk relates to interest bearing debts. INNITY Group manages its interest rate exposure by:

- i. maintaining a prudent mix of fixed and floating rate borrowings;
- ii. conducting a periodic review on the debt's portfolio; and
- iii. taking into account the investment holding period and nature of the assets held.

f) Factors Affecting Group's Results

Apart from the key business risks and the mitigating measures being highlighted in the Statement on Risk Management and Internal Control on 45 to 52, our Group's financial performance will continue to be affected by several key factors set out below: -

Covid-19 Pandemic Risk

As INNITY continues to thrive in the shadow of COVID-19, the global economic landscape in 2023 and beyond is inevitably riddled with uncertainty. The financial impact of the pandemic on INNITY's business so far, is minimal as our strong customer base resonated with the change in focus and strategy adopted by the Group.

People

We belong to a fast-paced industry that requires creative people with expertise in new product design, R&D and sales personnel with the requisite digital product knowledge to service our valued clients. People are our most important resource.

We value our employees by offering a competitive remuneration package, a compelling series of training and development programmes and a conducive and safe working environment.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

f) Factors Affecting Group's Results (Cont'd)

Political and Economic Stability

Political stability is important for the business environment as it affects consumer confidence and hence, economic stability.

The ongoing political and economic instability in Myanmar, did not significantly affect the Group's results due to the relatively low internet usage in Myanmar.

Change in Rules and Regulations

Any change in the rules and regulations on foreign investment is likely to have an impact on the Group's performance. Our Management has always taken a proactive stance in addressing these changes which may include working closely with foreign government regulators to ensure compliance, enhancing internal risk practices in order to minimise the risk of non-compliance and improving our ability to adapt to such changes.

Technology

Technology is critical to realise growth potential. Technological developments in global digital advertising, combined with its increasing commercial use and the rapidly growing number of internet users worldwide have shaped the evolution of online advertising into different advertising models and new market players.

Online technological advancements are often rapid and volatile. Thus, it is imperative that online advertising companies place high priority on research and development of new products and services while maintaining awareness of new developments in the industry.

INNITY Group Launched New Mobile Offerings In 2022

We have consistently introduced relevant and functional online advertising solutions to consolidate our position as one of the leading technology-based online providers in the Asia Pacific region. In 2022, the range of these online solutions included the following:-

a. INNITY Premium AdHub

This is a new self-serve advertising platform launched in Hong Kong that allows brands and SME advertisers to run campaigns more openly on their own terms. The platform enables businesses of all sizes to tap into INNITY's network of more than 250 quality publishers and reach over 12 million active devices in Hong Kong with precise targeting.

With Premium AdHub, advertisers can set campaign budgets, monitor results and adjust content in real-time, all from an easy-to-use online platform. The platform also allows advertisers build and design their own ads directly on the platform with minimal effort. Advertisers are also able to run INNITY's high impact mobile ad formats like Mobile Spin, Mobile Cards to deliver enhanced viewability and engaging ad experiences.

Currently, INNITY is also powering two (2) premium publisher co-operatives in the region namely, the Online Premium Publishers Association (OPPA) in Thailand and the Malaysian Premium Publishers Marketplace (MPPM) in Malaysia and continues to encourage the adoption and education of self-serve automation in the region's digital media industry.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

f) Factors Affecting Group's Results (Cont'd)

INNITY Group Launched New Mobile Offerings In 2022 (Cont'd)

b. Interactive 3D and Chatbot Balloon

Interactive 3D is a unique ad format that allows users the ability to interact with a product as if it's right in front of them. Users can zoom in and out, view 360 degrees of the product essentially, bringing the product to life. Users can also tap on hotspots to learn more about the product's distinctive features before deciding to purchase the item.

Chatbot Balloon allows users to interact with a chatbot to learn more about a brand's content, products and services. This interactive format makes it easier for brands and businesses to relate real-time with their customers and drive up their brand's message in a natural conversational manner.

c. Stories

Stories is a highly immersive and interactive format. As the name implies, the format is very much similar to the Instagram stories layout one is familiar with. The Stories ad format allows users to swipe or tap back and forth through each slide to view more content.

d. Grow+

This is similar to the Mobile Grow ad format introduced a few years ago. The ad progressively "grows" from just a simple video ad into a product panel as the user scrolls down the page. What makes the Grow+ format different (from Mobile Grow) is it's much more immersive and interactive for the user. Advertisers are showcasing their products and features better while telling their brand story through a video ad. The ad also shortens the users' purchase journey by landing them straight to the online store when clicking on the call-to-action, allowing them to make the purchase instantly.

e. In-Image Ad

Launched in Q4, this high impact ad combines the best features of attention marketing, creative story storytelling and contextual marketing to enable maximum performance for brands. In-image ads allows brands to grab hold of audience attention by overlaying ads on related and relevant articles or editorial images where the audience's attention is already focused. It provides an excellent opportunity for brands to be noticed and drive engagement.

With our renowned digital advertising technology in providing innovative one-stop advertising solutions as well as a strong network of quality online publishers and customer base, we believe that our relentless focus on technology and R&D will propel the Group to remain as a leading player in the online advertising market.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

g) Industry Trends

As the COVID-19 pandemic impacted various brick-and-mortar industries forcing them to shift their operations and advertising investment online, the huge increases in online traffic provided opportunities for ICT service providers to capture their target audience through digital marketing initiatives.

Globally, the online advertising market in 2022 was estimated at US\$566 billion (Source: Statista 6 January 2023) and projected to reach US\$786.2 billion by 2026, growing at a compounded annual growth rate (CAGR) of 13.9% over the projected period (Source: Digital Advertising and Marketing-Global Market report dated 22 November 2021). Technological advancements coupled with a surge in digital spending are expected to drive the online advertising market over the forecast period.

As consumers widely prefer mobile devices such as smartphones and tablets (over laptops or desktops), owing to convenience and portability, these mobile platforms are expected to grow lucratively.

According to Statista, ad spending in the digital advertising market is projected to reach US\$701.2 billion in 2023. The market's largest segment is Search Advertising with a projected market volume of US\$296.7 billion in 2023.

Most ad spending will be generated in the United States estimated at US\$297.4 billion in 2023. Globally, 70% of total ad spending will be generated through mobile devices by 2027 while 89% of digital advertising revenue will be generated through programmatic advertising by 2027.

After two years of unusual growth patterns, eMarketer estimates that worldwide e-commerce spending will exceed US\$5 trillion for the first time in 2022, accounting for more than 20% of overall retail sales (Source: eMarketer's Global Ecommerce Forecast 2022). Emerging economies in Asia-Pacific and Latin America are expected to be the fastest-growing ecommerce markets with standout growth in digital sales. Based on eMarketer's report, the Philippines, India, Indonesia, Malaysia and Thailand will set the global pace in ecommerce sales growth.

In Malaysia, which is our principal market, online advertising has experienced tremendous growth in line with higher rates of broadband penetration and the proliferation of corporate websites and online marketing campaigns firmly driving the growth of the market.

Ad spending in the local digital advertising space is projected to reach US\$831 million in 2022 (Source: Statista .com). Unlike highly developed digital ecosystems such as the United States, where the market's largest segment is Search Advertising (2023: projected market volume of US\$296.7 billion in 2023), the domestic market's largest segment is Banner Advertising with a market volume of US\$429 million in 2022 (Source: Statista). By 2026, 47% of total ad spending will be generated through mobile while 82% of digital advertising revenue will be generated through programmatic advertising in Malaysia.

In Hong Kong, Singapore, Philippines and Indonesia, the presence of large multi-national conglomerates has provided a springboard for further regional expansion and development of a robust regional network of clients and publishers.

In Myanmar and Cambodia, where the proportion of internet users to the general population remain relatively low, government support for increasing internet usage among its populace would witness significant growth for digitally-led content ads.

Our strategy of continuous R&D to outperform our peers in delivering relevant and functional technology-based advertising solutions to our clients in spite of the competition and constant industry shifts remains a primary goal in the years ahead.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

h) Future Industry Trends

The online advertising market in Malaysia offers tremendous potential. Market drivers (i.e., key trends, developments or events) that can spur further expansion in the coming years, include the following: -

Social Commerce

Social commerce sells products directly through social media networks such as Facebook, Instagram and TikTok. Brands are using social commerce in a variety of ways ranging from basic strategies like creating branded hashtags to more advanced techniques including user-generated content on both their website and social channels or enabling social shopping where customers can purchase products in-app.

Additionally, social commerce allows brands to build customer loyalty through reward gratifications, referral and affiliate programmes.

Brand Community

A brand community is a hub where website visitors can find content that is either branded, curated, or user generated. A Brand Community helps brands drive authentic conversations, and user-generated content on social media, which ultimately increases sales. It is a space that helps strengthen bonds between a brand and its consumers. This community consists of people who keep up with branded content on social media, recommend products, and come together to share their love for the brand.

Programmatic Offering

The adoption of programmatic advertising into different channels like Audio, Digital Out of Home, AR/VR and smart devices provide marketers with more options while also providing the customer with a more personalised and engaging experience. Furthermore, 5G, Artificial Intelligence and Machine Learning will also increase the efficiency of programmatic advertising.

Programmatic advertising is a component of advertising technology that is the most crucial in relation to other forms of advertising. It is currently keeping the whole ad tech fraternity on its toes, waiting for what is going to happen next. In the coming years, programmatic advertising is set to act as a default trading method in media.

Video Advertising

Video shows no signs of slowing down in 2022. Surveys show that 6 out of 10 people would rather watch online videos than TV, proving that the role of video content is imperative to help brands connect with their audiences. By combining traits of showing and telling at the same time, videos generate high engagement and greater exposure than text or images. Mobile device technology is projected to be the main driver of developments in Video Advertising. According to the Interactive Advertising Bureau (IAB), most of the expenses are allocated to mobile advertising, amounting to almost two-thirds of the total advertising budget for video ads. Additionally, a report from Grand View focusing on the digital video ad market stated that the global digital video advertising market size was valued at US\$19.7 billion in 2019 and is expected to grow at a CAGR of 41.1% from 2020 to 2027.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

h) Future Industry Trends (Cont'd)

Interactive and Shoppable Content

The pandemic has accelerated the growth of e-commerce like never before, which in turn, resulted in the rapid development of interactive and shoppable online content - where marketers try to make every digital touchpoint interactive, personalised, and shoppable for everyone. Shoppable content aims to help brands effectively shorten and streamline the traditional consumer purchase journey - allowing users to go from discovery to purchase in a seamless and interactive experience while providing businesses with important insights to reach purchase-ready consumers more efficiently.

Influencer Marketing

Influencer marketing is the art of connecting brands with the powerful voices of digital content creators. Influencer marketing has grown significantly due to the pervasive use of social media platforms, especially in 2020 and 2021 when the world was in lockdown from the pandemic. According to Business Insider, the influencer marketing industry is worth just around US\$15 billion. Influencers help to drive authentic conversations around a product message, conclusively driving awareness and engagement. Influencer marketing provides brands with the opportunity to reach and engage audiences via individuals they rely on and trust.

Over the last few years, a trend in influencer marketing has developed: performance-based influencer marketing. In order to achieve success, brands must align influencer campaigns to strategic business goals and incorporate them into their holistic digital marketing strategy. Influencer Marketing campaigns today include providing influencers with a unique discount code and exclusive offers, affiliate links, amplifying social posts through paid efforts that include a strong call for action, as well as product collaborations to drive sales.

With influencer-driven content fast becoming a popular trend, there will be pressure on marketers to fine-tune their approach at measuring influencer impact.

AR and VR Offerings

The next generation of media is becoming more and more immersive with the help of AR and VR technologies. According to a report by Valuates, the VR and AR market is expected to grow at a CAGR of 63.3 percent between 2018 and 2025. The adoption of 5G mobile networks and growing acceptance of augmented and virtual reality technologies will help brands, especially those in e-commerce, offering consumers reality experiences like virtual shopping, 3D product reviews, virtual retail walkthroughs, and more. AR and VR technologies enable companies to produce immersive and better consumer experiences than the usual video-based campaigns.

Artificial Intelligence

In the wake of 2022, artificial intelligence has evolved into one of the fastest-growing industries, and it continues to move at breakneck speeds. Among some uses of AI in marketing include data analysis, media buying, content generation, natural language processing, automated decision-making, and real-time personalization.

Moving forward, Innity will leverage on AI technology, while focusing on improving its products, such as branded content, cause collaborative marketing, reward-based marketing, influencer marketing, and shoppable marketing solutions.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

i) Sustainability of Operations

INNITY aspires to ensure sustainability for the long-term preservation and enhancement of the environmental, social and governance (“ESG”) factors in all of its business activities. The integration of sustainability into all our domestic and overseas operations has given the Board unprecedented attention and recognition that tackling sustainability issues and putting them in practice is a continuous process with the Board having oversight responsibility.

ESG factors, experienced in varying business practices, cultures and the environment of our various overseas destinations, has enhanced and strengthened INNITY’s corporate value and reputation among the communities where it operates.

As an example, Innity Hong Kong has launched the Innity Premium AdHub, a new self-serve advertising platform that allows brands and SME advertisers to run campaigns more openly on their own terms. The new self-serve advertising platform enables businesses of all sizes to tap into Innity’s network of more than 250 quality publishers and reach over 12 million active devices in Hong Kong with precise targeting. With Innity Premium Ad Hub, advertisers can set campaign budgets, monitor results, and adjust content in real-time, all from an easy-to-use online platform. The platform is backed by rich 1st, 2nd and 3rd party audience data, enabling the delivery of branding and performance campaigns in a brand- safe and transparent environment.

j) Forward-Looking Statements

Prospects and Outlook

The Covid-19 pandemic appears to have triggered one of the deepest economic contractions across the globe including the vast majority of emerging markets and developed economies.

While the extent of the economic impact beyond 2022 is riddled with uncertainty, the global outlook remains tepid contingent upon the duration of the pandemic, effectiveness of the bivalent vaccines to overcome the multitude of variants and the efficiency of health care systems in various economies.

Beyond the complications created by the pandemic, there could also be other factors weighing down on the global economy such as the Russia-Ukraine conflict, which has brought unprecedented chaos, confusion and suffering. Besides, the continuing frayed relationships between Australia and China, trade tensions between the United States and China on multiple fronts (including a tech war) have not witnessed any signs of de-escalation. Beyond these issues, financial market volatility and fragile geopolitical issues add up to the multitude of critical issues at play facing the recovery of global economies.

The Malaysian Government’s cash aid, wage subsidies, interest rate cuts and other continuing stimulus measures have restarted economic activity towards a long road of economic recovery. There are already signs of an early domestic recovery evidenced by improved employment prospects, rising volume of exports, a stronger Malaysian Ringgit and astute management of the overnight policy rate to curb inflationary pressures.

Against this challenging outlook, Malaysia foresees a slower rebound of between 5.3% and 5.6% GDP growth in FY2023 (Source: Bank Negara Malaysia - Economic & Monetary Review).

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

j) Forward-Looking Statements (Cont'd)

Prospects and Outlook (Cont'd)

Widespread adoption of the internet worldwide coupled with higher broadband speeds and exceptional growth of technology-driven mobile devices and apps will catalyse a new era where the internet becomes a mainstream entertainment and communications medium with significantly ample room for marketers to manifest themselves in the mind of consumers.

The accelerated shift to digitisation by brick-and-mortar businesses during the pandemic has paved the speedy adoption of high impact rich media technology streaming video, voice and graphics, resulting in a step-up of Malaysia's economic complexity through the adoption of smart technologies such as Industrial Revolution 4.0, 5G telecommunication networks, Artificial Intelligence (AI), robotics, virtual reality, big data analytics, Internet of Things (IoT), Blockchain and Cloud Computing. These smart technologies are driving new growth in a multitude of applications across a broad spectrum of industries.

eMarketer Inc. reported that, barring any further unforeseen global economic debacles, digital adex in the Southeast Asian economies of Malaysia, Indonesia, the Philippines, Singapore, Thailand, Vietnam, Myanmar and Cambodia will witness double-digit gains within the next 5 years. The rising demand for mobile, video and social media advertising will drive this growth.

Given the surge in demand for online advertising in the years ahead, we are uniquely positioned to adapt to the emerging paradigm shift by capitalising on our competitive R&D advantage to deliver breakthrough ideas and product improvements in a diverse range of innovative engagement and advertising solutions.

Adopting this integrated approach, the Group has built up an impeccable reputation and track record since the business started in 1999. Over the period, the Group had achieved several "firsts" such as: -

- 1st in APAC to introduce Cost Per Engagement;
- 1st in APAC to introduce retargeting;
- 1st and only fully transparent ad serving system in Asia that is IAB certified;
- Asia Pacific winner under the "Priority Integration Sectors: ICT (Mid-Tier) category, ASEAN Business Awards.

Innity launches a New Premium Self-Serve Advertising Platform, Connecting Advertisers to Top Publishers in Hong Kong

Innity has been awarded the coveted TAG Certified Against Fraud Seal and Brand Safety Seal from the Trustworthy Accountability Group (TAG). TAG is an advertising initiative that aims to combat fraudulent and criminal activity while strengthening brand safety in the online advertising ecosystem. By achieving these certifications, TAG has verified Innity, through a thorough vetting process, as a technology provider that upholds high standards both in brand safety and anti-fraud by providing transparency, choice, and control for its advertisers and agency partners – enabling them to buy advertising inventory with confidence.

Management Discussion & Analysis (Cont'd)

2. FY2022 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

j) Forward-Looking Statements (Cont'd)

Prospects and Outlook (Cont'd)

Innity is recognized as a B2B Power Partner by Inc. Business Media

Innity has been chosen recently to receive Inc. Business Media's 2022 Power Partner Award. This prestigious award honours B2B organizations across the globe that have proven track records helping organizations, entrepreneurs and startups grow. All awarded companies received top marks from clients for being instrumental in helping leadership navigate the dynamic world of startups. Innity was also awarded based on commitment, reliability, trust, creativity, supportiveness and other virtues that offer value to businesses, as well as partner and customer testimonials gathered in the survey process.

The Group had also engaged in several business alliances and partnerships with some of the leading global names in IT. These partnerships included the following: -

- Advertising Provider on Facebook Platform;
- Google certified Rich Media and Ad Network Vendor;
- Official Reseller partnership with Tik Tok in Malaysia and twenty-two (22) other countries across Europe, US and Asia;
- Adhere to global ad and fraud standards set by Interactive Advertising Bureau (IAB), Trustworthy Accountability Group (TAG) and Coalition for Better Ads (CBA);
- Compliant with the Viewable Impressions measurement standard;
- Quality Guidelines Certified for Brand Safety; and
- Official sales partner with Spotify in Hong Kong.

Given this established track record, the Group foresees the level of business to further increase in the foreseeable future. This optimistic outlook is based on the following factors: -

- The exponential growth and expansion of the digital advertising market globally;
- Our renowned expertise in developing proprietary technology-based online advertising solutions;
- Our capability to manage an entire online advertising campaign as we are a one-stop solutions provider;
- Strong and lasting business relationships with leading names in our strong clientele network; and
- Our established track record and impeccable reputation as Southeast Asia's leading online marketing technology.

k) Dividend Policy

In 2022, the Board did not recommend the payment of an interim or final dividend.

Our ability to declare a dividend or make other distributions in the future, is subject to us having profits and excess funds which are not required to be retained to fund our Group's operations, other financial obligations or business plans.

Given that the Malaysian economy, in 2023, is widely expected to remain challenging, underpinned by the fatal effects of the COVID-19 pandemic – which has largely remained unabated, despite the widespread usage of vaccines and boosters to curtail the deadly virus, the Board's decision against declaring a dividend is deemed acceptable.

This statement is made at the Board of Directors' Meeting held on 5 April 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Pursuant to Paragraph 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board is pleased to present the Audit and Risk Management Committee Report for 2022.

1. COMPOSITION

Presently, the Audit and Risk Management Committee (“ARMC”) comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors.

2. MEMBERSHIP

Members of the Board who are currently serving on the ARMC as at the date of the Annual Report are: -

Chairman

Mr. Cheong Chee Yun (*Independent Non-Executive Director*)

Members

Encik Shamsul Ariffin bin Mohd Nor (*Independent Non-Executive Director*)
(*Resigned on 1 September 2022*)

Mr. Fung Kam Foo (*Independent Non-Executive Director*)

Puan Norliza Binti Rasool Khan (*Independent Non-Executive Director*)
(*Appointed on 1 September 2022*)

The ARMC had fulfilled paragraph 15.09(1), 15.09(2) and 15.10 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code of Corporate Governance 2021 (“MCCG 2021”) Practice 9.1, 9.2, 9.3 9.4 and 9.5.

- The Chairman and all the ARMC member shall comprise solely Non-Executive and Independent Directors.
- One of the ARMC member must be a member of the Malaysian Institute of Accountants.
- No alternate director is appointed as a member of the ARMC.
- The Chairman of the ARMC is not the Chairman of the Board.
- The ARMC has policies and procedures to assess the suitability, objectivity and independence of the external auditor.
- To in-placed a policy that required a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

3. FREQUENCY OF MEETINGS

During the financial year ended 31 December 2022, the ARMC convened five (5) meetings. The attendance of each ARMC member at these meetings during the financial year were as follows: -

Director	Number of Meetings Attended
Encik Shamsul Ariffin Bin Mohd Nor	4/4
Mr. Cheong Chee Yun	5/5
Mr. Fung Kam Foo	5/5
Puan Norliza Binti Rasool Khan	1/1

Audit and Risk Management Committee Report (Cont'd)

3. FREQUENCY OF MEETINGS (CONT'D)

Total five (5) ARMC meetings were held in financial year 2022. The ARMC meetings were carried out in a systematic order. The notices and board papers of the ARMC meetings was circulated at least 7 days before each meeting to members of the ARMC, to ensure ARMC having sufficient time to go through the significant matters highlighted in the board papers.

ARMC Chairman reports to the Board on any concern(s) raised by external auditors and internal auditors, minutes of each ARMC meeting recorded and tabled at the following meeting and circulated to the members of the Board for notation.

ARMC members have and will undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules to discharge its fiduciary duties and responsibilities.

In performing its duties and discharging its responsibilities, the ARMC is guided by its Terms of Reference. The revised copy of Terms of Reference was approved and adopted by the Board on 23 August 2022 and available for reference at the Company's website, www.innity.com.

4. INTERNAL AUDIT FUNCTIONS

The ARMC is supported by an independent internal audit service provider namely Resolve IR Sdn Bhd. ("RESOLVE") Its main role is to conduct regular and systematic reviews of the operation, procedures and internal control of the Company and its subsidiaries so as to provide reasonable assurance that the internal control systems put in place continue to operate satisfactorily and effectively.

During the financial year ended 31 December 2022, the business activities and entity review and risk assessment were carried out in accordance with the approved risk based internal audit plan approved by the ARMC. During the year the internal audit review was conducted to assess the adequacy and effectiveness of Innity Software & Advertising Co., Ltd. and PT Media Innity system of Internal control and its compliance to ICB group policies and procedures over the following areas or process:

Sales and Marketing

- Pricing Development & Maintenance
- Discounts Authorisation
- Invoicing & Revenue Recognition
- Review of Relevant Policies and Procedures

Credit Control and Collection

- Credit Evaluation (New and Existing customers)
- Collection
- Credit Monitoring
- Review Of Relevant Policies and Procedures

Audit and Risk Management Committee Report (Cont'd)

4. INTERNAL AUDIT FUNCTIONS (CONT'D)

Treasury Management

- Receipts & Payments
- Cash Flow Forecasting & Working Capital Management
- Investments
- Borrowings
- Bank Facilities Management (including review of bank covenants)
- Foreign Exchange Management
- Operating Procedure & Authority Limit Review

Project Implementation and Management

- Ad Campaigns Planning
- Execution & Inspection
- Ad Campaigns Status and Cost Monitoring
- Ad Campaigns Performance Review and Evaluation
- Review Of Relevant Policies and Procedures

The Internal Audit review procedures were designed to understand, document, evaluate risks and related controls and to identify areas for improvement in process efficiency and formulate recommendations for improvement.

The audit review procedures applied principally consisted of process evaluations through interviews with various personnel, observations and testing of controls on sampling basis and relevant processes covering the period from 1 April 2021 to 31 March 2022 for Innity Software & Advertising Co., Ltd. and from 1 August 2021 to 31 July 2022 for PT Media Innity respectively. The samples of the testing were selected based on a judgmental basis to provide to Senior Management with due perspective of the audit scope business processes. Only matters require rectification and improvement will be brought to the ARMC attention.

The results of the internal audit on entity processes reviewed carried out in Innity Software & Advertising Co., Ltd and PT Media Innity included the recommended corrective actions that were agreed by Senior Management, were presented to the ARMC Committee at ARMC meetings held on 23 August 2022 and 24 November 2022. Follow-up visits were conducted to ensure that management's action plans in respect of the matters highlighted in the internal audit reports have been adequately addressed and the results of the follow up reviews were also reported to the ARMC.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

RESOLVE also assists ARMC to circular the conflict-of-interest declaration, Anti-Corruption Awareness & Conflict of Interest declaration assessment form to the key personnels who were responsible for the business processes covered in the Internal audit of Innity Software & Advertising Co., Ltd. and PT Media Innity for the financial year ending 31 December 2022 to facilitate the following:

- i. Identifying potential conflict of interest that may exist;
- ii. Determining the existence of related party; and
- iii. Ascertaining the related party transaction arising, if any.

Audit and Risk Management Committee Report (Cont'd)

4. INTERNAL AUDIT FUNCTIONS (CONT'D)

In obtaining the above-mentioned conflict of interest declaration, the following were also undertaken:

- i. Determining the level of awareness in respect of the Group's stance and initiatives in relation to anti-corruption and anti-bribery;
- ii. Implementing conflict of interest as a corruption risk response for INNITY Group; and
- iii. Obtaining the relevant personnel's declaration on their knowledge of corruption and corruption scheme or initiative that may exist in their areas of responsibilities.

Based on the declaration made by the key personnels, none of the key personnel is aware of any potential or existing conflict of interest position in respect of their areas of responsibility. In addition, they are not aware of any related party or related party transaction arising.

Risk Assessment (RA) on the group was carried out from 1 December 2021 to 7 January 2022. Group RA is undertaken to identify and to assess Innity Group's significant business risks that may affect the achievement of Group business objectives. The specific objectives of the RA are mainly to:

- i. Identify the significant risks that may affect the achievement of the Group's business objectives;
- ii. Rate the significant risks of the Group's businesses after considering the existing controls and current risk management system and activities;
- iii. Ascertain the Significant Risk Profile within the Group; and
- iv. Determine if the significant risks identify require further attention or treatment.

The identification and rating of business risk of the Group was conducted through a series of virtual meetings with the respective key personnel from companies in the Group., all identified risks are rated and prioritized in terms of the likelihood of the risk occurring and its impact should the risk occur, the risk ratings had taken into consideration the participations' perception on the effectiveness of the internal control put in place to mitigate the significant risks identified.

Composition of the significant risk profile was rated; critical or high rating will be brought to the ARMC attention and management is require to monitor this significant risk on continuous basis to ensure that it is up-to-date after considering development of the respective businesses and operating environments. Management and key staffs of the respective businesses within the Group will continue to be vigilant in the identification and management of risks faced by the respective businesses, and ensure that risk management is continually carried out in view of the current pandemic and challenges arising from the current business operating environment.

The cost incurred for the internal audit function for the financial year under review was RM52,000.

5. SUMMARY OF ACTIVITIES

During the year, the ARMC carried out the following activities in discharging its duties and functions with respect to their responsibilities:

Financial Reporting

The ARMC reviewed the interim financial statements and annual financial statements required under Bursa Listing Requirement for the recommendation to the Board for approval. The review focused on changes in accounting policies and practices, major judgement and risk areas, significant adjustments resulting from the audit, the going concern assumption and compliance with accounting standards, Ace Market Listing Requirement ("AMLR") of Bursa Securities and other legal requirements.

Audit and Risk Management Committee Report (Cont'd)

5. SUMMARY OF ACTIVITIES (CONT'D)

External Audit

During the year, the ARMC carried out the following activities in discharging its duties and functions with respect to their responsibilities: (Cont'd)

External Auditors presented the audit strategy and audit plan to the ARMC on the audit of the year-end financial statements. During the presentation, ARMC also seek confirmation from the External Auditors on their independency and resources made available to the external audit functions. The ARMC had a meeting with the external auditor without the management presence, where both parties were given the opportunity to raise any concern, offer opinions or provide feedback on any problems encountered. This allows the External auditor to be able to exert its functions independently. There were no material matters raised that would have an impact on the financial disclosure or the internal control systems.

In addition, ARMC discussed and reviewed with the External Auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysia Accounting Standard Board.

The ARMC reviewed and discussed the External Auditors' observation, the results of the annual audit and audit report. There was no material matters and qualifications raised as to the audit report.

In assessing the independence of the External Auditors, the ARMC has reviewed the proposed fees and expenses, including fees for non-audit services and of the opinion that the independence of the External Auditors has not been compromised based on the independent confirmation provided by the External Auditor.

The ARMC assessed and discussed the performance and effectiveness of the External Auditors, including the independence, objectivity, professional conduct, requisite skills and expertise, including relevant industry experience as well as resources availability for the engagement. The ARMC is satisfied with the performance of the External Auditor and recommended the audit fee payable for the Board's approval as well as recommending them to be reappointed at the forthcoming Annual General Meeting.

Internal Audit

ARMC had reviewed and approved the internal audit planning presented by Internal Auditor after due review of their risk assessments and recommendations as well as feedback from Management Risk Committee (MRC).

The ARMC also reviewed and discussed the internal audit report findings and recommendations for weaknesses found and ensured that there were action plans established for the Internal Auditor's corrective recommendations. The scope of the internal audit for the financial year has been summarized at clause 4 of the internal audit report. Management was invited to attend the ARMC meetings to provide clarification on specific issues raised in the internal audit reports. The ARMC also monitored the implementation of action plans on the outstanding audit findings reported by the Internal Auditor.

ARMC is task with identifying the principal risks, reviewing and assessing the effectiveness of the risk management framework and internal control systems based on the reports and recommendations from the internal audit function and report to the Board on its findings.

The ARMC had also reviewed the effectiveness and efficiency of the internal control system in place and the risk factors affecting the Company as well as the action plans taken by Management to resolve the issues to ensure adequacy of the internal control system.

Audit and Risk Management Committee Report (Cont'd)

5. SUMMARY OF ACTIVITIES (CONT'D)

Related Party Transactions

The ARMC reviewed the related party transactions entered into by the Group and any conflict-of-interest situation that may arise within the Group while ensured all transactions are at arms length's basis. A circular in relation to proposed renewal of shareholders mandate for recurrent related party transactions and quarterly RRPT registrar was reviewed by the ARMC and approved by the Board.

Others

As for the Anti Bribery measure including the Whistle Blowing procedures, ARMC has noted that there were no bribery incidents reported and neither were there any reports lodged under the Whistle Blowing procedures.

The ARMC has also reviewed the Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report, Corporate Government Overview Statement, Corporate Government Report, Sustainability Statement in accordance with the AMLR of Bursa Securities, for the inclusion into the Annual Report.

6. DUTIES & RESPONSIBILITIES

The duties and responsibilities of the ARMC shall include the following: -

(A) Matters Relating to External Audit: -

- i. To consider the appointment, re-appointment, decision to not-appoint, resignation or removal of external auditors, the audit fee and any question of resignation or dismissal;
- ii. To review with the External Auditor, the audit scope and plan, including any changes to the scope of the audit plan;
- iii. To review major audit findings and Management's response during the year with Management and External Auditors, including the status of previous audit recommendations;
- iv. To set policies and procedures to assess the suitability, objectivity and independence of the external auditor;
- v. To review the non-audit services provided by the external auditor and/or its network firms to the Company for the financial year, including the nature of the non-audit services, fee of the non-audit services, individually and in aggregate, relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided;
- vi. To review and assess each year, the suitability, objectivity and independence of external auditor; and
- vii. To review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.

The ARMC is satisfied that the external auditor substantially meets all the established criteria and accordingly recommends to the Board to seek shareholders' approval for its reappointment to audit the financial statements for the next financial year.

Audit and Risk Management Committee Report (Cont'd)

6. DUTIES & RESPONSIBILITIES (CONT'D)

The duties and responsibilities of the ARMC shall include the following: - (Cont'd)

(A) Matters Relating to External Audit: - (Cont'd)

The fees paid and payable to Messrs. BDO PLT, the external auditor was:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Audit fees	177.0	161.0	89.0	81.0
Non-audit fees	12.6	6.0	12.6	6.0
Total	189.6	167.0	101.6	87.0

(B) Matters Relating to Internal Audit function: -

- i. Responsible for the appointment and removal, scope of work, performance evaluation and budget for internal audit function;
- ii. To ensure the internal audit function is independent of the activities it audits and the head of internal audit reports functionally to the Committee directly and review their performance on an annual basis. The head of internal audit shall be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company;
- iii. Take cognizance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit) and provide the resigning staff member or the internal audit service provider an opportunity to submit his/her reasons for resigning;
- iv. Review the adequacy of the internal audit scope and plan, including the internal audit programme; functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and
- v. Review the internal audit reports to ensure that appropriate and prompt remedial action is taken by Management on major deficiencies in controls or procedures that are identified.

(C) Matters relating to Internal Control and Risk Management: -

- i. Review the risk profile of the Group (including risk registers) and the Risk Management Team's plans to mitigate business risks as identified from time to time;
- ii. Review the adequacy and integrity, including effectiveness, of risk management and internal control systems/framework, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems; and
- iii. Direct and, where appropriate, supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts.

Audit and Risk Management Committee Report (Cont'd)

6. DUTIES & RESPONSIBILITIES (CONT'D)

The duties and responsibilities of the ARMC shall include the following: - (Cont'd)

(D) Related Party Transaction: -

- i. Review any related party transaction (including recurrent related party transactions) and conflict of interest situation that may arise within the Company or the Group, including any transaction that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question of Management's integrity.

(E) Disclosure Obligations: -

- i. Review the quarterly results and the year end financial statements, prior to approval by the Board, focusing particularly on:
 - Changes in or implementation of major accounting policy changes;
 - Significant matters highlighted including financial reporting issues, significant judgement made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - Compliance with accounting standards and other legal requirements.
- ii. Prepare reports, at the end of each financial year to the Board which includes the following:
 - The composition of the Committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
 - The number of Committee meetings held during the financial year and details of attendance of each Committee member;
 - A summary of the work of the Committee in the discharge of its functions and duties for that financial year and how it has met its responsibilities; and
 - A summary of the work of the internal audit function.

(F) Others: -

- i. Review procedures in place to ensure that the Group in compliance with the Company Act 2016 and AMLR of Bursa Securities and other legislative and reporting requirements;
- ii. To assist the Board to proactively consider sustainability issue when overseeing the planning, performance and long-term strategies of the Company;
- iii. To assist the Board to identify a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company. Board together with the management take responsibility for the governance, addressing material risks and opportunities of sustainability in the Company; and
- iv. Any activities, as authorized by the Board.

Audit and Risk Management Committee Report (Cont'd)

7. AUTHORITY AND RIGHTS OF THE ARMC: -

The Committee shall in accordance with the procedure determined by the Board, at the expense of the company:

- i. has authority to investigate any activity within its Terms of Reference;
- ii. has the resources which are required to perform its duties;
- iii. has authority to obtain independent professional advice it considers necessary in the discharge of its responsibilities;
- iv. shall have full and unlimited access to any information pertaining to the Group;
- v. has direct communication channels with the Internal and External Auditors and with Senior Management of the Group; and
- vi. able to convene meetings with External Auditors, Internal Auditors or both excluding the attendance of executive members of the Group, whenever deemed necessary.

8. RETIREMENT & RESIGNATION OF ARMC MEMBER: -

(A) Retirement/Resignation

- i. A member of the ARMC who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he/she leaves.

(B) Vacancy

- i. In the event of any vacancy in the ARMC, including the election of an independent Chairman, the Company shall fill the vacancy within three (3) months.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Innity Corporation Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control of the Company and its subsidiaries (“the Group”) which outlines the nature and scope of risk management and the internal control systems of the Group for the financial year ended 31 December 2022 pursuant to Paragraph 15.26 (b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) and the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (“the Guidelines”).

BOARD’S RESPONSIBILITIES

The Board acknowledges its overall responsibility for the Group’s risk management and internal control system to safeguard shareholders’ investment and the Group’s assets as well as reviewing its effectiveness, adequacy and integrity on a regular basis. The Board has also received assurance from the Executive Chairman (“EC”) and Chief Financial Officer (“CFO”) that the Group’s risk management and internal control system are operating adequately and effectively, in all material aspects.

The system of internal control covers governance, risk management, financial, organisational, operational and compliance controls. However, due to inherent limitations in any risk management and internal control system, such system put into effect by Management is designed to manage rather than eliminate risks that may impede the achievement of the Group’s corporate objectives.

The Board, through the Audit and Risk Management Committee (“ARMC” or the “Committee”), implements the risk management and internal control practices within the Group. The management is required to apply good judgement in assessing the risks faced by the Group, assessing the Group’s ability to reduce the incidence and impact of risks.

KEY FEATURES OF THE GROUP’S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group’s risk management and internal control system that have been established to facilitate the proper conduct of the Group’s businesses are described below:

1. RISK MANAGEMENT SYSTEM

Risk Management is regarded by the Board as an integral part of the Group’s business and firmly embedded in the Group’s culture, processes and structure of organisation. Senior management and Heads of Departments are delegated with the responsibility of managing identified risks.

The Board maintains an ongoing commitment to strengthen the Group’s risk management framework. The Group has developed an Enterprise Risk Management Framework (“ERMF”), which is guided by the ISO31000:2018 standards to facilitate the identification and assessment of the Group’s principal risks. The identified risks are incorporated into the risk register and are assessed to determine if the risk rating is Critical, High, Medium or Low. The rating process is guided by a matrix of possibility of occurrence and the associated impacts, of which both financial and non-financial consequences are duly considered. Thereafter, risk owners will drive the implementation of additional risk mitigation measures towards achieving a residual risk that is within the acceptable tolerance.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT SYSTEM (CONT'D)

The Group has established a monitoring and reporting process to continuously identify, assess and manage the principal risks based on approved procedures for corporate disclosures. These initiatives ensure that the Group has in place an ongoing process for identifying, evaluating, monitoring and managing the principal risks affecting the achievement of its business objectives for the year under review and up to the date of approval of this statement.

Group Risk Management Committee (“GRMC”)

GRMC was established by the Board in assisting the Board to oversee the overall risk management of the Group. The Committee serves as an oversight to the risk management process of the entire Group. Roles of the committee include identifying principal risks of the Group and ensuring the implementation of appropriate system to mitigate and manage these risks. The GRMC sets, where appropriate, objectives performance targets and policies to management the key risks faced by the Group. GRMC consists of four executive directors and a senior management personnel.

Management Risk Committee (“MRC”)

The MRC which consists of senior management and key personnel of the companies in the Group, was established to assist the Board Committee (i.e., GRMC). Representatives from the respective divisions/business units within the Group have the overall responsibility to report key risks to the attention of the MRC. The MRC is supported by a Senior Manager as the Risk Management Officer who coordinates the risk management activities of the Group.

Risk assessment is conducted minimum half-yearly by the respective working committees comprising of Senior Management and relevant Heads of Departments. The process involves identifying and reviewing new and existing key risks factors that affect the Group and the corresponding mitigation action plan to address them; in accordance to the Group's risk appetite and tolerance defined in the ERMF. It includes update on the effectiveness of the mitigation action implemented.

The risk assessment report is presented to the MRC; for review before presentation to the members of GRMC and ultimately for endorsement by the Board.

These initiatives ensure that the Group has in place an ongoing process for identifying, evaluating, monitoring and managing the principal risks that affects the achievement of its business objectives for the year under review and up to the date of approval of this statement.

Key business risks are identified and categorized to highlight the sources of risk, the severity of the risk and its effect on the Company or Group's performance and the likelihood of its occurrence. The risk assessment takes into account all aspects of the businesses and its internal control framework, the control environment and control activities, information, communication and monitoring procedures. Periodic reviews are conducted to identify new risks and a thorough assessment of the risks previously identified remains relevant.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT SYSTEM (CONT'D)

Management Risk Committee ("MRC") (Cont'd)

As the Group is principally involved in the online advertising business, some of the identified risks and measures to mitigate these risks are outlined as follows:

i) Competition in the Online Advertising Market

The online advertising market is an open market, consisting of local and foreign online advertising companies and local publishers whose deliverables are directly channeled to media buying agencies. The growing competition, especially from multinational online advertising companies, will spur INNITY's increased focus on technological development and R&D. Our enviable track record to provide one-stop solutions, as well as our strong network of online publishers and client base will enable the Group to remain as a major player in the online advertising market.

ii) Dependency on Major Clients

Traditionally the top 10 clients of the individual business units within the Group contributed more than 50% of their respective revenue and the composition of their major clients varies from year to year. This is largely due to the nature of the overall advertising industry as media agencies are frequently switching varying advertisers accounts every year, and advertiser budgets generally depend on new product launches, rebranding exercises, and other marketing activities, resulting in advertising budgets of differing sizes every year.

Nevertheless, no assurance can be given that the loss of any of our Group's major clients especially agencies will not materially and adversely affect our Group's business, operating results and financial position. The Group will continue to enlarge its client's base by acquiring more small and medium-sized direct clients to improve overall client segmentation of the Group and to mitigate the risk of over-reliance on the few major clients.

iii) Technologies Advancements and Developments

Our Group operates in an environment, which is subject to inherent risks due to changes in technology and client requirements, introduction of new solutions and enhancement of existing solutions. Our Group's competitive edge depends substantially upon our ability to keep pace with technological changes to address our clients' needs.

The objective of our Group's R&D team is to maintain our Group's competitive edge over our competitors by:

- a. continuously enhancing existing technology and applications as part of continuous improvement efforts; and
- b. developing new technology for new solutions to meet greater variety of client demand.

Nevertheless, no assurance can be given that our Group's R&D programmes will be successful in producing commercially viable new solutions or enhance existing solutions, which are within budget and on timely basis in accordance with market requirements and expectations.

Our Group aims to develop more advanced technology and solutions to provide greater benefits to clients in terms of functionality as well as usability. Our Group is committed to produce new and innovative technologies coupled with improved interactivity that provides a richer media experience to advertisers and clients.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT SYSTEM (CONT'D)

Management Risk Committee ("MRC") (Cont'd)

As the Group is principally involved in the online advertising business, some of the identified risks and measures to mitigate these risks are outlined as follows: (Cont'd)

iv) Foreign Exchange Fluctuations

Because of our overseas presence, it is in the normal course of business that most transactions would be denominated in foreign currencies. These transactions include purchase of online publishers' sites, sales to advertisers and/or media agencies and inter-group billings. As business volume increases, the Group is exposed to larger risk of foreign exchange fluctuations.

Our Group has a natural hedge system wherein all foreign subsidiary companies, while maintaining a local currency bank account, are required to open an USD Bank Account to facilitate payments and collections in USD. Also, the lion's share of transactions is denominated in USD, hence minimising the effect of foreign exchange risk.

v) Security and System Disruption

Operating in a high technology environment, the Group is susceptible to various security risks such as computer viruses, system disruptions, hacking and fraud. There is then a strong possibility of a complete system shutdown.

Our Advenue Platform technology resides on computer systems housed at various locations. The data back-up and recovery systems are critical to our continuing and uninterrupted performance.

vi) Larger Funding for Growing Business Volume

There is inevitably a mismatch in collection from clients and payments to publishers. With rising business volumes, the Group is exposed to the risk of depleting internal funds.

The Group has implemented stricter credit control procedures coupled with prompt payment incentives to clients with the objective of expediting collections. Occasionally, banking facilities have been utilised to meet any funding requirements in working capital.

vii) The Group Might Be Exposed to Possible Transfer Pricing Issues

The rising volume and variety of intercompany regional transactions and transfer pricing regulations, accompanied by increased enforcement activities worldwide have made transfer pricing a leading risk management issue for the Group businesses. Hence a Full Transfer Pricing Documentation for addressing the risks that might arise within the Group is immensely required.

We have consulted professional tax consultants and sought their services to ensure our compliance with the Transfer Pricing documentation requirements under the Malaysian transfer pricing regulatory framework, as governed by Section 140A of the Malaysian Income Tax Act 1967, the Income Tax (Transfer Pricing) Rules 2012 and Malaysian Transfer Pricing Guidelines 2012.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT SYSTEM (CONT'D)

Management Risk Committee ("MRC") (Cont'd)

As the Group is principally involved in the online advertising business, some of the identified risks and measures to mitigate these risks are outlined as follows: (Cont'd)

viii) Higher Working Capital Requirement for Influencer Marketing Business

The power to influence consumer purchasing habits has been shifting from traditional public media to individual brand ambassadors. These ambassadors are defined as key opinion leaders (KOLs) and they are powerful influencers on social media platforms. These individuals or groups with large followings in relevant niches have a huge influence on purchase demands and have always been on the rise to be recruited on behalf of a brand for marketing and promotional purposes.

The Group's businesses are dynamically adapting to the above change and KOL campaigns have rapidly become the major contributor to the Group's revenue. This business trend however has developed a separate issue, i.e., higher working capital requirements to fulfill media buys from KOL as majority of the Premium KOLs and Macro KOLs would insist advance payment prior to commencement of campaigns, whereas the advertisers are normally allowed a credit term of 60 to 90 days.

We have initiated to build an online business platform for KOL, aimed at empowering both Brands and Influencers to utilize the best broadcasting channels of today to reach each other. Potential but less prominent KOLs would find this platform useful for their presence and specialties to be radiated and these KOLs are less insistent on upfront payment prior to commencement of campaigns and would normally allow credit terms ranging from 30 to 45 days. In the meantime, we hope to work out a better payment arrangement with more prominent KOLs when our online business platform has become a reputable and trusted brand name in the arena.

ix) Cybersecurity Risk

With the increasing cost and volume of data breaches, cyber security is quickly moving from being considered by business leaders as a purely technical issue to a larger business risk. We are principally operating our businesses in a highly technology-driven environment, and this has significantly increased Innity's exposure to cyberattacks, which may include theft of confidential clients' data, intellectual property, information about corporate strategies etc.

During the year we have initiated to pursue ISO27001 certification so as to formalise and improve business processes around information security, privacy and securing its information assets. ISO 27001 is internationally recognized as providing a best-practice specification for an Information Security Management System ("ISMS"). By achieving the certification, it displays the organization's commitment to robust security, ongoing risk management and protecting sensitive information, a reputational boon to clients, vendors, and partners.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT SYSTEM (CONT'D)

Management Risk Committee ("MRC") (Cont'd)

Whilst the Board maintains ultimate control over risk and internal control matters, the development and implementation of the Enterprise Risk Management Framework and internal control systems rests with the Management. The responsibility of managing risks at each department lies with the respective Heads of Department. Periodic management meetings between the Heads of Department and Senior Management are held to highlight key risks and ways of managing the significant risks identified. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

Credit Committee ("CC")

The CC which consists of senior management and key personnel of the companies in the Group, was established in 2020 to assist the Board in managing the credit risks of the entire Group. The objective of the CC is to manage and improve all credit arrangements, by means of supervision on the company's credit control policies and activities which comprise the identification, assessment, monitoring and management of the company's credit risk exposure while aligning to the company's risk appetite.

The functions and responsibilities of the Committee shall include the following:

- a. determination of credit risk appetite of the Group;
- b. periodic review and update of credit control policy and procedure;
- c. credit assessment of new customer as well as the credit terms and limits to be provided to the credit customer;
- d. periodic review on the procedures and criteria of the release of credit hold;
- e. periodic review on credit risk exposure;
- f. periodic assess expected credit loss, basis in arriving at the expected credit loss, provision of doubtful debt and bad debt; and
- g. periodic evaluation on credit customer.

Meeting of the Committee shall be held on an ad-hoc basis or when required in order to exercise the powers or perform the functions or responsibilities of the Committee. Committee meetings shall be convened whenever doubt arises or in any circumstances which indicate that a meeting of the Committee may well be required.

2. INTERNAL CONTROL SYSTEM

- **Organisation Structure & Authorisation Procedures**

The Group maintains a formal organisational structure that includes clear delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures to enhance the internal control system of the Group's various business units. Key Management personnel are delegated with the responsibility to manage risks at their respective areas of responsibilities.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

2. INTERNAL CONTROL SYSTEM (CONT'D)

- **Business Strategic Plan and Annual Budget**

Yearly Business Plan and Annual Budget are prepared by management and tabled to the Board for approval. The business plan will be subjected to revision based on changing market conditions affecting the achievement of the Group's business objectives. Periodic monitoring is carried out to measure actual performances against budget and to identify significant variances and devise remedial action plans.

- **Group Policies and Procedures**

Documented policies and procedures are in place and are regularly reviewed and updated to ensure that it maintains its effectiveness and continues to support the Group's business activities at all times as the Group continues to grow.

- **Information and Communication**

Information critical to the achievement of the Group's business objectives are communicated through established reporting lines across the Group. This is to ensure that matters that require the Board's and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

- **Monitoring and Review**

Scheduled operational and management meetings are held to discuss and review the business plans, budgets, financial and operational performances of the Group. Monthly management accounts containing key financial results, operational performance and comparison of actual performance against budgets are presented to the management team for monitoring and review. The quarterly financial statements are presented to the Board, via the ARMC, for their review, consideration and approval. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group.

- **Human Resource Policies and Procedures**

The employees' handbook containing the Company's scheme of service and code of business conduct is accessible to all employees in the intranet. All employees are required to acknowledge the acceptance of the policies.

- **Training and Development Programmes**

Training and development programmes are established to ensure that staff are constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group's business objectives.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

3. INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm. The internal audit function, which provides feedback regarding the adequacy and effectiveness of the Group's system of internal control, is under the purview of the ARMC.

During the financial year ended 31 December 2022, internal audits were carried out in accordance with the approved internal audit plan and the processes reviewed were disclosed in Audit and Risk Committee Report.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

4. ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Management that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group, for the financial year ended 31 December 2022, and up to the date of this Statement.

5. REVIEW OF THIS STATEMENT

The external auditors have reviewed the Statement on Risk Management and Internal Control. This review was performed in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor was factually inaccurate.

CONCLUSION

The Board is of the view that the Group's system of internal control and risk management is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control and risk management framework. The Group's risk management process and internal control system do not apply to associates where the Group does not have full management control. The Group's interest in the associates is served through representation on the Board of Directors.

This statement was approved by the Board of Directors on 5 April 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT (“STATEMENT”)

In ensuring continuous and sustainable growth, the Board believes in the adoption of a high standard of corporate governance that values transparency, timely disclosures and constructive communication to all its stakeholders.

The Board is pleased to present the CG Overview Statement to provide shareholders and investors with an overview of the corporate governance (“CG”) principles and best practices of the Company as laid out in the Malaysian Code on Corporate Governance 2021 (“MCCG 2021” or “the Code”) throughout the financial year under review. This statement should be read together with the Corporate Governance Report (“CG Report”) and with other statements in the Annual Report (e.g., Statement of Risk Management and Internal Control and Audit and Risk Management Committee Report) which are available on the INNITY’s website at www.innity.com. The CG Report provides a detailed application of the CG practices as set out in the MCCG 2021.

A. APPLICATION OF MCCG 2021 PRACTICES

The Code’s Best Practice		Application	Explanation For Departure And Timeframe
PRINCIPLE A - BOARD LEADERSHIP & EFFECTIVENESS			
I. Board Responsibilities			
1.1	The Board should set the company’s strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The Board should set the company’s values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.	Applied	Not applicable
1.2	A Chairman of the Board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board is appointed.	Applied	Not applicable
1.3	The positions of Chairman and CEO are held by different individuals.	Applied	Not applicable
1.4	The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.	Applied	Not applicable
1.5	The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices.	Applied	Not applicable

Corporate Governance Overview Statement (Cont'd)

A. APPLICATION OF MCCG 2021 PRACTICES (CONT'D)

The Code's Best Practice		Application	Explanation For Departure And Timeframe
PRINCIPLE A - BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)			
I. Board Responsibilities (Cont'd)			
1.6	Directors receive meeting materials which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.	Applied	Not applicable
2.1	<p>The Board has a Board Charter which is periodically reviewed and published on the company's website. The Board Charter clearly identifies: -</p> <ul style="list-style-type: none"> the respective roles and responsibilities of the Board, Board committees, individual directors and management; and issues and decisions reserved for the Board 	Applied	Not applicable
3.1	<p>The Board establishes a Code of Conduct and Ethics for the company and together with management implements its policies and procedures which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.</p> <p>The Code of Conduct and Ethics is published on the company's website.</p>	Applied	Not applicable
3.2	The Board establishes reviews and together with management implements policies and procedures on whistleblowing.	Applied	Not applicable
4.1	<p>The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.</p> <p>The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.</p> <p>Strategic management of material sustainability matters should be driven by senior management.</p>	Applied	Not applicable
4.2	The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.	Applied	Not applicable

Corporate Governance Overview Statement (Cont'd)

A. APPLICATION OF MCCG 2021 PRACTICES (CONT'D)

The Code's Best Practice	Application	Explanation For Departure And Timeframe	
PRINCIPLE A - BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)			
I. Board Responsibilities (Cont'd)			
4.3	The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.	Applied	Not applicable
4.4	Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.	Applied	Not applicable
4.5	Step Up: The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.	Applied	Not applicable
II. Board Composition			
5.1	The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.	Applied	Not applicable
5.2	At least half of the Board comprises independent directors. For Large Companies , the Board comprises a majority of independent directors.	Departure	Explanation: The Board intend to increase the number of Independent Non-Executive Director from three (3) to five (5) members to make up of 50% Independent Director. Timeframe: Within 3 years.
5.3	The tenure of an independent director does not exceed a term limit of nine (9) years. Upon completion of the nine years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.	Applied	Not applicable

Corporate Governance Overview Statement (Cont'd)

A. APPLICATION OF MCCG 2021 PRACTICES (CONT'D)

The Code's Best Practice	Application	Explanation For Departure And Timeframe
PRINCIPLE A - BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)		
II. Board Composition (Cont'd)		
5.4 Step Up: The Board has a policy which limits the tenure of its independent directors to nine (9) years without further extension.	Not Adopted	Not applicable
5.5 Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.	Applied	Not applicable
5.6 In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, management or major shareholders. The board utilizes independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.	Applied	Not applicable
5.7 The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.	Applied	Not applicable

Corporate Governance Overview Statement (Cont'd)

A. APPLICATION OF MCCG 2021 PRACTICES (CONT'D)

The Code's Best Practice	Application	Explanation For Departure And Timeframe	
PRINCIPLE A - BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)			
II. Board Composition (Cont'd)			
5.8	The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.	Applied	Not applicable
5.9	The board comprises at least 30% women directors.	Departure	The Board has on 1 September 2022 appointed the first female director to the board. The Board will continue to identify two (2) more suitably qualified female candidates who meet the qualifications, qualities and standards that commensurate with the Group's requirements to achieve the 30% target. Timeframe: Within 3 years.
5.10	The board discloses in its annual report the company's policy on gender diversity for the board and senior management.	Applied	Not applicable
6.1	The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition. For Large Companies, the board engages independent experts at least every three years, to facilitate objective and candid board evaluations.	Applied	Not applicable
III. Remuneration			
7.1	The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.	Applied	Not applicable

Corporate Governance Overview Statement (Cont'd)

A. APPLICATION OF MCCG 2021 PRACTICES (CONT'D)

The Code's Best Practice		Application	Explanation For Departure And Timeframe
PRINCIPLE A - BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)			
III. Remuneration (Cont'd)			
7.2	The board has a Remuneration Committee to implement its policies and procedures including reviewing and recommending matters relating to the remuneration of board and senior management. The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.	Applied	Not applicable
8.1	There is a detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits-in-kind and other emoluments.	Applied	Not applicable
8.2	The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	Applied	Not applicable
8.3	Step Up: Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.	Not Adopted	Not applicable
PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT			
I. Audit Committee			
9.1	The Chairman of the Audit and Risk Management Committee ("ARMC") is not the Chairman of the Board.	Applied	Not applicable
9.2	The ARMC has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.	Applied	Not applicable
9.3	The ARMC has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.	Applied	Not applicable
9.4	Step Up: The Audit Committee should comprise solely of Independent Directors.	Applied	Not applicable

Corporate Governance Overview Statement (Cont'd)

A. APPLICATION OF MCCG 2021 PRACTICES (CONT'D)

The Code's Best Practice	Application	Explanation For Departure And Timeframe
PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)		
I. Audit Committee (Cont'd)		
9.5	<p>Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.</p> <p>All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p>	<p>Applied</p> <p>Not applicable</p>
II. Risk Management and Internal Control Framework		
10.1	The Board should establish an effective risk management and internal control framework.	<p>Applied</p> <p>Not applicable</p>
10.2	The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.	<p>Applied</p> <p>Not applicable</p>
10.3	<p>Step Up:</p> <p>The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.</p>	<p>Not Adopted</p> <p>Not applicable</p>
11.1	The ARMC should ensure that the internal audit function is effective and able to function independently.	<p>Applied</p> <p>Not applicable</p>
11.2	<p>The Board should disclose:-</p> <ul style="list-style-type: none"> a. whether internal audit personnel are free from any relationships and conflicts of interest which could impair their objectivity and independence; b. the number of resources in the internal audit department; c. name and qualification of the person responsible for internal audit; and d. whether the internal audit function is carried out in accordance with a recognised framework. 	<p>Applied</p> <p>Not applicable</p>

Corporate Governance Overview Statement (Cont'd)

A. APPLICATION OF MCCG 2021 PRACTICES (CONT'D)

The Code's Best Practice		Application	Explanation For Departure And Timeframe
PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS			
I. Engagement with Stakeholders			
12.1	The Board ensures there is effective, transparent and regular communication with its stakeholders.	Applied	Not applicable
12.2	Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.	Not applicable	Not applicable
II. Conduct of General Meetings			
13.1	Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.	Applied	Not applicable
13.2	All directors attend General Meetings. The Chair of the Nomination, ARMC and other committees provide meaningful response to questions addressed to them.	Applied	Not applicable
13.3	Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate: - <ul style="list-style-type: none"> voting including voting in absentia; and remote shareholders' participation at General Meetings Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.	Applied	Not applicable
13.4	The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company financial and non-financial performance as well as the company's long-term strategies. Shareholders should also provide with sufficient opportunity to pose questions during the general meeting and all questions should receive a meaningful response.	Applied	Not applicable
13.5	The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the require infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.	Applied	Not applicable
13.6	Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.	Applied	Not applicable

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

Strategic Aim, Value and Standard

The Board assumes full responsibility for long-term sustainability of the Group through effective stewardship and application of corporate governance best practices.

In discharging its fiduciary duties and overall leadership functions, the Board delegates some authorities to the key members of Senior Management to facilitate effective day to day management of business, providing leadership and guidance by working with the Senior Management in mapping out the strategic direction of the Group, ensuring the effective use of resources to meet its objectives while exercising oversight on management's performance.

The Board Committees, comprising the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee are entrusted with specific responsibilities to oversee, with authority, the Group's affairs, as laid out in the respective Terms of Reference. At each Board meeting, the Chairman of the relevant Board Committees report on key matters deliberated by the Board Committees at their respective meetings.

Key matters reserved for the Board's approval include the annual business plan and budget, capital and risk management, investment policies, authority limit discretionary powers, issue of new securities, business restructuring, business continuity plan, dividend policy, capital expenditure or operating expenditure exceeding authorised limits, material acquisitions and disposal of assets.

The Board regularly reviews the progress on the financial performance and strategic plan, ensuring effective risk management and control in all aspects of the Group's business.

Chairman

The Group is headed by an Executive Chairman, Mr. Phang Chee Leong, who is one of INNITY's principal founders. The Chairman has an important role in leading overall functioning of the Board so that the Board and Board Committees can perform its responsibilities effectively.

The Chairman is responsible for:

- Setting the agenda for Board meetings with a focus towards the Group's performance, strategic direction and good governance practices;
- Ensuring clear and relevant information are provided when key matters are deliberated at Board meetings;
- Acting as a facilitator at Board meetings to ensure key matters presented by the relevant Board Committees are addressed, resolved and sanctioned by the Board;
- Maintaining ongoing dialogue and cordial relationship of trust with and between the Directors and Management;
- Providing leadership for the Board so that the Board can perform its responsibilities effectively; and
- Leading the Board in the adoption and implementation of good corporate governance practices in the Company and the Group.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

Separation of the Position between Chairman and Chief Executive Officer (“CEO”)

The positions of Chairman (designated as Executive Chairman) and CEO (designated as Managing Director) are held by different individuals namely, Mr. Phang Chee Leong and Mr. Looa Hong Tuan.

The roles and responsibilities of the Executive Chairman and Managing Director are clearly differentiated between the strategy and policy-making process and daily management of the Group. This is to ensure clarity of responsibilities and accountability between two individuals such that no one individual has unfettered powers over decision making that could create a potential conflict of interest.

Qualified and Competent Secretary

The Board is ably supported by two (2) Company Secretaries namely, Ms. Fong Seah Lih and Ms. Tham Yin Tong who are externally appointed.

The Company Secretaries are well qualified Chartered Secretaries and possess the requisite knowledge, experience and all-round exposure in their respective role as Company Secretary for public listed companies in other sectors of the economy.

Apart from rendering secretarial services to public listed entities, the Company Secretaries provide relevant advice on corporate governance, update the Board on the latest securities regulations with respect to corporate disclosures and compliance as set out by external regulators to keep the Board abreast with updated rules and regulations.

Access to Information and Advice

The agenda for Board meetings and a complete set of Board papers and preceding Board minutes containing information relevant to the meeting agenda are circulated to all Directors at least seven (7) calendar days prior to the meeting. Board members are therefore, given sufficient time to go through the Board papers thoroughly.

All Directors have access to all information within the Group. To facilitate discussions on operational issues, such as changes on operating procedures and human resource issues, the Directors may interact directly with the management requesting for further clarification, information or updates.

In addition, the Directors may seek independent professional advice at the Group's expense, on specialised issues to enable them to discharge their duties with adequate knowledge of the issues being deliberated.

Board Charter

The Board has formally adopted a Board Charter which sets out the Board's strategic intent and outlines a clear roles and responsibilities of the Board for the discharge of the Board's fiduciary and leadership functions. The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board and Board Chairman in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.

The Board Charter was updated and approved by the Board on 22 February 2023, to align with the statutory revisions in corporate governance best practices. The Board Charter would be reviewed and updated from time to time, as deemed necessary, to keep abreast of statutory revisions in corporate governance best practices and Company's policies and applicable rules and regulations to ensure its relevance and effectiveness.

The Board Charter is available on the Company's website at www.innity.com.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

Business Code of Conduct ("COC")

A Business Code of Conduct ("COC") has been formalised to reflect the Group's vision and core values of integrity, teamwork, learning and performance.

The COC constitutes the primary behaviour guide for the Company's employees. It incorporates the basic standards of ethical legal behaviour emphasising INNITY's commitment, as a corporate family to ethics and compliance with the law. The COC is also a preventive tool to help prevent and detect violations of the Company's policies and the law.

The COC was revised and approved by the Board on 23 August 2022 and available on the Company's website at www.innity.com.

Whistle-Blowing

The Board has adopted a Whistle-Blowing Policy for the Group as a measure against any form of fraudulent or criminal act. The Whistle-Blowing Policy outlines its governing principles, the reporting channels available to the whistle-blower, the initiation, investigation, follow-up phases and remedial or consequent action taken.

Employees who have reasonable belief that there is serious misconduct relating to any matter disclosed, may direct the complaint to the Chairman and a member of ARMC. Management will ensure the employee who raises a genuine complaint in good faith shall not be penalised for such disclosure and such complaint shall be kept confidential.

In relation to whistle-blowing, a policy was updated and approved on 5 April 2023 which sets out the principles and grievance procedures for any individual to report any suspected or actual misconduct/wrongdoing perpetrated within the Group. This policy, under the purview of the Group Risk Management Committee ("GRMC") not only covers possible improprieties in matter of financial reporting but also include:

- A) Fraud;
- B) Corruption, bribery or blackmail;
- C) Criminal offences;
- D) Failure to comply with a legal or regulatory obligation;
- E) Miscarriage of justice;
- F) Endangerment of an individual's health and safety; and
- G) Concealment of any or any combination of the above

Details of the Whistle-Blowing Policy is available on the Company's website at www.innity.com.

In brief, the Whistle-Blowing Policy outlines its governing principles, the reporting channels available to the whistle-blower, the initiation, investigation, follow-up phases and remedial or consequent action taken.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

Anti-Bribery and Corruption

INNITY's aversion to corruption, bribery or other improper payments in any of its business operations has prompted the Board to develop, adopt the Anti-Bribery and Corruption Policy and further to ensure that employees understand their responsibilities on INNITY Group's zero tolerance for bribery and corruption. The policy acts as a deterrent to commit bribery and corruption violations which are punishable by law. It is also an initiative to protect investors' interest as well as to effectively manage bribery and corruption risk. The policy was drafted in compliance with Section 17A (5) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, Paragraph 15.28(1)(a)(i) of the Listing Requirements pertaining to the Anti-Money Laundering Act ("AMLA") in full support of the National Anti-Corruption Plan (2019-2023).

A Corruption Risk Profile was developed, the risk response and action plan were identified and ongoing control will be implemented and enhanced in managing corruption risks. The Anti-Bribery and Corruption measures implemented will not only promote better governance culture and ethical behaviour within INNITY, but will also provide greater accountability and transparency to investors.

The Anti-Bribery and Corruption Policy is available on the Company's website at www.innity.com.

Governing Sustainability

The Board is ultimately responsible for ensuring that sustainability is integrated into strategic direction of INNITY and its operations. In order to ensure the Board is kept abreast on sustainability issues which are relevant to INNITY's business and operations, a sustainability framework has been established to focus on the long-term preservation and enhancement of the social, economic and environmental ("EES") factors. The approaches in ensuring sustainability management and business process that have been taken by the Group are set out in INNITY's standalone Sustainability Statement which can be found in this INNITY's Annual Report.

Sustainability Risk and Opportunity

With challenging externalities, environmental, social and governance (ESG) considerations have been thrust forward as core pilot strategies in resetting business models and propelling long term value creation. The challenging externalities are driving investors to prioritise ESG factors in their investment decisions.

To embrace sustainability in the Group's business and create long term value, the Board together with senior management have implemented a blueprint consisting of the Group's strategy, business plan, risk management and compliance in setting a vision of creating multiple digital advertising platforms through product Innovation and business models aligned with sustainability trends. This blueprint will be reviewed to look into climate change risk and opportunities to further enhance the sustainability framework. However, resources will need to be planned before such review can be adopted. The Board is tasked with continuously addressing group ESG risk, strategic focus on ESG as well as identifying business opportunities for the group. The Group's sustainability strategy, business plan and targets as well as performance against these targets are communicated to the internal and external stakeholders.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

Director's Fit and Proper Policy

The Board of Directors of the Company had on 7 April 2022 approved and adopted a fit and proper policy which outlined the fit and proper criteria for the appointment and re-election of Directors of the Company and its subsidiaries.

The said policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each of its directors has the character, experience, integrity, competence, time and commitment to effectively discharge his role as Director of the Company and its subsidiary. A copy of the Directors' Fit and Proper Policy is made available on the Company's website at <https://www.innity.com/>.

PART II - BOARD COMPOSITION

Board Composition

The Board consists of eleven (11) Directors, comprising nine (9) principal Directors and two (2) alternate Directors. The nine (9) principal Directors comprised:

- One (1) Executive Chairman;
- One (1) Managing Director;
- Two (2) Executive Directors;
- Three (3) Independent Non-Executive Directors; and
- Two (2) Non-Independent Non-Executive Directors.

The present composition of the Board is in compliance with Rule 15.02 of the ACE Market Listing Requirements ("AMLR"). The Board is aware of the importance of independence in relation to the decision-making process. An effective Board is able to exercise objective business judgment on corporate affairs with frank and unbiased views from its independent directors whose roles are to act in the Company's best interest.

Tenure of Independent Director

As the date of this Statement, no Independent Director have exceeded a cumulative term of nine (9) years.

The Board is require to seek shareholders' approval through a two-tier voting process if the Board continues to retain the Independent Director after nine (9) years. An Independent director who had served a cumulative term limit exceeding twelve (12) years may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Directors.

Diverse Board and Senior Management Team

The Board acknowledges the importance of diversity in terms of skills, experiences, age, cultural background as well as gender in leading the Board and Board Committees.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

Diverse Board and Senior Management Team (Cont'd)

In evaluating potential candidates, the Group has in place a diversity policy that approved by the Board and adopted effective from 23 August 2022, which is available on the Company website. The Board acknowledges the importance of diversity in its Boardroom, Senior Management and workforce whereby gender diversity is an essential element in attaining effective strategic objectives of the Company and its subsidiaries, in enhancing sustainable growth and development and in promoting better corporate governance. The Board takes cognizance of the recommendation of the MCCG 2021 to have a female director, a first female director namely Norliza Binti Rasool Khan was appointed to the Board on 1 September 2022.

The policy articulates the diversity attributes and needs of the Board and the approach it would take to address such needs and, in the process, strengthen its composition. The policy plays an integral role in the selection of candidates for Board membership. The Board recognizes the benefits of diversity, the Board believes in providing equal opportunities to all based on merits, skills, knowledge, expertise, experience, professionalism and integrity regardless of gender, ethnicity and age.

As for the Senior Management, the Board is committed to provide fair and equal opportunities and nurturing diversity at all levels within the Group. All persons, regardless of age, gender and ethnicity with the appropriate experience and qualifications are considered equally in the process of selection of suitable candidates during the recruitment, remuneration and promotion.

Diversity of the Board's composition is important to facilitate optimal decision-making by harnessing different insights and perspectives.

Nomination Committee

The Nomination Committee (NC) was formed by the Board of Directors on 30 April 2008. Its primary function, in line with the MCCG 2021, is to assist the Board in the following areas:

- Proposing new nominees for the Board of the Company and/or its subsidiaries;
- Establishing procedures and processes towards an annual assessment of the effectiveness of each individual Director, including Independent Non-Executive Directors as well as Group Managing Director in terms of their individual experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company;
- Examine the ability of each Director, including the Group Managing Director, to contribute to the effective decision-making process of the Board and ensure that the Board of the Company is functioning actively, efficiently and effectively in all its decision making;
- Assess the effectiveness, size and composition of the Board of Directors as a whole and the committees of the Board; and
- To ensure there is sufficient succession planning and human capital development focus in the Company.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

The Nomination Committee comprises exclusively of Independent Non-Executive Directors headed by Mr. Fung Kam Foo, an Independent Non-Executive Director, as Chairman.

Chairman

Mr. Fung Kam Foo (*Independent Non-Executive Director*)

Members

Mr. Cheong Chee Yun (*Independent Non-Executive Director*)

Encik Shamsul Ariffin Bin Mohd Nor (*Independent Non-Executive Director*)
(*Resigned on 1 September 2022*)

Puan Norliza Binti Rasool Khan (*Independent Non-Executive Director*)
(*Appointed on 1 September 2022*)

The Committee held one (1) meeting during the financial year ended 31 December 2022. During the meeting, the Committee: -

- i. Reviewed and assessed the performance and effectiveness of the Board as a whole and the contribution of each individual Director of the Company;
- ii. Reviewed the term of office and performance of the Audit and Risk Management Committee and each of its members;
- iii. Reviewed the independence of the Independent Directors;
- iv. To Reviewed and assessed the performance and effectiveness of the Key Officer of the Company;
- v. Assessed, reviewed, considered and recommended, at the next AGM, Board members due for re-election;
- vi. Considered and recommended, the proposed continuation of service of an Independent Non-Executive Directors who have served as Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, to continue to act as Independent Non-Executive Director of the Company in accordance with MCCG 2021;
- vii. Considered and recommended the redesignation of Audit and Risk Management Committee members; and
- viii. Reviewed and recommended the Directors' Fit and Proper Policy.

The Terms of Reference of the Nomination Committee had been revised, approved and adopted by the Board on 23 August 2022, to be in line with the recommendations of the MCCG 2021, which is available at the Company's website at www.innity.com.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II -BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

Annual Evaluation

Vested with the responsibility of evaluating the effectiveness of the Board, Board Committees and individual directors and Key Senior Officers, a formal and objective evaluation of each individual director, based on Self and Peer assessment, is conducted by the Nomination Committee annually.

The evaluation of the Board, Board Committees and individual Directors' effectiveness was conducted internally, facilitated by the Company Secretary. The evaluation process was carried out using questionnaires that were modelled on Self and Peer rating assessment. The evaluation was administered by the Company Secretary.

Each Director furnishes to the Board a self-assessment of his performance during the course of the financial year. An objective assessment by each Director on the performance of each of his peers is also submitted to the Board for adjudication and levelling. The assessment included whether each Director, when addressing various issues, was able to exercise independent judgment, when challenged on his point of view, while still acting in the Company's best interest.

The Board is satisfied with the time commitment and level of effective participation given by the Directors as espoused in the Code, towards fulfilling their roles and responsibilities. The Board has also drawn up a "Fit and Proper" policy to enhance the evaluation of all Directors to ensure that all of them measure up to the standards expected in terms of integrity, independence and professionalism. This policy was adopted on 7 April 2022.

Nomination and Election of Directors

The Nomination Committee is tasked with making suitable recommendations to fill vacancies on the Board and its various Committee. This is to ensure that the appointed Directors bring to the Board, a mix of skills and expertise necessary to meet the requirement of corporate stewardship.

To alleviate the perception of bias in the selection of candidates, the Nomination Committee is open to recommendations or suggestions from external sources such as professional associations and executive search agencies. The Board and the NC shall conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director. The assessment was based on the criteria set out in the "Director Fit and Proper Policy" and apply on an ongoing basis in the board nomination and election process of directors. The potential candidate or Director has to make declaration that he/she possess the require character, experience, integrity, competence and time commitment to discharge his/her duties as a director.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II -BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

Board Commitment

During the financial year, six (6) meetings were held. Details of the Directors' attendance are as follows:

Director	Number of Board Meetings Attended
Mr. Phang Chee Leong	6/6
Mr. Looa Hong Tuan	6/6
Mr. Wong Kok Woh	6/6
Mr. Seah Kum Loong	6/6
Mr. Gregory Charles Poarch	6/6
Mr. Michihiko Suganuma	5/6
Mr. Cheong Chee Yun	6/6
Mr. Fung Kam Foo	6/6
Puan Norliza Binti Rasool Khan	2/2

Re-election of Retiring Directors

In accordance with the Companies Act 2016 and the Constitution of the Company, one-third (1/3) of the Directors, including the Executive Chairman, shall retire by rotation from office at each Annual General Meeting ("AGM") and they shall be eligible for re-election at such AGM. The Directors to retire shall be the Directors who have been longest in office since their appointment or last re-election.

Directors who are appointed by the Board in the course of the year shall be subject for re-election at the next AGM to be held following their appointments.

Pursuant to Clause 76 of the Company's Constitution, Looa Hong Tuan, Seah Kum Loong, Fung Kam Foo and Norliza Binti Rasool Khan are subject to retirement by rotation at the forthcoming Sixteenth AGM and they have expressed their willingness to seek for re-election at the Sixteenth AGM.

Directors' Training

The Board views the importance of continuing education for its Directors, ensuring they are well informed and are equipped with the requisite skills and knowledge to meet the various challenging issues to be deliberated by the Board. A budget for Directors' continuing education has been set aside annually by the Company.

Puan Norliza Binti Rasool Khan was appointed as Independent Non-Executive Director and became a member of Audit and Risk Management Committee, Nomination Committee and Remuneration Committee on 1 September 2022. She had attended the Mandatory Accreditation Program ("MAP") organised by Bursa Malaysia Berhad on 26th and 27th October 2022.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

Directors' Training (Cont'd)

The following Directors listed in the table have attended relevant training programmes, webinars, dialogue sessions and briefings organised by regulatory authorities and professional bodies: -

	Name of Director	Name of programme	Date
1.	Phang Chee Leong	Webinar: Digital marketing tracks at Ad Word 2022	11 to 12 October 2022
2.	Looa Hong Tuan	Webinar: Digital marketing tracks at Ad Word 2022 Webinars: Merger and Acquisitions for Boards	11 to 12 October 2022 17 October 2022
3.	Wong Kok Woh	Webinar: The Intersection of Sustainability & Technology	8 September 2022
4.	Seah Kum Loong	Webinar: Managing Risk Effectively Amidst Uncertainty	16 November 2022
5.	Michihiko Sukanuma	DAAT DAY 2022 ATS Singapore	1 September 2022 21 to 22 September 2022
6.	Fung Kam Foo	Webinar: Plan Your ESG Journey: Lessons for the Boardroom Webinar: Why Investors Care About ESG Webinar: FCD Series Module D: Financial Essentials for Non-Finance Directors	27 June 2022 28 June 2022 9 to 10 November 2022
7.	Gregory Charles Poarch	Webinar: KPMG Board Leadership Center Exclusive-Insights into Task Force on Climate-Related Financial Disclosures ("TCFD") and Sustainable Finance Microsoft Team Meeting: Boardroom Sustainability - In house training for staff and Board Members Webex: KPMG 2022 MFRS Updates Seminar	21 April 2022 13 June 2022 13 December 2022

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

Directors' Training (Cont'd)

The following Directors listed in the table have attended relevant training programmes, webinars, dialogue sessions and briefings organised by regulatory authorities and professional bodies: - (Cont'd)

	Name of Director	Name of programme	Date
8.	Cheong Chee Yun	Webinar: Tax Governance: Its time to embrace it	13 January 2022
		Webinar: Customs Voluntary Disclosure & Amnesty	18 February 2022
		TCFD 101- Getting started with climate related Financial Reporting	2 March 2022
		TCFD 102- Building experience in climate related financial reporting	9 March 2022
		Transfer pricing Audits and dispute resolution in Malaysia	6 April 2022
		Drafting sustainability statements or reports	22 April 2022
		Webinar of New Customs HS codes 2022	16 June 2022
		ISSB Briefing workshop and Q&As for emerging markets (sustainability reporting)	16 June 2022
		Circular Economy Seminar	13 July 2022
		Practical Methodologies in Preparing Statement of Cash Flows	14 July 2022
		FMM conference on digital technology for productivity	18 August 2022
		Corporate Governance & Remuneration Practice for the ESG world	6 September 2022
		Lean Six Sigma	14 to 15 September 2022
		Lean Six Sigma	17 to 19 September 2022
		AOB- Conversation with Audit Committees	17 November 2022

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION

Remuneration Committee

The Board has established a Remuneration Committee ("RC") to make recommendations to the Board on all aspects of remuneration for the Executive Directors and Non-Executive Directors and Senior Management.

The present composition of the Remuneration Committee consists of two (2) Independent Non-Executive Directors and one (1) Executive Director: -

Chairman

Mr. Fung Kam Foo (*Independent Non-Executive Director*)

Members

Mr. Phang Chee Leong (*Resigned on 22 March 2023*)

Encik Shamsul Ariffin Bin Mohd Nor (*Independent Non-Executive Director*)
(*Resigned on 1 September 2022*)

Puan Norliza Binti Rasool Khan (*Independent Non-Executive Director*)
(*Appointed on 1 September 2022*)

Mr. Cheong Chee Yun (*Appointed on 22 March 2023*)

The Committee meets at least once a year. Additional meetings can be convened if it is necessary by the Chairman.

The Committee held one (1) meeting during the financial year ended 31 December 2022.

Remuneration Policy

An appropriate remuneration policy is critical to attract, retain and motivate individuals of the highest calibre to drive the long-term success of the Group.

At INNITY, the development of this policy framework, structured to link rewards to individual and corporate performance, is guided by market norms and industry practice. This framework is the purview of the Remuneration Committee and is shaped by the following underlying principles:

- a. Consistency with Group strategy and business objectives;
- b. Competitive with remuneration policies of competing companies; and
- c. Compliance with Company values.

The Remuneration Committee makes recommendations to the Board on all elements of the remuneration, terms of employment, reward structure, and fringe benefits for the Executive Directors, Senior Management and Non- Executive Directors.

Besides salaries, allowances, benefits-in-kind and bonuses, the remuneration package of Executive Directors and Senior Management includes employees' share options as an added incentive. In addition, Non-Executive Directors are remunerated through fixed director's fees and meeting allowances. The remuneration and incentives provided for Independent Directors are not in conflict with their obligations in bringing objectivity and independence on matters discussed.

The level of remuneration reflects the depth of experience and level of responsibilities undertaken by the individual Non-Executive Director concerned. In any event, fees payable to Non-Executive Directors are determined by way of benchmarking with competing organisations.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION (CONT'D)

Remuneration Policy (Cont'd)

The Terms of Reference of the Remuneration Committee had been revised to be in line with the recommendation of the MCCG 2021, was approved and adopted by the Board on 23 August 2022, The Terms of Reference of the Remuneration Committee and the Remuneration Policy and Procedures can be viewed on the Company's website at www.innity.com.

The Remuneration Committee shall recommend to the Board the remuneration and entitlement of all Directors and the Board will decide based on the recommendations of the Remuneration Committee. The approval for directors' remuneration rests with the Board as a whole with the Directors abstaining from voting and deliberating on decisions in respect of their own remuneration package.

The remuneration paid or payable to Directors for the financial year ended 31 December 2022 are as follows:

Group (in RM)	Salary	Fees	Bonus	Other Emoluments*	Total
Non-Executive Directors: -					
Fung Kam Foo	-	42,000	-	3,500	45,500
Shamsul Ariffin Bin Mohd Nor	-	28,000	-	2,500	30,500
Cheong Chee Yun	-	42,000	-	3,500	45,500
Norliza Binti Rasool Khan	-	14,000	-	1,000	15,000
Gregory Charles Poarch	-	-	-	-	-
Michihiko Suganuma	-	-	-	-	-
TOTAL	-	126,000	-	10,500	136,500
Executive Directors: -					
Phang Chee Leong	584,520	246,711	24,605	83,241	939,077
Looa Hong Tuan	669,583	-	21,640	74,050	765,273
Wong Kok Woh	319,200	-	12,390	47,575	379,165
Seah Kum Loong	291,360	-	13,550	44,106	349,016
TOTAL	1,864,663	246,711	72,185	248,972	2,432,531

* Other emoluments include allowances, Employee Provident Fund contributions, Employment Insurance System contributions and social security contributions by the Company/the Group.

Corporate Governance Overview Statement (Cont'd)

B. PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION (CONT'D)

Remuneration Policy (Cont'd)

The remuneration (comprising salary, bonus, benefits in-kind and other emoluments) paid to the top five (5) senior management staffs of the Group, categories into bands of RM50,000, for the financial year under review, are as follows:

Name	RM200,001 to RM250,000	RM250,001 to RM300,000	RM350,001 to RM400,000
Chow Tat Kee		✓	
Edward Lum Chi Kwan	✓		
Yap Soon Kim	✓		
Lee Pey Ling	✓		
Gilbert Chee Guang Yao			✓

C. PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AUDIT COMMITTEE

Audit and Risk Management Committee

The Board has established an Audit Committee on 21 May 2009 and subsequently renamed it as the Audit and Risk Management Committee ("ARMC") on 29 May 2014 to reflect the ARMC role to support the Board in fulfilling its responsibilities in governance of the Company's risk management matters, in line with the recommendation of the MCCG 2021.

The ARMC is tasked with oversight of the financial reporting process, internal and external audit process, internal control and risk management issues pertaining to internal control and risk management. Its objective is to assist the Board of Directors in fulfilling its fiduciary duties.

Presently, the ARMC comprises three (3) members of the Board, who are all independent Non-Executive Directors. The Chairman of the ARMC is Mr Cheong Chee Yun who is not the Chairman of the Board.

The Terms of Reference of the ARMC is found on the Company's website at www.innity.com.

The activities of the ARMC during the year are described in the Audit and Risk Management Committee Report on page 39 to page 41.

Corporate Governance Overview Statement (Cont'd)

C. PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Governance

The Board recognises the importance of establishing an effective risk management and internal control framework in achieving the Group's strategic objectives and to ensure long-term sustainability of the business. The Board has established an Enterprise Risk Management Framework ("ERMF") which assists all operational levels in achieving the Company's strategic objectives by adopting a systematic approach to evaluate and improve the effectiveness of risk management and control.

The Audit Risk Management Committee ("ARMC"), established by the Board, has oversight over the risk management process. The ARMC oversees the successful implementation of the framework by setting, where appropriate, objective performance targets and policies to the Management Risk Committee ("MRC") to manage and mitigate the principal risks identified. MRC consists of four executive directors and a senior management personnel.

The Senior Management Personnel in the MRC is the Risk Management Officer/Coordinator, and key personnel from companies in the Group. Representatives from the respective divisions/business units within the Group are tasked with reporting key risks to the Risk Management Officer/Coordinator for the attention of the MRC.

Risk assessment is conducted on yearly basis by the ARMC together with the MRC and relevant Heads of Departments. The process involves identifying and reviewing new and existing key risks factors that affect the Group and assessment the level of corresponding mitigation action plan to address them in accordance with the Group's risk appetite and tolerance defined in the ERMF. It includes updates on the effectiveness of the mitigation action implemented.

The Risk Management framework entails identifying and reviewing existing and potential key risk factors afflicting or may likely affect the Group's businesses. The ARMC meets periodically with the Risk Management Officer/Coordinator to deliberate on the identified risks. These identified risks are managed and mitigated through an action plan developed by the MRC which will be sanctioned by the ARMC for the Board's endorsement.

The Statement on Risk Management and Internal Control, as set out in page 45 to page 52, provides an overview on the state of risk management and internal control within the Group.

Internal Audit

The internal audit function, which provides feedback on the adequacy and effectiveness of the Group's system of internal control, is under the purview of the ARMC.

The Group's internal audit function is outsourced to an independent professional service provider firm namely, Resolve IR Sdn Bhd ("RESOLVE").

As a corporate member of the Institution of Internal Auditors, Malaysia ("IIAM") RESOLVE is free from any relationship or conflict of interest, which could impair its objectivity and independence. RESOLVE is adequately resourced and staffed with persons having the relevant qualification and experience. In addition, the firm also identifies and provides relevant training and development to its staff to ensure that their technical knowledge and skill sets remain current and relevant.

Corporate Governance Overview Statement (Cont'd)

C. PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Internal Audit (Cont'd)

During the financial year ended 31 December 2021, RESOLVE has undertaken independent and systematic review on the systems of internal control of the operating units within the Group and has provided reasonable assurance that such systems would continue to operate effectively, and in compliance with the Group's established policies and procedures. The work undertaken is guided by the International Professional Practices Framework on Internal Auditing that is promulgated by the Institute of Internal Auditors.

RESOLVE reports directly to the ARMC and findings of the internal audits, including recommended corrective actions, were presented to the ARMC on a quarterly basis. In addition, follow up reviews were conducted to ensure that corrective actions have been implemented on a timely manner.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The Board is of the view that the Group's system of internal control is adequate to safeguard shareholders' value. However, the Board is also cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control and risk management framework. The Board will continue to further enhance and integrate sustainability factors into the risk management framework.

The Group's risk management process and internal control system do not apply to associate companies where the Group does not have full management control. The Group's interest in the respective associate companies is served through representation on the Board of Directors.

Relationship with the External Auditors

The Board maintains, via the ARMC, an active, transparent and professional relationship with the Group's external auditors. The ARMC works closely with the audit partner, assigned to act as the key representative and liaison, overseeing the relationship of INNITY Group with the external auditors. At least 2 meetings are held to discuss the audit plan, audit findings and the Group's financial statements. From time to time, the external auditors highlight to the ARMC and the Board on matters that require the ARMC and Board's attention and action. A private session between the ARMC and external auditors was also held to provide opportunity to bring matters of concerns to the ARMC. There were no concerns raised that may have an impact onto the internal control systems or the financial disclosures.

The ARMC has put in place a set of criteria to assess the suitability and independence of external auditors.

Corporate Governance Overview Statement (Cont'd)

C. PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Relationship with the External Auditors (Cont'd)

Briefly, these are:

- a. Adequacy of resources, qualifications and service quality of the External Audit team;
- b. Global presence in the Group's existing business units;
- c. Possess a stringent audit framework and programme to uncover major audit issues (if any);
- d. Strict enforcement of applicable auditing and accounting standards;
- e. Experience in offering practicable solutions when faced with problematic issues;
- f. Able to communicate effectively with top and middle management; and
- g. Independent but strong and cordial relationship with auditee companies.

During the financial year under review, the ARMC was satisfied with the suitability and performance of the external auditors in terms of the quality of services rendered, their objectivity, independence and professionalism with respect to the Company and the Group, in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. In addition, to the best knowledge of the ARMC, the provision of non-audit services by the external auditors during the year did not compromise the external auditors' independence.

As and when necessary, the external auditors are invited to attend the Company's Annual General Meeting/Extraordinary General Meeting and are obliged to answer any questions from shareholders on the conduct of the statutory audit, contents of the Annual Audited Financial Statements as well as any corporate exercise(s) undertaken by the Group where the external auditors are involved.

The services provided by the external auditor include statutory audit and non-statutory audit services. The terms of engagement for the statutory audit and non-audit services rendered by the external auditor are designed to ensure that such services do not impair the external auditors' independence or objectivity. As evidence of this, the amount of non-audit fees paid were not significant as compared to the total fees paid to the external auditors for the financial year under review.

The activities of the ARMC during the year are described in the Audit and Risk Management Committee Report in this Annual Report (page 39 to page 41).

D. PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I - COMMUNICATION WITH STAKEHOLDERS

The Board values transparency and accountability to its shareholders, media personnel and investors.

The Company reaches out to these stakeholders through timely disclosures via various public announcements, organising investor briefings, analyst and media briefings and issuance of the Annual Report.

The Annual Report, being a key source of information available to each shareholder, contains easy and comprehensive details on the progress of the business, the financial performance of the Company and Group and various other corporate information relevant to shareholders. The Company's shareholders and investors can also obtain general information of the Company through its website.

Updates on the Company's financial performance are also provided through quarterly financial reports announced via Bursa Link.

Corporate Governance Overview Statement (Cont'd)

D. PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART II - CONDUCT OF GENERAL MEETING

Currently, the General Meetings are the principal forum for dialogues with the shareholders and investors. At each General Meeting, the Board presents the progress and performance of the Group and/or Corporate Proposals of the Company and shareholders are encouraged to participate in the question-and-answer sessions. Informal discussions between the Directors, senior management staff and the shareholders and investors are always encouraged before and after the General Meetings.

Notice of the AGM, the Annual Report and relevant circulars are sent out to shareholders at least twenty-eight (28) days before the date of the meeting.

At each AGM, the Board presents the progress and performance of the business and encourages shareholders to participate and to raise questions about the resolutions being proposed and about the Group's operations in general. Executive Directors and, where appropriate, the Chairman of the various Board Committees are available to respond to shareholders' questions during the meeting.

The Company had also leveraged on technology to facilitate electronic voting for the conduct of poll on all resolutions and enabled remote shareholders' participation. Tricor Investor and Issuing House Services Sdn. Bhd. acted as the remote participation and voting ("RPV") facilities provider for the online voting of all resolutions.

Our Priorities and Focus Areas in FY2023

INNITY's priority is to continually drive risk and compliance culture across the Group by supporting corporate governance best practices as set out in MCCG 2021. This will ensure the Group's strong capital position and earnings growth are achieved in a sustainable manner.

In FY2023, much of our priorities will be focused in the following areas: -

- i. Fulfilling MCCG 2021 on a minimum 50% of the Board be made up of Independent Directors. Despite this departure currently, the Board will make every effort and expense in appointing the right candidate, irrespective of gender, who meets the prerequisites of having a balanced perspective, delivering unbiased opinions and exercising strong independent judgment, diversity in skills, experience and background, to sit as Independent Directors on the Board;
- ii. To achieve the 30% target for female representation on the board, INNITY plans to identify more female candidates who meet INNITY's qualification criteria;
- iii. Enhancing the Group's risk management capabilities to identify and control emerging risks including cyber risks and sustainability factors; and
- iv. Refining the audit and internal control processes to deal with any potential weaknesses which may likely affect the Group's businesses.

This statement is made at the Board of Directors' Meeting held on 5 April 2023.

SUSTAINABILITY STATEMENT

INTRODUCTION

Our approach to reporting sustainability in the Sustainability Statement is guided by Guidance Note 11 of the Bursa Malaysia Securities Berhad Ace Market Listing Requirements relating to Sustainability Statement in the Annual Report of Listed Issuers and the Sustainability Reporting Guide issues by Bursa Malaysia.

The Sustainability Statement (“Statement”) narrated in this section of the 2022 Annual Report is an update of the Statement reported focusing on material economic, environmental, social and governance (“EESG”) factors that impact the business

The integration of ESG sustainability practices into all of INNITY’s operational activities is a continuous process with the Board having oversight responsibility. By exercising proper and effective oversight on sustainability issues which are holistically adopted in our business activities, it is crucial for INNITY’s resilience and competitiveness in the long-term, enabling social conscious investors to identify investments that are readily addressing ESG issues as a priority consideration.

In its quest to achieve the right balance between pure profit and fulfilling the Company’s ethical obligations to other stakeholders and the community in which it operates, INNITY has developed an ESG Framework that prioritises ESG best practices consistent with Rule 90 of Appendix 9C of the ACE Market Listing Requirements of Bursa Securities.

INNITY’s ESG Framework extends to the online products of its business top-line growth and also its long-term vision of the ESG agenda to be an ecosystem that includes its entire value chain of stakeholders i.e., advertisers, publishers, suppliers and business partners – as “we are only as strong as our whole value chain.”

The ESG framework assists all operational levels in achieving the Company’s strategic objectives by bringing a systematic approach to evaluating and improving the effectiveness of corporate sustainability management and control. The following pages cover our ongoing sustainability journey and provide detailed insight into our progress in committing the key material sustainability matters which have been identified.

INNITY’S SUSTAINABILITY STATEMENT

Innity sustainability vision is to institute good governance, maximize resource efficiency and create positive social and economic impact for all stakeholders across our business ecosystem.

Innity’s ESG Framework

In no particular order of importance, ESG framework is focused on the following core areas:

- 1. Economic:**
Develop mutually beneficial business relations with stakeholders through delivery of relevant and functional technology-based online advertising solutions and other related internet-based services aiming at global audience;
- 2. Environmental:**
Seeks effective and efficient conservation management of resources in support of the green environment;
- 3. Social:**
Provide a safe, conducive and friendly working environment where employees can grow their career, fostering a work and family life balance culture amongst its employees, prioritising work and family responsibilities and at the same time, assisting communities who are less fortunate in the form of Corporate Social Responsibility (“CSR”) and contributing through social activities that benefit the local community; and
- 4. Governance:**
Intention to comply with all applicable laws, rules, regulations and policies, as well as adherence to corporate values and business principles.

Sustainability Statement (Cont'd)

Sustainability Governance Structure



The Board of Directors (the “Board”) is the main driver in setting the sustainability strategy and ensuring that our sustainability initiatives are aligned with the Group’s vision and mission. ARMC has an oversight on Innity’s ESG Working Group. Our senior management is responsible for driving the proper governance of our environmental and social performance at each level of the organisation. They have an added responsibility of communicating the sustainability performance and progress to the Board of Directors. This is to align the business objectives with our sustainability targets and agenda.

SCOPE OF THIS REPORT	REPORTING PERIOD
The coverage of this Report included 95% operations of INNITY, consisting of its subsidiaries, of which INNITY has direct control and holds a majority stake.	The reporting period covered is from 1 January 2022 to 31 December 2022. Data provided for FY2022 will form a baseline upon which our subsequent reporting will make comparison. We will continue to refine the quality of our data collection to enhance subsequent reporting and transparency going forward.

Materiality Assessment Process

The materiality process, as shown by the flow chart in **Figure 1**, is based on the following key stages of identifying potential material industry and operating issues relevant to the Group’s business. The process is continuous and can be applied at both Company (enterprise) level and at all related companies’ operating levels: -

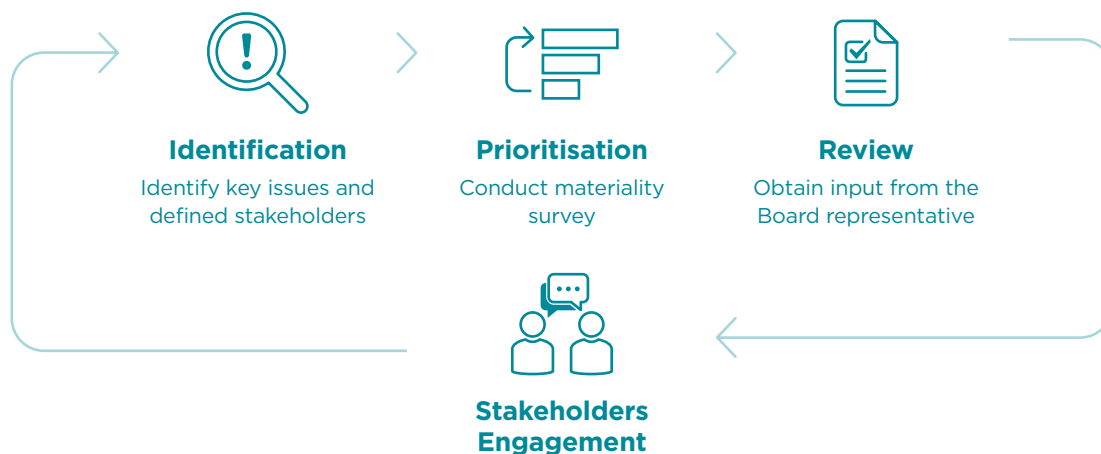


Figure 1: Sustainability Management Process

Sustainability Statement (Cont'd)

Materiality Assessment Process (Cont'd)

a. Identification

INNITY's management identified the following list of sustainability issues faced by the Group: -

- Stakeholder engagement;
- Review of market landscape including emerging industry trends;
- Peer analysis and benchmarking;
- Analytics and feedback from daily business operations; and
- Survey of consumer preferences and trends.

b. Prioritisation

The sustainability issues that are considered material to our business operations, based on our assessment on the impact (positive and negative) these have on the business and the level of concern to our stakeholders will be brainstormed at length amongst designated staff internally. As the entire value chain of stakeholders are inextricably "linked" in the ecosystem, internal designated staff, who are in regular contact with external stakeholders, prioritised the relative importance of each issue to INNITY and our stakeholders.

By assessing the impact of these material issues, our senior management were able to focus on areas where sustainability management and business processes could be strengthened or improved to meet the objectives and strategies of the Group and all of its subsidiaries. These areas of concern also provide a basis on which we can continually improve to better meet the expectations of our stakeholders.

c. Review

The identified material industry and operational issues are then presented to the ARMC and the Board for validation followed by mitigation strategies, where applicable. A review of the Group strategy is then carried out to address material matters to spur value creation.

Key Stakeholder Engagement

As set out in the Board Charter, the Board is responsible for promoting effective communications with shareholders and relevant stakeholders.

INNITY is committed to provide shareholders, regulators, employees, customers and communities with comprehensive, accurate and timely disclosure of information relating to the Group to gauge the importance of key sustainability matters and for them to understand our actions and strategic direction with greater clarity. Similarly, research on external standards, media reports and peer benchmarking to understand the market practices akin to INNITY's business would be beneficial to the Company in curating a comprehensive a list of sustainability issues for comparison purposes.

The basis for selecting the most critical stakeholders is based on three factors namely, stakeholders' influence on our business, frequency of interactions and market reputation. The degree or level of our dependency on our various stakeholders is based on their extent to further their interests in our business coupled with similar mutual community interests and aspirations.

Sustainability Statement (Cont'd)

Key Stakeholder Engagement (Cont'd)

The details of our shareholders' engagement process, focused areas relevant to our stakeholders, our approaches and frequency of our engagement with stakeholders are as below:

Stakeholders	Sustainability Issues	Engagement Platforms	Frequency
Investors & Shareholders	<ul style="list-style-type: none"> Day-to-day operation Business performance Market conditions Future trends 	<ul style="list-style-type: none"> Company website Bursa announcements Press interviews/releases Quarterly reports Annual reports Annual General Meetings Extraordinary General Meetings Analysts' briefings 	<ul style="list-style-type: none"> As required As required As required Quarterly Annually Annually As required As required
Employees	<ul style="list-style-type: none"> Communication & engagement Health & safety Working environment Career development 	<ul style="list-style-type: none"> Meeting & brainstorming sessions Training & development Breakout and team building sessions Appraisal and performance reviews 	<ul style="list-style-type: none"> As required As required As required Annually
Government & Regulators	<ul style="list-style-type: none"> Legal & Regulatory Compliance 	<ul style="list-style-type: none"> Compliance of relevant legal and regulatory framework 	<ul style="list-style-type: none"> On-going
Customers	<ul style="list-style-type: none"> Regular updates on product development Sustaining long-term relationships 	<ul style="list-style-type: none"> Regular dialogues Online customer feedback sessions Site visits to customer 	<ul style="list-style-type: none"> On-going On-going As required
Communities	<ul style="list-style-type: none"> Initiate/Participate in community activities 	<ul style="list-style-type: none"> Initiate/participate in conservation of resources based on 3R concept (i.e., reduce, reuse & recycle) Community programmes 	<ul style="list-style-type: none"> As required As required

Sustainability Statement (Cont'd)

Materiality Assessment

A materiality assessment was exercise with survey to identify and assess material economic, social and governance issues that will impact on the long-term sustainability of the Group was carried out.

The identified economic, social and governance issues, based on their importance to the Group's business, were classified under three (3) pillars of Bursa Malaysia Sustainability Reporting Guide relating to ESG.

The key ESG issues were identified as follows: -

ECONOMIC/ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> » Profitability » Compliance with regulatory authorities » Corporate Governance » Strategic Alliances » Stakeholder Engagement » Brand Reputation & Corporate Recognition » Wider Market Coverage » Resource Conservation » Quality, Health & Safety » Environmental Protection Resource Management » Procurement Management » Content Management » Quality & Customer Satisfaction 	<ul style="list-style-type: none"> » Health & Employee Well-Being » Talent Attraction, Retention & Development » Diversity, Equal Opportunity and Non-Discrimination » Community Engagement & Investment » Responsible Advertising and Marketing 	<ul style="list-style-type: none"> » Board Charter » Code of Conduct » Terms of Reference (Audit and Risk Management Committee, Nomination Committee and Remuneration Committee) » Anti-Bribery & Anti-Corruption Policy » Whistleblowing Policy » Customer Privacy & Information Security.

ESG Risk Matrix and Corresponding Management Action

Sustainability risk is evaluated based on three criteria - prioritisation, likelihood of risk occurrence and degree of impact. **Figure 2** displays a matrix that graphically represents impact and likelihood of each risk, as well as the corresponding management action. This matrix is used to evaluate sustainability risk at a set of criteria related to environment, social and economic impacts by stakeholder feedback and expectation as relevant to make this determination. It then scores each activity against the criteria using a scale (100%, 80%, 60%, 40%, 20%) based on a hierarchy of importance with 100% being of most important and 20% being of least importance The corresponding management action suggests the appropriate response for risks assessed in that area of the matrix.

Sustainability Statement (Cont'd)

ESG Risk Matrix and Corresponding Management Action (Cont'd)

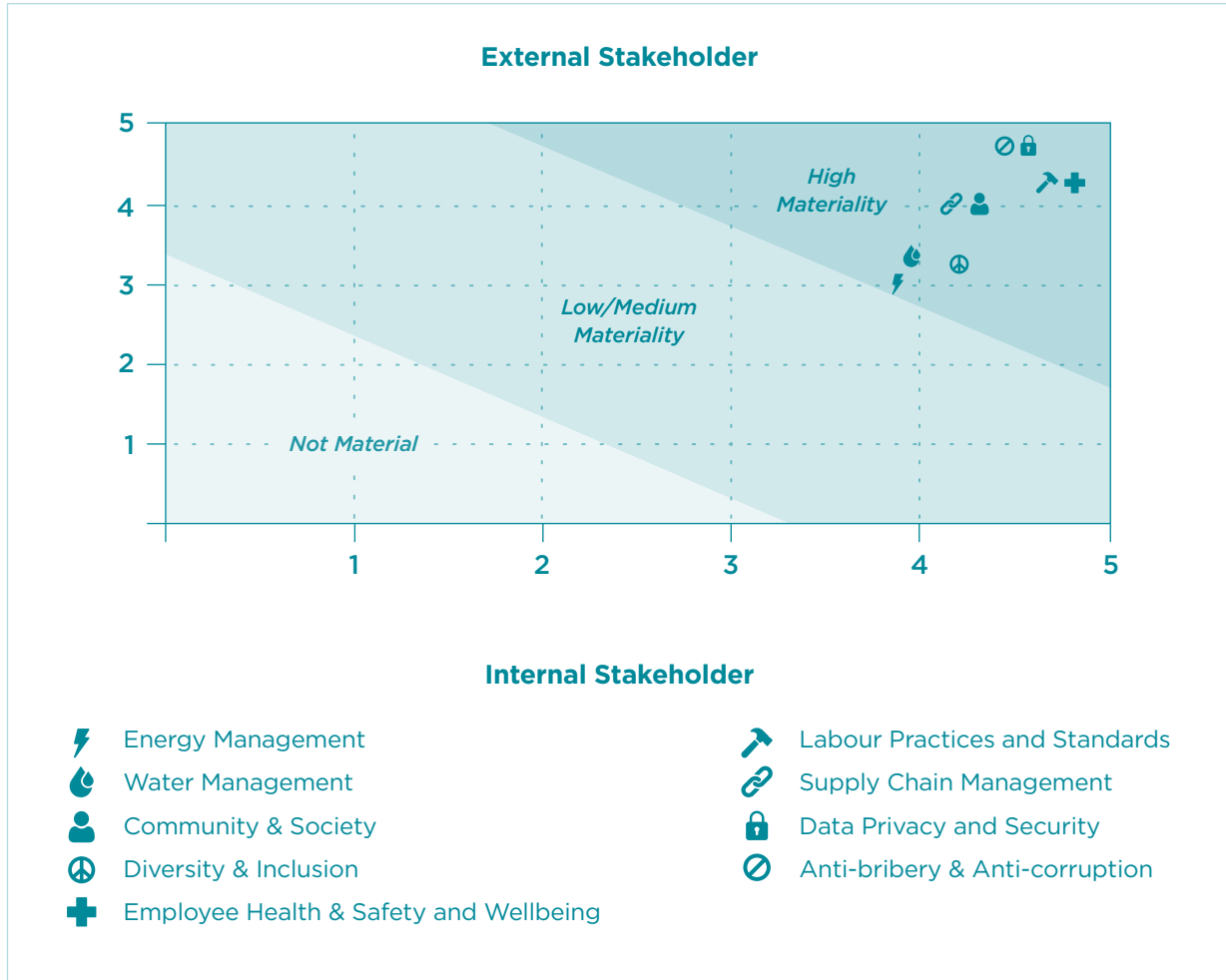


Figure 2: Risk Matrix

The Identification of the material issues and definitions are summarized in the following table:

Pillars	Ranking	Materiality	Definition
Governance	1	Anti-Bribery and Corruption	Act lawfully, ethically and in the public interest. Prohibit bribery and corruption. Not tolerate illegal or unethical behaviour by clients, supplier or by public officials.
Governance	2	Data Privacy and Security	Protect personal information in accordance with national laws and regulations and relevant industry privacy standards.
Social	3	Employee, Health Safety and Wellbeing	Keeping employees and people safe from injury or disease at within our operations.
Social	4	Labour Practices and Standards	Respecting and protecting human and labour right throughout our operations and supply chain.

Sustainability Statement (Cont'd)

ESG Risk Matrix and Corresponding Management Action (Cont'd)

The Identification of the material issues and definitions are summarized in the following table: (Cont'd)

Pillars	Ranking	Materiality	Definition
Social	5	Community and Society	Using Innity's service, platform and product to promote and enable a more equitable, safe and healthy society. Invest on sustainability issues and societal values similar to Innity.
Economic	6	Supply Chain Management	Support local supply suppliers and building a sustainable long-term relationship and business partnership.
Social	7	Diversity and Inclusion	Inculcate an equitable workplace culture that recognises the unique needs and contributions of employees. Implementation of policies, strategies or practices to promote diversity of gender, ethnicity, disabilities, and age, within the workplace.
Environment	8	Water Management	Minimizing or optimizing the overall water consumption and quality impacts across operations, including within headquarters and subsidiaries.
Environment	9	Energy Management	Minimizing or optimizing the overall energy consumption and quality impacts across operations, including within headquarters and subsidiaries.

Measures taken, Impact and Achievement

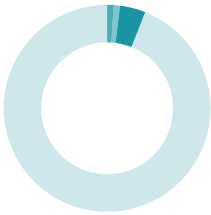



The overall results and achievements are summarized in the following table:

Materiality	Overall Impact and Achievements
Anti-Bribery and Corruption	<ul style="list-style-type: none"> Zero confirmed incidence of corruption. All operation assessed for corruption related risk. Conducted 2 Sessions of Anti-Bribery Awareness Training. <p>Short Term Target: Monitor and maintain Zero incidence on corruption activity. Long Term Target: Create yearly awareness on Anti-Corruption and Bribery at the Group Level.</p>
Data Privacy and Security	<ul style="list-style-type: none"> Zero complaints concerning breached of customer privacy and losses of customer data. <p>Short Term Target: Acquire ISO 27001: Information and Data Security Certification. Long Term Target: Maintain ISO 27001: Information and Data Security Certification.</p>
Employee, Health Safety and Wellbeing	<ul style="list-style-type: none"> Zero number of work-related fatalities. Zero lost time incident rate. Employees trained on health and safety standards. <p>Short Term Target: Maintain zero incidents in the company. Long Term Target: Creating awareness for employees on health and safety standards.</p>

Sustainability Statement (Cont'd)

Measures taken, Impact and Achievement (Cont'd)




The overall results and achievements are summarized in the following table: (Cont'd)

Materiality	Overall Impact and Achievements
Labour Practices and Standards	<ul style="list-style-type: none"> 19% employee turnover rate for full-time staff. <div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>Employment by Category</p> <ul style="list-style-type: none"> 94% Full Time 1% Part Time 1% Internship 4% Contract </div> </div> <p>Short Term Target: Keep track on changes for employment category Long Term Target: Increase retention of employment</p>
Community and Society	<ul style="list-style-type: none"> Executed a campaign with NGO Ibupreneur that empowers financially dependent and vulnerable mothers to rise with a purpose by equipping them with business opportunities to become micro-entrepreneurs from their own home grow talents by providing them 25x Deepavali Gift sets to community members. <p>Short Term Target: Continually promote CSR related activity to the society. Long Term Target: Increase campaign related to community and Society empowerment.</p>
Supply Chain Management	<ul style="list-style-type: none"> 86% of spending on local publisher was achieved in 2022. <p>Short Term Target: Maintain spending on local publishers >80%. Long Term Target: Increasing the rate of spending on local publishers.</p>
Diversity and Inclusion	<ul style="list-style-type: none"> Percentage of employees by gender, age group and ethnicity for each employee category. <div style="display: flex; flex-direction: column; gap: 20px;"> <div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>Headcount: Employees by Age Group</p> <ul style="list-style-type: none"> 46% (20-29) 40% (30-39) 11% (40-49) 3% (50-59) </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>Diversity: Employees by Gender</p> <ul style="list-style-type: none"> 41% Male 59% Female </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>Ethnicity: Workforce by Ethnicity</p> <ul style="list-style-type: none"> 58% Chinese 2% Indian 6% Malay 33% Other </div> </div> </div>

Sustainability Statement (Cont'd)

Measures taken, Impact and Achievement (Cont'd)

The overall results and achievements are summarized in the following table: (Cont'd)

Materiality	Overall Impact and Achievements
Diversity and Inclusion (Cont'd)	<ul style="list-style-type: none"> Percentage of employees by gender, age group and ethnicity for each employee category. <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Percentage of Directors by Age Group:</p> <ul style="list-style-type: none"> 9% (30-39) 27% (40-49) 55% (50-59) 9% (60-69) </div> <div style="text-align: center;">  <p>Diversity: Directors by Gender</p> <ul style="list-style-type: none"> 82% Male 18% Female </div> <div style="text-align: center;">  <p>Ethnicity: Percentage of Directors by Ethnicity</p> <ul style="list-style-type: none"> 64% Chinese 9% Malay 27% Other </div> </div> <p>Short Term Target: To improve company's diversity structure. Long Term Target: Strive to achieve Malaysian Code of Corporate Governance (MCCG) guideline.</p>
Water Management	<ul style="list-style-type: none"> 3106 cubic meters of water used. <p>Short Term Target: Keep track on water usage. Long Term Target: Creating awareness on water management.</p>
Energy Management	<ul style="list-style-type: none"> 193,724 KWH of total energy consume. <p>Short Term Target: Keep track on energy usage. Long Term Target: Creating awareness on energy management.</p>

*The above results were assessed through internal documentation verification only.

Sustainability Statement (Cont'd)

1. ECONOMIC SUSTAINABILITY

Profitability

After years of online advertising accelerating, it returns to normalcy. The group experienced slowing growth in FY 2022 following the re-opening of international borders, consumers started to spend outdoor as a results group revenue reduce by 1% or RM0.76 million to RM119.22 in FY 2022 million from RM119.97 million in FY 2021. In tandem with the decrease in revenue, the Group posted Loss After Tax (“LAT”) of RM0.63 million compared to a Profit After tax (“PBT”) of RM3.06 million in FY2021.

For details and analysis of our financial results, please refer to Management Discussion and Analysis from page 20 to page 35.

Corporate Governance

The Group is committed to conducting its businesses in full compliance with the legal and regulatory jurisdictions under which it operates. The Group aims to build an environment of trust amongst shareholders and investors, ensuring transparent and accountability to foster long-term relationships and maintain financial stability. The Group’s corporate governance framework is detailed in the Corporate Governance Overview Statement on page 53 to page 78.

Our corporate governance initiatives include risk management and internal controls, code of conduct, anti-bribery and anti-corruption and whistleblowing policy. These areas are explained in the following sections of this statement.

Good corporate government entails an effective risk management and internal control system, INNITY’s Risk Management framework is explained in the Statement on Risk Management and Internal Control from page 45 to page 52.

INNITY’s internal control comprises various policies and documents to ensure our employees uphold the highest standards of integrity and ethics in its business conduct. The following policies and documents are available at the Company’s website: -

- Board Charter;
- Code of Conduct;
- Terms of Reference (Audit and Risk Management Committee, Nomination Committee and Remuneration Committee);
- Anti-Bribery & Anti-Corruption Policy;
- Whistleblowing Policy;
- Sustainability Policy;
- Remuneration Policy;
- Director Fit and Proper Policy; and
- Diversity Policy.

Risk Management and Internal Control

Risk management in a pandemic situation like Covid-19 was improved to achieve business retention and internal control procedures were revisited and where applicable revised to comply with best practices of integrity and ethics in the conduct of INNITY’s business.

Sustainability Statement (Cont'd)

1. ECONOMIC SUSTAINABILITY (CONT'D)

Code of conduct

A Code of Conduct and Ethics, which is published on the company's website, sets out the standards of conduct that all directors and employees are required to comply thus, ensuring that the Group's obligations and commitment are always upheld.

Anti-Bribery & Anti-Corruption Policy

INNITY strictly prohibits corruption, bribery or other improper payments in any of its business operations. In compliance with Section 17A (5) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and the applicable laws on anti-bribery and corruption, the Group has put in place the Anti-Bribery and Corruption Policy, found in the Company's website, as an initiative to protect investors' interest as well as to effectively manage bribery and corruption risk.

Strategic Alliances

TikTok, one of the world's fastest growing social apps focusing on short-form mobile videos has exceeded Twitter and Snapchat in terms of popularity worldwide. Advertisers on TikTok will get to deliver their brand message clearly, effectively and creatively with the help of personalised filters, music and unique challenges.

INNITY's continuing strategic partnership with TikTok has made tremendous progress during 2022. Besides Malaysia, TikTok extended its strategic partnership by appointing INNITY as official reseller to twenty-two (22) other countries across US, Europe and Asia. The extended strategic partnership has facilitated entry into new markets for INNITY's clients including Malaysia, Singapore, Indonesia, Hong Kong, Thailand, Philippines, Vietnam and many more – enabling advertisers to tap into a variety of ad formats offered by TikTok and engage with audiences across three (3) continents.

INNITY's Hong Kong/China business unit was appointed as Spotify's official advertising sales partner. Spotify is arguably the world's most popular audio streaming subscription service with 345 million users, including 155 subscribers, across 178 markets. Through the strategic partnership with Spotify, INNITY's advertisers have capitalised on the opportunity to reach millions of engaged listeners through the strategic partnership and taken the advantage of Spotify's comprehensive audience data to reach their target audience accurately.

Brand Reputation & Corporate Recognition

INNITY was chosen as the Asia Pacific ("APAC") winner under the "Priority Integration Sectors: ICT (Mid-Tier) category at the ASEAN Business Awards 2019 held in Bangkok, Thailand. This award was significant as it has inspired INNITY to keep on elevating its already lofty standards in providing innovative advertising solutions to its advertisers, publishers and partners.

INNITY Vietnam was awarded three Gold Awards at the Mobile Marketing Association (MMA) Smarties Awards in 2021. MMA Smarties Awards is the world's only global marketing awards program that recognises the most effective modern marketing campaigns, celebrating innovation, creativity and success.

Stakeholder Engagement

Stakeholder satisfaction and frequent multi-lateral engagements significantly impacted on our brand and opportunity for repeatable business. As the Board is responsible for promoting effective communication with investors, shareholders and relevant stakeholders, frequent engagements through accurate and timely disclosure of information on key sustainability issues are vital for them to comprehend the actions and direction of the Group's current and future strategies with greater clarity.

Sustainability Statement (Cont'd)

1. ECONOMIC SUSTAINABILITY (CONT'D)

Wider Market Coverage

Over the years, our growth expansion has taken us to most countries in ASEAN and the Far East. Our presence in ten (10) ASEAN and Far East markets including Singapore, Indonesia, Philippines, Malaysia and Vietnam, Taiwan, Hong Kong, Korea to name a few, and the growing presence of our business units in Cambodia and Myanmar are ample testament of our widespread presence.

The rationale for the establishment of these overseas business units are the following:

- i. It enables us to have an understanding of the local business environment;
- ii. Overseas business units provide a wider reach and clientele base to promote our expanding portfolio of products;
- iii. Adapting swiftly to market intelligence data and analytics of current market trends;
- iv. As most sale transactions are mostly denominated in United States Dollars (“USD”), purchase of online publishers’ sites, sales to advertisers and/or media agencies, provide a natural hedge wherein, all overseas business units maintain a USD bank account to facilitate payments and collections in USD hence, minimising the effect of foreign exchange risk; and
- v. The appreciation of varying business practices, cultures and the environment in our various overseas destinations has enhanced ESG sustainability and strengthen INNITY’s corporate value and reputation.

2. ENVIRONMENTAL SUSTAINABILITY

Environmental Protection

Driven by its emphasis on sustainability, INNITY has continued to support the nation’s transition to a low-carbon economy by 2050 with clear guidelines on minimising wastage and consumption of energy and water resources.

Currently, INNITY has retained the policy of having the majority of employees work from home – a policy which started at the onset of the COVID-19 pandemic in 2020 when all employees worked from home.

With the majority of our employees working at home, energy consumption during 2022 has been significantly minimised. In the coming years, INNITY will increasingly focus its interactive online marketing platforms to advertisers and publishers involved in green technologies.

Resource Conservation

Our firm commitment in the conservation of these resources, based on the 3R concept (i.e., Reduce, Reuse, Recycle), has paved the way for the adoption of the following initiatives:

- Virtual meetings and video conferencing amongst employees working at home and for our regular communication with overseas business units and business associates;
- Adoption of cloud computing for a major proportion of our operations which reduces space and energy consumption in the absence of server installations;
- Electronic mail for communication amongst Group employees;
- Installation of energy-saving LED lighting in our offices;
- A designated photocopying area for the collection of waste paper for recycling;
- Using recycled paper for photocopying unofficial documents;
- Adopting an electronic leave and attendance system for leave applications; and
- Continually streamlining and digitising work processes to improve productivity, reduce wastage and conserve energy resources.

Sustainability Statement (Cont'd)

3. SOCIAL SUSTAINABILITY

Workplace

In our business, we pride on technical expertise and innovative solutions to enrich our customers' experience and create long term value for our brand. Undoubtedly, our employees are of paramount importance because they are the backbone of our business. As such, we are mindful of the importance of proper staff recruitment and talent development to enable employees to achieve their full potential; Our employees are our priceless assets and the best way to retain an awesome workforce is to serve the needs of our employees so that they can best serve our organisation;

- Although the Covid-19 pandemic has largely been subdued, INNITY continues to follow procedures and precautionary measures established by Ministry of International Trade and Ministry of Health to safeguard the health and safety of employees and stakeholders.
 - Conducting virtual meetings and discussions to minimise travels and physical contacts;
 - Carrying out regular sanitising activities;
 - Limiting staff working from office by need basis after lockdown period. High-risk group staff i.e., staff having pre-medical conditions and staff above 50 years of age, staff who have not completed two (2) doses of vaccines, public transport commuting employees, pregnant ladies, employees who have school-going children, were compelled to work from home;
 - Limiting the number of attendees at a meeting;
 - Making the wearing of masks and usage of sanitisers compulsory;
 - Splitting the departmental structure to limit the number of employees coming into the office and cross office unit visits were disallowed;
- In filling job vacancies, we place emphasis on meritocracy and gender diversity with no racial bias. Our preference is also to hire resident staff, irrespective of whether the job vacancies are in Malaysia or in our overseas business units;
- In fostering a culture of balance in the workplace and family life, INNITY's employees enjoy the following fringe benefits:
 - Community Engagement Opportunities to fulfil INNITY's CSR role. Our employees are actively encouraged to contribute part of their time to assist those less fortunate than themselves;
 - A conducive work environment that can help in reducing stress to increase productivity of its employees;
 - Flexible working hours giving employees the option to attend to their private affairs for a few hours;
 - Upskill deserving employees with training and workshops to keep abreast of new technologies and media applications; and
 - Health and insurance coverage for all employees.

Community

Innity is actively involved in local community projects by way of monetary and non-monetary contribution. Innity's CSR commitment of building long-lasting, mutually beneficial relationships with our stakeholders and the society at large within the spirit of appreciation.

ADDITIONAL COMPLIANCE INFORMATION

1. Share Buyback

During the financial year, the Company did not enter into any share buyback transaction.

2. Options, Warrants or Convertible Securities

During the financial year, no option, warrants or convertible securities were issued by the Company.

3. Depository Receipt Programme

The Company did not sponsor any Depository Receipt Programme for the financial year ended 31 December 2022.

4. Sanctions and/or Penalties

During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

5. Non-Audit Fees

There was an amount of RM12,600 paid to the Company's auditors Messrs. BDO PLT during the financial year ended 31 December 2022 on the review of Statement of Risk Management and Internal Control and Reporting package.

6. Profit Guarantee

There were no profit guarantees given by the Group and the Company during the financial year ended 31 December 2022.

7. Variation of Results

For the financial year ended 31 December 2022, there were no variances between the audited financial statements and the unaudited results previously announced.

8. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries which involved the Directors and substantial shareholders' interest during the financial year ended 31 December 2022.

9. Innity Corporation Berhad's Employee's Share Scheme ("ESS")

The ESS which was approved by the shareholders at the Extraordinary General Meeting held on 1 July 2015 governed by the ESS By-Laws, is the only ESS in existence during the financial year. The ESS was implemented on 4 June 2018, which is in force for a period of five (5) years until 3 June 2023.

Since the implementation of the ESS until end of the financial year, a total of 1,000,000 shares award had been granted to a Senior Management of the Group. The entire 1,000,000 shares award had been exercised since the implementation of the ESS until end of the last financial year.

Additional Compliance Information (Cont'd)

9. Innity Corporation Berhad's Employee's Share Scheme ("ESS") (Cont'd)

Share granted to the Senior Management

	Since the commencement of the ESS on 4 June 2018	Maximum allocation to Senior Management
Aggregate maximum allocation in percentage	18.0%	80%
Actual percentage granted	0.7%	5%

10. Recurrent Related Party Transaction

The Company had on 22 March 2023 announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company will be seeking its shareholders' approval for Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue Or Trading Nature ("Proposals") entered/to be entered into from forthcoming AGM until the next AGM.

The Company will, at the forthcoming AGM, seek shareholders' approval for the Proposals entered into from forthcoming AGM until the next AGM.

The related parties are as follows:

JcbNext Berhad ("JCBNEXT") and D.A. Consortium Inc ("DAC"), are substantial shareholders with direct holding of 20.982% and 24.917% equity interest respectively in the Company;

Autoworld.com.my Sdn. Bhd. is the wholly-owned subsidiary of JCBNEXT;

JCBNEXT has a direct holding of 21.74% equity interest in 104 Corporation Ltd. ("104 Corporation").

Hakuhodo DY Group consists of subsidiaries and associated companies of Hakuhodo DY Holdings Inc ("Hakuhodo DY Holdings"). Hakuhodo DY Holdings is the ultimate holding company of DAC (D.A.Consortium Inc.), by virtue of its 100% indirect equity interest in DAC, through 100% equity interest in DAC Holdings (D.A.Consortium Holdings Inc.).

Myanmar Marketing and Research Development Co., Ltd ("MMRD") has a direct shareholding of 35% equity interest, representing 31,500 shares in Innity Myanmar Co., Ltd.

Innity Sdn. Bhd.'s ("ISB") wholly-owned subsidiary, Innity Limited ("Innity Ltd") has a direct shareholding of 49% equity interest, representing 9,800 shares in Innity Digital Media Thailand Co., Ltd ("Innity Thailand").

ISB is a wholly-owned subsidiary of INNITY.

Additional Compliance Information (Cont'd)

10. Recurrent Related Party Transaction (Cont'd)

The RRPTs entered into by the Group during the financial year ended 31 December 2022 were as follows:

Related Party	Nature of Recurrent Transactions	Interested Related Parties	Actual Value Transacted for the Financial Year (RM)
104 Corporation Ltd	Purchase of online recruitment services	Major shareholder JCBNext Director Gregory Charles Poarch Liong Wei Li	1,097
Hakuhodo DY Group	Provision of advertising and publicity related services	Major shareholder DAC	501,117
	Purchase of advertising and publicity related services	Corporations Connected with Major Shareholder DAC Holdings Hakuhodo DY Holdings Director Michihiko Suganuma Reiko Yoshikawa	9,588
Innity Thailand	Provision of advertising and publicity related services	Director Looa Hong Tuan	136,510
	Purchase of advertising and publicity related services		179,202
	Management fees in relation to backend support staff costs chargeback which include Corporate Strategy, Finance, Business Development, Operation and Creative team based on time allocation of each individual		256,094
	Royalty fees		131,838
MMRD	Provision of advertising and publicity related services	Major shareholder MMRD	2,640
	Purchase of advertising and publicity related services	Director U Moe Kyaw	9

STATEMENT OF RESPONSIBILITY BY DIRECTORS

STATEMENT OF RESPONSIBILITY BY DIRECTORS

In respect of preparation of the Audited Financial Statements

The Directors are responsible for ensuring that the audited financial statements of the Group and of the Company are drawn up in accordance with applicable Malaysian Financial Reporting Standards and the provision of the Companies Act 2016.

The Directors are also responsible for ensuring that the audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022, and of their financial performance and cash flows for the year then ended.

In preparing the audited financial statements, the Directors have:

- a. adopted appropriate accounting policies and applied them consistently;
- b. made judgements and estimates that are reasonable and prudent; and
- c. prepared the financial statements on a going concern basis.

The Directors also have a general responsibility to take reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.



REPORT AND FINANCIAL STATEMENT

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DIRECTOR'S REPORT

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The Group's subsidiaries and associate are involved in the business of online advertising solutions, computer and mobile software applications development, provision of Wi-Fi services, operation of promotional and sales event information website, software production and development of content and influencer marketing. The other information relating to the subsidiaries and associate are disclosed in Note 8(b) and Note 9(b) to the financial statements respectively.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
(Loss) /Profit for the year	(630,316)	315,239
Attributable to:		
Owners of the Company	(78,804)	315,239
Non-controlling interests	(551,512)	-
	(630,316)	315,239

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

Director's Report (Cont'd)

EMPLOYEES' SHARE SCHEME

The Company implemented an Employees' Share Scheme ("ESS"), which is in force for a period of five (5) years until 3 June 2023 ("the scheme period"). The main features of the ESS are as follows:

- a. The ESS is made available to Senior Management and full-time Executive Directors who are confirmed employees of the Company and its subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;
- b. The total number of shares offered under the ESS shall not, in aggregate, exceed 5% of the issued and paid-up share capital of the Company at any time during the existence of the ESS;
- c. The Participant will not be required to pay for the new ESS Shares that may be issued and allotted to them and/or the existing Company Shares to be transferred to them pursuant to the Proposed ESS;
- d. The actual number of shares, which may be offered to any eligible employee shall be at the discretion of the ESS Committee provided that the number of shares offered are not less than 100 shares and in multiples of 100 shares and are subject to the following:
 - i. not more than 80% of the shares available under the ESS shall be allocated in aggregate to the Senior Management of the Company and its subsidiaries; and
 - ii. not more than 10% of the total number of ESS Shares shall be allocated to a Participant, who, either singly or collectively through persons connected with the Participant, holds twenty percent (20%) or more of our issued and paid-up share capital.
- e. A share award granted under the ESS may be exercised by the grantee upon achieving the vesting conditions set by the ESS Committee; and
- f. The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Since the implementation of the ESS until end of the financial year, a total of 1,000,000 shares award had been granted to Senior Management of the Group. The entire 1,000,000 shares award had been exercised since the implementation of the ESS until end of the financial year.

There were no share award granted to the Executive Directors of the Company and its subsidiaries during the financial year. Since the implementation of the ESS until end of the financial year, none of the Executive Directors of the Company and its subsidiaries had been granted any share award under the ESS.

Director's Report (Cont'd)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Innity Corporation Berhad

Phang Chee Leong*
 Looa Hong Tuan*
 Wong Kok Woh*
 Seah Kum Loong*
 Michihiko Sukanuma
 Cheong Chee Yun
 Gregory Charles Poarch
 Fung Kam Foo
 Liong Wei Li (Alternate Director to Gregory Charles Poarch)
 Rieko Yoshikawa (Alternate Director to Michihiko Sukanuma)
 Norliza Binti Rasool Khan (Appointed on 1 September 2022)
 Shamsul Ariffin Bin Mohd Nor (Resigned on 1 September 2022)

**These Directors are also Directors of the subsidiaries of the Company.*

Subsidiaries of Innity Corporation Berhad

Gabriel Joaquin D. Zosa II
 Simon Ong
 U Moe Kyaw
 Nadya Rosalia Hanum S
 Celine Mariel J.Gaspar
 Melody C. Neri (Appointed 6 April 2022)
 Francisco Valenzuela (Resigned on 6 April 2022)

DIRECTORS' INTEREST

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Number of ordinary shares			
	Balance as at 1.1.2022	Bought	Sold	Balance as at 31.12.2022
Direct interest				
Phang Chee Leong	13,298,372	-	-	13,298,372
Looa Hong Tuan	12,374,685	-	-	12,374,685
Wong Kok Woh	7,299,086	-	-	7,299,086
Seah Kum Loong	6,817,292	-	-	6,817,292

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Director's Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM	Company RM
Salaries, wages and bonus	1,975,355	10,500
Defined contribution plan	220,965	-
Directors' fees	372,711	126,000
	2,569,031	136,500

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers.

During the financial year, the total amount of insurance premium paid for the Directors and the officers of the Group and of the Company is RM9,167.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

Director's Report (Cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

I. AS AT THE END OF THE FINANCIAL YEAR

- a. Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - ii. to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- b. In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

II. FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- c. The Directors are not aware of any circumstances:
 - i. which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - ii. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - iii. which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d. In the opinion of the Directors:
 - i. there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - ii. no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

III. AS AT THE DATE OF THIS REPORT

- e. There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- f. There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- g. The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Director's Report (Cont'd)

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM	Company RM
Statutory audit	413,902	89,000
Non-statutory audit	12,600	12,600
	426,502	101,600

Signed on behalf of the Board in accordance with a resolution of the Directors.

Phang Chee Leong
Director

Looa Hong Tuan
Director

Kuala Lumpur
5 April 2023

STATEMENT BY DIRECTORS

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on page 108 to page 168 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Phang Chee Leong
Director

Looa Hong Tuan
Director

Kuala Lumpur
5 April 2023

STATUTORY DECLARATION

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Yap Soon Kim (CA 23399), being the officer primarily responsible for the financial management of Innity Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on page 108 to page 168 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
at Kuala Lumpur this
5 April 2023

Yap Soon Kim

Before me,
Commissioner for Oaths
Kuala Lumpur
5 April 2023

INDEPENDENT AUDITORS' REPORT

To The Members Of Innity Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Innity Corporation Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on page 108 to page 168.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Provision of Direct Costs

As at 31 December 2022, provision of direct costs of the Group amounted to RM15,183,527 as disclosed in Note 19 to the financial statements. Provision for direct costs represents the cost payable to publishers based on rate card profit margin for on-going advertising campaigns as of end of reporting period.

We determined this to be a key audit matter because it requires management to exercise significant judgement in providing the direct costs as of end of reporting period based on rate card profit margin from individual advertising campaigns.

Independent Auditors' Report

To The Members of Innity Corporation Berhad (Cont'd)

Key Audit Matters (Cont'd)

1. Provision of Direct Costs (Cont'd)

Our audit procedures, with the involvement of components auditors, included the following:

- i. Inquiries of management to understand design of controls over the provision of direct costs relating to on-going advertising campaigns as of end of reporting period;
- ii. Assessed the contractual terms with publishers in determining the measurement and completeness of provision of direct costs to publishers as of end of reporting period; and
- iii. Assessed the measurement and completeness of provision of direct costs as of end of reporting period by comparing the actual invoices issued by the publishers subsequent to the end of the reporting period, to year end provision of direct costs.

2. Impairment of Trade Receivables

As at 31 December 2022, the trade receivables of the Group were RM27,240,425, as disclosed in Note 13 to the financial statements.

The Group has further impaired trade receivables amounted to RM183,912 during the financial year.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables and appropriate forward-looking information to assess the expected credit loss allowances.

Our audit procedures, with the involvement of components auditors, included the following:

- i. Recomputed the probability of default using historical data and forward-looking information adjustment;
- ii. Recomputed the correlation coefficient between forward-looking information used by the Group and historical losses to determine the appropriateness of the forward-looking information used; and
- iii. Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect to the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially mistated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

To The Members of Innity Corporation Berhad (Cont'd)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report

To The Members of Innity Corporation Berhad (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Brendan Francis Lim Jern Zhen
03591/09/2023 J
Chartered Accountant

Kuala Lumpur
5 April 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	1,032,041	1,138,818	-	-
Right-of-use assets	6	3,706,280	2,283,604	31,572	-
Intangible assets	7	4,450,080	4,435,892	-	-
Investments in subsidiaries	8	-	-	15,335,819	15,335,819
Investments in associates	9	658,736	704,889	-	-
Deferred tax assets	11	702,934	697,858	-	-
		10,550,071	9,261,061	15,367,391	15,335,819
Current assets					
Inventories	12	34,505	78,045	-	-
Trade receivables	13	27,240,425	37,431,653	-	-
Other receivables, deposits, contract assets and prepayments	14	5,321,548	6,441,780	864,844	579,392
Tax recoverable		593,149	-	-	-
Cash and bank balances	15	35,439,026	30,028,392	420,706	453,212
		68,628,653	73,979,870	1,285,550	1,032,604
TOTAL ASSETS		79,178,724	83,240,931	16,652,941	16,368,423
EQUITY					
Share capital	16	19,477,031	19,477,031	19,477,031	19,477,031
Reserves	17	20,073,814	19,062,281	(3,950,634)	(4,265,873)
Equity attributable to owners of the Company		39,550,845	38,539,312	15,526,397	15,211,158
Non-controlling interests		1,342,322	1,699,944	-	-
TOTAL EQUITY		40,893,167	40,239,256	15,526,397	15,211,158
LIABILITIES					
Non-current liabilities					
Other payables, contract liabilities and accruals	20	-	-	209,840	302,404
Deferred tax liabilities	11	933,552	531,483	-	-
Lease liabilities	6	1,529,861	583,563	-	-
Retirement benefit obligations	18	442,031	502,549	-	-
Borrowing	21	277,707	309,261	-	-
		3,183,151	1,926,856	209,840	302,404
Current liabilities					
Trade payables	19	21,431,171	26,272,293	-	-
Other payables, contract liabilities and accruals	20	12,385,900	13,294,695	884,182	854,861
Lease liabilities	6	1,192,357	741,422	32,522	-
Borrowing	21	32,286	31,244	-	-
Tax payable		60,692	735,165	-	-
		35,102,406	41,074,819	916,704	854,861
TOTAL LIABILITIES		38,285,557	43,001,675	1,126,544	1,157,265
TOTAL EQUITY AND LIABILITIES		79,178,724	83,240,931	16,652,941	16,368,423

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS

For the Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	22	119,216,452	119,970,871	4,548,148	4,099,784
Other operating income		1,704,170	1,341,499	66,032	55,705
Direct costs		(69,075,711)	(69,354,121)	(3,295,840)	(3,055,677)
Staff costs	23	(39,619,044)	(37,338,111)	(512,358)	(658,613)
Depreciation	5,6	(1,527,650)	(1,911,217)	(31,572)	-
Amortisation of development expenditure	7	(1,584,603)	(1,777,850)	-	-
Impairment losses on financial assets, net	25	(183,912)	(55,793)	(56,708)	(60,086)
Other operating expenses		(8,258,777)	(5,701,484)	(323,796)	(309,350)
Profit from operations	25	670,925	5,173,794	393,906	71,763
Finance costs	26	(136,914)	(149,395)	(78,667)	(9,352)
Share of (loss)/income in equity-accounted associates, net of tax		(56,656)	252,344	-	-
Profit before tax		477,355	5,276,743	315,239	62,411
Income tax expense	27	(1,107,671)	(2,215,413)	-	-
(Loss)/Profit for the financial year		(630,316)	3,061,330	315,239	62,411
(Loss)/Profit attributable to:					
Owners of the Company		(78,804)	3,121,865	315,239	62,411
Non-controlling interests		(551,512)	(60,535)	-	-
		(630,316)	3,061,330	315,239	62,411
(Loss)/Earnings per ordinary share attributable to Owners of the Company (sen):					
Basic and diluted	28	(0.06)	2.24		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/Profit for the financial year		(630,316)	3,061,330	315,239	62,411
Other comprehensive income/(loss) for the year, net of tax					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation	27(d)	1,151,712	(48,574)	-	-
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Remeasurement of retirement benefit obligations	27(d)	167,257	134,938	-	-
Total other comprehensive income for the year, net of tax		1,318,969	86,364	-	-
Total comprehensive income		688,653	3,147,694	315,239	62,411
Total comprehensive income attributable to:					
Owners of the Company		1,011,533	3,158,851	315,239	62,411
Non-controlling interests		(322,880)	(11,157)	-	-
		688,653	3,147,694	315,239	62,411

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022

Group	----- Non-distributable ----- Distributable					Total equity	
	Share capital (Note 16)	Reverse acquisition reserve (Note 17)	Foreign currency translation reserve (Note 17)	Retained profits (Note 17)	Total attributable to Owners of the Company		Non-controlling interests
	RM	RM	RM	RM	RM	RM	
At 1 January 2021	19,342,031	(2,512,173)	(155,897)	18,571,500	35,245,461	1,730,089	36,975,550
Profit/(Loss) for the financial year	-	-	-	3,121,865	3,121,865	(60,535)	3,061,330
Other comprehensive (loss)/income	-	-	(67,296)	104,282	36,986	49,378	86,364
Total comprehensive (loss)/income	-	-	(67,296)	3,226,147	3,158,851	(11,157)	3,147,694
Dividends paid to non-controlling interests	-	-	-	-	-	(18,988)	(18,988)
Issuance of ordinary shares pursuant to ESS	135,000	-	-	-	135,000	-	135,000
Total transaction with Owners and changes in ownership interests	135,000	-	-	-	135,000	(18,988)	116,012
At 31 December 2021/1 January 2022	19,477,031	(2,512,173)	(223,193)	21,797,647	38,539,312	1,699,944	40,239,256
Loss for the financial year	-	-	-	(78,804)	(78,804)	(551,512)	(630,316)
Other comprehensive income	-	-	960,000	130,337	1,090,337	228,632	1,318,969
Total comprehensive income/(loss)	-	-	960,000	51,533	1,011,533	(322,880)	688,653
Dividends paid to non-controlling interests	-	-	-	-	-	(34,742)	(34,742)
Total transaction with Owners and changes in ownership interests	-	-	-	-	-	(34,742)	(34,742)
At 31 December 2022	19,477,031	(2,512,173)	736,807	21,849,180	39,550,845	1,342,322	40,893,167

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2022 (Cont'd)

Company	-----Non-distributable-----		
	Share capital	Accumulated losses	Total
	(Note 16)	(Note 17)	
	RM	RM	RM
At 1 January 2021	19,342,031	(4,328,284)	15,013,747
Profit for the financial year/Total comprehensive income	-	62,411	62,411
Issuance of ordinary shares pursuant to ESS/Total transaction with Owners	135,000	-	135,000
At 31 December 2021/1 January 2022	19,477,031	(4,265,873)	15,211,158
Profit for the financial year/Total comprehensive income	-	315,239	315,239
At 31 December 2022	19,477,031	(3,950,634)	15,526,397

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		477,355	5,276,743	315,239	62,411
Adjustments for:					
Amortisation of development expenditure	7	1,584,603	1,777,850	-	-
Depreciation	5,6	1,527,650	1,911,217	31,572	-
Dividend income from a subsidiary		-	-	(750,000)	(705,301)
Gain on disposal of property, plant and equipment		(810)	(168)	-	-
Gain on lease modification		(80,028)	(17,693)	-	-
Impairment loss on development expenditure	7	-	256,604	-	-
Impairment losses on financial assets, net	13(e)	183,912	55,793	56,708	60,086
Interest expense	26	136,914	149,395	78,667	9,352
Interest income		(119,923)	(117,738)	(58,446)	(54,849)
Inventories written off		1,676	-	-	-
Property, plant and equipment written off		1,575	8,753	-	-
Retirement benefits	18	174,811	(7,650)	-	-
Shares granted under ESS		-	135,000	-	-
Share of loss/(profit) in equity-accounted associate		56,656	(252,344)	-	-
Net unrealised (gain)/loss on foreign exchange	25	(3,455)	(514,815)	855	(856)
Operating profit/(loss) before working capital changes		3,940,936	8,660,947	(325,405)	(629,157)
Decrease/(Increase) in inventories		41,864	(78,045)	-	-
Decrease/(Increase) in trade and other receivables		11,486,415	227,515	(14,799)	(3,610)
(Decrease)/Increase in trade and other payables		(6,604,441)	4,873,176	(16,004)	439,190
Cash generated from/(used in) operations		8,864,774	13,683,593	(356,208)	(193,577)
Dividend received		-	-	750,000	705,301
Income tax paid		(2,050,379)	(1,952,765)	-	-
Income tax refunded		-	933,854	-	-
Net cash from operating activities		6,814,395	12,664,682	393,792	511,724

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2022 (Cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Development expenditure paid	7	(1,598,791)	(1,459,045)	-	-
(Placements)/Withdrawals of fixed deposits					
- pledged to licensed banks		(78,501)	15,662	-	-
- with maturity period more than three (3) months		(3,955,539)	-	-	-
Interest received		119,923	117,738	58,446	54,849
Proceeds from disposal of plant and equipment		1,769	1,980	-	-
Purchase of property, plant and equipment	5	(438,521)	(259,336)	-	-
Repayment from/(Advances to) an associate		303,865	355,036	19,027	(81,834)
Advances to subsidiaries		-	-	(394,482)	(547,427)
Advances from subsidiaries		-	-	-	201,601
Net cash used in investing activities		(5,645,795)	(1,227,965)	(317,009)	(372,811)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to non-controlling interests		(34,742)	(18,988)	-	-
Interest paid		(47,985)	(40,490)	(75,689)	(9,352)
Proceeds from issuance of ordinary shares pursuant to ESS from a subsidiary	16	-	-	-	135,000
Repayments of loan		(30,512)	(16,495)	-	-
Repayment of lease liabilities		(1,012,586)	(1,434,716)	(33,600)	-
Net cash (used in)/from financing activities		(1,125,825)	(1,510,689)	(109,289)	125,648
Net increase/(decrease) in cash and cash equivalents		42,775	9,926,028	(32,506)	264,561
Effects of exchange rate fluctuations on cash and cash equivalents		1,333,819	83,035	-	-
Cash and cash equivalents at beginning of year		28,050,411	18,041,348	453,212	188,651
Cash and cash equivalents at end of year	15	29,427,005	28,050,411	420,706	453,212

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2022 (Cont'd)

Reconciliation of liabilities arising from financing activities:

Group	Group		Company
	Lease Liabilities Note 6 RM	Term loans Note 21 RM	Lease Liabilities Note 6 RM
At 1 January 2021	1,751,467	357,000	-
Cash flows	(1,434,716)	(28,010)	-
Non-cash flows:			
- Acquisition of right-of-use assets	1,105,548	-	-
- Effect of foreign exchange	23,918	-	-
- Lease modification	(230,137)	-	-
- Unwinding of interests	108,905	11,515	-
At 31 December 2021/1 January 2022	1,324,985	340,505	-
Cash flows	(1,012,586)	(43,632)	(33,600)
Non-cash flows:			
- Acquisition of right-of-use assets	2,744,091	-	63,144
- Effect of foreign exchange	42,385	-	-
- Lease modification	(446,265)	-	-
- Unwinding of interests	88,929	13,120	2,978
At 31 December 2022	2,741,539	309,993	32,522

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

Innity Corporation Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-1, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The principal place of business of the Company is located at C501 & C502, Block C, Kelana Square, 17, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries and the interests of the Group in an associate. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 5 April 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities and other information of the subsidiaries and associate are disclosed in Note 8(b) and Note 9(b) to the financial statements respectively.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 32.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

Notes to the Financial Statements (Cont'd)

4. OPERATING SEGMENT

The Group is principally involved in providing technology based online advertising solutions and other related internet services in Malaysia and other areas of the Asia Pacific. For management purposes, the Group is organised into business units based on their geographical location and has reportable operating segments as follows:

- Malaysia
- Singapore
- Indonesia
- Vietnam
- Philippines
- Hong Kong/China
- Taiwan
- South Korea
- Cambodia
- Myanmar

The management monitors the operating results of its business units as well as relying on the segment information as disclosed below for the purpose of making decision about resources allocation and performance assessment.

Inter-segment transactions were entered into when advertising campaigns were carried out in a regional basis. The pricing of the inter-segment transactions is determined based on a negotiated margin basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment profit/(loss) is used to measure performance as the management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate in these industries.

Notes to the Financial Statements (Cont'd)

4. OPERATING SEGMENT (CONT'D)

2022	Malaysia	Singapore	Indonesia	Vietnam	Philippines	Hong Kong/China	Taiwan	South Korea	Cambodia	Myanmar	Total	Inter-segment elimination	Group
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue													
External revenue	49,107,518	9,863,798	3,702,678	19,209,899	13,319,680	17,532,78	4,974,231	81,854	1,420,261	3,815	119,216,452	-	119,216,452
Inter-segment revenue	5,323,830	428,987	234,975	54,638	115,999	41,229	29,093	-	9,520	13,992	6,252,263	(6,252,263)	-
Total revenue	54,431,348	10,292,785	3,937,653	19,264,537	13,435,679	17,573,947	5,003,324	81,854	1,429,781	17,807	125,468,715	(6,252,263)	119,216,452
Results													
Profit/(Loss) from operations	1,389,671	(531,727)	(1,258,329)	531,321	727,522	1,166,524	(1,066,602)	38,092	3,475	(112,244)	887,703	(216,778)	670,925
Finance costs	(95,417)	(28,819)	(6,968)	(86,796)	(9,845)	(6,462)	(91,492)	(6,844)	(7,902)	(31,147)	(353,692)	216,778	(156,914)
Share of profit in equity-accounted associates, net of tax	(56,656)	-	-	-	-	-	-	-	-	-	(56,656)	-	(56,656)
Profit/(Loss) before tax	1,237,598	(560,546)	(1,265,297)	444,525	717,677	1,160,062	(1,158,094)	31,248	(4,427)	(125,391)	477,355	-	477,355
Income tax expense	(912,384)	3,133	4,767	(33,251)	(2,018)	(78,867)	11,012	-	-	-	(1,107,671)	-	(1,107,671)
Profit/(Loss) for the year	325,214	(557,413)	(1,260,530)	411,274	516,496	1,081,195	(1,047,982)	31,248	(4,427)	(125,391)	(630,316)	-	(630,316)
Non-controlling interests	144,288	-	640,213	(81,328)	(26,428)	(224,940)	229,157	(173,337)	-	43,887	551,512	-	551,512
Profit/(Loss) attributable to Owners of the Company	469,502	(557,413)	(620,317)	329,946	490,068	856,255	(818,825)	(142,089)	(4,427)	(81,504)	(78,804)	-	(78,804)

Notes to the Financial Statements (Cont'd)

4. OPERATING SEGMENT (CONT'D)

2021	Malaysia	Singapore	Indonesia	Vietnam	Philippines	Hong Kong/China	Taiwan	South Korea	Cambodia	Myanmar	Total	Inter-segment elimination	Group
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue													
External revenue	48,259,051	13,757,320	5,380,184	14,464,884	12,553,360	17,791,431	5,221,971	382,758	2,118,537	41,375	119,970,871	-	119,970,871
Inter-segment revenue	5,232,460	22,418	275,561	218,279	73,024	233,276	93,245	-	9,936	-	6,158,199	(6,158,199)	-
Total revenue	53,491,511	13,779,738	5,655,745	14,683,163	12,626,384	18,024,707	5,315,216	382,758	2,128,473	41,375	126,129,070	(6,158,199)	119,970,871
Results													
Profit/(Loss) from operations	2,326,144	796,874	157,999	291,870	1,374,567	1,083,292	(466,395)	(103,759)	58,760	(134,528)	5,384,824	(211,030)	5,173,794
Finance costs	(77,487)	(30,742)	(3,112)	(113,601)	(32,361)	-	(62,710)	(8,494)	(21,918)	(10,000)	(360,425)	211,030	(149,395)
Share of profit in equity-accounted associates, net of tax	252,344	-	-	-	-	-	-	-	-	-	252,344	-	252,344
Profit/(Loss) before tax	2,501,001	766,132	154,887	178,269	1,342,206	1,083,292	(529,105)	(112,253)	36,842	(144,528)	5,276,743	-	5,276,743
Income tax expense	(1,346,440)	(59,233)	(255,525)	-	(424,065)	(97,458)	(12,369)	-	(20,323)	-	(2,215,413)	-	(2,215,413)
Profit/(Loss) for the year	1,154,561	706,899	(100,638)	178,269	918,141	985,834	(541,474)	(112,253)	16,519	(144,528)	3,061,330	-	3,061,330
Non-controlling interests	123,742	-	49,313	(37,772)	(46,276)	(209,948)	108,295	22,596	-	50,585	60,535	-	60,535
Profit/(Loss) attributable to Owners of the Company	1,278,303	706,899	(51,325)	140,497	871,865	775,886	(433,179)	(89,657)	16,519	(93,943)	3,121,865	-	3,121,865

Notes to the Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, fittings and office equipment	Motor Vehicle	Computers and peripherals	Renovations	Total
	RM	RM	RM	RM	RM
At cost					
At 1 January 2021	1,223,062	15,000	2,299,635	1,581,408	5,119,105
Additions	22,005	-	237,331	-	259,336
Written off	(2,190)	(15,000)	(16,219)	-	(33,409)
Disposals	-	-	(4,529)	-	(4,529)
Exchange differences	7,393	-	6,244	(3,729)	9,908
At 31 December 2021/1 January 2022	1,250,270	-	2,522,462	1,577,679	5,350,411
Additions	57,575	-	329,910	51,036	438,521
Written off	(6,549)	-	(34,194)	-	(40,743)
Disposals	-	-	(12,028)	-	(12,028)
Exchange differences	12,569	-	(9,146)	(9,477)	(6,054)
At 31 December 2022	1,313,865	-	2,797,004	1,619,238	5,730,107
Accumulated depreciation					
At 1 January 2021	653,501	4,750	1,813,402	1,143,569	3,615,222
Charge for the financial year	100,699	1,500	236,555	222,164	560,918
Written off	(2,187)	(6,250)	(16,219)	-	(24,656)
Disposals	-	-	(2,717)	-	(2,717)
Exchange differences	5,069	-	3,944	(4,963)	4,050
At 31 December 2021/1 January 2022	757,082	-	2,034,965	1,360,770	4,152,817
Charge for the financial year	99,032	-	255,585	196,215	550,832
Written off	(6,549)	-	(32,619)	-	(39,168)
Disposals	-	-	(11,069)	-	(11,069)
Exchange differences	5,858	-	(10,667)	(9,313)	(14,122)
At 31 December 2022	855,423	-	2,236,195	1,547,672	4,639,290
Accumulated impairment					
At 31 December 2021/ At 31 December 2022	43,178	-	12,594	3,004	58,776
Carrying amount					
At 31 December 2022	415,264	-	548,215	68,562	1,032,041
At 31 December 2021	450,010	-	474,903	213,905	1,138,818

Notes to the Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

All items of the property, plant and equipment are initially measured at costs. Subsequent to the initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group.

The principal depreciation annual rates used are as follows:

Furniture, fittings and office equipment	10% - 20%
Motor vehicle	20%
Computers and peripherals	25%
Renovations	20%

At the end of the year, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

6. LEASES

Right-of-use assets

Leasehold shop offices

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At cost				
At 1 January	6,093,855	5,590,533	-	-
Additions	2,744,091	1,105,548	63,144	-
Modification	(385,558)	(212,444)	-	-
Written off	(1,487,855)	(425,302)	-	-
Exchange differences	40,886	35,520	-	-
At 31 December	7,005,419	6,093,855	63,144	-
Accumulated depreciation				
At 1 January	3,810,251	2,872,339	-	-
Charge for the financial year	976,818	1,350,299	31,572	-
Written off	(1,487,855)	(425,302)	-	-
Exchange differences	(75)	12,915	-	-
At 31 December	3,299,139	3,810,251	31,572	-
Carrying amount				
At 31 December	3,706,280	2,283,604	31,572	-

Notes to the Financial Statements (Cont'd)

6. LEASES (CONT'D)

Right-of-use assets (Cont'd)

Lease liabilities (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Balance as at 1 January	1,324,985	1,751,467	-	-
Additions	2,744,091	1,105,548	63,144	-
Modification	(465,586)	(230,137)	-	-
Lease payments	(1,012,586)	(1,434,716)	(33,600)	-
Interest expenses	88,929	108,905	2,978	-
Exchange differences	42,385	23,918	-	-
At 31 December	2,722,218	1,324,985	32,522	-
Represented by:	2022 RM	2021 RM	2022 RM	2021 RM
Current liabilities	1,192,357	741,422	32,522	-
Non-current liabilities	1,529,861	583,563	-	-
	2,722,218	1,324,985	32,522	-
Lease liabilities owing to non-financial institutions	2,722,218	1,324,985	32,522	-

- The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.
- The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are one (1) to sixty-eight (68) years.
- The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- At the end of the reporting date, one (2021: three) units of long term leasehold shop offices of the Group with carrying amount of RM407,211 (2021: RM811,554) are charged as collateral to secure the banking facilities granted to a subsidiary.
- The incremental borrowing rates applied to the lease liabilities ranged from 3.92% to 6.05% (2021: 6.05% to 8.24%).
- The Group has certain leases of properties with lease term of 12 months or less. The Group applies the "short-term lease" exemptions for these leases.

Notes to the Financial Statements (Cont'd)

6. LEASES (CONT'D)

Right-of-use assets (Cont'd)

Lease liabilities (Cont'd)

g. The following are the amounts recognised in profit or loss:

Represented by:	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation charge of right-of-use assets (included in depreciation)	976,818	1,350,299	31,572	-
Interest expense on lease liabilities (included in finance costs)	88,929	108,905	2,978	-
Expense relating to short-term leases (included in other operating expenses)	841,140	516,937	-	-
Gain on lease modification (included in other operating income)	(80,028)	(17,693)	-	-
	1,826,859	1,958,448	34,550	-

h. Total cash outflows for leases of the Group are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Payments relating to short-term leases	841,140	516,937	-	-
Payments of lease liabilities	1,012,586	1,434,716	33,600	-
	1,853,726	1,951,653	33,600	-

i. The Group made the following cash payments to purchase right-of-use assets:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Additions of right-of-use assets	2,744,091	1,105,548	63,144	-
Financed by lease liabilities	(2,744,091)	(1,105,548)	(63,144)	-
Cash payments on purchase of right-of-use assets	-	-	-	-

Notes to the Financial Statements (Cont'd)

6. LEASES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

- j. The following table sets out the carrying amounts, the incremental borrowing rate and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group	Incremental borrowing rate %	Within 1 year RM	1 - 2 years RM	Total RM
31 December 2022				
Lease liabilities				
Fixed rate	3.92 - 6.05	1,192,357	1,529,861	2,722,218
31 December 2021				
Lease liabilities				
Fixed rate	6.05 - 8.24	741,422	583,563	1,324,985

- k. The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Within 1 year RM	1 - 2 years RM	Total RM
31 December 2022			
Lease liabilities	1,333,745	1,615,707	2,949,452
31 December 2021			
Lease liabilities	814,914	625,022	1,439,936

Notes to the Financial Statements (Cont'd)

7. INTANGIBLE ASSETS

	Group	
	2022 RM	2021 RM
Development expenditure		
Cost		
At 1 January	20,696,724	19,223,294
Additions	1,598,791	1,459,045
Exchange differences	7,095	14,385
At 31 December	22,302,610	20,696,724
Accumulated amortisation		
At 1 January	16,004,228	14,211,993
Charge for the financial year	1,584,603	1,777,850
Exchange differences	7,095	14,385
At 31 December	17,595,926	16,004,228
Accumulated impairment		
At 1 January	256,604	-
Impairment loss	-	256,604
At 31 December	256,604	256,604
Carrying amount	4,450,080	4,435,892

- a. Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The expenditure capitalised includes direct labour and cost of materials that are directly attributable to preparing the asset for its intended use. Development expenditure is amortised from the commencement of the income recognition to which the asset relates on the straight line basis over the period of expected benefit of five (5) years (2021: three (3) to five (5) years).

- b. The additions to the cost of intangible assets are analysed as follows:

	Group	
	2022 RM	2021 RM
Other staff costs (Note 23)	1,593,091	1,395,235
Other software costs	5,700	63,810
	1,598,791	1,459,045

Notes to the Financial Statements (Cont'd)

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost		
At 1 January	15,335,819	15,835,819
Strike-off	-	(500,000)
At 31 December	15,335,819	15,335,819
Accumulated impairment losses		
At 1 January	-	500,000
Strike-off	-	(500,000)
At 31 December	-	-
	15,335,819	15,335,819

- a. Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be initially measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- b. The details of the subsidiaries are as follows:

	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022	2021	
Subsidiaries of the Company				
Innity Sdn. Bhd.	Malaysia	100%	100%	Provision of technology based online advertising solutions and other related internet services
PassionCo Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiaries of Innity Sdn. Bhd.				
Innity Limited*	Hong Kong	100%	100%	Investment holding company
PT Media Innity*	Indonesia	51%	51%	Provision of technology based online advertising solutions and other related internet services
DoMedia Asia Sdn. Bhd.	Malaysia	100%	100%	Provision of technology based online advertising solutions and other related internet services
Innity China Co., Limited	Hong Kong	80%	80%	Provision of technology based online advertising solutions and other related internet services

Notes to the Financial Statements (Cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

b. The details of the subsidiaries are as follows: (Cont'd)

	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022	2021	
Subsidiaries of Innity Sdn. Bhd.				
Innity Philippines Inc.*	Philippines	95%	95%	Provision of technology based online advertising solutions and other related internet services
Appsploration Sdn. Bhd.	Malaysia	74%	74%	Developing computer and mobile software applications
Innity Shanghai Ltd.*	China	100%	100%	Dormant
Dynamic Outdoor Media Sdn. Bhd.	Malaysia	100%	100%	Provision of Wi-Fi services for food and beverages outlets, shopping centers and townships
Offerstation Sdn. Bhd.	Malaysia	90%	90%	Operate promotional and sales events information website
Innity Korea Co., Ltd. #	South Korea	80%	80%	Provision of technology based online advertising solutions and other related internet services
Innity Myanmar Co., Ltd. #	Myanmar	65%	65%	Provision of technology based online advertising solutions and other related internet services
Innity (Cambodia) Co., Ltd. #	Cambodia	100%	100%	Provision of technology based online advertising solutions and other related internet services
Innity Singapore Pte. Ltd.*	Singapore	72%	72%	Provision of technology based online advertising solutions and other related internet services
Subsidiaries of Innity Limited				
Innity Vietnam Co., Ltd.*	Vietnam	88%	88%	Software production house
Subsidiary of Innity Vietnam Co., Ltd.				
Innity Software and Advertising Co., Ltd. ("ISACL")*	Vietnam	79%	79%	Provision of technology based online advertising solutions and other related internet services
Subsidiary of Innity China Co., Limited				
Innity Taiwan Limited ("ITL")*	Belize	80%	80%	Provision of technology based online advertising solutions and other related internet services
Passionation (Hong Kong) Limited ("Passionation HK")*	Hong Kong	80%	80%	Development of content and influencer marketing

* Subsidiaries not audited by BDO PLT and BDO member firms.

No statutory audit requirement.

Notes to the Financial Statements (Cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- c. Changes in the Group's composition during the reporting period.

There were no changes in the composition of the Group in the current financial year ended 31 December 2022.

- d. Changes in the Group's composition during the financial year ended 31 December 2021.

- i. Spiral Vibe Sdn. Bhd. ("Spiral Vibe"), a wholly-owned subsidiary of Innity Corporation Berhad ("ICB"), had been struck off from the Register and published in the Gazette on 16 March 2021 pursuant to Section 551 of the Companies Act 2016.
- ii. Native Media Sdn. Bhd. ("Native"), an indirect wholly-owned subsidiary of ICB, had been struck off from the Register and published in the Gazette on 16 March 2021 pursuant to Section 551 of the Companies Act 2016.

The striking off of Spiral Vibe and Native have no material financial impact to the Group as Spiral Vibe and Native were dormant prior to their striking off arrangements.

- e. Interest in subsidiaries with material non-controlling interests ("NCI").

The Group has the following subsidiaries with NCI that is material to the Group.

	2022 RM	2021 RM
Carrying amount of non-controlling interests:		
Innity China Co., Limited Group ("ICCL Group")*	1,681,314	1,480,534
PT Media Innity ("PTM")	(34,637)	566,452
Other subsidiaries with immaterial non-controlling interests	(304,355)	(347,042)
	1,342,322	1,699,944
(Loss)/Profit attributable to non-controlling interests:		
ICCL Group*	(4,218)	101,653
PTM	(640,213)	(49,313)
Other subsidiaries with immaterial non-controlling interests	92,919	(112,875)
	(551,512)	(60,535)
Total comprehensive (loss)/profit attributable to non-controlling interests:		
ICCL Group*	(1,143)	125,734
PTM	(608,410)	(15,433)
Other subsidiaries with immaterial non-controlling interests	286,673	(121,458)
	(322,880)	(11,157)

*Includes companies that are held by ICCL as disclosed in Note 8(b) to the financial statements.

Notes to the Financial Statements (Cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- e. Interest in subsidiaries with material non-controlling interests ("NCI") (Cont'd)

Summarised financial information about subsidiaries with material NCI

- i. Summarised statements of financial position

	ICCL Group		PTM	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Assets	18,247,577	16,669,841	3,340,781	5,136,139
Liabilities	(11,049,583)	(10,320,218)	(3,335,413)	(3,949,222)
Net current assets	7,197,994	6,349,623	5,368	1,186,917
Non-current assets	4,209,012	3,245,156	255,353	277,493
Non-current liabilities	(3,000,438)	(2,192,111)	(331,408)	(308,386)
Net assets/(liabilities)	8,406,568	7,402,668	(70,687)	1,156,024

- ii. Summarised statements of profit or loss and other comprehensive income

	ICCL Group		PTM	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	22,839,268	23,339,922	3,937,653	5,655,745
(Loss)/Profit before tax	(52,333)	618,091	(1,311,325)	154,887
(Loss)/Profit for the financial year	(21,088)	508,264	(1,306,558)	(100,638)
Total comprehensive (loss)/income	(5,715)	628,665	(1,241,654)	(31,496)

- iii. Other summarised information

	ICCL Group		PTM	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from/(used in) operating activities	1,690,215	(56,475)	588,943	(372,884)
Cash flows (used in)/from investing activities	(1,343,320)	296,346	(18,641)	(1,274)
Cash flows from/(used in) financing activities	272,420	(381,565)	-	-
Effect of changes in foreign exchange	14,416	(1,904)	-	-
Net increase/(decrease) in cash and cash equivalents	633,731	(143,598)	570,302	(374,158)

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2022 RM	2021 RM
Unquoted shares, at cost	108,106	108,106
Share of post-acquisition profit of associates	508,371	565,027
Exchange difference	42,259	31,756
	658,736	704,889

- a. Investment in an associate is measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- b. The details of the associate is as follows:

	Country of incorporation/ Principal place of business	Group's effective and voting interests		Principal activities
		2022	2021	
Associate of the Company				
Held through Innity Limited				
Innity Digital Media (Thailand) Co., Ltd. ("Innity Thailand")*	Thailand	49%	49%	Provision of technology based online advertising solutions and other related internet services

* Associates not audited by BDO PLT and BDO member firms.

Innity Thailand is a result of the business alliance of the Group to access new customers in Thailand market.

The summarised financial information of the material associate is as follows:

	Innity Thailand RM
2022	
Assets and liabilities	
Non-current assets	422,040
Current assets	3,335,831
Total assets	3,757,871
Current liabilities/Total liabilities	2,413,511
Net assets	1,344,360
Results	
Revenue	5,237,486
Loss for the financial year/Total comprehensive loss for the financial year	(115,625)

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

- b. The details of the associate is as follows: (Cont'd)

The summarised financial information of the material associates is as follows: (Cont'd)

	Innity Thailand RM
2021	
Assets and liabilities	
Non-current assets	133,997
Current assets	5,550,650
Total assets	5,684,647
Current liabilities/Total liabilities	4,246,096
Net assets	1,438,551
Results	
Revenue	8,213,831
Profit for the financial year/Total comprehensive income for the financial year	514,987

Reconciliation of the summarised financial information presented to the carrying amount of the investments in associates is as follows:

	Innity Thailand RM
2022	
Group's share of net assets	658,736
2021	
Group's share of net assets	704,889

- c. When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognised of further losses is discontinued except to the extent that Group has an obligation to fund the investee's operations or has made payment on behalf of these investee.

Notes to the Financial Statements (Cont'd)

10. GOODWILL

	Group	
	2022 RM	2021 RM
Cost		
At 1 January/31 December	442,872	442,872
Accumulated impairment losses		
At 1 January/ 31 December	442,872	442,872
Carrying amount		
At 1 January/ 31 December	-	-

- a. Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.
- b. Goodwill arising from business combinations has been allocated to two (2) individual cash- generating units ('CGU') for impairment testing as follows:

	Wi-Fi Advertising Platform	Digital Advertising Platform	Total
	RM	RM	RM
Goodwill, gross	148,049	294,823	442,872
Less: Impairment loss	(148,049)	(294,823)	(442,872)
Carrying amount	-	-	-

- c. In the previous financial years, the Group had recognised an impairment loss of RM148,909 and RM294,823 in respect of CGU of Wi-Fi and Digital Advertising Platform respectively as the carrying amounts exceeded the recoverable amounts and this impairment loss had been recorded in profit or loss. The recoverable amounts were below the carrying amounts due to declining business operation in these CGU.

Notes to the Financial Statements (Cont'd)

11. DEFERRED TAX

Recognised deferred tax assets and liabilities

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2022 RM	2021 RM
Deferred tax assets	702,934	697,858
Deferred tax liabilities	(933,552)	(531,483)
	(230,618)	166,375

- a. The amount of the deferred tax income or expense recognised in the statements of profit or loss and statements of comprehensive income during the financial year are as follows:

	Note	Group	
		2022 RM	2021 RM
At 1 January		166,375	105,452
Recognised in profit or loss	27		
- current year			
- Malaysia		(485,743)	325,927
- Outside Malaysia		153,408	(193,898)
- over/(under) provision in prior years			
- Malaysia		7,091	(16,515)
- Outside Malaysia		(957)	-
		(326,201)	115,514
Recognised in other comprehensive income	27(d)	(52,424)	(42,192)
Exchange differences		(18,368)	(12,399)
At 31 December		(230,618)	166,375

Notes to the Financial Statements (Cont'd)

11. DEFERRED TAX (CONT'D)

Recognised deferred tax assets and liabilities (Cont'd)

- b. The components of deferred tax assets and liabilities at the end of each reporting period comprise the tax effects of:

	Group	
	2022 RM	2021 RM
Deferred tax assets (before offsetting)		
- Retirement benefit obligations	100,566	116,386
- Unutilised tax losses and unabsorbed capital allowances	19,414	6,007
- Lease liabilities	-	32,548
- Impairment losses on trade receivables	540,619	453,647
- Other deductible temporary differences	472,590	851,297
	1,133,189	1,459,885
Offsetting	(430,255)	(762,027)
Deferred tax assets (after offsetting)	702,934	697,858
Deferred tax liabilities (before offsetting)		
- Carrying amount of development expenditure	(1,068,019)	(1,063,896)
- Excess of tax capital allowances over related depreciation of plant and equipment	(68,585)	(45,891)
- Lease liabilities	(10,834)	-
- Other deductible temporary differences	(216,369)	(183,723)
	(1,363,807)	(1,293,510)
Offsetting	430,255	762,027
Deferred tax liabilities (after offsetting)	(933,552)	(531,483)
	(230,618)	166,375

Notes to the Financial Statements (Cont'd)

11. DEFERRED TAX (CONT'D)

Unrecognised deferred tax assets

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows (stated at gross):

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other deductible temporary differences	60,545	162,204	-	-
Unabsorbed capital allowances	261,167	207,061	-	-
Unutilised tax losses allowed to be utilised up to financial year ending 31 December				
-No expiry date	488,196	-	-	-
-2022	-	53,365	-	-
-2023	142,188	126,966	-	-
-2024	142,955	165,083	-	-
-2025 to 2036	14,749,249	13,533,109	253,623	291,942
	15,844,300	14,247,788	253,623	291,942

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

Unrecognised deferred tax assets arising from unutilised tax losses amounting to RM53,365 from the financial year 2017 has expired during the current financial year.

12. INVENTORIES

	Group	
	2022 RM	2021 RM
At cost		
Inventories	34,505	78,045
At cost		
Inventories	1,676	-

- Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out formula. Cost comprises purchase price plus cost incurred in bringing the inventories to their present condition and location.
- The inventories represent trading goods for e-commerce business.

Notes to the Financial Statements (Cont'd)

13. TRADE RECEIVABLES

	Group	
	2022 RM	2021 RM
Third parties	29,852,606	39,836,590
Amount due from an associate	35,034	180,383
	29,887,640	40,016,973
Less: Impairment losses	(2,647,215)	(2,585,320)
	27,240,425	37,431,653

- Trade receivables are classified as financial assets and measured at amortised cost.
- Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranged from 30 days to 150 days (2021: 30 days to 150 days). Trade receivables are recognised at the original invoices values, which represent the fair values on initial recognition.
- Foreign currency exposure of trade receivables of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2022 RM	2021 RM
United States Dollar	1,158,412	1,794,774
Singapore Dollar	44,741	-

- Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses a provision matrix to measure the expected credit loss (“ECL”) of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the geographical regions.

During this process, the probability of non-payment by the trade receivables is adjusted by forward- looking information (digital advertising expenditure (ADEX)) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

Notes to the Financial Statements (Cont'd)

13. TRADE RECEIVABLES (CONT'D)

- d. Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. (Cont'd)

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

Group	2022		
	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
Current (not past due)	8,063,798	(19,798)	8,044,000
1 - 30 days past due	7,117,416	(157,901)	6,959,515
31 - 60 days past due	5,136,817	(72,055)	5,064,762
61 - 90 days past due	2,893,164	(120,190)	2,772,974
91 - 120 days past due	2,797,091	(910,758)	1,886,333
More than 120 days past due	3,879,354	(1,366,513)	2,512,841
	29,887,640	(2,647,215)	27,240,425

Group	2021		
	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
Current (not past due)	10,086,077	(23,999)	10,062,078
1 - 30 days past due	10,326,985	(187,625)	10,139,360
31 - 60 days past due	6,061,872	(109,368)	5,952,504
61 - 90 days past due	4,970,855	(154,703)	4,816,152
91 - 120 days past due	2,434,321	(160,555)	2,273,766
More than 120 days past due	6,136,863	(1,949,070)	4,187,793
	40,016,973	(2,585,320)	37,431,653

Trade receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

As at the end of each reporting period, no collateral has been obtained by the Group. Thus, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivables of the Group.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Notes to the Financial Statements (Cont'd)

13. TRADE RECEIVABLES (CONT'D)

- e. Reconciliation of movements in impairment losses on trade receivables are as follows:

	Group	
	2022 RM	2021 RM
At 1 January	2,585,320	3,242,758
Charge for the financial year	183,912	55,793
Written off	(73,766)	(702,910)
Exchange differences	(48,251)	(10,321)
At 31 December	2,647,215	2,585,320

- f. Included in trade receivables is amounts due from subsidiaries of a corporate shareholder which amounted to RM155,776 (2021: RM125,809).
- g. Trade receivables of a subsidiary amounting to RM8,666,666 (2021: RM8,666,666) has been pledged to a licensed bank for factoring facility granted to the subsidiary.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables	1,314,117	1,260,395	-	3
Amounts due from subsidiaries	-	-	893,815	547,427
Amount due from an associate	105,265	416,069	62,807	81,834
	1,419,382	1,676,464	956,622	629,264
Less: Impairment losses	(547,845)	(550,115)	(116,794)	(60,086)
	871,537	1,126,349	839,828	569,178
Deposits	576,665	739,534	1,500	1,500
Total other receivables and deposits	1,448,202	1,865,883	841,328	570,678
Contract assets	2,623,046	3,428,935	-	-
Prepayments	1,250,300	1,146,962	23,516	8,714
	5,321,548	6,441,780	864,844	579,392

- a. Other receivables and deposits are classified as financial assets and measured at amortised cost.

Amounts due from subsidiaries and an associate represent payments made on behalf and advances given, which are unsecured and receivable within next twelve months in cash and cash equivalents in which outstanding balances will be subject to interest at 1.73% (2021: 1.50%) per annum.

Notes to the Financial Statements (Cont'd)

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- b. Foreign currency exposure of other receivables (including amounts due from associates) and deposits of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2022 RM	2021 RM
United States Dollar	936	55,720

- c. Reconciliation of movements in impairment losses on other receivables are as follows:

Credit Impaired	Group	
	2022 RM	2021 RM
At 1 January	550,115	544,267
Exchange differences	(2,270)	5,848
At 31 December	547,845	550,115

Other receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

- d. Impairment for amount due from subsidiaries and associates

Generally, the Group and the Company consider loans and advances to subsidiaries and an associate have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when the financial position of a subsidiary or an associate deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the subsidiaries' and associate's loans and advances when they are payable, the Group and the Company consider the loans and advances to be in default when the subsidiaries and the associate are not able to pay when demanded. The loan or advance of the subsidiary or associate to be considered as credit impaired when:

- the subsidiary or associate is unlikely to repay its loan or advance to the Group or the Company in full;
- the subsidiary or associate is continuously loss making and is having a deficit shareholders' fund; and
- past due 60 days.

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

Notes to the Financial Statements (Cont'd)

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

d. Impairment for amount due from subsidiaries and associates (Cont'd)

The following tables provides information about the exposure to credit risk and ECLs for subsidiaries' and associate's loans and advances as at 31 December 2022 and 31 December 2021:

31 December 2022			
	Gross carrying amount	Impairment losses	Net balance
Group	RM	RM	RM
Low credit risk	105,265	- *	105,265
Company			
Low credit risk	839,828	-	839,828
Credit impaired	116,794	(116,794)	-
	956,622	(116,794)	839,828

31 December 2021			
	Gross carrying amount	Impairment losses	Net balance
Group	RM	RM	RM
Low credit risk	416,069	- *	416,069
Company			
Low credit risk	569,175	-	569,175
Credit impaired	60,086	(60,086)	-
	629,261	(60,086)	569,175

* Expected credit loss is negligible.

Reconciliation of movements in impairment losses on amounts due from subsidiaries are as follows:

	Company	
	2022	2021
At 1 January	60,086	-
Charge for the financial year	56,708	60,086
At 31 December	116,794	60,086

Notes to the Financial Statements (Cont'd)

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- e. Contract assets represent the timing differences in revenue recognition and the billings. The billings are issued upon the completion of contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. There is no significant changes in the contract assets during the financial year.

No expected credit losses were recognised arising from contract assets as it is negligible.

15. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	29,427,005	27,248,073	420,706	453,212
Fixed deposits with licensed banks	6,012,021	2,780,319	-	-
	35,439,026	30,028,392	420,706	453,212
Less: Short term deposits with maturity period more than three (3) months	(3,955,539)	-	-	-
Less: Fixed deposits pledged to licensed banks	(2,056,482)	(1,977,981)	-	-
Cash and cash equivalents included in the statements of cash flows	29,427,005	28,050,411	420,706	453,212

- a. Cash and bank balances are financial assets that are measured at amortised cost which have an insignificant risk of changes in fair value, and are used by the Group and the Company in the management of their short term commitments.
- b. Fixed deposits with licensed banks of the Group have a maturity period of 1 month to 12 months (2021: 1 month to 12 months).

Fixed deposit of a subsidiary amounting to RM143,738 (2021: RM150,496) has been pledged to third party for supply of services to the subsidiary. Another fixed deposit of a subsidiary amounting to RM1,912,744 (2021: RM1,827,485) has been pledged for credit facilities granted to a subsidiary which is unutilised at the end of the reporting period.

The weighted average effective interest rate of fixed deposits with licensed banks of the Group as at the end of reporting period is between 0.10% to 2.70% (2021: 0.25% - 2.90%).

Notes to the Financial Statements (Cont'd)

15. CASH AND BANK BALANCES (CONT'D)

- c. Foreign currency exposure of cash and bank balances other than the functional currency of the Group entities is as follows:

	Group	
	2022 RM	2021 RM
Chinese Renminbi	20,995	20,211
Hong Kong Dollar	161,922	153,262
Singapore Dollar	10,295	174,295
United States Dollar	9,521,974	7,271,452

- d. No expected credit losses were recognised arising from deposits with financial institutions because the probability of default by these financial institutions were negligible.

16. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid ordinary shares with no par value				
At 1 January	139,403,415	19,477,031	139,103,415	19,342,031
Issuance of ordinary shares pursuant to:				
- ESS exercised	-	-	300,000	135,000
At 31 December	139,403,415	19,477,031	139,403,415	19,477,031

- a. In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 139,103,415 ordinary shares to 139,403,415 by way of issuance of 300,000 new ordinary shares pursuant to Employees' Share Scheme ("ESS") at exercise price of RM0.45 per ordinary share.

The newly issued ordinary shares rank pari passu in all the respects with the existing ordinary shares of the Company.

- b. The owners of the Company are entitled to receive dividends as and when declared by the Company and entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

Notes to the Financial Statements (Cont'd)

17. RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Reverse acquisition reserve (legal capital adjustment)	(2,512,173)	(2,512,173)	-	-
Foreign currency translation reserve	736,807	(223,193)	-	-
	(1,775,366)	(2,735,366)	-	-
Retained profits/(Accumulated losses)	21,849,180	21,797,647	(3,950,634)	(4,265,873)
	20,073,814	19,062,281	(3,950,634)	(4,265,873)

a. **Reverse acquisition reserve**

Reverse acquisition reserve arose from the reverse acquisition of the Company by Innity Sdn. Bhd..

b. **Foreign currency translation reserve**

Foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

18. RETIREMENT BENEFIT OBLIGATIONS

	Group	
	2022 RM	2021 RM
Present value of retirement benefit obligations/Net liability arising from retirement benefit obligations	442,031	502,549

- a. Retirement benefit obligations are post employment benefit plans other than defined contribution plans and under which the pension benefits payable to employees are usually determined by reference to employee's earning and/or length of service.

The defined benefit liability recognised is net total of the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised past service cost.

The present value of the defined benefit obligation is determined by independent qualified actuaries using the Projected Unit Credit Method, by discounting estimated future cash outflows using interest rates of high quality corporate bonds or market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the defined benefit obligations.

Notes to the Financial Statements (Cont'd)

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

- a. Remeasurements comprising actuarial gains or losses arising from experience adjustments or changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the reporting period in which they arise and it would not be reclassified to profit or loss in subsequent periods.
- b. The movements in the present value of the retirement benefit obligations are as follows:

	Group	
	2022 RM	2021 RM
At 1 January	502,549	688,580
Expenses/(Income) recognised in profit or loss (included in staff costs)		
- current service cost	146,605	139,831
- interest cost	28,206	37,028
- gain on settlement	-	(184,509)
Remeasurement of retirement benefit obligations recognised in other comprehensive income	(219,681)	(177,130)
Exchange differences	(15,648)	(1,251)
At 31 December	442,031	502,549

- c. The Group provides retirement benefit obligations for qualifying employees of its overseas subsidiaries, PT Media Innity and Innity Philippines Inc., in accordance with the legislations established in Indonesia and Philippines respectively.

The principal actuarial assumptions used are as follows:

For the reporting period	Discount rate %	Annual salary increase %
2022		
- Indonesia	7.25	8.00
- Philippines	7.81	5.00
2021		
- Indonesia	7.50	8.00
- Philippines	5.22	5.00

Notes to the Financial Statements (Cont'd)

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

d. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the retirement benefit obligation by the amounts shown below.

	Group	
	2022 RM	2021 RM
Discount rate:		
- if 1% increase	(67,049)	(82,652)
- if 1% decrease	80,855	101,112
Annual salary:		
- if 1% increase	80,165	99,752
- if 1% decrease	(67,640)	(83,114)

The sensitivity analysis presented above may not be representative of the actual change in the retirement benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

19. TRADE PAYABLES

	Group	
	2022 RM	2021 RM
Third parties	21,419,905	26,138,222
Amounts due to associates	11,266	134,071
	21,431,171	26,272,293

- Trade payables are classified as financial liabilities and measured at amortised cost.
- Trade payables are non-interest bearing and the normal trade credits granted to the Group range from 30 to 90 days (2021: 30 to 90 days).
- Included in trade payables is provision of direct costs to publishers for on-going advertising activities as of end of the reporting period which amounted to RM15,183,527 (2021: RM18,221,035).

The provision of direct costs to the publishers require the management to exercise significant judgement in providing the profit margins from individual advertising campaigns as of end of the reporting period. The Group determines the sufficiency of these provision of direct costs to publishers based on rate card profit margin and the number of unit served for each of the on-going advertising campaign as of end of reporting period. Actual payments may differ from these direct cost provided when the final settlements are reached between the parties. However, the Group does not expect material differences to arise from the final settlements with the publishers upon completion of the campaigns.

Notes to the Financial Statements (Cont'd)

19. TRADE PAYABLES (CONT'D)

- d. Foreign currency exposure of trade payables of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2022 RM	2021 RM
Euro	-	3,312
Hong Kong Dollar	6,132	5,712
Indonesian Rupiah	365	7,052
Korean Won	38,339	-
New Taiwan Dollar	15,836	9,866
Philippines Peso	15,743	14,187
Singapore Dollar	917	206,018
Thai Baht	32,267	141,949
United States Dollar	355,955	747,497
Vietnamese Dong	463	724

20. OTHER PAYABLES, CONTRACT LIABILITIES AND ACCRUALS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current liabilities				
Amount due to a subsidiary	-	-	209,840	302,404
Current liabilities				
Other payables	1,684,740	1,592,787	2,803	30,000
Amount due to a subsidiary	-	-	330,411	285,941
Amount due to an associate	16,970	23,909	-	-
Accruals	4,448,247	4,501,959	457,461	464,971
Other payables and accruals	6,149,957	6,118,655	790,675	780,912
Contract liabilities	3,154,780	3,843,431	-	-
Indirect tax payable	2,104,059	2,370,554	-	-
Statutory liabilities	977,104	962,055	93,507	73,949
	12,385,900	13,294,695	884,182	854,861
Total other payables, contract liabilities and accruals	12,385,900	13,294,695	1,094,022	1,157,265

Notes to the Financial Statements (Cont'd)

20. OTHER PAYABLES, CONTRACT LIABILITIES AND ACCRUALS (CONT'D)

- a. Other payables and accruals are classified as financial liabilities and measured at amortised cost.
- b. The contract liabilities are stated at cost and represent the obligation primarily related to the advance consideration received or due from customers, which revenue is recognised over a period of time for services to be rendered. The contract liabilities are expected to be derecognised when the performance obligations of the contract are met.

The amount of RM3,843,431 recognised in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2022. The amount of RM3,154,780 recognised in contract liabilities at the end of the reporting period is expected to be recognised as revenue in the next financial year. There is no significant changes in the contract liabilities during the financial year.

- c. Non-current amount due to a subsidiary represents advances and payments made on behalf, which are unsecured, interest-free and payable in two (2) years starting 2022 in cash and cash equivalents.

Current amount due to a subsidiary represents advances and payments made on behalf, which is unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents except for an amount of RM237,846 which bears interest at 1.73% (2021: 1.50%) per annum.

- d. Amount due to an associate represents advances and payments made on behalf, which are unsecured, interest-free and payable within twelve (12) months in cash and cash equivalents.
- e. Foreign currency exposure of other payables and accruals of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2022 RM	2021 RM
Thai Baht	745	20,617
United States Dollar	75,373	50,380

21. BORROWINGS

	Group	
	2022 RM	2021 RM
Secured:		
Current		
Term loan	32,286	31,244
Non-current		
Term loan	277,707	309,261
Total borrowing:		
Term loan	309,993	340,505

Notes to the Financial Statements (Cont'd)

21. BORROWINGS (CONT'D)

	Group	
	2022 RM	2021 RM
Maturity of borrowing:		
Not later than 1 year	32,286	31,244
Later than 1 year and not later than 5 years	140,648	136,007
More than 5 years	137,059	173,254
Total	309,993	340,505

- a. Borrowing is classified as financial liabilities measured at amortised cost.
- b. Term loan of the Group is secured by a charge over a subsidiary's office building as disclosed in Note 6(d) to the financial statements and a guarantee by the Company.
- c. On 3 January 2020, Innity Sdn. Bhd. obtained a term loan from a financial institution. The salient terms of the facility are as follows:
 - i. Facility amount: RM357,000.
 - ii. Bank interest rate: 1.77% p.a. + Kuala Lumpur Interbank Offered Rate.
 - iii. Purpose: To finance the purchase of 1 unit of office lot known as Unit No. C605, Block C, Level 6, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
 - iv. Tenure: Ten (10) years or one hundred and twenty (120) months.
 - v. Payment: Principal shall be repayable in monthly instalments and such instalment amounts shall be inclusive of interest commencing from May 2021.
- d. The weighted average effective interest rates are as follows:

	Group	
	2022 %	2021 %
Term loan	4.03	3.36

- e. The term loan and bank overdraft of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- f. The term loan is denominated in Ringgit Malaysia.

Notes to the Financial Statements (Cont'd)

21. BORROWINGS (CONT'D)

- g. The table below summarises the maturity profile of the Group's borrowings at the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one year	One to five years	Over five years	Total
	RM	RM	RM	RM
Group				
2022				
Term loan/Total undiscounted financial liabilities	42,206	168,825	144,480	355,511
2021				
Term loan/Total undiscounted financial liabilities	42,206	211,031	144,214	397,451

- h. Carrying amount of the borrowing is reasonable approximation of fair values due to the current rates offered to the Group approximate the market rates of similar borrowing of the same remaining maturities.

22. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers:				
Technology based online advertising solutions	118,960,358	119,728,389	-	-
Sales of goods	-	1,583	-	-
Management fees from:				
- subsidiaries	-	-	3,542,054	3,153,584
- an associate	256,094	240,899	256,094	240,899
	119,216,452	119,970,871	3,798,148	3,394,483
Other revenue:				
Dividend income from a subsidiary	-	-	750,000	705,301
	119,216,452	119,970,871	4,548,148	4,099,784
Timing of revenue recognition:				
Products and services transferred over time	119,216,452	119,969,288	3,798,148	3,394,483
Products and services transferred at a point in time	-	1,583	-	-
Revenue from contracts with customers	119,216,452	119,970,871	3,798,148	3,394,483

Notes to the Financial Statements (Cont'd)

22. REVENUE (CONT'D)

- a. Revenue from sale of technology based online advertising solutions is recognised over time when the services have been rendered to the customer and coincides with the delivery of services and acceptance by customers.

There is no significant financing component in the revenue arising from services rendered as the services were made on the normal credit terms not exceeding twelve (12) months.

- b. Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customers and coincide with the delivery of goods and acceptance by customers.

There is no significant financing component in the revenue arising from sales of goods as sales were made on the normal credit terms not exceeding twelve months.

- c. Management fees from the provision of management services to the subsidiaries and the associate are recognised over time when the subsidiaries and the associate simultaneously receive and consume the benefits.

- d. Dividend income is recognised when the right of the Company to receive payment is established.

- e. Revenue from contracts with customers is disaggregated in Note 4 by geographical market.

23. STAFF COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages and bonus	35,123,694	32,965,518	439,766	440,333
Defined contribution plan	2,542,830	2,339,788	16,425	14,454
Defined benefit plan	174,811	(7,650)	-	-
Employee share scheme	-	135,000	-	-
Other employee related expenses	3,370,800	3,300,690	56,167	203,826
	41,212,135	38,733,346	512,358	658,613
Staff costs recognised as intangible assets (Note 7)	(1,593,091)	(1,395,235)	-	-
	39,619,044	37,338,111	512,358	658,613

Notes to the Financial Statements (Cont'd)

23. STAFF COSTS (CONT'D)

- a. The number of Directors of the Group where total remuneration during the reporting period falls within the following bands is analysed as follows:

	2022	2021
Executive Directors:		
RM300,001 to RM350,000	1	1
RM350,001 to RM400,000	1	1
RM700,001 to RM750,000	-	1
RM750,001 to RM800,000	1	-
RM850,001 to RM900,000	-	1
RM900,001 to RM950,000	1	-
Non-Executive Directors:		
RM Nil	4	4
Below RM50,000	3	3

- b. The remuneration received and receivable by the Directors of the Company during the reporting period are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors:				
Other benefits*	1,964,855	1,861,515	-	-
Defined contribution plan	220,965	195,922	-	-
Fees included in profit or loss	246,711	211,360	-	-
	2,432,531	2,268,797	-	-
Non-Executive Directors:				
Remuneration other than fees included in profit or loss	10,500	13,500	10,500	13,500
Fees included in profit or loss	126,000	126,000	126,000	126,000
	136,500	139,500	136,500	139,500
Total	2,569,031	2,408,297	136,500	139,500

* Other benefits include salaries, bonus, allowances, social security costs and employment insurance scheme.

Notes to the Financial Statements (Cont'd)

24. EMPLOYEES' SHARE SCHEME ("ESS")

The ESS is granted by the By-Laws which were approved by the shareholders on 1 July 2015. On 4 June 2018, the Company implemented ESS, which is in force for a period of five (5) years until 3 June 2023 ("the scheme period").

The salient features of the ESS as contained in the By-Laws are as follows:

- a. The ESS is made available to Senior Management and full-time Executive Directors who are confirmed employees of the Company and its subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;
- b. The total number of shares offered under the ESS shall not, in aggregate, exceed 5% of the issued and paid-up share capital of the Company at any time during the existence of the ESS;
- c. The Participant will not be required to pay for the new ESS Shares that may be issued and allotted to them and/or the existing Company Shares to be transferred to them pursuant to the Proposed ESS;
- d. The actual number of shares, which may be offered to any eligible employee shall be at the discretion of the ESS Committee provided that the number of shares offered are not less than 100 shares and in multiples of 100 shares and are subject to the following:
 - i. not more than 80% of the shares available under the ESS shall be allocated in aggregate to the Senior Management of the Company and its subsidiaries; and
 - ii. not more than 10% of the total number of ESS Shares shall be allocated to a Participant, who, either singly or collectively through persons connected with the Participant, holds twenty percent (20%) or more of our issued and paid-up share capital.
- e. A share award granted under the ESS may be exercised by the grantee upon achieving the vesting conditions set by the ESS Committee; and
- f. The shares shall on issue and allotment rank *pari passu* in all respects with the then existing issued shares of the Company.

Since the implementation of the ESS until end of the financial year, a total of 1,000,000 shares award had been granted to a Senior Management of the Group. The entire 1,000,000 shares award had been exercised since the implementation of the ESS until end of the financial year.

There were no share award granted to the Executive Directors of the Company and its subsidiaries during the financial year. Since the implementation of the ESS until end of the financial year, none of the Executive Directors of the Company and its subsidiaries had been granted any share award under the ESS.

Notes to the Financial Statements (Cont'd)

25. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit from operations is arrived at after charging:				
Auditors' remuneration				
- auditors of the Company				
- statutory				
- current year	177,000	161,000	89,000	81,000
- non-statutory				
- current year	12,600	6,000	12,600	6,000
- auditors of subsidiaries				
- current year	236,902	204,704	-	-
Expenses relating to short-term leases	841,140	516,937	-	-
Impairment losses on development expenditure	-	256,604	-	-
Impairment losses on financial assets				
- trade receivables	183,912	55,793	-	-
- other receivables	-	-	56,708	60,086
Loss on foreign exchange				
- realised	369,621	115,732	11,613	2,060
- unrealised	816,917	25,865	855	-
Property, plant and equipment written off:	1,575	8,753	-	-
and crediting:				
Gain on disposal of plant and equipment, net	(810)	(168)	-	-
Gain on foreign exchange				
- realised	(61,213)	(114,941)	-	-
- unrealised	(820,372)	(540,680)	-	(856)
Interest income from:				
- fixed and short term bank deposits	(115,735)	(109,606)	(43,764)	(49,730)
- subsidiaries	-	-	(13,278)	(4,239)
- an associate	(4,188)	(10,596)	(1,404)	(880)

Notes to the Financial Statements (Cont'd)

26. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense on:				
- advance from a subsidiary	-	-	75,689	9,352
- term loan	13,120	11,515	-	-
- bank overdraft	34,865	28,975	-	-
- lease liabilities	88,929	108,905	2,978	-
	136,914	149,395	78,667	9,352

27. INCOME TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Estimated income tax payable				
- current year				
- Malaysia	457,215	1,642,693	-	-
- Outside Malaysia	359,322	680,404	-	-
- (over)/under provision in prior years				
- Malaysia	(23,483)	13,161	-	-
- Outside Malaysia	(11,584)	(5,331)	-	-
	781,470	2,330,927	-	-
Deferred tax (Note 11)				
- current year				
- Malaysia	485,743	(325,927)	-	-
- Outside Malaysia	(153,408)	193,898	-	-
- (over)/under provision in prior years				
- Malaysia	(7,091)	16,515	-	-
- Outside Malaysia	957	-	-	-
	326,201	(115,514)	-	-
	1,107,671	2,215,413	-	-

- Malaysian income tax is calculated at the statutory rate of 24% (2021: 24%) of the estimated taxable profit for the fiscal year.
- Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

Notes to the Financial Statements (Cont'd)

27. INCOME TAX EXPENSE (CONT'D)

- c. Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	477,355	5,276,743	315,239	62,411
Add: Share of (loss)/profit in equity-accounted associates, net of tax	56,656	(252,344)	-	-
Adjusted profit before tax	534,011	5,024,399	315,239	62,411
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	128,163	1,205,856	75,657	14,979
Tax effects of:				
- expenses not deductible for tax purposes	1,460,110	1,227,593	113,540	87,052
- different tax rates in other countries	(110,179)	(48,765)	-	-
- income not subject to tax	(610,986)	(602,766)	(180,000)	(169,272)
Deferred tax assets not recognised during the financial year	430,195	677,289	-	67,241
Utilisation of previously unrecognised deferred tax assets	(47,032)	(90,339)	(9,197)	-
Tax incentives on multiple deductibility of expenses	(101,399)	(177,800)	-	-
(Over)/Under provision in prior years				
- income tax payable	(35,067)	7,830	-	-
- deferred tax	(6,134)	16,515	-	-
	1,107,671	2,215,413	-	-

Notes to the Financial Statements (Cont'd)

27. INCOME TAX EXPENSE (CONT'D)

- d. Tax on each component of other comprehensive income/(loss) is as follows:

	Group		
	Before tax RM	Tax effect RM	After tax RM
2022			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligations	219,681	(52,424)	167,257
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	1,151,712	-	1,151,712
2021			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligations	177,130	(42,192)	134,938
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(48,574)	-	(48,574)

28. (LOSS)/EARNINGS PER ORDINARY SHARE

- a. Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
(Loss)/Profit for the financial year attributable to owners of the Company (RM)	(78,804)	3,121,865
Weighted average number of ordinary shares in issue	139,403,415	139,348,347
Basic (loss)/earnings per ordinary share (sen)	(0.06)	2.24

- b. Diluted (loss)/earnings per ordinary share

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted (loss)/earnings per ordinary shares equals basic (loss)/earnings per ordinary share.

Notes to the Financial Statements (Cont'd)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

a. Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- i. Direct and indirect subsidiaries as disclosed in Note 8(b);
- ii. An associate as disclosed in Note 9; and
- iii. Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprises mainly Executive Directors of the Company whose remuneration is disclosed in Note 23(b).

b. Related party transactions

The Group and the Company had the following transactions with the related parties during the financial year:

	Group		
	Type of transactions	2022 RM	2021 RM
With associates:			
- Innity Digital Media (Thailand) Co., Ltd.	Sales	136,510	266,592
	Purchases	179,202	248,549
	Interest income	4,188	10,596
	Management fee income	256,094	240,899
	Royalty fee income	131,838	206,893
With subsidiaries of corporate shareholders of the Company:			
- People 'n Rich - H Sdn. Bhd.	Sales	102,000	205,227
- D.A. Consortium Inc.	Sales	-	51,449
	Accounting fee income	-	17,200
- DAC Asia Pte. Ltd.			
- Beginnings Communications, Inc.	Sales	26,547	15,020
- PT Daniswara Amanah Cipta	Sales	372,570	312,346
	Purchase	9,588	-
- Hakuhodo Hong Kong Ltd.	Sales	-	34,655
- Hakuhodo Malaysia Sdn. Bhd.	Sales	-	25,500
- Digital Advertising Consortium Inc	Purchases	-	22,999

Notes to the Financial Statements (Cont'd)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

b. Related party transactions (Cont'd)

The Group and the Company had the following transactions with the related parties during the financial year: (Cont'd)

	Group		
	Type of transactions	2022 RM	2021 RM
With subsidiaries of corporate shareholders of the Company: (Cont'd)			
- 104 Corporation Ltd.	Staff recruitment expense	1,097	3,089
With major shareholder of a subsidiary:			
- Myanmar Marketing Research Development	Sales	2,640	-
	Purchase	9	-

	Company		
	Type of transactions	2022 RM	2021 RM
With subsidiaries:			
- Innity Sdn. Bhd.	Accounting fee expense	12,000	12,000
	Rental expense	33,600	33,600
	Interest expense	75,689	9,352
	Management fee income	1,512,195	1,299,437
	Dividend income	750,000	705,301
- PT Media Innity	Interest income	3,412	803
	Management fee income	245,474	207,918
- DoMedia Asia Sdn. Bhd.	Interest income	1	28
	Management fee income	137,215	148,026
- Innity China Co., Limited	Management fee income	326,355	287,322
- Innity Philippines Inc.	Interest income	1,859	1,423
	Management fee income	324,968	270,668
- Appsploration Sdn. Bhd.	Interest income	-	24
	Management fee income	73,088	54,477
- Offerstation Sdn. Bhd.	Interest income	679	74
	Management fee income	46,717	28,009

Notes to the Financial Statements (Cont'd)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

b. Related party transactions (Cont'd)

The Group and the Company had the following transactions with the related parties during the financial year: (Cont'd)

	Type of transactions	Company	
		2022 RM	2021 RM
With subsidiaries: (Cont'd)			
- Innity Korea Co., Ltd.	Interest income	351	198
	Management fee income	8,960	27,046
- Innity Myanmar Co., Ltd.	Interest income	363	141
	Management fee income	8,009	15,991
- Innity (Cambodia) Co., Ltd.	Interest income	310	37
	Management fee income	128,129	120,907
- Innity Singapore Pte. Ltd.	Management fee income	388,062	352,610
- Innity Software and Advertising Co., Ltd.	Interest income	4,376	1,009
	Management fee income	184,190	186,273
- Innity Taiwan Limited	Interest income	1,928	502
	Management fee income	158,691	154,900
With an associate:			
- Innity Digital Media (Thailand) Co., Ltd.	Interest income	1,404	880
	Management fee income	256,094	240,899

Notes to the Financial Statements (Cont'd)

30. CONTINGENT LIABILITIES

	Group	
	2022 RM	2021 RM
Unsecured guarantees given to third parties for supply of services	130,000	259,804
Secured guarantees given to a financial institution for credit facilities obtained by a subsidiary	2,557,000	2,557,000

The Group designates guarantees given to third parties for supply of services as well as to financial institution for credit facilities granted to a subsidiary as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of the reporting period, the Group assesses whether its recognised insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the chances of the third parties and the financial institution to call upon the guarantees are remote.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

a. Financial risk management objectives and policies

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures risk.

i. Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Notes to the Financial Statements (Cont'd)

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

- a. Financial risk management objectives and policies (Cont'd)
- i. Foreign exchange risk management (Cont'd)

The Group operates internationally and is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable sales and purchases give rise to foreign exchange exposures. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The currencies giving rise to this risk are Chinese Renminbi ("RMB"), Euro ("EUR"), Korean Won ("KRW"), Hong Kong Dollar ("HKD"), Indonesian Rupiah ("IDR"), New Taiwan Dollar ("TWD"), Philippines Peso ("PHP"), Singapore Dollar ("SGD"), Thai Baht ("THB"), United States Dollar ("USD") and Vietnamese Dong ("VND").

The carrying amounts of the Group's exposure to foreign currency risk are as follows:

Group	RMB RM	KRW RM	HKD RM	IDR RM	TWD RM	PHP RM	SGD RM	THB RM	USD RM	VND RM
2022										
Trade receivables	-	-	-	-	-	-	44,741	-	1,158,412	-
Other receivables and deposits	-	-	-	-	-	-	-	-	936	-
Cash and bank balances	20,995	-	161,922	-	-	-	10,295	-	9,521,974	-
Trade payables	-	(38,339)	(6,132)	(365)	(15,836)	(15,743)	(917)	(32,267)	(355,955)	(463)
Other payables, contract liabilities and accruals	-	-	-	-	-	-	-	(745)	(75,373)	-
Net exposure	20,995	(38,339)	155,790	(365)	(15,836)	(15,743)	54,119	(33,012)	10,249,994	(463)
2021										
Trade receivables	-	-	-	-	-	-	-	-	1,794,774	-
Other receivables and deposits	-	-	-	-	-	-	-	-	55,720	-
Cash and bank balances	20,211	-	153,262	-	-	-	174,295	-	7,271,452	-
Trade payables	-	(3,312)	(5,712)	(7,052)	(9,866)	(14,187)	(206,018)	(141,949)	(747,497)	(724)
Other payables, contract liabilities and accruals	-	-	-	-	-	-	-	(20,617)	(50,380)	-
Net exposure	20,211	(3,312)	147,550	(7,052)	(9,866)	(14,187)	(31,723)	(162,566)	8,324,069	(724)

Notes to the Financial Statements (Cont'd)

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

- a. Financial risk management objectives and policies (Cont'd)
- ii. Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit or loss with regards to the Group's financial assets and financial liabilities and the RM/USD exchange rate, RM/HKD exchange rate, RM/THB exchange rate, RM/PHP exchange rate, RM/SGD exchange rate, RM/TWD exchange rate, RM/RMB exchange rate, RM/IDR exchange rate, RM/VND exchange rate, RM/KRW exchange rate and RM/EUR exchange rate assuming all other things being equal.

A +/-10% (2021: 10%) change in the RM/USD, RM/HKD, RM/THB, RM/PHP, RM/SGD, RM/TWD, RM/RMB, RM/IDR, RM/VND, RM/KRW and RM/EUR exchange rates at the reporting period is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

If the RM had strengthened against the USD, HKD, THB, PHP, SGD, TWD, RMB, IDR, VND, KRW and EUR, then the impact would be as follows:

	Group	
	Profit before tax	
	2022 RM	2021 RM
USD	(1,024,999)	(832,407)
HKD	(15,579)	(14,755)
THB	3,301	16,257
PHP	1,574	1,419
SGD	(5,412)	3,172
TWD	1,584	987
RMB	(2,100)	(2,021)
IDR	37	705
VND	46	72
KRW	3,834	-
EUR	-	331
	(1,037,714)	(826,240)

If the RM had weakened against the USD, HKD, THB, PHP, SGD, TWD, RMB, IDR, VND, KRW and EUR, then the impact on profit for the financial year would be the opposite.

Exposure to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Notes to the Financial Statements (Cont'd)

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

a. Financial risk management objectives and policies (Cont'd)

iii. Interest rate risk management

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The sensitivity analysis of interest rates for floating rate instruments is not presented as changes in interest rate would not materially affect profit or loss.

iv. Credit risk management

The Group's credit risk is primarily attributable to its trade and other receivables. Credit risks are managed by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. For other financial assets including cash and bank balances, the Group's minimise credit risk by dealing exclusively with high credit rating counterparties. The Group performs ongoing credit evaluation of its customers and generally does not require collateral on account receivables.

At the reporting date, there were no significant concentrations of credit risk.

v. Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group finances its operations by a combination of equity and bank borrowings. In addition, the Group has available banking facilities to meet its liquidity and working capital requirements.

Notes to the Financial Statements (Cont'd)

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

- a. Financial risk management objectives and policies (Cont'd)
- v. Liquidity risk management (Cont'd)

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Group	Contractual cash flows (including interest payments)				
	Carrying amount	Total	On demand or within 1 year	1 to 5 years	Over 5 years
	RM	RM	RM	RM	
2022					
Non interest bearing debts	27,581,128	27,581,128	27,581,128	-	-
Interest bearing debts	3,032,211	3,304,963	1,375,951	1,784,532	144,480
	30,613,339	30,886,091	28,957,079	1,784,532	144,480
2021					
Non interest bearing debts	32,390,948	32,390,948	32,390,948	-	-
Interest bearing debts	1,665,490	1,780,441	846,158	747,597	186,686
	34,056,438	34,171,389	33,237,106	747,597	186,686

The undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay equal to the carrying amounts of the financial liabilities are disclosed in the respective notes.

- b. Capital structure and equity

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Capital represents equity attributable to the owners of the Company.

The Group monitors capital on the basis of debt-to-equity ratio, where the ratio is arrived at net debts (total borrowings and lease liabilities less cash and bank balances) divided by total equity. During the reporting period ended 31 December 2022, the Group's strategy was unchanged which is to maintain a net cash position.

Notes to the Financial Statements (Cont'd)

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

b. Capital structure and equity (Cont'd)

The net debt-to-equity ratios as at 31 December 2022 and 31 December 2021 are as follows:

	Group	
	2022 RM	2021 RM
Borrowings	309,993	340,505
Lease liabilities	2,722,218	1,324,985
Less: Cash and bank balances	(35,439,026)	(30,028,392)
Net Cash	(32,406,815)	(28,362,902)
Total capital	39,550,845	38,539,312
Net debt-to-equity ratio	-	-

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a shareholders' equity more than twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement for the financial year ended 31 December 2022.

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

32.1 New MFRSs adopted during the financial year

The Group and Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
<i>Annual Improvement to MFRS Standards 2018 -2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

The adoption of the above Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
<i>Amendments to MFRS 101 Disclosure of Accounting Policies</i>	1 January 2023
<i>Amendments to MFRS 108 Definition of Accounting Estimates</i>	1 January 2023
<i>Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
<i>Amendments to MFRS 16 Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to MFRS 101 Non-current Liabilities with Covenants</i>	1 January 2024
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are still in the process of assessing the impact of the above Standards and Amendments since the effects would be observable in the future financial years.

LIST OF PROPERTIES

Location	Tenure/ date of expiry of lease/ tenancy	Approximate Age of Building (years)	Built-up Area (sq ft)	Description/ Existing Use	Date of Acquisition	Carrying Amount as at 31 December 2022 (RM)
Selangor C501, Block C, Kelana Square, 17, Jalan SS7/26 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan Master Title: PN 9936, Lot 24545 Seksyen 40 Bandar Petaling Jaya, District of Petaling, State of Selangor	Leasehold/ 13-Apr-2089	24	1,301	Office Lot/ Office	27.07.2005	190,842
C502, Block C, Kelana Square, 17, Jalan SS7/26 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan Master Title: PN 9936, Lot 24545 Seksyen 40 Bandar Petaling Jaya, District of Petaling, State of Selangor	Leasehold/ 13-Apr-2089	24	1,371	Office Lot/ Office	27.07.2005	201,374
C517, Block C, Kelana Square, 17, Jalan SS7/26 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan Master Title: PN 9936, Lot 24545 Seksyen 40 Bandar Petaling Jaya, District of Petaling, State of Selangor	Leasehold/ 13-Apr-2089	24	1,192	Office Lot/ Office	14.04.2009	181,013
C605, Block C, Kelana Square, 17, Jalan SS7/26 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan Master Title: PN 9936, Lot 24545 Seksyen 40 Bandar Petaling Jaya, District of Petaling, State of Selangor	Leasehold/ 13-Apr-2089	24	1,262	Office Lot/ Office	18.05.2020	407,211

ANALYSIS OF SHAREHOLDINGS

As at 17 March 2023

SHARE CAPITAL

Total Issued Share : 139,403,415 Ordinary shares

Voting Rights : One (1) vote per Ordinary Share on a poll

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
1 - 99	43	4.191	1,938	0.001
100 - 1,000	549	53.508	225,009	0.161
1,001 - 10,000	268	26.120	1,411,940	1.012
10,001 - 100,000	129	12.573	4,116,580	2.952
100,001 - 6,970,169 (*)	33	3.216	47,071,003	33.766
6,970,170 and Above (**)	4	0.389	86,576,945	62.105
Total	1,026	100	139,403,415	100

* Less than 5% of issued shares

** 5% and above of issued shares

Note:

Information presented at the above table is based on the Record of Depositors dated on 17 March 2023.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

As at 17 March 2023

The shareholders holding more than 5% interest in the ordinary shares of Innity Corporation Berhad (“the Company”) based on the Register of Substantial Shareholders of the Company as at 17 March 2023 are as follows:

Name of Substantial Shareholders	No. of Shares Held	% of Issued Shares
D.A. Consortium Inc.	34,735,500	24.917
JcbNext Berhad	29,250,040	20.982
Phang Chee Leong	13,298,372	9.538
Looa Hong Tuan	12,374,685	8.876
Total	89,658,597	64.313

Analysis of Shareholdings

As at 17 March 2023 (Cont'd)

DIRECTORS' INTERESTS IN SHARES

As at 17 March 2023

Based on the Register of Directors' Shareholdings and the Record of Depositors, the interests of the Directors in the shares of the Company, direct and indirect, as at 17 March 2023 are as follows:

Name	Number of Ordinary Shares in INNITY		% of Issued Shares	
	Direct	Indirect	Direct	Indirect
Cheong Chee Yun	-	-	-	-
Fung Kam Foo	-	-	-	-
Gregory Charles Poarch	-	-	-	-
Liong Wei Li <i>(Alternate Director To Gregory Charles Poarch)</i>	-	-	-	-
Looa Hong Tuan	12,374,685	-	8.876	-
Michihiko Suganuma	-	-	-	-
Phang Chee Leong	13,298,372	-	9.538	-
Rieko Yoshikawa <i>(Alternate Director To Michihiko Suganuma)</i>	-	-	-	-
Seah Kum Loong	6,817,292	-	4.889	-
Norliza Binti Rasool Khan	-	-	-	-
Wong Kok Woh	7,299,086	-	5.235	-

Analysis of Shareholdings

As at 17 March 2023 (Cont'd)

30 LARGEST SHAREHOLDERS

As at 17 March 2023

No.	Name	No. of Shares Held	%
1.	D.A.Consortium Inc.	34,735,500	24.917
2.	JcbNext Berhad	29,250,040	20.982
3.	Phang Chee Leong	11,692,496	8.387
4.	Looa Hong Tuan	10,898,909	7.818
5.	Wong Kok Woh	6,618,008	4.747
6.	Chang Chew Tuck	6,278,950	4.504
7.	Seah Kum Loong	5,356,527	3.842
8.	Lee Chel Chan	5,309,057	3.808
9.	Wan Lin Seng	3,774,000	2.707
10.	Tan Yu Yeh	2,633,400	1.889
11.	Lee Koon Shing	2,350,000	1.685
12.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Koon Chuan</i>	2,200,000	1.578
13.	Siew Yoke Lee	2,124,366	1.523
14.	RHB Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd For Phang Chee Leong</i>	1,605,876	1.151
15.	RHB Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd For Looa Hong Tuan</i>	1,475,776	1.058
16.	RHB Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd For Seah Kum Loong</i>	1,460,765	1.047
17.	Ng Eng Tat	1,022,000	0.733
18.	RHB Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd For Wong Kok Woh</i>	681,078	0.488
19.	Leam Am Kem	622,900	0.446
20.	Huan Mee Kiew	421,000	0.302
21.	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leow Kuan Shu</i>	300,000	0.215
22.	Lee Yoke Kee	280,000	0.200
23.	Tan Bee Bee	250,000	0.179
24.	Arshad Bin Abdul Rahman	247,500	0.177
25.	Maybank Nominees (Tempatan) Sdn Bhd <i>Tio Seng Keng</i>	220,000	0.157
26.	Cheng Nyek Paw	200,000	0.143
27.	Looi Boon Ping	200,000	0.143
28.	Yau Yoke Ching	187,300	0.134
29.	Alliancegroup Nominees (Tempaten) Sdn. Bhd. <i>Pledged Securities Account for Tee Chee Chiang</i>	174,000	0.124
30.	Lai Thiam Poh	171,800	0.123
	Total	132,741,248	95.207

Note:

Information, which without aggregating securities from different securities accounts belong to the same registered holder, presented at the above table is based on the Record of Depositors dated on 17 March 2023.

INNITY CORPORATION BERHAD
(200701006554) (764555-D)
(Incorporated in Malaysia)

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of the Company will be held at Greens III, Sports Wing, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Friday, 2 June 2023 at 9.30 a.m.** to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. [Please refer to Note (i) of the Explanatory Notes]
2. To re-elect the following Directors who are retiring in accordance with Clause 76 of the Company's Constitution:-
 - (i) Mr Looa Hong Tuan (Ordinary Resolution 1)
 - (ii) Mr Seah Kum Loong (Ordinary Resolution 2)
 - (iii) Mr Fung Kam Foo (Ordinary Resolution 3)
3. To re-elect Ms Norliza Binti Rasool Khan who is retiring in accordance with Clause 78 of the Company's Constitution. (Ordinary Resolution 4)
4. To approve the payment of Directors' fees of RM220,000 for the financial year ending 31 December 2023. (Ordinary Resolution 5)
5. To approve the payment of Directors' benefits up to an aggregate amount of RM30,000 for the period from 3 June 2023 until Seventeenth Annual General Meeting of the Company. (Ordinary Resolution 6)
6. To re-appoint BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 7)

Special Business

To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:-

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTs")** (Ordinary Resolution 8)

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5.1 of the Circular to Shareholders dated 27 April 2023 ("the Related Parties") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) not detrimental to the interest of the minority shareholders of the Company.

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTs") (CONT'D)

THAT the authority conferred by such mandate, shall continue to be in force until:- (Ordinary Resolution 8)

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in general meeting

Whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate for RRPTs."

8. PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

(Ordinary Resolution 9)

"THAT, subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the additional recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.5.2 of the Circular to Shareholders dated 27 April 2023 ("the Related Party") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) are undertaken in the ordinary course of business on arm's length basis and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not detrimental to the minority shareholders of the Company.

(collectively known as "New Shareholders' Mandate").

AND THAT such approval, shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(1) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting;

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

8. PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

(Ordinary Resolution 9)

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the New Shareholders' Mandate."

9. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board

FONG SEAH LIH (MAICSA 7062297) / (SSM PC No. 202008000973)
THAM YIN TONG (MAICSA 7049718) / (SSM PC No. 202008001314)

Company Secretaries

Kuala Lumpur
27 April 2023

NOTES:-

- (1) *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at Friday, 26 May 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.*
- (2) *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
- (3) *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
- (4) *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.*
- (5) *Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
- (6) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
- (7) *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- (8) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:*
 - (i) *In hard copy form*
The proxy form must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) *By electronic means via Tricor's TIH Online website at <https://tth.online>*
Please refer to the Administrative Guide for further information on electronic lodgement of proxy form.
- (9) *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
- (10) *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
- (11) *Last date and time for lodging the proxy form is Wednesday, 31 May 2023 at 9.30 a.m.*

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

NOTES:-

- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- Identity card (NRIC) (Malaysian), or
 - Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's share registrar earlier.
- (14) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of general meeting will be put to vote by way of poll.

Explanatory Notes to the Agenda

- (i) *Item 1 of the Agenda*
Audited Financial Statements for the financial year ended 31 December 2022
- The Audited Financial Statements is meant for discussion only as the approval from shareholders is not required pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda item will not be put forward for voting by shareholders of the Company.
- (ii) Ordinary Resolutions 1, 2, 3 and 4
Re-election of Directors
- Mr Looa Hong Tuan, Mr Seah Kum Loong, Mr. Fung Kam Foo and Ms. Norliza Binti Rasool Khan are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Sixteenth Annual General Meeting. The Board of Directors has through the Nominating Committee carried out the necessary assessment on the aforesaid Directors and concluded that they met the criteria as prescribed under Rule 2.20A of the ACE Market Listing Requirements on character, experience, integrity, competence and time to effectively discharge their roles as Directors.
- (iii) *Ordinary Resolution 5*
Directors' fees for the financial year ending 31 December 2023
- The Directors' fees proposed for the financial year ending 31 December 2023 are calculated based on the number of scheduled Board and Board Committee meetings and assuming that all Non-Executive Directors will hold office until the next AGM. This resolution is to facilitate payment of Directors' fees on current financial year basis.
- In the event the Directors' fees proposed are insufficient (e.g. due to more meetings or enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall.
- (iv) *Ordinary Resolution 6*
Directors' benefits for the period from 3 June 2023 until Seventeenth Annual General Meeting
- Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries, shall be approved at a general meeting.
- Directors' benefits include allowances payable to Directors and in determining the estimated amount, the Board has considered various factors including the current board size, number of scheduled meetings for the Board and Board Committee for the period from 3 June 2023 until Seventeenth Annual General Meeting. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.
- (v) *Ordinary Resolution 7*
Re-appointment of Auditors
- The Board has through the Audit and Risk Management Committee, considered the re-appointment of BDO PLT as the Auditors of the Company. The factors considered by the Audit and Risk Management Committee in making the recommendation to the Board to table their re-appointment at the Sixteenth Annual General Meeting are disclosed in the Audit and Risk Management Committee Report of the 2022 Annual Report.
- (vi) *Ordinary Resolution 8*
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
- Ordinary Resolution 8, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Further details relating to this proposal is set out in the Circular to Shareholders dated 27 April 2023.
- (vii) *Ordinary Resolution 9*
Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature
- Ordinary Resolution 9, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Further information on the Proposed New Shareholders' Mandate is set out in the Circular to Shareholders dated 27 April 2023, which is despatched together with the Company's Annual Report 2022.

INNITY CORPORATION BERHAD
[Registration No. 200701006554 (764555-D)]
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE 16TH ANNUAL GENERAL MEETING (“AGM”)

Date	: Friday, 2 June 2023
Time	: 9.30 a.m.
Online Meeting Platform	: Greens III Sports Wing, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan

1. SAFETY MEASURES IN LIGHT OF THE COVID-19 PANDEMIC

Pursuant to the Reopening Safely Guidelines issued by Ministry of Health on 1 April 2022, considering the Covid-19 Pandemic and to safeguard the health and safety of shareholders, proxies and invited guests who may be attending the 16TH AGM in person, please find below the requirements for the 16TH AGM:

- (a) All attendees are advised to sanitise their hands and wear face mask before entering. Wearing a face mask throughout the 16TH AGM proceedings is mandatory.
- (b) If you are unwell with sore throat, flu, fever, cough, aches and pains, nasal congestion, diarrhoea or shortness of breath, you are required to comply with the directives issued by Ministry of Health to self-quarantine or seek medical advice and will not be allowed to attend the 16TH AGM. You are hereby strongly advised and encouraged to submit your Proxy Form prior to the 16TH AGM.

2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a shareholder whose name appears on the Record of Depositor as at Friday, 26 May 2023 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

3. REFRESHMENT

Light refreshment will be provided.

4. PRE-REGISTRATION TO ATTEND THE ANNUAL GENERAL MEETING

Shareholders are required to register ahead of the 16TH AGM to allow the Company to make the necessary arrangements in relation to the meeting i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants.

Please do read and follow the following procedures to pre-register your physical attendance at the 16TH AGM via the TIIH Online website at <https://tiih.online>:-

- Login in to TIIH Online website with your user name (i.e. e-mail address) and password under the “**e-Services**”. If you have not registered as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up.
- Select the corporate event: “**(REGISTRATION) INNITY 16TH AGM 2023**”
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Select “**Register for Physical Attendance at Meeting Venue**”.
- Review your registration and proceed to register.
- System will send an e-mail to notify that your registration for Physical Attendance at Meeting Venue is received and will be verified.
- After verification of your registration against the General Meeting Record of Depositors, the system will send you an e-mail **after 31 May 2023** to approve or reject your registration to attend physically at the Meeting Venue.

Please note that only a depositor whose name appears on the Record of Depositor as at Friday, **26 May 2023** shall be entitled to attend or appoint proxies to attend and/or vote on his/her behalf at the 16TH AGM.

5. POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Paragraph Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the poll and Asia Securities Sdn Berhad as Scrutineers to verify the poll results.

ADMINISTRATIVE GUIDE FOR THE 16TH ANNUAL GENERAL MEETING (“AGM”) (CONT’D)

6. APPOINTMENT OF PROXY

A shareholder who is unable to attend the 16TH AGM on 2 June 2023 may appoint proxy and indicate the voting instructions in the proxy form.

Only members whose names appear on the Record of Depositors as at Friday, 26 May 2023 shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf, A member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the AGM yourself, please do not submit any Form of Proxy for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 31 May 2023 at 9.30 a.m.**

(i) In Hard copy:

In the case of an appointment made in hard copy form, the proxy form must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. The procedures to submit your proxy form electronically via Tricor’s TIIH Online website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of proxy form	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: INNITY 16TH AGM - “Submission of Proxy Form”. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Indicate your voting instructions - FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.

ADMINISTRATIVE GUIDE FOR THE 16TH ANNUAL GENERAL MEETING (“AGM”) (CONT’D)

6. APPOINTMENT OF PROXY (CONT’D)

- (i) By electronic means (Cont’d)

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. The procedures to submit your proxy form electronically via Tricor’s TIIH Online website are summarised below:

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of proxy form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate exercise name: INNITY 16TH AGM - “Submission of Proxy Form”. Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.
<p>Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:</p> <ul style="list-style-type: none"> Identity card (NRIC) (Malaysian), or Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or Passport (Foreigner). 	

7. NO RECORDING OR PHOTOGRAPHY

No recording or photography of the 16TH AGM proceedings is allowed without prior written permission of the Company.

- Shareholders are also reminded to monitor the Company’s website and announcements for any changes to 16TH AGM arrangements.
- If you have any enquiries on the above, please contact the following person-in charge during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299
 Fax Number : +603-2783 9222
 Email : is.enquiry@my.tricorglobal.com
 Contact : Ms Lim Lay Kiow +603 2783 9232 Lay.Kiow.Lim@my.tricorglobal.com
 persons : Ms. Zakiah Binti Wardi +603 2283 9287 Zakiah@my.tricorglobal.com
 : Pn. Azizah Binti Kadir +603 2783 9260 Azizah@my.tricorglobal.com

INNITY CORPORATION BERHAD
(200701006554) (764555-D)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.
No. of shares held

Telephone no. (During office hours) _____

I/We _____ NRIC (New)/ Company No. _____
(PLEASE USE BLOCK CAPITAL)

of _____
(FULL ADDRESS)

being member(s) of **INNITY CORPORATION BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at **Greens III, Sports Wing, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 2 June 2023 at 9.30 a.m.** or any adjournment thereof, and to vote as indicated below:

Ordinary Business	Resolution	For	Against
Re-election of Mr Looa Hong Tuan as Director pursuant to Clause 76 of the Company's Constitution	Ordinary Resolution 1		
Re-election of Mr Seah Kum Loong as Director pursuant to Clause 76 of the Company's Constitution	Ordinary Resolution 2		
Re-election of Mr Fung Kam Foo as Director pursuant to Clause 76 of the Company's Constitution	Ordinary Resolution 3		
Re-election of Ms Norliza Binti Rasool Khan as Director pursuant to Clause 78 of the Company's Constitution	Ordinary Resolution 4		
Approval of Directors' fees of RM220,000 for the financial year ending 31 December 2023	Ordinary Resolution 5		
Approval of Directors' benefits up to an aggregate amount of RM30,000 for the period from 3 June 2023 until Seventeenth Annual General Meeting of the Company	Ordinary Resolution 6		
Re-appointment of BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 7		
Special Business			
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 8		
Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 9		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this _____ day of _____ 2023

Signature of Member(s) or/ Common Seal

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



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Notes:

- (1) For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at Friday, 26 May 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (5) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
The proxy form must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means via Tricor's TIH Online website at <https://tjih.online>
Please refer to the Administrative Guide for further information on electronic lodgement of proxy form.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (11) Last date and time for lodging the proxy form is Wednesday, 31 May 2023 at 9.30 a.m.
- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's share registrar earlier.
- (14) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of general meeting will be put to vote by way of poll.

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AFFIX
STAMP

**Share Registrar of Innity Corporation Berhad
Tricor Investor & Issuing House Services Sdn Bhd**
Company No: 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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Innity Corporation Berhad (200701006554)

C501 & C502, Block C,
Kelana Square,
17, Jalan SS7/26, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, MALAYSIA

W www.innity.com



**RIGHT AUDIENCE.
REAL ENGAGEMENT.**