ANNUAL REPORT 2014

INNITY CORPORATION BERHAD

Innity Corporation Berhad (764555-D)
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Kelana Square,
17, Jalan SS7/26, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, MALAYSIA

W www.innity.com

innity RIGHT AUDIENCE.
REAL ENGAGEMENT.

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CORPORATE PROFILE

ABOUT INNITY

Innity is the leading digital media network that provides interactive online marketing platforms and data-driven technologies for advertisers and publishers.

Established in 1999, Innity has a strong foothold in the South East Asian market spanning over 10,000 websites, including major newspaper portals and premier sites in more than 18 content-interest channels such as technology, lifestyle, automotive, business and entertainment.

Innity's solutions provide a combination of the best features of rich media, data-driven targeting, programmatic buying, engagement-based advertising, and innovative payment models to some of the world's largest brands and advertising agencies. Innity has presence in Malaysia, Singapore, Thailand, Indonesia, Vietnam, Philippines, Taiwan, Hong Kong and China with nearly 200 staff in total.

Innity has a large and exhaustive network

More than 10,000 websites, including major newspaper portals and premier sites

More than 18 content interest channels such as technology, lifestyle, automotive, business and entertainment that we are constantly evolving and expanding

350,000,000 unique visitors each month

Over 3 billion ad impressions monthly

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

- Display advertising network
- Video advertising network
- Wi-Fi advertising network
- Self-service advertising platform
- Performance and engagement based advertising solutions
- Programmatic Buying Solutions, Real-Time bidding

Innity is committed in exploring online marketing opportunities through our versatile combination of online media proficiency, industry clout, cutting-edge technology as well as sophisticated modeling and analytical tools.

Reasons why Innity is highly sought after in the market:

- 1st in APAC to introduce Cost Per Engagement (CPE)
- 1st in APAC to introduce retargeting
- 1st and only fully transparent ad serving system in Asia that is IAB certified
- Google certified Rich Media and Ad Network Vendor
- Advertising Provider on Facebook

Top ad networks in Thailand – February 2015

Media		Total Unique Visitors (000)	% Reach
	Total Internet : Total Audience	14,063	100.0
1	Google Ad Network	13,017	92.7
2	Innity Network	7,730	55.0
3	Komli Media	6,447	45.8
4	Exponential – Tribal Fusion	6,045	43.0

Source: comScore Media Metrix

Top ad networks in Indonesia – February 2015

Media		Total Unique Visitors (000)	% Reach
	Total Internet : Total Audience	22,032	100.0
1	Google Ad Network	21,231	92.2
2	Exponential – Tribal Fusion	12,893	56.0
3	Innity Network	8.832	38.3
4	Komli Media	7,531	32.7
5	Adplus Ad Network	6,342	27.5
6	Ambient Digital Ad Network	5,665	24.6

Source: comScore Media Metrix

Top ad networks in Singapore – February 2015

Media		Total Unique Visitors (000)	% Reach
	Total Internet : Total Audience	4,078	100.0
1	Google Ad Network	3,765	92.3
2	Innity Network	2,338	57.3
3	Exponential - Tribal Fusion	2,058	50.5
4	Komli Media	1,027	25.2

Source: comScore Media Metrix

Top ad networks in Malaysia – February 2015

Media		Total Unique Visitors (000)	% Reach
	Total Internet : Total Audience	13,990	100.0
1	Google Ad Network	12,553	89.7
2	Exponential Tribal Fusion	7,807	55.8
3	Innity Network	5,376	38.4
4	Komli Media	3,642	26.0
5	Scupio Network	779	5.6

Source: comScore Media Metrix

Top ad networks in Philippines – February 2015

Media		Total Unique Visitors (000)	% Reach
	Total Internet : Total Audience	10,652	100.0
1	Google Ad Network	9,153	85.9
2	Innity Network	1,900	17.8
3	Ambient Digital Ad Network	1,255	11.8
4	Komli Media	1,162	10.9

Source: comScore Media Metrix

Top ad networks in Vietnam – February 2015

Media		Total Unique Visitors (000)	% Reach
	Total Internet : Total Audience	17,946	100.0
1	Google Ad Network	16,770	93.4
2	Ambient Digital Ad Network	15,537	86.6
3	Innity Network	8,559	47.7
4	BlueSeed Ad Network	5,537	30.9

Source: comScore Media Metrix

Top ad networks in Hong Kong – February 2015

Media		Total Unique Visitors (000)	% Reach
	Total Internet : Total Audience	4,695	100.0
1	Google Ad Network	4,255	90.6
2	Yahoo Ad Network	4,211	89.7
3	Pixels	3,845	81.9
4	Innity Network	2,067	44.0

Source: comScore Media Metrix

innity

Investment Holding

20%
I-DAC Pte Ltd
provision of various internet advertising services using advanced technologies, sub-license the right to use the technologies and technical support (Singapore)

100%
I-DAC (M) Sdn Bhd
Provider of digital advertising services and other related digital marketing solutions (Malaysia)

100%
Innity Sdn Bhd
Technology-based online advertising solutions and other related internet services (Malaysia)

100%
Advenue Digital Advertising Sdn Bhd
Technology solutions provider for digital advertising activities (Malaysia)

100%
Spiral Vibe Sdn Bhd
Advertising agency with a full suite of services (Malaysia)

95%
PT.Media Innity
Technology-based online advertising solutions and other related internet services (Indonesia)

100%
DoMedia Asia Sdn Bhd
Technology-based online advertising solutions and other related internet services (Malaysia)

99.99%
Innity Philippines, Inc.
Technology-based online advertising solutions and other related internet services (Philippines)

100%
Innity Shanghai Ltd.
Technology-based online advertising solutions and other related internet services (China)

74% 1%
Native Media Sdn Bhd
Providing concept creation and execution of product and brand marketing campaigns on behalf of clients, specialising in video and multimedia content for online distribution and promotion (Malaysia)

100%
Innity Limited
Investment holdings of overseas operations (Hong Kong)

80%
Tresixty Media Sdn Bhd
Budget online advertising and media solutions for SME (Malaysia)

80%
Innity China Co., Limited
Technology-based online advertising solutions and other related internet services (Hong Kong)

40%
Dynamic Outdoor Media Sdn Bhd
provision of WIFI services for F&B outlet,shopping centre and township (Malaysia)

74% 1%
Appsploration Sdn Bhd
Develop new mobile products to support the Group's activities and to develop mobile applications for the group's clients (Malaysia)

5% 95%
Innity Singapore Pte Ltd
Technology-based online advertising solutions and other related internet services (Singapore)

88%
Innity Vietnam Co Ltd
Software production house (Vietnam)

49%
Innity Digital Media (Thailand) Co., Ltd.
Technology-based online advertising solutions and other related internet services (Thailand)

100%
Innity Taiwan Limited
Technology-based online advertising solutions and other related internet services (Belize)

90%
Innity Software & Advertising Co Ltd
Technology-based online advertising solutions and other related internet services (Vietnam)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Phang Chee Leong
Executive Chairman

Looa Hong Tuan
Managing Director

Wong Kok Woh
Executive Director

Seah Kum Loong
Executive Director

Shamsul Ariffin Bin Mohd Nor
Independent
Non-Executive Director

Robert Lim Choon Sin
Senior Independent
Non-Executive Director

Abd Malik Bin A Rahman
Independent
Non-Executive Director

Gregory Charles Poarch
Non-Independent
Non-Executive Director

Chang Mun Kee
Alternate Director
To Gregory Charles Poarch

Yutaka Shimizu
Non-Independent
Non-Executive Director

Hisaharu Terai
Alternate Director
To Yutaka Shimizu

AUDIT AND RISK MANAGEMENT COMMITTEE

Shamsul Ariffin Bin Mohd Nor
(Chairman)
Robert Lim Choon Sin
Abd Malik Bin A Rahman

REMUNERATION COMMITTEE

Robert Lim Choon Sin *(Chairman)*
Shamsul Ariffin Bin Mohd Nor
Phang Chee Leong

NOMINATING COMMITTEE

Robert Lim Choon Sin *(Chairman)*
Abd Malik Bin A Rahman
Shamsul Ariffin Bin Mohd Nor

COMPANY SECRETARIES

Wong Wai Foong
(MAICSA 7001358)
Lim Poh Yen
(MAICSA 7009745)

LEGAL ADVISORS

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Selangor Darul Ehsan

PRINCIPAL BANKER

Malayan Banking Berhad

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Tel : 603-2264 8888
Fax : 603-2282 2733

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& Company (AF 1237)
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BUSINESS OFFICE

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47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7880 5611
Fax : 603-7880 5622
Email: enquiry@innity.com

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
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Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
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Fax : 603-2282 1886

STOCK INFORMATION

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

WEBSITE

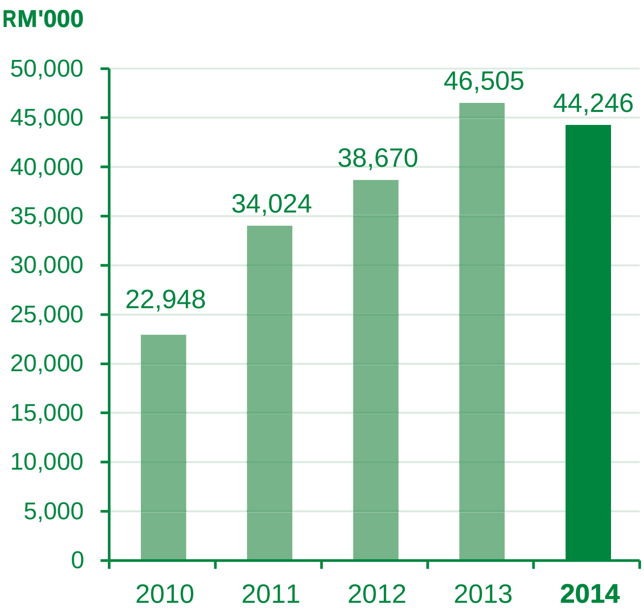
www.innity.com

5 YEARS FINANCIAL HIGHLIGHTS

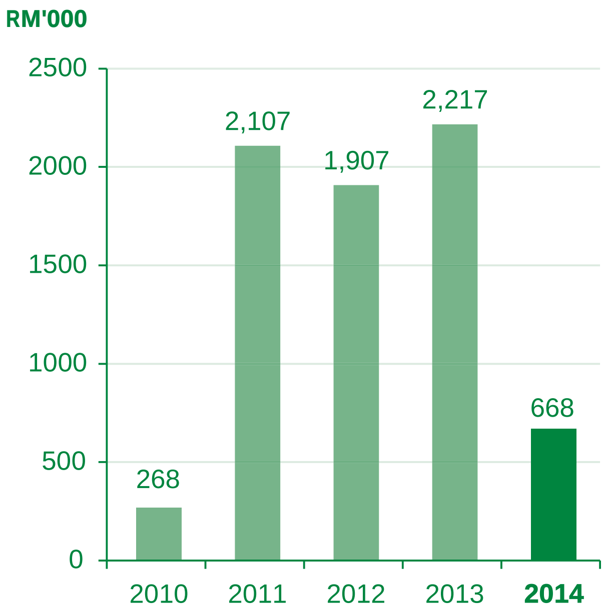
Financial Year ended 31 December **Audited**

	2010 (RM'000)	2011 (RM'000)	2012 (RM'000)	2013 (RM'000)	2014 (RM'000)
Revenue	22,948	34,024	38,670	46,505	44,246
Net profit for the year	268	2,107	1,907	2,217	668
Basic earnings per share (sen)	0.16	1.73	1.64	1.76	0.47

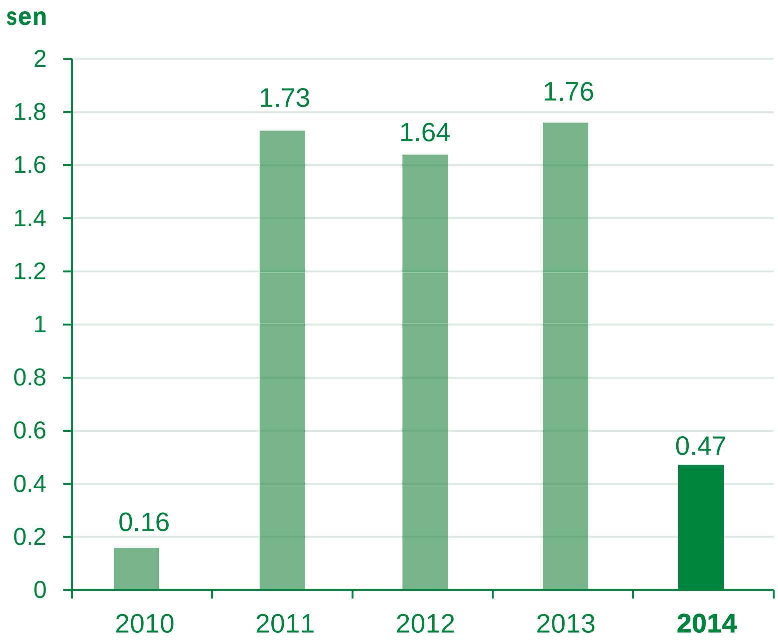
Revenue



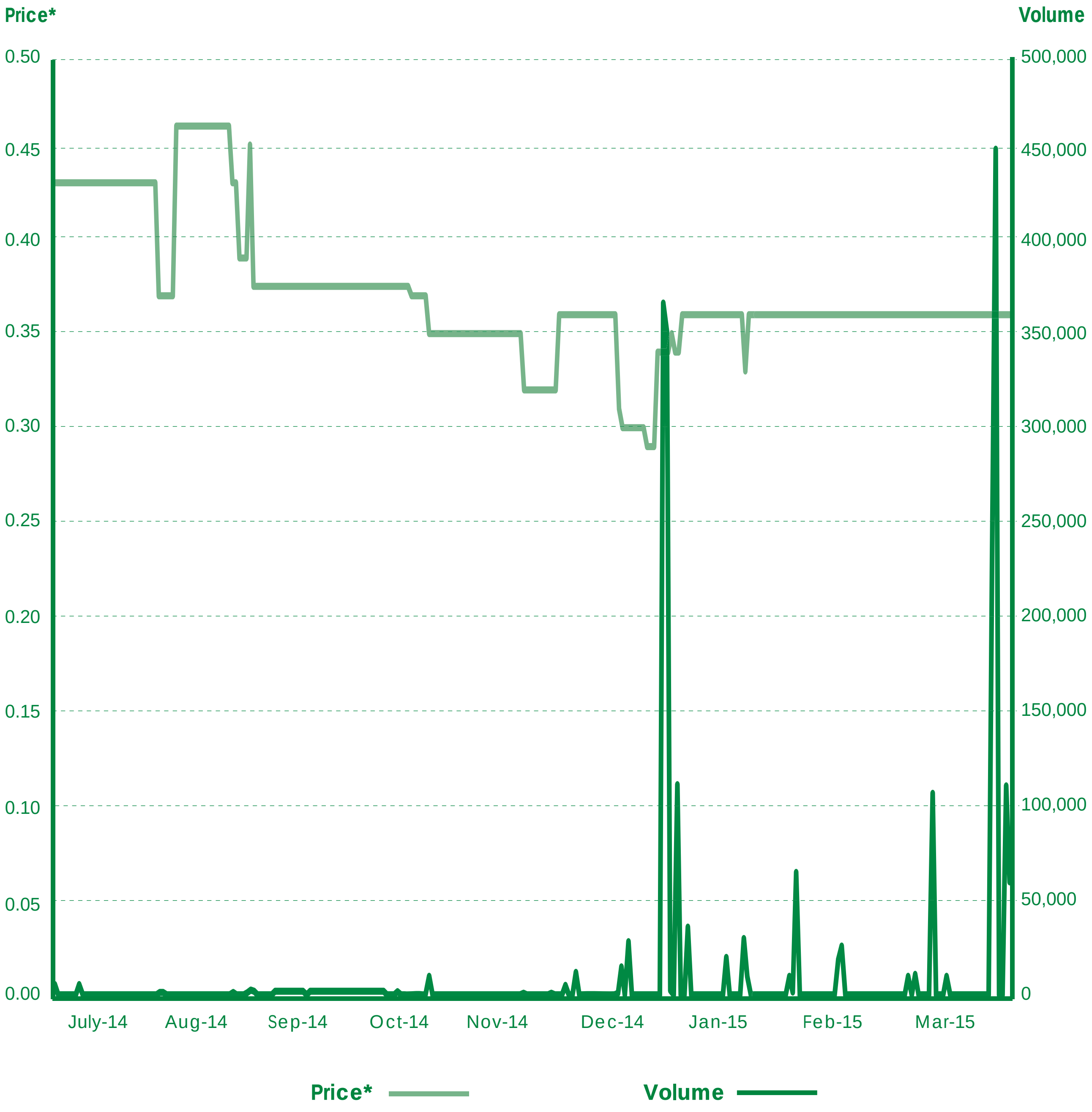
Net Profit For The Year



Basic Earnings Per Share



SHARE PERFORMANCE



MARKET VALUE RATIOS
At 31 March 2015

Market Capitalisation : RM49.83 Million
Price/Book Value : 2.1x

Dear Shareholders,

On behalf of the Board of Directors ("the Board") of Innity Corporation Berhad ("Innity" or "the Company"), I am pleased to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2014.

ECONOMIC OVERVIEW

Although the global economy expanded at a modest pace in 2014, there was uneven momentum across the advanced economies. While growth in the US remained on a path of gradual improvement. economic activity in the weaker Eurozone countries remained subdued. Despite the risks and vulnerability to external developments, the emerging economies, particularly in Asia, remained resilient. Structural reforms and broader economic policies allowed most emerging economies to more effectively manage these highly uncertain and volatile conditions.

As the year progressed, economic growth in the commodity-producing emerging economies moderated amid rising concerns over the significant decline in global oil prices in the second half of 2014.

Despite the increased uncertainty over the implications of a sharp decline in oil prices, the Malaysian economy grew at a stronger pace in 2014, recording a growth of 6%(2013: 4.7%)(Source: Bank Negara Report 2014). Supported by stable labour market conditions, growth was driven by the continued strength of the country's private sector economy and positive growth in net exports. Private consumption remained strong, registering growth of 7.1% in 2014(2013:7.6%)(Source:Bank Negara Report 2014), as reflected in the performance of the major consumption indicators such as retail sales and household spending growth. Net exports contributed positively to the growth as the country benefitted from the recovery in the advanced economies and sustained demand from the Asian regional economies.

Private investment continued to remain vibrant, recording a growth of 11%(2013: 13.6%)(Source: Bank Negara Report 2014). Private investment growth occurred in both export-oriented and domestic-oriented industries and was mainly driven by the services and manufacturing sectors.

Although oil prices are not expected to stabilise anytime soon, the Malaysian economy will remain resilient in 2015 despite the challenging external environment. Growth of between 4.5% to 5.5%(Source: Bank Negara Report 2014) is expected, underpinned by strong economic fundamentals and sustained expansion in domestic demand.

Demand for higher speed Internet would continue to fuel broadband growth in mobile services. The roll out of Telekom Malaysia's fibre-based High-Speed Broadband (HSBB) network, on the back of the broadband boom, has resulted in Malaysia's overall broadband penetration rate surging to 67.3% in the first quarter of 2014 from 55.6% in 2010. (Source: UNICEF Malaysia Desk Review 2014). The overall broadband penetration rate is expected to grow to 75% within 2-3 years before reaching its saturation level.

PRODUCT AND BUSINESS DEVELOPMENT

As a leading architect of origination and innovation in the provision of online media and advertising technology, Innity has consistently consolidated its position at the forefront of the online marketing wave in Southeast Asia.

Some of Innity's major achievements in 2014 included the following:

Innity Launches Highly Engaging Mobile Ad Platform

Launched in March 2014, Engage+ Mobile is a comprehensive suite of mobile advertising tools with engaging mobile ad units and an innovative engagement metrics tool to boost and subsequently measure brand engagement.

Innity's objective in launching Engage+ Mobile is for brands to get genuine user engagement hence, assisting advertisers maximize impact and increase brand engagement for their digital ad campaigns.

Engage+ Mobile ad formats, which are compatible on iOS and Android, combine display, audio and a gyroscopic feature to enhance user engagement. Fundamentally, the users see the ad message and are prompted to swipe or tap the ad to engage further with the brand as more content is presented.

To facilitate deeper experiences within the mobile ad, different feature options are available which are tailored to fit advertisers' promotion campaigns such as swipe photo galleries, social sharing features, coupon download, data forms, motion support, among others. Adopting Engage+ Mobile will enable advertisers to reach out to consumers who have shown interest in their brand or product to further improve the chances of conversion.

Additionally, in line with IAB's latest initiative to redefine measuring digital ad engagement, Innity has deployed its Engagement Funnel - a revolutionary measurement tool to track audience engagement metrics such as awareness, consideration, favourability and action. This provides advertisers valuable insight into the effectiveness of their ad content, identify what is working and what is not and emphasise on what is driving success. The engagement metrics is available on all digital campaigns running on Cost-Per-Engagement.

Innity Ventures Into Taiwan

As part of the Group's continuing cross border expansion, Innity officially launched its Taiwan operations in August 2014.

Taiwan is a booming market brimming with abundant potential in terms of adoption rate as well as advertiser and publisher maturity. The Group is offering advertisers in Taiwan online advertising solutions to run measurable campaigns across display, video, mobile, social and programmatic for a complete branding experience online by leveraging on Innity's Engage+ Mobile platform.

Since commencing operations, Innity Taiwan has worked with more than ten(10) premium brands to launch their online campaigns in the country. With Innity's commendable international track record in building strong relationships with the region's premium publishers and advertisers, I am confident that our Taiwan operations will be a viable addition to our growing presence in the major ASEAN countries, Hong Kong and China.

Innity Forges Reseller Partnership With Yahoo! Inc

The forging of a reseller partnership, in January 2015, with Yahoo! Inc, a leading global online media icon, is a testament of Innity's good name and international reputation.

Innity will act as the primary sales force in Malaysia, Indonesia and Thailand in reselling a range of Yahoo! advertising solutions for both premium and performance campaigns covering premium display, native advertising, video, content marketing and programmatic advertisements.

Using Yahoo!'s sophisticated advertising platform, Innity will assist its clients and agency partners in the 3 countries to maximize their reach and visibility by reaching out to Yahoo!'s mammoth audience pool of an estimated 25 million Internet users through advanced audience targeting and retargeting capabilities.

Exclusive Media Partnership

Innity formed an exclusive partnership with Cari.com.my("Cari"), a leading community web portal for advertisers aiming for the lucrative 18-34 market. Regarded as one of the country's top ten most visited local websites, Cari has more than 800,000 online registered members, 5 million visitors monthly and over 60 million page views per month.

The exclusive partnership with Cari allows advertisers to select from a range of display, video and mobile ad units which include standard banners, Innity's proprietary rich media ads and custom sponsorship campaigns. With its offering of unique advertising options, Innity will provide Cari with cost-effective, creative solutions thus, giving brands the opportunity to target the lucrative 18-34 market.

REGIONAL EXPANSION

Our existing regional presence in Hong Kong/China, the Philippines and Vietnam have also achieved some measure of success. During the year under review, the combined revenue of these operations recorded a near 18% increase as compared to the same period in 2013. Over the next few years, we foresee huge growth potential and increasing dynamism of online advertising in Taiwan, Hong Kong/China as well as consolidating our lead position in our existing presence particularly, in Singapore and Indonesia.

FY2014 PERFORMANCE

For the financial year ended 31 December 2014, the Group registered a lower pre-tax profit of RM1.23 million(FY2013: pre-tax profit of RM2.91 million) on lower revenue of RM44.2 million(FY2013: RM46.5 million). The lower pre-tax profit recorded was attributed to higher operating expenses incurred and rising start-up costs arising from our ongoing regional expansion.

In terms of segmental performance, the Malaysian segment contributed RM21.0 million or just below 50% of Group revenue in 2014(FY2013: 54%). The integration and strengthening of our regional platforms have resulted in significant improvements to our Hong Kong/China, Philippines and Vietnam operations. In 2014, these operations contributed approximately RM0.86 million in pre-tax profit(FY2013: net pre-tax loss of RM0.4 million) on a combined revenue of nearly RM12.4 million(FY2013:RM5.5 million). It is worth noting that their share of aggregated group revenue increased to nearly 30% in 2014 from 11.8% a year ago.

Despite the challenging operating environment, shareholders' funds rose to RM27.1 million(FY2013:RM26.1 million) in 2014. The Group had cash and cash equivalents of RM9.43 million(FY2013:RM10.69million) with total borrowings of about RM0.24 million(FY2013:RM0.29 million). Net gearing was marginally lower at 0.9%(FY2013:1.1%). The Group's balance sheet remains in a solid position.

STATUS OF UTILISATION OF NEW ORDINARY SHARES SUBSCRIPTION PROCEEDS

Utilisation of proceeds from the 12,582,128 new ordinary shares subscription

On 20 September 2012, ICB raised gross proceeds of RM6.67 million from the subscription of 12,582,128 new ordinary shares pertaining to the conditional Subscription Agreement ("SA") with DAC, and has utilised approximately 76% of the proceeds as at 31 March 2015.

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

Purpose	Planned utilisation as stated in the circular (RM'000)	(i)Change of utilisation (RM'000)	Revised utilisation (RM'000)	Actual utilisation as at 31 March 2015 (RM'000)	Balance Unutilised (RM'000)	%	Intended time frame for utilisation from listing date
Working capital	6,169	51	6,220	(4,750)	1,470	23.6	Within 24 months
(i)Defrayment of listing expenses	500	(51)	449	(449)	-	-	Utilitised
Total	**6,669**	**-**	**6,669**	**(5,199)**	**1,470**	**23.6**	

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

BUSINESS OUTLOOK

As Southeast Asia's leading online marketing technology provider, the Group's continuous R&D activities, which it regards as top priority, is constantly delivering breakthrough ideas and product improvements in a diverse range of interactive marketing ad solutions, online advertising campaigns and promotions to maintain its competitive edge.

Digital Advertising

The advertising industry today is poised to grow at a phenomenal rate. The interactive media of Internet, mobile and gaming coupled with the increased use and availability of mobile phones, less expensive laptops and tablets, faster broadband and extensive Wi-Fi connectivities provide ample proof of the foreseeable growth in global digital advertising.

Digital or mobile advertising is evolving by facilitating advertisers to explore and deepen creative content to be in sync with consumers' targeted lifestyle and communicating these across multiple platforms and formats. Consequently, the share of advertising spend is expected to witness traditional media diminishing its audience reach to revenue opportunities as advertisers shift advertising spend to interactive marketing opportunities online and across platforms offering mobility.

The global mobile advertising market is forecast to reach $41.9 billion by 2017, up from the estimated $18.0 billion in 2014, according to Gartner, Inc. Innity will continue to develop mobile ad technology focusing on a range of engaging mobile ad formats aimed at helping advertisers increase ad engagement to drive cross-channel campaigns.

Content Marketing

As consumers shift to view content on new media screens such as mobile devices, digital television and laptops, strategies to change marketing and advertising business models to sync with the changing communication services landscape are viewed as moving to a results-based revenue model that is consistently delivering a good return on investment. Today, digitally led content ads are prevalently adopted over the traditional communication of advertisements such as the print media, as a consequence of the paradigm shift.

Innity foresees significant growth in content marketing. Brands are increasingly creating content of their own and building an audience around it. Moving forward, Innity plans to develop highly sociable content marketing tools for advertisers to present immersive and engaging content for deeper brand engagement.

Research & Development (R&D)

As Innity's competitive edge is honed through continuous R&D, capitalised development expenditure, in 2014, totaled RM1.44 million (2013:RM1.26 million). Development expenditure was incurred for product improvements in display and mobile advertising and wireless networks.

Innity firmly believes in the growth potential and increasing dynamism of online advertising within the Asia Pacific region. The company continues to be the first and only fully transparent ad serving system in Asia that is IAB certified reinforcing our leadership within the region.

With our in-depth knowledge of online users' behavioral trends, we believe that there has never been a greater opportunity for Innity to be totally engaged in the speedy and progressive paradigm shift from traditional media to new media.

Although the global economy is facing increased economic challenges, by seeking out new ways to extend our coverage and responding intelligently and adapting swiftly to change, I am confident that Innity will continue to excel in its products and services and enjoy tremendous success in the years ahead.

Corporate Governance

To protect and enhance shareholder value, the Board recognises the importance of practising good Corporate Governance and continues to comply with the recommendations of the Malaysian Code on Corporate Governance 2012 ("the Code") and the Companies (Amendment) Act 2007. This is to ensure that corporate governance best practices are complied throughout the Group as an imperative part of discharging their responsibilities.

The Corporate Governance Statement in the ensuing pages details how the Group has otherwise applied the principles and the extent of compliance with best practices, as set out in the Code, throughout the 12 months ended 31 December 2014.

Corporate Social Responsibility

Innity believes in giving back to the community as an essential by-product of its core values. Our Company is more than the whole of its assets, operations and policies. Our employees are the indispensable ingredient that holds Innity together, promotes its impeccable reputation and ensures its progress and success.

In June 2014, a selective group of our senior employees from our Indonesian operations took time off to prepare food and distributed them to the homeless community in the local neighbourhood.

In conjunction with the Mid-Autumn Festival, the team in Hong Kong made use of Innity's #SocialHub and ran a social campaign to raise funds for Orbis Hong Kong – a non-profit organisation advocating the prevention of curable eye diseases. With every Mid-Autumn related photo, images were uploaded to Instagram, Twitter or Facebook with the hashtag #InnityHKCares. For every uploaded image, HK$1 was donated to Orbis Hong Kong to support their cause. The uploaded images were featured on #SocialHub dedicated for the campaign to highlight the amount of contributions.

Back home in Malaysia, employees from various departments actively supported a local non-governmental body called Save-A-Stray. Its cause is to eradicate animal cruelty. Innity's employees helped raise funds by selling hand-made chocolates and advertising online with inspirational quotes from the creative team.

Protecting children's rights is an important responsibility and we are indeed excited about our partnership with UNICEF Malaysia. Through Innity's widespread online network of local, regional and international websites, Innity continued its collaboration with UNICEF, in 2014, by supporting UNICEF in the following activities:

i) Hosting of UNICEF's donation pages in Innity's server, and
ii) Assisting UNICEF in their donation pages and fund raising messages.

Innity's objective was to draw netizens to the UNICEF Malaysia website to help advance the awareness of child rights. This include, amongst others, access to quality health and education services for all children, strengthening social policies for the most vulnerable children and providing comprehensive protection services for children and young people.

Appreciation

I would like to express my heartfelt thanks and gratitude to my fellow Directors as we continue to persevere and preserve shareholder value in the Group.

Employees constitute our most indispensable asset. Innity recognizes that the inherent value of this asset is reflected in the ability, integrity, knowledge, commitment and talent of its employees. Together with the Board, I would like to express our sincere appreciation and thanks to the management and staff for their dedication and commitment in performing their tasks.

Finally, on behalf of the Board, I would like to express my sincere appreciation to our valued shareholders, customers, business associates and financiers for placing their continuing support and trust in the Group.

PHANG CHEE LEONG
EXECUTIVE CHAIRMAN

DIRECTORS' PROFILE

Phang Chee Leong
Executive Chairman
Member of the Remuneration Committee

Malaysian, aged 44

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 2001, he joined Innity and took on the position of Chief Executive Officer / Chief Technology Officer. Through his 18 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 currently heads the R&D team where he is in charge of 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.

Looa Hong Tuan
Managing Director

Malaysian, aged 44

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 Jebsen & 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 established Innity 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.

Wong Kok Woh
Executive Director

Malaysian, aged 44

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 left Nokia Malaysia in 1999 as Jiang Xi's province network planning manager. Moving on, he joined Innity in 2001 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.

Seah Kum Loong
Executive Director

Malaysian, aged 43

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 2001, he joined Innity 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.

Shamsul Ariffin Bin Mohd Nor
Independent Non-Executive Director
Chairman of the Audit Committee,
and Member of the Remuneration and Nominating Committees

Malaysian, aged 69

Shamsul Ariffin Bin Mohd Nor was appointed as the Independent Non-Executive Director on 30 April 2008. He holds a Bachelor of Arts (Honours) Degree from Universiti Sains Malaysia and a Masters in Business Administration from Universiti Kebangsaan Malaysia. He has served in various capacities in the public service including as Assistant Secretary and Principal Assistant Secretary to the Ministry of Land & Regional Development, Senior Assistant Director to the Director General Land & Mine Department and Director of Enforcement Road Transport Department, Malaysia. He was also a board member of Perbadanan Niaga FELDA, NARSCO Bhd, NASPRO Sdn Bhd, NARSCO Properties Sdn Bhd, NARSCO Management Services Sdn Bhd and Commercial Vehicle Licensing Board. He is currently the Executive Director of See Hup Consolidated Berhad and also holds directorship in several private companies.

Abd Malik Bin A Rahman
Independent Non-Executive Director
Member of the Audit and Nominating Committees

Malaysian, aged 66

Encik Malik was appointed to the Board as an Independent Non-Executive Director of Innity Corporation Berhad on 30th April 2008. He is a member of the Audit Committee and Nomination Committee. Encik Malik is a Chartered Accountant member of the Malaysian Institute of Accountants (MIA). He is also a Fellow of the Association of Chartered Certified Accountants (UK), a member of the Malaysian Institute of Certified Public Accountants and a Certified Financial Planner (USA). He is a member of both the Malaysian Institute of Management and Chartered Management Institute (UK). Encik Malik has held various senior management positions in Peat Marwick Mitchell (KPMG), Esso Group of Companies, Colgate Palmolive (M) Sdn. Bhd., Amway (Malaysia) Sdn. Bhd., Fima Metal Box Berhad and Guinness Anchor Berhad. He was the General Manager, Corporate Services of Kelang Multi Terminal Sdn. Bhd. (Westports) from 1994 until 2003. Encik Malik sits on the Board of Affin Holdings Berhad, Affin Bank Barhad, Affin Hwang Investment Bank Berhad, Affin Hwang Asset Management Berhad, Boustead Heavy Industries Corporation Berhad, Boustead Penang Shipyard Sdn. Berhad, CYL Corporation Berhad, Lee Swee Kiat Group Berhad and several private limited companies.

Robert Lim Choon Sin
Senior Independent Non-Executive Director
Chairman of the Remuneration and Nominating Committees, and
Member of the Audit Committee

Malaysian, aged 58

Robert Lim Choon Sin was appointed as the Independent Non-Executive Director on 30 April 2008 and redesignated as Senior Independent Non-Executive Director with effect from 22 November 2012. As a principle consultant, he currently provides services as an experienced business executive, strategist, and technologist in helping companies implement and manage change, grow and increase value. He has 30 years of experience in ICT, in end-user, vendor and services provider environment. His expertise covers a wide spectrum of disciplines ranging from product development, consulting and managing IT related initiatives in a variety of industry. His previous role included the Director of Technology in a foreign financial institution in Malaysia. He was previously the Chief Technology Officer of Rexit Berhad and the Asia-Pacific Vice President of Technical Services at Consortio Corporation, a Seattle-based system integration company specialising in building e-communities and B2B portals. He graduated with a Bachelor of Science (Honours) Degree in Computer Science from Brighton Polytechnic, UK in 1982. He does not hold any other directorship of public companies.

Gregory Charles Poarch
Non-Independent Non-Executive Director

American, aged 50

Gregory Charles Poarch was appointed as the Non-Independent Non-Executive Director on 19 August 2009. He graduated with a Bachelor of Science in Accounting from Southwestern Oklahoma State University, USA in 1988. He commenced his career in 1988 as a Senior Auditor with Finley & Cook, 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 JobStreet Corporation Berhad. He does not hold any other directorship of public companies.

Chang Mun Kee
Alternate director to Gregory Charles Poarch

Malaysian, aged 50

Chang Mun Kee was appointed as the Alternate Director to Gregory Charles Poarch on 19 August 2009. He obtained his Bachelor of Science in Mechanical Engineering from the University of Texas, Austin, USA in 1988 and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology, USA in 1990. Prior to founding MOL Online Sdn Bhd in 1995 and subsequently JobStreet.com Sdn Bhd in 1997, he was with Kendall International, a US healthcare company, for 5 years, starting as a process engineer in 1990 before being promoted to manufacturing manager in 1992 and regional director of sales and marketing for Malaysia in 1994. He left Kendall International in 1996 to establish JobStreet.com Sdn Bhd which expanded regionally under his direction. He is an Executive Director of JobStreet and founder of the JobStreet Group and sit on the Boards of Innity Corporation Berhad, Vitrox Corporation Berhad and 104 Corporation, Taiwan.

Yutaka Shimizu
Non-Independent Non-Executive Director

Japanese, aged 57

Yutaka Shimizu was appointed as the Non-Independent Non-Executive Director on 26 December 2012. He graduated with a Bachelor of Technology from Kyoto University, Japan in 1983. He started his career as an Account Executive of Hakuhodo in 1983 and in charge of Nissan, Suntory, J league and Club Med. In 1988, he was promoted to Account Director. From 1988 until present he held various senior Management positions in Hakuhodo Group. He held the position of Managing Director of Hakuhodo Hong Kong, Hakuhodo Singapore and Hakuhodo Shanghai from 1988 to 2012, CEO of Hakuhodo China operating division from 2007 to 2011. Moving forward, he was assigned as a General Manager of HakuhodoDY holdings Singapore representative office and a President and CEO of DAC Asia Pte. Ltd and a Managing Director of I-DAC Pte. Ltd in 2012.

Hisaharu Terai
Alternate director to Yutaka Shimizu

Japanese, aged 59

Hisaharu Terai was appointed as the Non-Independent Non-Executive Director on 26 December 2012. He graduated with a Bachelor of Economics from Tokyo University, Japan in 1979. He started his career as Global Marketing Officer of Industrial Plant Equipments in Mitsubishi Electric in 1979. In 1988, he joined Long Term Credit Bank of Japan and has been engaged in global financing and finances to media companies in Japan. Moving forward, he was the Chief Financial Officer of D.A Consortium Inc from 2000 to 2011 and promoted as Executive Director in charge of Global Operation of the company. He sits on the Board of DAC Asia Pte. Ltd , I-DAC Pte. Ltd and I-Rep Co.Ltd.

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 ten years.*
3. *None of the Directors have any conflict of interest with the company.*

CORPORATE GOVERNANCE STATEMENT

The Board of Directors("the Board") of Innity Corporation Berhad fully supports the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("the Code"). The Board recognizes the importance of maintaining a high standard of corporate governance in managing the businesses of the Group.

In discharging its responsibilities with integrity, transparency and professionalism, to protect and enhance shareholders' value and the financial position of the Group, the Board is continuously reviewing and, where appropriate, has taken the necessary steps to comply with the principles and recommendations as set out in the Code.

Pursuant to Paragraph 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Board is pleased to report herewith on how the Group has applied the principles and complied with the best practice provisions as laid out in the Code throughout the financial year under review.

A. THE BOARD OF DIRECTORS

1) The Board

The Board has the overall responsibility for corporate governance, charting the strategic directions and policies as well as overseeing the investment and business directions of the Group. In addition, the Board, amongst others, oversees succession planning for both the Board and the Management, approves the Group's financial statements for regulatory and management reporting and ascertains the dividend policy for shareholders.

The Group is headed by an effective Board which comprises qualified professionals of sufficient calibre who have the requisite experience, knowledge and skills to review corporate strategies, resolve operational issues and monitor the financial performance of the Group. The Board assumes responsibility for effective stewardship and control of the Group and its members have established terms of reference to assist in the discharge of their responsibilities.

2) Board Charter

The Company's Board Charter has been established as a source of reference to the Board in the fulfillment of its roles, duties and responsibilities.

The Board will periodically review and update its charter in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

3) Business Code of Conduct

The Board has formulated a Business Code of Conduct ("COC") which reflects Innity's vision and core values of integrity, teamwork, learning and performance. It serves as the primary behavior guide for all Innity employees.

The COC incorporates Innity's basic standards of ethical behavior and compliance with the law. It is also designed as a preventive tool to help prevent and detect violations of the Company's policies and the law.

4) Board Composition and Balance

The Board consists of Eleven (11) Directors, comprising of 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.

A. THE BOARD OF DIRECTORS (cont'd)

4) Board Composition and Balance (cont'd)

The Board complied with Rule 15.02 of the Listing Requirements which requires at least two (2) directors or one-third of the Board, whichever is higher, to be independent Directors. The Board is satisfied that the current Board composition fairly reflects the interest of the minority shareholders of the Company.

There is a clear segregation of duties between the Executive Chairman and the Managing Director to ensure that there is a balance of power and authority in managing the Group. The primary responsibilities of the Executive Chairman, among others, are providing overall leadership to the Board and performing ceremonial obligations, such as presiding at general meetings of shareholders, Board meetings and informal meetings with other Board members. In contrast, the Management, comprising the Managing Director, Executive Directors and Department Heads, are tasked with the administration and management of the day-to-day operations of the Group's business as well as ensuring that the corporate strategies, policies and decisions of the Board are implemented and managed expeditiously.

In compliance with Principle 1 of the Code, the Board has established clear functions between itself and the Management.

The Board does not currently have any gender diversity policy or target. Similarly, the Group does not have a diversity policy for its workforce in terms of gender, ethnicity and age. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merit and are not driven by any racial, age or gender bias.

The Board acknowledges the gender diversity as recommended in the Code and recognizes the strategic and business benefits of having a balanced Board. The appointment of new board members will not solely be guided by gender but rather the skills, knowledge and experience of the newly-appointed director. Presently, the Board views that its current composition is balanced and effective, with a good mix of skillsets and experience from the varied background of both Executive and Non-Executive Directors. The Board also took into consideration the Code's recommendation that the Board be comprised of a majority of Independent Directors in situations where the Chairman of the Board is not an Independent Director. Given that this is presently not the case in Innity, as the Chairman is currently, a Non-Independent Director, the Company is considering a revision of the Board's composition to comprise a majority of Independent Directors when appropriate talents are identified.

The Board has identified and appointed Mr Robert Lim Choon Sin as the Senior Independent Director to whom concerns of shareholders, management and others may be conveyed. The Independent Directors led by Mr Robert Lim Choon Sin provide a broader view, independent and balanced assessment of proposals from the Executive Directors.

The Independent Directors together with the Senior Independent Director are able to exercise strong independent judgement and provide a balance to the Board with their unbiased and independent views, advice and judgement for all Board deliberations.

5) Re-election of Directors

In accordance with the Company's Articles of Association, 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. In addition, all directors shall be subject to retirement by rotation once every three (3) years.

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.

A. THE BOARD OF DIRECTORS (cont'd)

5) Re-election of Directors (cont'd)

Directors who are over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Currently, the Board does not assess the independence of the Independent Non-Executive Directors. However, the Board shall, in 2015, incorporate the necessary assessment into the Annual Assessment of Individual Directors for future compliance on Principle 3 of the Code.

The Board is satisfied with the level of independence and commitment demonstrated by all the Independent Non-Executive Directors to act in the Company's interest.

As at the date of this Statement, none of the Independent Directors has served more than nine (9) years on the Board.

Upon the completion of nine (9) years of service, Independent Directors may continue to serve on the Board subject to them being re-designated as Non-Independent Directors. In the event the Board intends to retain any Director as an Independent Director after a cumulative term of nine (9) years, approval from the shareholders will be sought.

6) Board Meetings and Commitment of the Board Members

The Board aims to meet at least four (4) times a year, normally at the end of every quarter of the financial year. When necessary, additional meetings will be convened by the Board to deliberate and make decisions on urgent matters.

During the financial year, six (6) Board 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	5/6
En. Shamsul Arrifin Bin Mohd Nor	6/6
En. Abdul Malik Bin A Rahman	6/6
Mr. Robert Lim Choon Sin	5/6
Mr. Gregory Charles Poarch	5/6
Mr. Yutaka Shimizu	6/6
Mr. Hisaharu Terai *(Alternate Director to Mr. Yutaka Shimizu)*	6/6
Mr. Chang Mun Kee *(Alternate Director to Mr. Gregory Charles Poarch)*	0/6

The Directors have observed the recommendation of the Code that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

The Board is satisfied with the level of time commitment given by the Directors, as espoused in Principle 4 of the Code, towards fulfilling their roles and responsibilities. This is evidenced by the attendance record of the Directors at the Board Meetings set out above.

A. THE BOARD OF DIRECTORS (cont'd)

7) Board Responsibilities and Supply of Information

The Board is accountable for all key decisions affecting the Group's business. These decisions include reviewing and approving the Group's strategic plans, key operational initiatives, major investment and funding decisions, reviewing the risk management process and internal control systems to minimize downside risks for the Group in order to safeguard shareholders' interests.

All Directors have access to all information within the Group whether as a full Board or in their individual capacity. Where necessary, the Directors may seek the advice of external professional advisors, at the Group's expense, on specialized issues to enable the Directors to discharge their duties with adequate knowledge of the issues being deliberated.

The agenda for Board meetings and a set of Board papers containing information relevant to the business of the meeting, are circulated to all Directors prior to the meeting. This to ensure sufficient time has been given for the Directors to prepare, obtain additional information or clarification prior to attendance at the meeting.

8) Qualified and Competent Company Secretary

The Board recognizes the role of the Company Secretary as a source of information and reference in providing relevant advice on compliance and regulatory issues as set out by external regulators such as the Securities Commission and Bursa Malaysia Securities Berhad ("Bursa Securities").

The Company Secretary attends all Board meetings and ensures that accurate and proper records of Board proceedings and resolutions passed are recorded and maintained in the statutory register of the company.

The Group is supported by a Company Secretary who is externally appointed. From her experience and exposure gained in providing secretarial services to other public listed companies, the Board may benefit from her statutory and regulatory updates.

9) Directors' Training

Having undertaken an assessment of the training needs of each director, all Directors appointed to the Board had, in 2014, attended a variety of relevant training programmes in accordance with the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities.

The Directors will continue to attend training courses to equip themselves effectively and discharge their duties as Directors on a continuous basis in compliance with Rule 15.08 of the Listing Requirements.

During the financial year ended 31 December 2014, the following Directors have attended the following training:

Name of Director		Name of Programme	Date
1	Phang Chee Leong	Gold Mindset & Cross-Team Alignment Power Workshop	3 & 4 October 2014
2	Looa Hong Tuan	Out of the Box Leadership(Arbinger Core At Work) Workshop	24 February 2014
		Gold Mindset & Cross-Team Alignment Power Workshop	3 & 4 October 2014

A. THE BOARD OF DIRECTORS (cont'd)

9) Directors' Training (cont'd)

Name of Director		Name of Programme	Date
3	Wong Kok Woh	Out of the Box Leadership(Arbinger Core At Work) Workshop	24 February 2014
		Gold Mindset & Cross-Team Alignment Power Workshop	3 & 4 October 2014
4	Seah Kum Loong	How To Overcome The Impact Of High Inflation Rate And Financial Crisis	8 October 2014
5	Shamsul Ariffin Bin Mohd Nor	Risk Management & Internal Control Workshop For Audit Committee Members	5 June 2014
		10th Tricor Tax & Corporate Seminar	29 October 2014
6	Robert Lim Choon Sin	Risk Management & Internal Control Workshop For Audit Committee Members	5 June 2014
		10th Tricor Tax & Corporate Seminar	29 October 2014
7	Abd Malik Bin A Rahman	Mergers & Acquisitions For Financial Institutions Programme	17 & 18 March 2014
		Audit Committee Conference 2014 – Stepping Up For Better Governance	20 March 2014
		Affin Investment Conference Series 2014 – Look East Policy 2.0	8 April 2014
		FIDE Forum: A Comprehensive Talent-Based Approach To Board Recruitment	16 June 2014
		Key Trends In Investment Banking & Equity Broking	25 June 2014
		Half-Day Talk On Corporate Governance	18 August 2014
		FIDE Forum: Risks From Whereof?	21 August 2014
		Half-Day Talk On Great Companies Deserve Great Boards	10 October 2014
		10th Tricor & Corporate Seminar	29 October 2014
		Amendments To Companies Bill: GST Implications To Non-Executive Directors; Recovery & Resolution Planning; Cybercriminals In The Financial Services Sector	2 December 2014
8	Gregory Charles Poarch	BDO Tax Forum Series – Preparing For Change	28 October 2014

A. THE BOARD OF DIRECTORS (cont'd)

9) Directors' Training (cont'd)

Name of Director		Name of Programme	Date
9	Chang Mun Kee	Story Power: Relearning Our Most Effective Organization Tool	24 February 2014
		Professional Certification In Criminology	30 & 31 July 2014
		104 Board Training, Taiwan	13 August 2014
		Investment Decisions and Behavioral Finance	19 & 21 August 2014
10	Yutaka Shimizu	Risk Control Evaluation Of Overseas Subsidiaries	13 November 2014
11	Hisaharu Terai	Risk Control Evaluation Of Overseas Subsidiaries	13 November 2014

10) The Board Committees

The role of the Board Committees is to advise and make recommendations to the Board. Each of the Committees operates under its respective terms of reference. At the relevant Board meetings, the Chairman of each Committee furnishes a verbal report on the outcome of major issues being addressed. The confirmed minutes of various Committees are tabled to the Board for information and to assist the Board if further deliberation at the board level is required.

The following Committees have been established to assist the Board in the discharge of its duties:

a. Audit and Risk Management Committee

The objective of the Audit and Risk Management Committee is to assist the Board to review the adequacy and integrity of the Company's and Group's internal control systems and management information systems. The composition, summary of activities and terms of reference of the Audit and Risk Management Committee are found in the Audit and Risk Management Committee Report.

b. Nomination Committee

The Nomination Committee, established on 30 April 2008, is tasked with ensuring that the appointed directors bring to the Board, a mix of skills and expertise necessary to meet the requirements of corporate stewardship. The Nomination Committee will also assist the Board in reviewing, on an annual basis, the appropriate balance and size of Non-Executive Directors' participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole.

The Nomination Committee, in its terms of reference, is also tasked with the duty of making suitable recommendations to fill vacancies on the Board and its Committees. Nonetheless, the approval for appointment of new Board or Committee Members rests with the Board as a whole.

A. THE BOARD OF DIRECTORS (cont'd)

10) The Board Committees (cont'd)

b. Nomination Committee (cont'd)

The Group has adopted a guide for the Nomination Committee to identify, evaluate, select and recommend to the Board the suitability of candidates as Board members. In evaluating the candidate, the Nomination Committee considers amongst others, the following factors:

- The achievements of the candidate in his/her personal career
- Integrity
- Wisdom
- Independence of the candidate
- Ability to make independent and analytical enquiries
- Ability to work as a team to support the Board
- Skills, qualification, expertise, gender diversity and other qualities
- Understanding of the business environment
- Willingness to devote personal time and commitment

In compliance with Principle 2 of the Code, the Nomination Committee comprises exclusively of the following Non-Executive Directors, all of whom are Independent Non-Executive Directors:

Chairman

Mr Robert Lim Choon Sin	*(Senior Independent Non-Executive Director)*

Members

Encik Shamsul Ariffin Bin Mohd Nor	*(Independent Non-Executive Director)*
Encik Abd Malik Bin A Rahman	*(Independent Non-Executive Director)*

The Committee held one (1) meeting during the financial year ended 31 December 2014. During the meeting, the Committee:

i) Reviewed and assessed the performance and effectiveness of the Board of Directors and the respective Board Committees as a whole for the year 2014. The respective contribution(s) of each individual Director to the Company were also appraised;

ii) Assessed, reviewed, considered and recommended the re-election and re-appointment of Director at next AGM and the re-appointment of Board Committee members for the ensuing term of one(1) year;

iii) Assessed the independence of the Independent Non-Executive Directors for year 2014; and

iv) Reviewed the training needs of the Directors.

c. Remuneration Committee

The role of the Remuneration Committee is described below under (B) Directors' Remuneration.

The Committee shall meet at least once a year. Additional meetings can be convened if necessary by the Chairman of the Committee.

The Committee held one(1) meeting during the financial year ended 31 December 2014.

B. DIRECTORS' REMUNERATION

The objective of the Remuneration Committee is to set the policy framework and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors, the Managing Director and other selected top management positions with the aim of attracting, retaining and motivating individuals of the highest calibre.

The remuneration of the Executive Directors is structured to link rewards to individual and corporate performance. Employees' share option scheme has also been adopted as an added incentive.

In respect of Non-Executive Directors, 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.

The Remuneration Committee consists of a majority of Independent Non-Executive Directors and the present members are:

Chairman
Mr Robert Lim Choon Sin — *(Senior Independent Non-Executive Director)*

Members
Encik Shamsul Ariffin Bin Mohd Nor — *(Independent Non-Executive Director)*
Mr Phang Chee Leong — *(Executive Chairman)*

The Remuneration Committee shall recommend to the Board the remuneration and entitlements of all directors (including the Executive Chairman) 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 aggregate remuneration of the Directors from the Group for the financial year ended 31 December 2014 is as follows:-

(RM'000)	Fees	Salaries & Other Emoluments	Total
Executive Directors	132	1,079	1,211
Non-Executive Directors	90	11	101
Total	**222**	**1,090**	**1,312**

Individual Directors' remuneration is not disclosed in the Annual Report. Directors' remuneration aggregated and falling within the following bands during the financial year under review are as follows:

Range of Remuneration	Executive	Non-Executive
RM0	-	4
Below RM50,000	-	3
RM50,001-RM200,000	-	-
RM200,001 –RM250,000	1	-
RM250,001-RM300,000	1	-
RM300,001-RM350,000	1	-
RM350,001-RM400,000	1	-
Total	**4**	**7**

C. SHAREHOLDERS

1) Shareholders and Investor Relations

The Group values regular communication with its shareholders and investors.

The Company reaches out to its shareholders through the issuance of the Annual Report and updates on the Company are provided through the quarterly financial reports and various public announcements via Bursa Link.

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 at www.innity.com.

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 active before and after the General Meetings. The Company has put in place a shareholder communication framework to facilitate effective communication with its shareholders and other stakeholders.

2) The AGM

Notice of the AGM, the Annual Report and relevant circulars are sent out to shareholders at least 21 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.

Shareholders, institutional investors, fund managers and market analysts are invited to meet with Directors after each AGM.

The Company has always made the necessary preparations in the event of poll voting for all resolutions tabled at the AGM. The Company will explore the suitability and feasibility of employing electronic means for poll voting as set out in the Code.

D. ACCOUNTABILITY AND AUDIT

1) Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the aim of the directors is to present a balanced and comprehensible assessment of the Group's position and prospects. The Audit and Risk Management Committee assists the Board in ensuring accuracy and adequacy of all audited and unaudited annual and quarterly financial reports, for disclosure. The statement by the Board pursuant to Paragraph 15.26(a) of the Listing Requirements on its responsibilities in preparing the financial statements is set out in this Annual Report.

The Board is responsible for the quality, correctness and completeness in ensuring that financial statements prepared for each financial year gives a true and fair view of the Group's financial state of affairs. The Directors take due care and reasonable steps to ensure that the financial statements are prepared in accordance with applicable accounting standards. All audited and unaudited annual and quarterly financial statements are reviewed by the Audit and Risk Management Committee and approved by the Board of Directors prior to release to Bursa Securities.

D. ACCOUNTABILITY AND AUDIT (cont'd)

1) Financial Reporting (cont'd)

The Statement of Directors, pursuant to Section 169 of the Company Act 1965, is set out in this Annual Report.

2) Sound Framework to Manage Risks

The Board is responsible for the adequacy and effectiveness of the Group's risk management system.

In compliance with Principle 6 of the Code, the Board has established an Enterprise Risk Management Framework which assists all operational levels in achieving the Company's strategic objectives by bringing a systematic approach to evaluating and improving the effectiveness of risk management and control.

3) Internal Control

The Board, through the Audit and Risk Management Committee, has implemented an effective system of internal controls. The system, which has been reviewed and pronounced to be adequate and effective by the external auditors, provides absolute assurance against material misstatements, losses, fraud and irregularities.

Information pertaining to the Company's risk management and internal controls are presented in the Statement on Risk Management and Internal Control laid out in this Annual Report.

4) Relationship with Auditors

The External Auditors have to report to the Company of their findings which are included as part of the Company's financial reports with respect to each year's audit on statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements. From time to time, the auditors will highlight to the Audit and Risk Management Committee and the Board on matters that require the Audit and Risk Management Committee's and Board's attention and action.

In line with Principle 5 of the Code, the Audit and Risk Management Committee has put in place a set of criteria to assess the suitability and independence of external auditors.

The Audit and Risk Management Committee is of the opinion that the External Auditors are independent with respect to the Company and the Group, in accordance with the Bye-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. In addition, to the best knowledge of the Audit and Risk Management Committee, the provision of non-audit services by the External Auditors during the year did not compromise the External Auditors' independence.

The role of the Audit and Risk Management Committee in relation to the External Auditors is stated in the Audit and Risk Management Committee's terms of reference.

E. DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year in accordance with applicable accounting standards so as to give a true and fair view of the financial state of affairs of the Group and Company and of the results and cash flows of the Group and Company at the end of the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2014, the Group has used the appropriate accounting policies and applied them consistently, supported by reasonable and prudent judgment and estimates. The Directors also consider that all applicable accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records with reasonable accuracy of the financial position of the Company. The Directors are to ensure that the financial statements comply with mandatory provisions of the Companies Act, 1965, the Malaysia Approved Accounting Standards and the Listing Requirements. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

F. CORPORATE SOCIAL RESPONSIBILITY

As part of the Group's Corporate Social Responsibility efforts towards its employees, the community and the environment where its businesses are conducted, various activities were carried out where its businesses are conducted.

Recognising that the Group's personnel are the driving force behind its growth and operational success, efforts are in place for the provision of a conducive working environment. The Group's main focus is on improving the quality and living standards of its employees. As part of this strategic plan, various training programmes were conducted in-house, as well as in conjunction with external trainers to ensure its employees were equipped with the required skill sets as well as having the right attitude which are aligned with the Group's objectives and direction.

Mindful of employees' welfare, the Group maintains practices that comply with acceptable standards of safety and health in the workplace. Regular inspections are taken to ensure the Companys' infrastructure are well maintained. In addition, all workers are covered by Personal Accident insurance and other medical benefits. Working hours, overtime and off-days are clearly outlined.

The alliance with UNICEF, established in recent years, signifies an important step for Innity's efforts in the area of CSR. Through Innity's widespread online network of local, regional and international websites, Innity continued its collaboration with UNICEF, in 2014, by supporting UNICEF in the following activities:

i) Hosting of UNICEF's donation pages in Innity's server, https://www.supportunicefmalaysia.org/donation/; and

(ii) Assisting UNICEF in their donation pages and fund raising messages.

Protecting children's rights is an important responsibility. Innity's objective was to draw netizens to the UNICEF Malaysia website to help advance the awareness of a child's rights. This include, amongst others, access to quality health and education services for all children, strengthening social policies for the most vulnerable children and providing comprehensive protection services for children and young people.

This statement is made at the Board of Directors' Meeting held on 9 April 2015.

The Board of Directors ("Board") is pleased to present the Audit and Risk Management Committee Report for the financial year under review.

1. Constitution

During the financial year ended 31 December 2014, the Board reviewed the terms of office and conducted an effective evaluation of the Audit and Risk Management Committee ("ARMC or "the Committee") members. An objective assessment of the ARMC's performance, as a whole, was also undertaken by the Board.

The Board is satisfied that the ARMC and its members discharged their functions, duties and responsibilities in accordance with the Committee's Terms of Reference, supporting the Board in ensuring that the highest standards of corporate governance are practised throughout the Group.

2. Composition

Presently, the ARMC comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors.

3. Membership

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

Chairman
Encik Shamsul Ariffin bin Mohd Nor *(Independent Non-Executive Director)*

Members
Mr Robert Lim Choon Sin *(Senior Independent Non-Executive Director)*
Encik Abd Malik bin A Rahman *(Independent Non-Executive Director)*

4. Frequency of Meetings

During the financial year ended 31 December 2014, the Committee convened five (5) meetings. The attendance of each Committee member at these meetings during the financial year were as follows:-

Director	Number of Meetings Attended
Encik Shamsul Ariffin Bin Mohd Nor	5/5
Mr Robert Lim Choon Sin	5/5
Encik Abdul Malik Bin A. Rahman	5/5

5. Summary of Activities

During the year, the Committee undertook the following activities covering both audit and risk issues:-

(a) Reviewed the unaudited Quarterly Report on Consolidated Results on quarterly basis;
(b) Reviewed the internal audit planning and internal audit report presented by internal auditor;
(c) Reviewed the financial budget vs actual results for financial year 2014;
(d) Reviewed the draft Circular to Shareholders in relation to the Proposed Renewal Of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature and Proposed New Shareholders' Mandate for additional recurrent related party transactions of a revenue or trading nature;
(e) Reviewed the External Auditors' audit strategy and plan prior to the audit;
(f) Conducted private meetings with External Auditors on major issues and concerns as a result of the audit;
(g) Reviewed the draft Audited Financial Statements of the Group and of the Company prior to submission to the Board for their consideration and approval;

5. Summary of Activities (cont'd)

(h) Reviewed the Executive Chairman's Statement, Audit and Risk Management Committee Report, Corporate Governance Statement, Statement on Risk Management and Internal Control for inclusion in the Annual Report;
(i) Reviewed the Register of the Recurrent Related Party Transactions in every quarter;
(j) Reviewed potential risk factors identified by management as the Group expands;
(k) Recommended to the Board mitigating measures to limit the various risks identified.

6. Internal Audit Function

The Committee is supported by an independent internal audit service provider. 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.

The cost incurred for the internal audit function for the financial year ended 31 December 2014 was RM38,500.

7. Terms of Reference

(a) Objectives

The objective of the Audit and Risk Management Committee is to assist the Board in:

(i) Fulfilling the Board's responsibilities in ensuring the adequacy and effectiveness of the Group's accounting and internal control systems, the audit process, financial reporting procedures and compliance with the Listing Requirements;

(ii) Identifying potential risk factors of the Group;

(iii) Mitigating the risk factors identified.

(b) Composition of the ARMC

(i) The ARMC shall be appointed by the Board of Directors from amongst their members and shall consist of at least three (3) members, the majority of whom are independent directors. All members of the Committee shall be Non-Executive Directors;

(ii) At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or possess at least three (3) years' working experience and has passed the examinations set out in Part I of the First Schedule or a member of one of the associations of accountants set out in Part II of the First Schedule of the Accountants Act, 1967, respectively or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities");

(iii) No alternate Director(s) shall be appointed to be member(s) of the Committee;

(iv) The members of the Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director;

(v) The Board must ensure that the Executive Chairman shall not be a member of the Committee; and

(vi) The Board must review the terms of office and performance of the Committee and each of its members at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

7. Terms of Reference (cont'd)

(c) Meetings

(i) Frequency of Meeting

- The ARMC shall meet not less than four (4) times a year and as many times as the Committee deems necessary with due notice of issues to be discussed.

(ii) Proceedings of Meeting

- At least four (4) meetings are held in a year. However, meetings are also held as and when required or upon the request of the external auditors to consider any matters that the external auditors believe should be brought to the attention of the Directors and/or shareholders;
- The quorum for meeting of the Committee shall be two (2) members of which the majority of members present must be Independent Non-Executive Directors;
- The agenda of the ARMC meetings shall be circulated before each meeting to members of the Committee. The ARMC may require the external auditors and any officer of the Company to attend any of its meetings as it determines;
- If at any meeting, the Chairman of the Committee is not present within fifteen (15) minutes after the time appointed for holding the same, the members of the Committee present shall choose one of their number who shall be an Independent Non-Executive Director to be Chairman of such meeting;
- The Company Secretary shall be the Secretary of the Committee;
- Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.

(iii) Attendance at Meeting

- The presence of external auditors and internal auditors (if any) at any meeting of the ARMC can be requested if required by the Committee;
- Other members of the Board and officers of the Company and its Group may attend the meeting (specific to the relevant meeting) upon the invitation of the ARMC.

(iv) Keeping and Inspection of Minutes

- The Company shall cause minutes of all proceedings of the ARMC to be entered in books kept for that purpose within fourteen(14) days of the date upon when the relevant meeting was held;
- Those minutes to be signed by the Chairman of the ARMC at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates;
- The books containing the minutes of proceedings of the ARMC shall be kept by the Company at the place to be determined by the Board, and shall be open for the inspection of any members of the Board of Directors or the Committee members without charge;
- The minutes of the ARMC shall be circulated to the members of the Board for notation.

8. Authority

The ARMC shall in accordance with the procedure determined by the Board and at the cost of the Company:-

i) have the authority to appoint the Internal Auditor of the Company and establish an internal audit function which is independent of the activities and ensure that the Internal Auditor reports directly to the Committee;

ii) have explicit authority to investigate any matter within the terms of reference;

iii) have the resources which the Committee require to perform its duties;

iv) have full and unrestricted access to any information which the Committee requires in the course of performing its duties;

v) have unrestricted access to the Executive Chairman of the Company;

vi) have direct communication channels with the external auditors and persons carrying out the internal audit function or activity (if any);

vii) be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company;

viii) be able to invite outsiders with relevant experience to attend its meetings, if necessary; and

ix) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other executive Board members and employees of the Company, whenever deemed necessary.

9. Duties & Responsibilities

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

(a) Matters relating to External Audit:-

(i) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

(ii) To review the nature, scope and quality of external audit plan/arrangements;

(iii) To review quarterly and annual financial statements of the Company, before submission to the Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgment issues;

(iv) To review the external auditors' audit report on the financial statements;

(v) To review any management letter sent by the external auditors to the Company and the management's response to such letter;

(vi) To review any letter of resignation from the external auditors;

(vii) To consider and review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

9. Duties & Responsibilities (cont'd)

(a) Matters relating to External Audit:- (cont'd)

(viii) To review the assistance given by the Company's officers to the external auditors;

(ix) To discuss problems and reservations arising from the interim and final audits on any significant audit finding, reservations, difficulties encountered or material weakness reported; and

(x) To review any related party transaction and conflict of interest situation that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

(b) Matters relating to Internal Audit function:-

(i) To review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out the work;

(ii) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

(iii) To review the follow-up actions by the management on the weakness of internal accounting procedures and controls;

(iv) To review on all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;

(v) To review the assistance and co-operation given by the Company and its officers to the internal auditors;

(vi) To review any appraisal or assessment of the performance of staff of the internal audit function, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgment issues;

(vii) To approve any appointment or termination of senior staff members of the internal audit function; and

(viii) To review any letter of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning.

(c) Matters relating to Risk:-

(i) To review routine quarterly reporting by management and update the Board on key risk issues as well as ad-hoc reporting and evaluation of investment proposals;

(ii) To work with the internal auditors in the preparation of the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report;

(iii) Review new strategic risks including corporate matters identified by management e.g. regulatory and business development;

(iv) Follow-up on the management action plans based on the status of implementation;

(v) Review proposals/feasibility studies on ad-hoc basis which meet the requisite threshold before recommending for Board approval; and

9. **Duties & Responsibilities (cont'd)**

(c) Matters relating to Risk:- (cont'd)

(vi) Review the enterprise risk scorecard and determine the risks to be escalated to the Board on a quarterly basis.

(d) Roles and Rights of the ARMC:-

(i) To consider and review any significant transactions which are not within the normal course of business and any related party transactions that may arise within the Company and the Group;

(ii) To report to Bursa Securities on any matter reported by the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Listing Requirements for the ACE Market; and

(iii) To carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

(e) Retirement and Resignation of ARMC Member:-

(i) Retirement/Resignation

- 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.

(ii) Vacancy

- In the event of any vacancy in the ARMC, the Company shall fill the vacancy within two (2) months, but in any case not later than three (3) months.

INTRODUCTION

Pursuant to paragraph 15.26 (b) of the Listing Requirements ("LR") of Bursa Securities for the ACE Market and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), the Board of Directors of Innity Corporation Berhad ("INNITY" or "the Company") is pleased to include the following statement on the state of the Group's risk management and internal control.

BOARD'S RESPONSIBILITIES

The Board, through the assistance of the Audit and Risk Management Committee ("ARMC" or the "Committee"), is responsible for the integrity of sound risk management practices and internal control systems as a platform to good corporate governance. In addition, 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.

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 business objectives.

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. Senior management and Heads of Department 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 to facilitate the identification and assessment of the Group's principal risks.

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 that affects the achievement of its business objectives.

Key business risks are identified and categorised 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.

Whilst the Board maintains ultimate control over risk and internal control issues, the development and implementation of the Enterprise Risk Management Framework and internal control systems rests with the Management. The responsibility of managing risks of 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 the 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.

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.

- Periodical and/or Annual Budget

  An annual budget is prepared by management and tabled to the Board for approval. Periodic monitoring is carried out to measure the actual performance against budget 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 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.

- Business Strategic Plan

  Yearly business plan and Key Performance Indicators (KPI) were drawn up and presented to the Board during the year. The business plan was revised based on changing market conditions to meet the Group's business objectives.

- 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.

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 2014, internal audits were carried out and the findings of the internal audits, including the recommended corrective actions, were presented to the ARMC at half yearly meetings.

In addition, follow up review was conducted to ensure that corrective actions have been implemented in 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.

CONCLUSION

The Board is of the view that the Group's system of internal control 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.

This statement was approved by the Board of Directors on 9 April 2015.

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 2014.

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

An amount of RM8,000 was paid to the Company's auditor, Messrs Russell Bedford LC & Company during the financial year ended 31 December 2014 for the review of the Statement on Risk Management and Internal Control and compliance with the Group's reporting requirements.

6) Profit Guarantee

There were no profit guarantees given by the Company and the Group during the financial year ended 31 December 2014.

7) Variation of Results

For the financial year ended 31 December 2014, there were no significant 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 2014.

9) Recurrent Related Party Transactions

The Company had on 9 April 2015 announced to Bursa Securities on the renewal and new mandate for the recurrent related party transactions("RRPTs") of a revenue and trading nature entered/to be entered into from the forthcoming AGM until the next AGM by 30 May 2016.

The Company will, at the forthcoming AGM, seek shareholders' approval for the RRPTs entered into from the forthcoming AGM until the next AGM by 30 May 2016.

The related parties are as follows:-

JobStreet Corporation Berhad and D.A. Consortium Inc("DAC') are substantial shareholders with direct holding of 21.13% and 25.10% equity interest respectively in the Company;

Autoworld.com.my Sdn Bhd is the wholly-owned subsidiaries of JobStreet Corporation Berhad;

JobStreet.com Sdn Bhd and PT JobStreet Indonesia ceased to be subsidiaries of JobStreet Corporation Berhad with effect from 20 November 2014.

9) Recurrent Related Party Transactions (cont'd)

The related parties are as follows:- (cont'd)

Hakuhodo DY Group comprise subsidiaries and associated companies of Hakuhodo DY Holdings Inc ("Hakuhodo DY Holdings"). Hakuhodo DY Holdings is the ultimate holding company of DAC, by virtue of its 57.19% indirect equity interest in DAC, through 100% equity interest in Hakuhodo DY Media Partners Inc; and

I-DAC Pte Ltd is a 80% owned subsidiary of DAC through DAC Asia Pte Ltd.

The RRPTs entered into by the Group during the financial year ended 31 December 2014 were as follows:-

	Related Party	Nature Of Recurrent Transactions	Interested Related Parties	Actual Value Transacted For The Financial Year (RM)
1	JobStreet Corporation Bhd	Purchase of advertisement space by ISB from JobStreet Corporation Berhad	JobStreet Corporation Berhad DAC, Hakuhodo DY holdings, Hakuhodo DY Media Partner Inc., Gregory Charles Poarch, Chang Mun Kee, Phang Chee Leong, Looa Hong Tuan, Yutaka Shimizu and Hisaharu Terai	92,225
2	*JobStreet.com Sdn Bhd	Provision of advertising and publicity related services		-
3	*JobStreet.com Sdn Bhd	Online recruitment services		8,700
4	*PT.Jobstreet. Indonesia	Online recruitment services		1,232
5	Autoworld.com.my Sdn Bhd	Purchase of advertisement space by ISB from Autoworld.com.my Sdn Bhd		138,426
6	Hakuhodo DY Group	Provision of advertising and publicity related services		1,623,722
7	I-DAC	The use of the DAC Platform and "MarketOne" and "YIELD ONE" marks Payment of royalties and sharing of profits from the provision of the MarketOne DSP and YIELD ONE SSP services		558,996
Total				**2,423,301**

* Actual value transacted from 1 January 2014 to 19 November 2014, up to the date ceased to be a related party.

REPORTS & FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2014.

Principal activities

The Company is principally involved in investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

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

Financial results

	Group RM	Company RM
Net profit/(loss) for the year	668,225	(198,202)
Attributable to:		
Owners of the Company	656,952	(198,202)
Non-controlling interests	11,273	-
	668,225	(198,202)

In the opinion of the directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment 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 disclosed in the financial statements.

Issue of shares and debentures

The Company has not issued any shares or debentures during the financial year.

Share options

No options have been granted by the Company to any parties during the financial year to take up unissued 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.

Directors

The directors of the Company in office since the date of the last report are:

Phang Chee Leong
Looa Hong Tuan
Seah Kum Loong
Wong Kok Woh
Abd Malik Bin A Rahman
Robert Lim Choon Sin
Shamsul Ariffin Bin Mohd Nor
Gregory Charles Poarch
Chang Mun Kee (alternate to Gregory Charles Poarch)
Yutaka Shimizu
Hisaharu Terai (alternate to Yutaka Shimizu)

Directors' interest in shares

The shareholdings in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 134 of the Companies Act 1965, are as follows:

	Number of ordinary shares of RM0.10 each			
	Balance as at 1.1.2014	Bought	Sold	Balance as at 31.12.2014
Shareholdings registered in the name of directors:				
In the Company				
Phang Chee Leong	13,298,372	-	-	13,298,372
Wong Kok Woh	7,299,086	-	-	7,299,086
Looa Hong Tuan	12,374,685	-	-	12,374,685
Seah Kum Loong	6,817,292	-	-	6,817,292
Robert Lim Choon Sin	2,900	-	-	2,900

None of the other directors in office at the end of the financial year, had held shares or beneficial interest in shares of the Company and its related companies during the financial year, according to the register required to be kept under Section 134 of the Companies Act 1965.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments 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.

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

Other statutory information

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps:

(a) to ascertain that 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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

No contingent or other liability of the Group and the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due.

At the date of this report, 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 misleading.

Auditors

The auditors, Messrs Russell Bedford LC & Company, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the directors,

PHANG CHEE LEONG

SHAMSUL ARIFFIN BIN MOHD NOR

Kuala Lumpur

Dated: 9 April 2015

STATEMENT BY DIRECTORS

The directors of INNITY CORPORATION BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 1965 and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities 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 2014, and of their financial performance and their cash flows for the year ended on that date.

The supplementary information set out in Note 30, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
in accordance with a resolution of the directors,

PHANG CHEE LEONG

SHAMSUL ARIFFIN BIN MOHD NOR

Kuala Lumpur
Dated: 9 April 2015

STATUTORY DECLARATION

I, YAP SOON KIM, being the officer primarily responsible for the financial management of INNITY CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 above named YAP SOON KIM at)
Kuala Lumpur in Wilayah Persekutuan)
on 9 April 2015)

YAP SOON KIM

Before me,

COMMISSIONER FOR OATHS

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

1. Report on the financial statements

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 December 2014, and the related statements of comprehensive income, changes in equity and cash flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

1.1 Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 1965 ("Act") and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

1.2 Auditors' responsibility

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 174 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1.3 Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Act and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities 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 2014 and of their financial performance and their cash flows for the year ended on that date.

2. Report on other legal and regulatory requirements

In accordance with the requirements of the Act, we also report on the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries incorporated in Malaysia of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 11 to the financial statements, being financial statements that have been included in the Group's financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the Group's financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material in relation to the Group's financial statements and did not include any comment made under Section 174(3) of the Act.

3. Other reporting responsibilities

The supplementary information set out in Note 30 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

RUSSELL BEDFORD LC & COMPANY
AF 1237
CHARTERED ACCOUNTANTS

CHIN KIM CHUNG
2006/09/16 (J/PH)
PARTNER

Kuala Lumpur

Dated: 9 April 2015

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Revenue	4	44,245,668	46,505,386	-	-
Other operating income		892,167	619,701	113,949	158,754
Direct costs		(21,553,354)	(24,958,866)	-	-
Staff costs	5	(13,756,636)	(11,579,757)	-	-
Depreciation		(313,350)	(302,904)	-	-
Amortisation of development expenditure		(928,629)	(910,652)	-	-
Other operating expenses		(7,262,085)	(6,062,295)	(312,151)	(291,829)
Profit/(Loss) from operations		1,323,781	3,310,613	(198,202)	(133,075)
Finance costs		(24,722)	(25,410)	-	-
Share in loss of equity-accounted associates, net of tax		(60,855)	(370,401)	-	-
Profit/(Loss) before tax	6	1,238,204	2,914,802	(198,202)	(133,075)
Income tax expense	7	(569,979)	(698,172)	-	-
Net profit/(loss) for the year		668,225	2,216,630	(198,202)	(133,075)
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		81,959	(196,534)	-	-
Other comprehensive income/(loss) for the year, net of tax		81,959	(196,534)	-	-
Total comprehensive income/(loss) for the year		750,184	2,020,096	(198,202)	(133,075)
Profit/(Loss) attributable to:					
Owners of the Company		656,952	2,434,763	(198,202)	(133,075)
Non-controlling interests		11,273	(218,133)	-	-
		668,225	2,216,630	(198,202)	(133,075)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		752,508	2,261,718	(198,202)	(133,075)
Non-controlling interests		(2,324)	(241,622)	-	-
		750,184	2,020,096	(198,202)	(133,075)
Basic earnings per share (sen)	8	0.47	1.76		

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

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Non current assets					
Property, plant and equipment	9	1,595,566	1,592,459	-	-
Intangible assets	10	3,433,584	3,032,403	-	-
Investment in subsidiaries	11	-	-	3,051,932	3,051,932
Investment in associates	12	306,426	62,194	495,488	495,488
Deferred tax assets	13	97,157	39,241	-	-
		5,432,733	4,726,297	3,547,420	3,547,420
Current assets					
Trade receivables	14	21,197,682	20,014,816	-	-
Other receivables, deposits and prepayments	15	3,782,514	2,462,249	12,053,345	9,283,344
Tax recoverable		37,732	24,389	-	-
Fixed deposits with a licensed bank	16	1,754,118	1,701,768	-	-
Other financial assets	17	2,611,877	5,307,157	2,611,877	5,307,157
Cash and bank balances		6,819,959	5,382,349	6,812	17,508
		36,203,882	34,892,728	14,672,034	14,608,009
Current liabilities					
Trade payables	18	9,043,481	9,456,061	-	-
Other payables and accruals	19	4,855,220	3,475,955	745,756	475,011
Short term borrowings	20	37,833	34,158	-	-
Tax payable		220,834	388,883	-	-
		14,157,368	13,355,057	745,756	475,011
Net current assets		22,046,514	21,537,671	13,926,278	14,132,998
Non current liabilities					
Deferred tax liabilities	13	514,473	331,012	-	-
Long term loans	21	205,690	251,672	-	-
Other payables	19	-	-	102,012	110,530
Retirement benefit obligations	22	132,586	53,475	-	-
		(852,749)	(636,159)	(102,012)	(110,530)
		26,626,498	25,627,809	17,371,686	17,569,888
Represented by:					
Share capital	23	13,840,342	13,840,342	13,840,342	13,840,342
Reserves	24	13,316,039	12,315,026	3,531,344	3,729,546
Equity attributable to owners of the Company		27,156,381	26,155,368	17,371,686	17,569,888
Non-controlling interests		(529,883)	(527,559)	-	-
Total equity		26,626,498	25,627,809	17,371,686	17,569,888

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Share capital RM	Share premium RM	Reverse acquisition reverse RM	Foreign currency translation reserve RM	Other reserve RM	Retained profits RM	Equity attributable to owners of the Company RM	Non–controlling interests RM	Total equity RM
At 1 January 2013	13,840,342	5,097,189	(2,512,173)	(240,840)	-	7,705,239	23,889,757	(283,153)	23,606,604
Acquisition of subsidiaries (Note 11)	-	-	-	-	-	-	-	1,125	1,125
Acquisition of non-controlling interest	-	-	-	-	-	3,893	3,893	(3,909)	(16)
Net profit for the year	-	-	-	-	-	2,434,763	2,434,763	(218,133)	2,216,630
Other comprehensive loss for the year:									
- Foreign currency translation	-	-	-	(173,045)	-	-	(173,045)	(23,489)	(196,534)
At 31 December 2013	13,840,342	5,097,189	(2,512,173)	(413,885)	-	10,143,895	26,155,368	(527,559)	25,627,809
Dilution of investment in an associate	-	-	-	-	248,505	-	248,505	-	248,505
Net profit for the year	-	-	-	-	-	656,952	656,952	11,273	668,225
Other comprehensive income/(loss) for the year:									
- Foreign currency translation	-	-	-	95,556	-	-	95,556	(13,597)	81,959
At 31 December 2014	13,840,342	5,097,189	(2,512,173)	(318,329)	248,505	10,800,847	27,156,381	(529,883)	26,626,498

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

Company	Share capital RM	Share premium RM	Accumulated losses RM	Total RM
At 1 January 2013	13,840,342	5,097,189	(1,234,568)	17,702,963
Net loss/Total comprehensive loss for the year	-	-	(133,075)	(133,075)
At 31 December 2013	13,840,342	5,097,189	(1,367,643)	17,569,888
Net loss/Total comprehensive loss for the year	-	-	(198,202)	(198,202)
At 31 December 2014	13,840,342	5,097,189	(1,565,845)	17,371,686

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash flows from/(used in) operating activities				
Profit/(Loss) before tax	1,238,204	2,914,802	(198,202)	(133,075)
Adjustments for:				
Allowance for doubtful debts	400,278	77,732	-	-
Allowance for doubtful debts no longer required	(6,805)	(6,141)	-	-
Amortisation of				
- development expenditure	928,629	910,652	-	-
- financial guarantee liabilities	-	-	(9,229)	(10,000)
Depreciation	313,350	302,904	-	-
Development expenditure written off	107,635	125,574	-	-
Gain on bargain purchase of subsidiaries	-	(3,066)	-	-
Loss on disposal of plant and equipment	1,131	-	-	-
Interest expense	24,722	25,410	-	-
Interest income	(196,807)	(177,321)	(104,720)	(136,640)
Plant and equipment written off	31,100	5,531	-	-
Retirement benefits	76,091	12,581	-	-
Share of loss in equity-accounted associates	60,855	370,401	-	-
Unrealised (gain)/loss on foreign exchange, net	(476,934)	395,981	-	-
Operating profit /(loss) before working capital changes	2,501,449	4,955,040	(312,151)	(279,715)
Increase in trade and other receivables	(1,397,975)	(7,069,815)	(1)	(682)
Increase/(Decrease) in trade and other payables	560,477	3,497,084	7,668	(180,300)
Cash generated from/(used in) operations	1,663,951	1,382,309	(304,484)	(460,697)
Income tax paid	(642,959)	(332,249)	-	-
Income tax refunded	-	36,422	-	-
Net cash from/(used in) operating activities	1,020,992	1,086,482	(304,484)	(460,697)
Cash flows from/(used in) investing activities				
Development expenditure paid	(1,437,445)	(1,263,235)	-	-
Increase in fixed deposits pledged	(52,350)	(1,020,629)	-	-
Interest received	196,807	177,321	104,720	136,640
Additional subscription of shares in an associate	(56,582)	-	-	-
Proceeds from disposal of plant and equipment	7,201	1,575	-	-
Purchase of plant and equipment	(339,104)	(562,547)	-	-
Acquisition of non-controlling interest	-	(16)	-	-
(Advances to)/Repayments from associates	(322,121)	(488,235)	-	25,000
Advances to subsidiaries	-	-	(2,506,212)	(2,149,742)
Net cash used in investing activities	(2,003,594)	(3,155,766)	(2,401,492)	(1,988,102)

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash flows from/(used in) financing activities				
Interest paid	(24,722)	(25,410)	-	-
Net cash inflow on acquisition of subsidiaries	-	1,508	-	-
Repayments of term loans	(42,307)	(33,122)	-	-
Net cash used in financing activities	(67,029)	(57,024)	-	-
Net decrease in cash and cash equivalents	(1,049,631)	(2,126,308)	(2,705,976)	(2,448,799)
Exchange differences	(208,039)	(127,306)	-	-
Cash and cash equivalents at beginning of year	10,689,506	12,943,120	5,324,665	7,773,464
Cash and cash equivalents at end of year	9,431,836	10,689,506	2,618,689	5,324,665
Cash and cash equivalents comprise:				
Cash and bank balances	6,819,959	5,382,349	6,812	17,508
Fixed deposits with a licensed bank	1,754,118	1,701,768	-	-
Other financial assets	2,611,877	5,307,157	2,611,877	5,307,157
	11,185,954	12,391,274	2,618,689	5,324,665
Less: Fixed deposits pledged	(1,754,118)	(1,701,768)	-	-
	9,431,836	10,689,506	2,618,689	5,324,665

	Group	
	2014	2013
	RM	RM
Analysis of acquisition of subsidiaries		
Purchase consideration paid in cash	-	150
Less: cash and cash equivalents acquired	-	(1,658)
Net cash inflow on acquisition	-	(1,508)

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

1. General information

The Company is principally involved in investment holding. The principal activities of the subsidiaries are disclosed in Note 11.

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

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 is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 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 financial statements were approved and authorised for issue by the board of directors on 9 April 2015.

2. Principal accounting policies

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with the provisions of the Companies Act 1965 and the Malaysian Financial Reporting Standards ("MFRS"), the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to published standards and interpretations do not result in significant changes in accounting policies of the Group upon their initial application other than as follows:

(i) MFRS 9 Financial Instruments (effective for financial periods beginning on or after 1 January 2018)

MFRS 9 replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting.

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.1 Basis of accounting (cont'd)

(i) MFRS 9 Financial Instruments (effective for financial periods beginning on or after 1 January 2018) (cont'd)

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value through other comprehensive income. If the business model is neither of these, the financial asset is measured at fair value through profit or loss.

MFRS 9 requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

(ii) MFRS 15 Revenue from Contracts with Customers (effective from financial period beginning on or after 1 January 2017)

MFRS 15 supersedes MFRS118 Revenue and introduces a new principle of revenue recognition. The main purpose of MFRS 15 is that an entity recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that goods or services). The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For performance obligations satisfied over time, an entity recognises revenue over time by selecting an appropriate method for measuring the entity's progress towards complete satisfaction of that performance obligation.

MFRS 15 have established the core principle of revenue recognition by applying the following five (5) steps:

a. Identify the contract(s) with a customer
b. Identify the performance obligations in the contract
c. Determine the transaction price
d. Allocate the transaction price to the performance obligations in the contract
e. Recognise revenue when (or as) the entity satisfies a performance obligation

MFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the Group's contracts with customers.

The Group is in the process of making an assessment of where the impact of the above new standards is expected to be in the period of initial application.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies

Business Combination - Reverse Acquisition

For every business combination, one of the combining entities shall be identified as the acquirer. In a reverse acquisition, the legal acquirer is identified as the acquiree for accounting purposes. Consolidated financial statements prepared following a reverse acquisition are issued under the name of legal acquirer (accounting acquiree) but described as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree. Comparative information presented in the consolidated financial statements is also retroactively adjusted to reflect the legal capital of the legal parent (accounting acquiree).

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the reporting periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of their fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Basis of consolidation (cont'd)

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Revenue and income recognition

Media income is recognised when the related advertisement or commercial appears before the public.

Revenue from other services rendered is recognised when the services are rendered.

Interest income is recognised as it accrues (using the effective interest rate method) unless collectibility is in doubt.

Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Foreign currencies (cont'd)

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. However, if the operation is a non-wholly owned subsidiary then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

The principal exchange rates for every unit of foreign currency used are as follows:

	2014	**2013**
	RM	**RM**
1 United States Dollar	3.503	3.382
1 Hong Kong Dollar	0.452	0.423
1 Singapore Dollar	2.648	2.594
1 Chinese Renminbi	0.571	0.542
100 Indonesian Rupiah	0.028	0.027
100 Thai Baht	10.660	9.976
100 Vietnamese Dong	0.017	0.016
100 Philippine Peso	7.839	7.391
100 New Taiwan Dollar	11.040	11.009

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans such as Employees Provident Fund are recognised as an expense as incurred.

(iii) Defined benefit plans

The defined benefit liability recognised is the net total of the present value of the defined benefit obligations at the reporting date together with adjustments for unrecognised past service cost. The present value of the defined benefit obligations is determined on a annual basis by independent qualified actuaries using the Projected Unit Credit Method.

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.

Past service cost is recognised on a straight line basis over the average period until the benefits become vested or to the extent that the benefits are already vested following the introduction of, or changes to, the defined benefit plan, the past service cost is recognised immediately.

Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Income tax (cont'd)

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Impairment of non financial assets

The carrying amount of non financial assets subject to accounting for impairment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss in the reporting period in which it arises.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in profit or loss.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on property, plant and equipment is calculated to write off the cost of the assets to its residual values on a straight line basis at the following annual rates based on their estimated useful lives:

Long term leasehold shop offices	2%
Furniture, fittings and office equipment	10%
Computers and peripherals	20%
Renovations	20%

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Property, plant and equipment and depreciation (cont'd)

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Intangible assets

Expenditures incurred at research phase, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss.

Expenditures incurred at development phase are recognised as intangible assets when the following criteria are fulfilled:

(a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(b) management intends to complete the intangible asset and use or sell it;
(c) there is an ability to use or sell the intangible asset;
(d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
(e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Development expenditure recognised as intangible asset is stated at cost less accumulated amortisation and impairment losses, if any. Such 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 years.

Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the rights, or exposed, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

Investment in associates

An associate is a company in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The Company's investment in associates is stated at cost less impairment losses, if any.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Investment in associates (cont'd)

The Group's investment in associates is accounted for under the equity method of accounting based on the audited or management financial statements of the associates made up to the reporting date. Under this method of accounting, the investment in an associate is measured in the statement of financial position at cost plus the Group's post acquisition share of the associate's profit or loss and other comprehensive income while dividend received is reflected as a reduction of the investment in the consolidated statement of financial position.

Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associates' profit or loss in the reporting period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments have been made to the financial statements of the associates to ensure consistency of accounting policies with the Group.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Leases

Assets acquired under leases which transfer substantially all the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

Finance costs, which represent the difference between the total lease commitments and the fair values of the assets acquired, are charged to profit or loss over the term of the relevant lease periods so as to give a constant periodic rate of charge on the remaining balance of the obligations for each reporting period.

All other leases which do not meet such criteria are classified as operating leases. Lease payments under operating leases are recognised as expense on a straight line basis over the terms of the relevant leases.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Financial instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

Financial assets are classified as either at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale, as appropriate. Financial liabilities are classified as either at fair value through profit or loss (derivative financial liabilities) or at amortised cost (borrowings and trade and other payables), as appropriate.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Financial instruments (cont'd)

(ii) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not included exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(iii) Payables

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(iv) Interest bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Financial instruments (cont'd)

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset, other than that classified as fair value through profit or loss, is impaired.

(i) Loans and receivables

To determine whether there is objective evidence that an impairment loss on these financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increased in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables is reduced by the impairment loss directly or through the use of an allowance account. When a debtor becomes uncollectible, it is written off against the allowance account.

2. Principal Accounting Policies (cont'd)

2.2 Basis of preparation of the financial statements (cont'd)

2.2.2 Significant accounting policies (cont'd)

Impairment of financial assets (cont'd)

(i) Loans and receivables (cont'd)

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged fixed deposits.

3. Critical accounting estimates and judgements

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the date of the financial statements, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than the contingent liability as disclosed in Note 25.

4. Revenue

	Group	
	2014 RM	2013 RM
Technology based online advertising solutions	42,984,712	45,694,653
Other related internet services	1,260,956	810,733
	44,245,668	46,505,386

5. Staff costs

	Group 2014 RM	Group 2013 RM
Salaries, wages and bonus	12,853,197	11,225,592
Defined contribution plan	1,155,894	976,771
Defined benefit plan	76,091	12,581
Other employee related expenses	1,033,970	628,048
	15,119,152	12,842,992
Staff costs recognised as intangible assets (Note 10)	(1,362,516)	(1,263,235)
	13,756,636	11,579,757

The number of directors of the Company where total remuneration during the reporting period falls within the following bands is analysed as follows:

	Group 2014	Group 2013
Executive directors:		
RM200,001 to RM250,000	1	1
RM250,001 to RM300,000	1	1
RM300,001 to RM350,000	1	-
RM350,001 to RM400,000	1	2
Non executive directors:		
RM Nil	4	4
Below RM50,000	3	3

The emoluments received and receivable by the directors of the Company during the reporting period are as follows:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Executive directors:				
Basic salaries and other emoluments recognised:				
- in profit or loss	832,072	893,516	-	-
- as intangible assets (Note 10)	247,296	215,040	-	-
Fees included in profit or loss	132,000	132,000	-	-
	1,211,368	1,240,556	-	-
Non executive directors:				
Other emoluments included in profit or loss	10,500	10,500	10,500	10,500
Fees included in profit or loss	90,000	90,000	90,000	90,000
	100,500	100,500	100,500	100,500
Total	1,311,868	1,341,056	100,500	100,500

6. Profit/(Loss) before tax

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Profit/(Loss) before tax is arrived at after charging:				
Allowance for doubtful debts				
- trade receivables	400,278	77,732	-	-
Amortisation of development expenditure	928,629	910,652	-	-
Auditors' remuneration				
- auditors of the Company				
- statutory				
- current year	83,100	74,600	38,000	25,000
- under provision in prior years	4,000	-	-	-
- non statutory	8,000	8,000	8,000	8,000
- auditors of subsidiaries				
- current year	96,193	56,344	-	-
- over provision in prior years	-	(2,250)	-	-
Depreciation	313,350	302,904	-	-
Development expenditure written off	107,635	125,574	-	-
Directors' remuneration				
- directors of the Company				
- fees	222,000	222,000	90,000	90,000
- other than fees	842,572	904,016	10,500	10,500
- directors of the subsidiaries				
- other than fees	-	571,912	-	-
Interest expense				
- term loans	13,101	22,521	-	-
- bank overdrafts	11,621	2,889	-	-
Loss on disposal of plant and equipment	1,329	-	-	-
Loss on foreign exchange				
- realised	29,179	13,413	-	2,300
- unrealised	692	442,581	-	-
Office rental	923,844	803,838	-	-
Plant and equipment written off	31,100	5,531	-	-
Preliminary expenses	16,269	11,642	-	-
Retirement benefits	76,091	12,581	-	-
And crediting:				
Allowance for doubtful debts no longer required	(6,805)	(6,141)	-	-
Gain on bargain purchase of subsidiaries	-	(3,066)	-	-
Interest income from				
- fixed and short term bank deposits	(92,087)	(40,681)	-	-
- other financial assets	(104,720)	(136,640)	(104,720)	(136,640)
Amortisation of financial guarantee liabilities	-	-	(9,229)	(10,000)
Gain on disposal of plant and equipment	(198)	-	-	-
Gain on foreign exchange				
- realised	(91,523)	(202,293)	-	-
- unrealised	(477,626)	(46,600)	-	-

7. Income tax expense

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Estimated tax payable				
- current year				
- Malaysia	(72,422)	(49,700)	-	-
- Outside Malaysia	(371,288)	(519,826)	-	-
- over/(under) provision in prior years				
- Malaysia	-	(2,705)	-	-
- Outside Malaysia	180	27,467	-	-
	(443,530)	(544,764)	-	-
Deferred tax (Note 13)				
- current year				
- Malaysia	(172,961)	(154,800)	-	-
- Outside Malaysia	46,512	1,392	-	-
	(126,449)	(153,408)	-	-
	(569,979)	(698,172)	-	-

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit/(Loss) before tax	1,238,204	2,914,802	(198,202)	(133,075)
Add: Share in loss of equity-accounted associates, net of tax	60,855	370,401	-	-
Adjusted profit/(loss) before tax	1,299,059	3,285,203	(198,202)	(133,075)
Taxation at statutory tax rate of 25% (2013: 25%)	(324,800)	(821,300)	49,600	33,300
Expenses not deductible for tax purposes	(276,391)	(187,145)	(78,100)	(73,000)
Different tax rates in other countries	(13,788)	25,083	-	-
Deferred tax assets not recognised during the year	(286,854)	(527,847)	-	-
Utilisation of deferred tax assets not recognised in prior years	41,147	-	-	-
Tax incentives on multiple deductibility of expenses	101,401	109,675	-	-
Income not subject to tax	189,126	678,600	28,500	39,700
Over provision in prior years				
- income tax payable	180	24,762	-	-
Income tax expense for the year	(569,979)	(698,172)	-	-

7. Income tax expense (cont'd)

A Malaysian subsidiary of the Company was granted pioneer status by Multimedia Development Corporation Sdn Bhd ("MDC") under the provisions of the Promotion of Investments Act 1986 for a period of 10 years with effect from 30 September 2005. By virtue of this pioneer status, the statutory income of this subsidiary from pioneer activities during the pioneer period is exempted from income tax. Dividends declared out of such profits are also exempted from income tax in the hands of the shareholders.

8. Basic earnings per share

Basic earnings per ordinary share is calculated based on the net profit attributable to ordinary shareholders and weighted average number of ordinary shares in issue as follows:

	Group	
	2014	**2013**
Net profit attributable to ordinary shareholders (RM)	656,952	2,434,763
Weighted average number of ordinary shares in issue	138,403,415	138,403,415
Basic earnings per ordinary share (sen)	0.47	1.76

Diluted earnings per share are not presented in the financial statements since there are no dilutive potential ordinary shares as at 31 December 2014 and 2013.

9. Property, plant and equipment

Group	Long term leasehold shop offices RM	Furniture, fittings and office equipment RM	Computers and peripherals RM	Renovations RM	Total RM
Cost					
At 1 January 2013	720,000	502,857	1,005,730	293,190	2,521,777
Acquisition of a subsidiary	-	2,876	8,232	-	11,108
Additions	-	60,033	195,142	307,372	562,547
Disposals	-	-	(2,250)	-	(2,250)
Reclassification	-	3,149	(3,149)	-	-
Write offs	-	(2,442)	(5,180)	-	(7,622)
Exchange differences	-	(5,659)	(10,032)	(4,980)	(20,671)
At 31 December 2013	720,000	560,814	1,188,493	595,582	3,064,889
Additions	-	101,165	204,099	33,840	339,104
Disposals	-	-	(26,339)	-	(26,339)
Write offs	-	(14,011)	(20,815)	(36,902)	(71,728)
Exchange differences	-	7,744	11,481	6,940	26,165
At 31 December 2014	720,000	655,712	1,356,919	599,460	3,332,091

9. Property, plant and equipment (cont'd)

Group	Long term leasehold shop offices RM	Furniture, fittings and office equipment RM	Computers and peripherals RM	Renovations RM	Total RM
Accumulated depreciation					
At 1 January 2013	59,043	252,161	730,097	134,522	1,175,823
Charge for the year	8,773	55,100	136,065	102,966	302,904
Acquisition of a subsidiary	-	234	4,802	-	5,036
Disposals	-	-	(675)	-	(675)
Reclassification	-	630	(630)	-	-
Write offs	-	(710)	(1,381)	-	(2,091)
Exchange differences	-	(1,225)	(3,959)	(3,383)	(8,567)
At 31 December 2013	67,816	306,190	864,319	234,105	1,472,430
Charge for the year	8,773	61,211	140,298	103,068	313,350
Disposals	-	-	(18,007)	-	(18,007)
Write offs	-	(3,207)	(20,815)	(16,606)	(40,628)
Exchange differences	-	1,748	4,375	3,257	9,380
At 31 December 2014	76,589	365,942	970,170	323,824	1,736,525
Net book value					
At 31 December 2014	643,411	289,770	386,749	275,636	1,595,566
At 31 December 2013	652,184	254,624	324,174	361,477	1,592,459

At the reporting date:

(i) two units of long term leasehold shop office of the Group with carrying amount of RM440,120 (2013: RM446,108) have been charged as collateral to secure the banking facilities referred to in Note 20; and

(ii) the title deeds of the long term leasehold shop offices of the subsidiary have yet to be transferred to the subsidiary by the developer.

10. Intangible assets

	Group 2014 RM	Group 2013 RM
Development expenditure		
Costs		
At beginning of year	7,851,208	6,713,547
Additions	1,437,445	1,263,235
Write offs	(134,544)	(125,574)
At end of year	9,154,109	7,851,208
Accumulated amortisation		
At beginning of year	4,818,805	3,908,153
Charge for the year	928,629	910,652
Write offs	(26,909)	-
At end of year	5,720,525	4,818,805
Carrying amount	3,433,584	3,032,403

10. Intangible assets (cont'd)

	Group 2014 RM	Group 2013 RM
The additions to the cost of intangible assets are analysed as follows:		
Directors' remuneration other than fees		
- directors' of the Company	247,296	215,040
- directors' of the subsidiaries	268,872	257,776
Other staff costs	846,348	790,419
	1,362,516	1,263,235
Other purchases	74,929	-
	1,437,445	1,263,235

11. Investment in subsidiaries

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost		
At beginning/end of year	3,422,173	3,422,173
Provision of financial guarantees		
At beginning/end of year	129,759	129,759
Accumulated impairment losses		
At beginning/end of year	(500,000)	(500,000)
Carrying amount	3,051,932	3,051,932

The details of the subsidiaries are as follows:

	Country of incorporation	Group's effective and voting interests 2014	Group's effective and voting interests 2013	Principal activities
Subsidiaries of the Company				
Innity Sdn Bhd	Malaysia	100%	100%	Provision of technology based online advertising solutions and other related internet services
Spiral Vibe Sdn Bhd	Malaysia	100%	100%	Advertising agency providing full suite of services
Advenue Digital Advertising Sdn Bhd	Malaysia	100%	100%	Dormant

11. Investment in subsidiaries (cont'd)

	Country of incorporation	Group's effective and voting interests 2014	2013	Principal activities
Subsidiaries of Innity Sdn Bhd				
Innity Limited	Hong Kong	100%	100%	Investment holding company
PT. Media Innity*	Indonesia	95%	95%	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
Tresixty Media Sdn Bhd ("Tresixty")	Malaysia	80%	80%	Provision of budget online advertising and media solutions
Innity Philippines,Inc.*	Philippines	99.99%	99.99%	Provision of technology based online advertising solutions and other related internet services
Native Media Sdn Bhd	Malaysia	75%	75%	Provision of concept creation and execution for product and brand marketing campaigns, specializing in video and multimedia content for online distribution and promotion
Appsploration Sdn Bhd	Malaysia	75%	75%	Developing computer and mobile software applications
Innity Shanghai Ltd*	China	100%	100%	Provision of technology based online advertising solutions and other related internet services

11. Investment in subsidiaries (cont'd)

	Country of incorporation	Group's effective and voting interests 2014	2013	Principal activities
Subsidiaries of Innity Limited				
Innity Singapore Pte. Ltd.*	Singapore	100%	100%	Provision of technology based online advertising solutions and other related internet services
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 Ltd				
Innity Taiwan Limited ("ITL") ##	Belize	80%	-	Intended business activity is technology based online advertising solutions and other related internet services

The financial statements of the subsidiaries indicated by * are not audited by Russell Bedford LC & Company.

The Group held 90% (2013: 90%) voting interest in ISACL.
The Group held 100% (2013: Nil) voting interest in ITL.

During the reporting period:

(i) On 13 February 2014, Innity China Co., Ltd ("ICCL"), a 80% owned subsidiary of the Company subscribed for 50,000 ordinary shares of USD 1 each representing 100% of the issued and paid up share capital of Innity Taiwan Limited ("ITL").

With the subscription, ITL became a subsidiary of the Group.

In the previous reporting period:

(i) On 21 March 2013, the subsidiaries of the Company, Innity Sdn Bhd ("ISB") and Spiral Vibe Sdn Bhd ("SVSB") subscribed for a total of 75 shares of RM1 each representing 75% equity interest of Native Media Sdn Bhd ("Native"), for a cash consideration of RM75.

With the subscription, Native became a subsidiary of ISB.

(ii) On 27 May 2013, ISB acquired an additional 16 ordinary shares of RM1 each in Tresixty for a cash consideration of RM16. Consequently, ISB's shareholding in Tresixty increased from 64% to 80%.

11. Investment in subsidiaries (cont'd)

The following summarises the effect of changes in the equity interest in Tresixty that is attributable to owners of the Company:

	Group 2013 RM
Equity interest:	
At beginning of year	(324,052)
Effect of increase in Company's ownership interest	3,909
Share of comprehensive loss	(270,230)
At end of year	(590,373)

(iii) On 3 June 2013, ISB and SVSB acquired a total of 75 ordinary shares of RM1 each, representing 75% equity interest of Appsploration Sdn Bhd ("Appsploration"), for a cash consideration of RM75.

With the acquisition, Appsploration became a subsidiary of ISB.

(iv) On 24 October 2013, ISB incorporated a wholly-owned subsidiary, Innity Shanghai Ltd ("Innity Shanghai"), a company incorporated in China. The registered capital of Innity Shanghai is RMB3,000,000. As at 31.12.2013, the share capital of Innity Shanghai is paid up to RMB619,924 (equivalent to RM340,000).

The acquisition of subsidiaries had the following effects on the Group's results and financial position:

	2014 RM	2013 RM
Revenue	-	42,500
Net profit for the year	-	(345,015)

	2014 RM	2013 RM
Plant and equipment	-	6,072
Cash and cash equivalents	-	1,658
Other payables	-	(1,600)
Tax payable	-	(977)
Deferred tax liability	-	(812)
Fair value of net assets acquired	-	4,341
Less:	-	
- non-controlling interests	-	(1,125)
- gain on bargain purchase	-	(3,066)
Cost of business combination	-	150

12. Investment in associates

	Group 2014 RM	Group 2013 RM
Unquoted shares, at cost	693,594	637,012
Share of other net assets changes	248,505	-
Share in post acquisition losses of associates	(635,673)	(574,818)
Carrying amount, representing share of net assets	306,426	62,194

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost		
At beginning/end of year	495,488	495,488

The details of the associates are as follows:

	Country of incorporation	Group's effective and voting interests 2014	2013	Principal activities
Associate of the Company				
I-DAC Pte. Ltd. ("I-DAC")*	Singapore	20%	49%	Provision of various advertising services using advanced technologies, sub-license the right to use the technologies and technical support
Subsidiary of I-DAC				
I-DAC (M) Sdn Bhd	Malaysia	20%	49%	Provider of digital advertising services and other related digital marketing solutions
Held through Innity Sdn Bhd ("ISB")				
Dynamic Outdoor Media Sdn Bhd*	Malaysia	40%	40%	Provision of WiFi services for food and beverages outlets, shopping centers and townships
Held through Innity Limited				
Innity Digital Media (Thailand) Co., Ltd.*	Thailand	49%	49%	Provision of technology based online advertising solutions and other related internet services

The financial statements of the associates indicated by * are not audited by Russell Bedford LC & Company.

12. Investment in associates (cont'd)

The financial statements of the Group has not recognised share in losses of associates of RM Nil (2013: RM113,997) in the current reporting period and RM Nil (2013: RM124,365) cumulatively, since the Group has no obligation in respect of these losses.

During the reporting period, I-DAC, an associate of the Company, allotted 580,000 ordinary shares for SGD580,000 to the fellow shareholder. Consequently, ICB's shareholdings in I-DAC was diluted from 49% to 20%.

I-DAC is a result of the business alliance with a corporate shareholder of the Company which provides the Group access to new customers in the ASEAN region and an advanced online advertising platform.

The directors regard I-DAC as a material associate to the Group. The summarised financial information of the associates is as follows:

	I-DAC Pte Ltd RM	Other individually immaterial associates RM	Total RM
2014			
Assets and liabilities			
Non current assets	85,566	176,910	262,476
Current assets	4,611,543	2,700,399	7,311,942
Total assets	4,697,109	2,877,309	7,574,418
Current liabilities/Total liabilities	3,708,528	2,880,541	6,589,069
Results			
Revenue	7,416,678	2,223,825	9,640,503
Net loss/Total comprehensive loss for the year	(272,213)	(33,322)	(305,535)
2013			
Assets and liabilities			
Current assets	1,518,871	2,080,215	3,599,086
Non current assets	19,779	145,830	165,609
Total assets	1,538,650	2,226,045	3,764,695
Current liabilities/Total liabilities	1,782,131	2,303,247	4,085,378
Results			
Revenue	2,844,048	2,871,678	5,715,726
Net (loss)/profit/Total comprehensive (loss)/income for the year	(943,346)	58,482	(884,864)

12. Investment in associates (cont'd)

Reconciliation of the summarised financial information presented to the carrying amount of the interest in associates is as follows:

	I-DAC Pte Ltd RM	Other individually immaterial associates RM	Total RM
2014			
Group's share of net assets	197,716	24,276	221,992
Goodwill	-	84,434	84,434
Carrying amount	197,716	108,710	306,426
2013			
Group's share of net assets	-	(22,240)	(22,240)
Goodwill	-	84,434	84,434
Carrying amount	-	62,194	62,194

13. Deferred tax assets/(liabilities)

	Group 2014 RM	2013 RM
At beginning of year	(291,771)	(134,256)
Acquisition of subsidiary (Note 11)	-	(812)
Recognised in profit or loss (Note 7)		
- current year		
- Malaysia	(172,961)	(154,800)
- Outside Malaysia	46,512	1,392
Exchange differences	904	(3,295)
At end of year	(417,316)	(291,771)
Presented after appropriate offsetting as follows:		
Deferred tax assets		
- Retirement benefits obligations	19,179	13,369
- Untilised tax losses	-	8,298
- Other deductible temporary differences	77,978	17,574
	97,157	39,241
Deferred tax liabilities		
- Carrying amount of development expenditure	(642,861)	(407,100)
- Excess of tax capital allowances over related depreciation of plant and equipment	(11,835)	(20,348)
- Unrealised gain on foreign exchange	(3,863)	-
- Unutilised tax losses	144,086	96,436
	(514,473)	(331,012)
	(417,316)	(291,771)

13. Deferred tax assets/(liabilities) (cont'd)

Net deferred tax has not been recognised in respect of the following:

	Group 2014 RM	Group 2013 RM
Tax effects of:		
Retirement benefit obligations	19,179	13,369
Unabsorbed capital allowances and unutilised tax losses:		
- no expiry	1,043,560	939,393
- tax losses allowed to be utilised up to financial year ending 31 December		
- 2016	35,400	109,063
- 2017	101,000	84,966
- 2018	8,000	8,352
Other deductible temporary differences	146,273	84,873
	1,353,412	1,240,016
Less tax effects of:		
Carrying amount of development expenditure	(829,700)	(758,500)
Excess of tax capital allowances over related depreciation of plant and equipment	(23,831)	(22,116)
Other taxable temporary differences	(43,500)	(1,300)
	(897,031)	(781,916)
	456,381	458,100
Add: Net deferred tax liabilities recognised	417,316	291,771
Net deferred tax assets not recognised	873,697	749,871

Deferred tax liabilities are not recognised when the initial recognition of the related assets and liabilities at the time of the transactions, affects neither accounting profit nor taxable profit. Portion of the deferred tax assets arising from tax losses are also not recognised where it is not probable that taxable profit will be available in the foreseeable future to utilise the tax benefits.

The gross amount of deferred tax assets have not been recognised in respect of the following:

	Group 2014 RM	Group 2013 RM
Unabsorbed capital allowances and unutilised tax losses:		
- no expiry	3,534,544	3,334,360
- tax losses allowed to be utilised up to financial year ending 31 December		
- 2016	141,600	436,253
- 2017	404,000	339,866
- 2018	68,000	33,409
	4,148,144	4,143,888

14. Trade receivables

	Group 2014 RM	Group 2013 RM
Third parties	21,596,305	19,482,764
Less: Allowance for doubtful debts	(968,859)	(545,733)
	20,627,446	18,937,031
Amount due from associates	570,236	1,077,785
	21,197,682	20,014,816

The Group's normal trade credit terms range from 30 days to 90 days (2013: 30 days to 60 days).

The following table provides information on the trade receivables' credit risk exposure.

	Group 2014 RM	Group 2013 RM
Not impaired or past due	5,159,077	5,099,038
1 – 30 days past due not impaired	3,961,154	4,266,449
31 – 60 days past due not impaired	3,877,143	3,368,244
61 – 90 days past due not impaired	1,662,900	2,287,959
91 – 120 days past due not impaired	1,772,352	1,389,357
More than 120 days past due not impaired	4,765,056	3,603,769
	21,197,682	20,014,816
Impaired	968,859	545,733
	22,166,541	20,560,549

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

The movements in the allowance for doubtful debts for trade receivables that are individually impaired at reporting date are as follows:

	Group 2014 RM	Group 2013 RM
At beginning of year	545,733	464,928
Allowance for the year	400,278	77,732
Allowance no longer required	(6,805)	(6,141)
Exchange differences	29,653	9,214
At end of year	968,859	545,733

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

15. Other receivables, deposits and prepayments

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	729,497	104,784	-	-
Amount due from associates	1,677,349	1,338,814	-	-
Amount due from subsidiaries	-	-	12,048,388	9,278,388
	2,406,846	1,443,598	12,048,388	9,278,388
Less: Allowance for doubtful debts	(24,618)	(23,325)	-	-
	2,382,228	1,420,273	12,048,388	9,278,388
Deposits	357,527	322,452	1,500	1,500
Prepayments	1,042,759	719,524	3,457	3,456
	3,782,514	2,462,249	12,053,345	9,283,344

The movements in the allowance for doubtful debts for other receivables that are individually impaired at reporting date are as follows:

	Group	
	2014 RM	2013 RM
At beginning of year	23,325	22,286
Exchange differences	1,293	1,039
At end of year	24,618	23,325

Other receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

16. Fixed deposits with a licensed bank

The fixed deposits with a licensed bank of a subsidiary have been pledged to secure banking facilities referred to in Note 20.

The weighted average effective interest rate and average maturity of fixed deposits with a licensed bank of a subsidiary are as follows:

	Group	
	2014 RM	2013 RM
Weighted average interest rate (%)	3.20	3.15
Average maturity (days)	77	75

17. Other financial assets

	Group and Company	
	2014	2013
	RM	RM
Financial assets at fair value through profit or loss		
Investments in unquoted mutual funds in Malaysia, at cost		
At beginning of year	5,307,157	7,574,178
Redemptions	(2,695,280)	(2,267,021)
At end of year	2,611,877	5,307,157
Fair value adjustments		
At beginning of year	-	169,394
Disposals	-	(169,394)
At end of year	-	-
Carrying amount	2,611,877	5,307,157

The investments in unquoted mutual funds relate to portfolio of money market fund investments placed with licensed financial institutions. These funds aim to provide a regular stream of monthly income through portfolio of direct investments in short term money market instruments and other fixed income instruments while maintaining capital preservation. The fair value of the investments are determined by reference to the net assets per unit of the funds. The funds' objective is to maintain its net assets per unit at a prescribed rate hence there shall be minimum fluctuation to the fair value of the other financial assets.

These investments could be redeemed for cash from the funds within a short notice period.

Included in investment in unquoted mutual funds with licensed financial institutions is RM1,870,000 (2013: RM4,670,000) which represent the unutilised balance of gross proceeds raised from the private placement and is restricted for working capital of the Group.

18. Trade payables

	Group	
	2014	2013
	RM	RM
Third parties	8,306,515	8,511,972
Amount due to associates	691,731	926,221
Amount due to subsidiaries of a corporate shareholder	45,235	17,868
	9,043,481	9,456,061

The normal trade credits granted to the Group range from 45 to 90 days (2013: 45 to 90 days).

19. Other payables and accruals

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Amount due to subsidiaries	-	-	675,457	411,669
Other payables	404,018	143,732	29,081	26,713
Advance billings to customers	2,508,719	1,270,572	-	-
Amount due to an associate	17,442	1,028	-	-
Financial guarantee liabilities	-	-	110,530	119,759
Accruals	772,976	620,680	32,700	27,400
Indirect tax payable	944,147	1,107,925	-	-
Payroll related statutory liabilities	207,918	332,018	-	-
	4,855,220	3,475,955	847,768	585,541
Less: Non current portion	-	-	(102,012)	(110,530)
Portion due within one year	4,855,220	3,475,955	745,756	475,011

	Company 2014 RM	Company 2013 RM
The non current portion of financial guarantee liabilities is to be accreted as follows:		
Later than 1 year and not later than 2 years	7,862	8,518
Later than 2 years and not later than 5 years	20,134	21,815
Later than 5 years	74,016	80,197
	102,012	110,530

20. Short term borrowings

	Group 2014 RM	Group 2013 RM
Long term loans – current portion (Note 21)	37,833	34,158

The weighted average effective interest rates are as follows:

	Group 2014 %	Group 2013 %
Bank overdrafts	8.6	8.4
Term loans	7.65	7.4

The long term loans and other banking facilities of the Group are secured by way of:

(i) Fixed deposits with a licensed bank;
(ii) Flexi Guarantee Scheme for RM200,000 and New Principal Guarantee Scheme for RM159,000 under Corporate Guarantee Corporation in Malaysia;
(iii) Deed of assignment incorporating power of attorney on a subsidiary's long term leasehold shop offices; and
(iv) Joint and several guarantees by all the executive directors.

21. Long term loans

	Group 2014 RM	Group 2013 RM
Amount outstanding	243,523	285,830
Less: Portion due within one year (Note 20)	(37,833)	(34,158)
Non current portion	205,690	251,672

	Group 2014 RM	Group 2013 RM
The non current portion of term loans is payable as follows:		
Later than 1 year and not later than 2 years	34,886	38,389
Later than 2 years and not later than 5 years	106,859	105,960
Later than 5 years	63,945	107,323
	205,690	251,672

The long term loans are secured as disclosed in Note 20.

22. Retirement benefit obligations

	Group 2014 RM	Group 2013 RM
Present value of retirement benefit obligations/Net liability arising from retirement benefit obligations	132,586	53,475

Amounts recognised in profit or loss in respect of the retirement benefit obligations is as follows:

	Group 2014 RM	Group 2013 RM
Current service cost	76,091	12,581

The movements in the present value of the retirement benefit obligations are as follows:

	Group 2014 RM	Group 2013 RM
At beginning of year	53,475	50,344
Current service cost	76,091	12,581
Exchange differences	3,020	(9,450)
At end of year	132,586	53,475

The Group provides retirement benefits for qualifying employees of a subsidiary in Indonesia in accordance with the local labour law.

22. Retirement benefit obligations (cont'd)

The most recent actuarial valuations of present value of the retirement benefit obligations was carried out on 13 February 2015 by an independent qualified actuarist. The present value of the retirement benefit obligations, and the related current service cost and past service cost, were measured using the Project Unit Credit Method. The principal actuarial assumptions used are as follows:

	2014	2013
Discount rate	8.5%	8.5%
Annual salary increase	8%	8%

Management believes that no reasonably possible changes in any of the above key assumptions would lead to significant changes to the present value of the retirement benefit obligations.

23. Share capital

	Group and Company			
	2014 No. of ordinary shares of RM0.10 each	2013 No. of ordinary shares of RM0.10 each	2014 RM	2013 RM
Authorised:				
At beginning/end of year	250,000,000	250,000,000	25,000,000	25,000,000
Issued and fully paid:				
At beginning/end of year	138,403,415	138,403,415	13,840,342	13,840,342

24. Reserves

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Retained profits/(Accumulated losses)	10,800,847	10,143,895	(1,565,845)	(1,367,643)
Non distributable:				
Share premium	5,097,189	5,097,189	5,097,189	5,097,189
Reverse acquisition reserve (legal capital adjustment)	(2,512,173)	(2,512,173)	-	-
Foreign currency translation reserve	(318,329)	(413,885)	-	-
Other reserve	248,505	-	-	-
	13,316,039	12,315,026	3,531,344	3,729,546

The share premium is not distributable by way of cash dividends and may be utilised only in the manner set out in Section 60(3) of the Companies Act 1965.

25. Contingent liability

A subsidiary's interpretation of the Promotion of Investment Act 1986 in respect of the amount of income exempted from tax is different from that of the tax authority upon clarification sought. The subsidiary has on 8 April 2015 filed an official appeal by submitting the prescribed Form Q to the Special Commissioners of Income Tax ("SCIT"). The Group, therefore, is contingently liable for income tax expense amounting to RM447,240 should SCIT decides to uphold tax authority interpretation and the Group decides not to pursue the next course of action.

26. Significant related party transactions

26.1. Related party transactions

	Type of Transactions	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Significant transactions with related parties are as follows:					
With associates					
- Dynamic Outdoor Media Sdn Bhd	Purchases	63,517	107,633	-	-
- Innity Digital Media (Thailand) Co., Ltd	Sales	3,653	16,581	-	-
	Administrative income	-	276	-	-
	Purchases	148,062	150,038	-	-
	Administrative expense	7,758	1,269	-	-
- I-DAC Pte. Ltd.	Sales	1,123,883	792,390	-	-
	Purchases	570,672	691,215	-	-
	Royalty fee expense	1,767	13,965	-	-
	Technical fee expense	146,000	189,410	-	-
- I-DAC (M) Sdn Bhd	Sales	219,340	-	-	-
	Disposal of plant and equipment	2,975	-	-	-
	Consultancy fee income	21,750	-	-	-
With a corporate shareholder of the Company					
- Jobstreet Corporation Berhad	Purchases	92,225	14,005	-	-

26. Significant related party transactions (cont'd)

26.1. Related party transactions (cont'd)

	Type of Transactions	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
With subsidiaries of corporate shareholders of the Company					
- Jobstreet.com Sdn Bhd	Sales	-	5,000	-	-
	Staff recruitment expense	8,700	5,963	-	-
- Autoworld.com.my Sdn Bhd	Purchases	138,426	65,472	-	-
- Dac Asia Pte. Ltd	Technical fee	26,250	-	-	-
	Sales	3,000	-	-	-
- PT. Jobstreet Indonesia	Staff recruitment expenses	1,232	317	-	-

The directors are of the opinion that the terms and conditions and prices of the above transactions are not materially different from that obtainable in transactions with unrelated parties.

26.2 Related party balances

	Type of Transactions	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Individually significant unsecured interest free outstanding balances arising from other than normal trade transactions are as follows:					
Financial assets:					
With subsidiaries					
- Advenue Digital Advertising Sdn Bhd	Advances	-	-	2,500	2,500
- Innity Limited	Advances	-	-	51,524	51,524
- Innity Sdn Bhd	Advances	-	-	11,994,364	9,224,364
With associates					
- Dynamic Outdoor Media Sdn Bhd	Advances	218,902	135,983	-	-

26. Significant related party transactions (cont'd)

26.2 Related party balances (cont'd)

	Type of Transactions	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
- Innity Digital Media (Thailand) Co., Ltd	Advances	1,303,731	1,142,875	-	-
- I-DAC Pte Ltd	Advances	78,790	12,277	-	-
- I-DAC (M) Sdn Bhd	Advances	75,926	47,679	-	-
Financial liabilities:					
With subsidiaries					
- Innity Sdn Bhd	Advances	-	-	675,457	401,669
- Spiral Vibe Sdn Bhd	Advances	-	-	-	10,000
With associates					
- Innity Digital Media (Thailand) Co., Ltd.	Advances	17,442	1,028	-	-

The above advances are receivable/repayable on demand.

26.3 Compensation of key management personnel

The key management personnel comprises mainly executive directors of the Company whose remuneration is disclosed in Note 5.

27. Commitments

	Group 2014 RM	Group 2013 RM
The future minimum rental payments under non cancellable tenancy agreements are as follows:		
Not later than 1 year	632,935	241,765
Later than 1 year and not later than 2 years	575,217	130,365
Later than 2 years and not later than 5 years	207,492	51,720
	1,415,644	423,850

28. Segment information of the Group

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

The above reportable segments mainly offer technology based online advertising solutions and other related internet services.

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 resource allocation and performance assessment.

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

28. Segment information of the Group (cont'd)

2014	Malaysia RM	Singapore RM	Indonesia RM	Vietnam RM	Philippines RM	HongKong/ China RM	Total RM	Inter-segment elimination RM	Group RM
Revenue									
External revenue	21,003,469	6,066,029	4,760,521	2,609,338	2,746,254	7,060,057	44,245,668	-	44,245,668
Inter-segment revenue	952,224	99,386	403,496	134,142	135,518	237,178	1,961,944	(1,961,944)	-
Total revenue	21,955,693	6,165,415	5,164,017	2,743,480	2,881,772	7,297,235	46,207,612	(1,961,944)	44,245,668
Results									
Profit/(Loss) from operations before investment income	(576,201)	528,956	208,456	78,073	477,397	410,293	1,126,974	-	1,126,974
Investment income	370,143	-	38,404	899	433	-	409,879	(213,072)	196,807
Profit/(Loss) from operations	(206,058)	528,956	246,860	78,972	477,830	410,293	1,536,853	(213,072)	1,323,781
Finance costs	(46,847)	(14,782)	(69,729)	(31,903)	(3,796)	(70,737)	(237,794)	213,072	(24,722)
Share in loss of equity -accounted associates, net of tax	(60,855)	-	-	-	-	-	(60,855)	-	(60,855)
Profit/(Loss) before tax	(313,760)	514,174	177,131	47,069	474,034	339,556	1,238,204	-	1,238,204
Income tax expense	(245,384)	(21,327)	(153,699)	-	(142,161)	(7,408)	(569,979)	-	(569,979)
Net profit/(loss) for the year	(559,144)	492,847	23,432	47,069	331,873	332,148	668,225	-	668,225
Profit/(Loss) attributable to non-controlling interests	160,865	-	(1,172)	(13,495)	(33)	(157,438)	(11,273)	-	(11,273)
Profit/(Loss) attributable to owners of the Company	(398,279)	492,847	22,260	33,574	331,840	174,710	656,952	-	656,952

28. Segment information of the Group (cont'd)

2014	Malaysia RM	Singapore RM	Indonesia RM	Vietnam RM	Philippines RM	HongKong/ China RM	Total RM	Inter-segment elimination RM	Group RM
Assets and liabilities									
Segment assets	29,115,290	4,732,334	6,947,459	2,030,662	3,076,730	3,855,544	49,758,019	(8,427,830)	41,330,189
Investment in associates	306,426	-	-	-	-	-	306,426	-	306,426
Consolidated total assets	29,421,716	4,732,334	6,947,459	2,030,662	3,076,730	3,855,544	50,064,445	(8,427,830)	41,636,615
Segment liabilities	8,109,642	1,466,461	4,654,984	2,300,028	2,175,083	4,979,251	23,685,449	(8,675,332)	15,010,117
Consolidated total liabilities	8,109,642	1,466,461	4,654,984	2,300,028	2,175,083	4,979,251	23,685,449	(8,675,332)	15,010,117
Other information									
Capital expenditure	1,618,732	81,315	18,858	4,390	39,128	14,126	1,776,549	-	1,776,549
Amortisation of development expenditure	928,629	-	-	-	-	-	928,629	-	928,629
Depreciation	227,206	22,287	20,639	12,338	15,125	15,755	313,350	-	313,350
Material non cash expense other than depreciation amortisation									
- Allowance for doubtful debts	83,409	-	310,445	6,424	-	-	400,278	-	400,278
- Plant and equipment written off	-	31,100	-	-	-	-	31,100	-	31,100
- Development expenditure written off	107,635	-	-	-	-	-	107,635	-	107,635
Retirement benefits	-	-	76,091	-	-	-	76,091	-	76,091
Unrealised gain on foreign exchange	(357,544)	-	-	(25,393)	(15,613)	(78,384)	(476,934)	-	(476,934)

28. Segment information of the Group (cont'd)

2013	Malaysia RM	Singapore RM	Indonesia RM	Vietnam RM	Philippines RM	HongKong/ China RM	Total RM	Inter-segment elimination RM	Group RM
Revenue									
External revenue	24,948,127	7,340,458	8,742,054	1,811,154	1,455,386	2,208,207	46,505,386	-	46,505,386
Inter-segment revenue	1,106,428	112,766	229,936	56,516	79,191	104,240	1,689,077	(1,689,077)	-
Total revenue	26,054,555	7,453,224	8,971,990	1,867,670	1,534,577	2,312,447	48,194,463	(1,689,077)	46,505,386
Results									
Profit/(Loss) from operations before investment income	973,111	508,699	1,964,257	93,202	7,750	(416,793)	3,130,226	-	3,130,226
Investment income	351,491	-	8,000	2,425	7,714	4	369,634	(189,247)	180,387
Profit/(Loss) from operations	1,324,602	508,699	1,972,257	95,627	15,464	(416,789)	3,499,860	(189,247)	3,310,613
Finance costs	(32,255)	(30,391)	(61,315)	(29,487)	-	(61,209)	(214,657)	189,247	(25,410)
Share in loss of equity-accounted associates, net of tax	(22,160)	(348,241)	-	-	-	-	(370,401)	-	(370,401)
Profit/(Loss) before tax	1,270,187	130,067	1,910,942	66,140	15,464	(477,998)	2,914,802	-	2,914,802
Income tax expense	(207,205)	13,058	(478,494)	-	(10,738)	(14,793)	(698,172)	-	(698,172)
Net profit/(loss) for the year	1,062,982	143,125	1,432,448	66,140	4,726	(492,791)	2,216,630	-	2,216,630
Profit/(Loss) attributable to non-controlling interests	194,372	-	(71,625)	(16,697)	-	112,083	218,133	-	218,133
Profit/(Loss) attributable to owners of the Company	1,257,354	143,125	1,360,823	49,443	4,726	(380,708)	2,434,763	-	2,434,763

28. Segment information of the Group (cont'd)

2013	Malaysia RM	Singapore RM	Indonesia RM	Vietnam RM	Philippines RM	HongKong/ China RM	Total RM	Inter-segment elimination RM	Group RM
Assets and liabilities									
Segment assets	29,986,225	5,305,243	8,159,204	2,444,328	1,291,567	2,436,621	49,623,188	(10,066,357)	39,556,831
Investment in associates	62,194	-	-	-	-	-	62,194	-	62,194
Consolidated total assets	30,048,419	5,305,243	8,159,204	2,444,328	1,291,567	2,436,621	49,685,382	(10,066,357)	39,619,025
Segment liabilities	8,418,997	2,595,744	5,986,736	2,737,889	769,852	3,661,532	24,170,750	(10,179,534)	13,991,216
Consolidated total liabilities	8,418,997	2,595,744	5,986,736	2,737,889	769,852	3,661,532	24,170,750	(10,179,534)	13,991,216
Other information									
Capital expenditure	1,692,057	30,255	45,946	-	4,431	53,093	1,825,782	-	1,825,782
Amortisation of development expenditure	910,652	-	-	-	-	-	910,652	-	910,652
Depreciation	216,803	23,756	29,531	9,882	13,192	9,740	302,904	-	302,904
Material non cash expense other than depreciation and amortisation									
- Allowance for doubtful debts	35,646	39,086	-	3,000	-	-	77,732	-	77,732
- Plant and equipment written off	3,799	1,732	-	-	-	-	5,531	-	5,531
- Development expenditure written off	125,574	-	-	-	-	-	125,574	-	125,574
- Retirement benefits	-	-	12,581	-	-	-	12,581	-	12,581
- Unrealised (gain)/loss on foreign exchange	(5,298)	(33,618)	440,102	2,479	(2,056)	(5,628)	395,981	-	395,981
- Allowance for doubtful debts no longer required	-	(6,141)	-	-	-	-	(6,141)	-	(6,141)

29. Financial instruments, financial risks and capital risk management

29.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Financial assets				
At fair value through profit or loss:				
- other financial assets	2,611,877	5,307,157	2,611,877	5,307,157
Loans and receivables:				
- trade and other receivables excluding prepayments	23,937,437	21,757,541	12,049,888	9,279,888
- fixed deposits with a licensed bank	1,754,118	1,701,768	-	-
- cash and bank balances	6,819,959	5,382,349	6,812	17,508
	32,511,514	28,841,658	12,056,700	9,297,396
	35,123,391	34,148,815	14,668,577	14,604,553
Financial liabilities				
Amortised cost:				
- borrowings	243,523	285,830	-	-
- trade and other payables excluding statutory liabilities and advance billings to customers	10,237,917	10,221,501	847,768	585,541
	10,481,440	10,507,331	847,768	585,541

29.2 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 the risk.

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.

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.

29.2 Financial risk management objectives and policies (cont'd)

Foreign exchange risk management (cont'd)

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional currency of the Group	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies Ringgit Malaysia RM	Thai Baht RM	United States Dollar RM	Singapore Dollar RM	Indonesian Rupiah RM	Hong Kong Dollar RM	Chinese Renminbi RM	Vietnamese Dong RM	Philippine Peso RM	New Taiwan Dollar RM	Total RM
At 31 December 2014											
Ringgit Malaysia	-	(10,724)	2,264,186	(4,469)	36,294	11,311	164,395	(53,839)	(3,358)	(442)	2,403,354
Indonesian Rupiah	(2,022,516)	(1,776)	(892,721)	(90,792)	-	(1,473)	-	-	(5,834)	-	(3,015,112)
Vietnamese Dong	(590,740)	-	(770,549)	(14,011)	-	-	-	-	-	-	(1,375,300)
Singapore Dollar	(254,217)	(203,865)	949,134	-	(497,240)	(98,883)	-	(27,583)	(110,283)	(1,238)	(244,175)
Philippine Peso	(155,139)	(97)	74,660	(75,250)	(14,474)	(376)	-	-	-	-	(170,676)
Hong Kong Dollar	(1,764,391)	(120,823)	(385,710)	(46,418)	(25,771)	-	-	(11,165)	(10,798)	26,870	(2,338,206)
Chinese Renminbi	-	-	-	-	-	355,020	-	-	-	-	355,020
New Taiwan Dollar	(21,572)	-	-	-	-	(136,899)	-	-	-	-	(158,471)
	(4,808,575)	(337,285)	1,239,000	(230,940)	(501,191)	128,700	164,395	(92,587)	(130,273)	25,190	(4,543,566)
At 31 December 2013											
Ringgit Malaysia	-	(165,202)	1,403,407	(32,619)	(105,962)	(11,034)	134,711	(126,699)	(81,457)	-	1,015,145
Indonesian Rupiah	(1,780,808)	(1)	(590,694)	(228,343)	-	(90)	-	-	(4,271)	-	(2,604,207)
Vietnamese Dong	(1,366,394)	-	197,503	(20,298)	-	-	-	-	-	-	(1,189,189)
Singapore Dollar	(214,334)	(206,957)	544,165	-	(225,367)	(111,617)	-	-	(67,431)	-	(281,541)
Philippine Peso	(80,234)	(5)	70,266	(64,873)	(13,743)	(351)	-	-	-	-	(88,940)
Hong Kong Dollar	(501,349)	(18,070)	149,466	-	-	-	-	-	-	20,162	(349,791)
Chinese Renminbi	(362,519)	-	-	(46,185)	-	333,329	-	-	-	-	(75,375)
	(4,305,638)	(390,235)	1,774,113	(392,318)	(345,072)	210,237	134,711	(126,699)	(153,159)	20,162	(3,573,898)

29. Financial instruments, financial risks and capital risk management (cont'd)

29.2 Financial risk management objectives and policies (cont'd)

Foreign exchange risk management (cont'd)

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the respective functional currency of the Group companies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against the respective functional currency of the Group companies, profit before tax will increase/ (decrease) by:

	Group Profit before tax	
	2014	**2013**
	RM	**RM**
Functional currency in Ringgit Malaysia		
Thai Baht	(1,072)	(16,520)
United States Dollar	226,419	140,341
Singapore Dollar	(447)	(3,262)
Indonesian Rupiah	3,629	(10,596)
Hong Kong Dollar	1,131	(1,103)
Chinese Renminbi	16,440	13,471
Vietnamese Dong	(5,384)	(12,670)
Philippine Peso	(336)	(8,146)
New Taiwan Dollar	(44)	-
Functional currency in Indonesian Rupiah		
Ringgit Malaysia	(202,252)	(178,081)
Thai Baht	(178)	-
United States Dollar	(89,272)	(59,069)
Singapore Dollar	(9,079)	(22,834)
Hong Kong Dollar	(147)	(9)
Philippine Peso	(583)	(427)
Functional currency in Vietnamese Dong		
Ringgit Malaysia	(59,074)	(136,639)
United States Dollar	(77,055)	19,750
Singapore Dollar	(1,401)	(2,030)
Functional currency in Singapore Dollar		
Ringgit Malaysia	(25,422)	(21,433)
Thai Baht	(20,387)	(20,696)
United States Dollar	94,913	54,417
Indonesian Rupiah	(49,724)	(22,537)
Hong Kong Dollar	(9,888)	(11,162)
Vietnamese Dong	(2,758)	-
Philippine Peso	(11,028)	(6,743)
New Taiwan Dollar	(124)	-

29. Financial instruments, financial risks and capital risk management (cont'd)

29.2 Financial risk management objectives and policies (cont'd)

Foreign exchange risk management (cont'd)

	Group Profit before tax 2014 RM	Group Profit before tax 2013 RM
Functional currency in Philippine Peso		
Ringgit Malaysia	(15,514)	(8,023)
Thai Baht	(10)	(1)
United States Dollar	7,466	7,027
Singapore Dollar	(7,525)	(6,487)
Indonesian Rupiah	(1,447)	(1,374)
Hong Kong Dollar	(38)	(35)
Functional currency in Hong Kong Dollar		
Ringgit Malaysia	(176,439)	(50,135)
Thai Baht	(12,082)	(1,807)
United States Dollar	(38,571)	14,947
Singapore Dollar	(4,642)	-
Indonesian Rupiah	(2,577)	-
Vietnamese Dong	(1,117)	-
Philippine Peso	(1,080)	-
New Taiwan Dollar	2,687	2,016
Functional currency in Chinese Renminbi		
Ringgit Malaysia	-	(36,252)
Singapore Dollar	-	(4,619)
Hong Kong Dollar	35,502	33,333
Functional currency in New Taiwan Dollar		
Ringgit Malaysia	(2,157)	-
Hong Kong Dollar	(13,690)	-

The opposite applies if the relevant foreign currencies weaken by 10% against the respective functional currency of the Group companies.

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 below have been determined based on the exposure to interest rates for the banking facilities at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

29. Financial instruments, financial risks and capital risk management (cont'd)

29.2 Financial risk management objectives and policies (cont'd)

Interest rate risk management (cont'd)

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax would decrease/increase by RM1,218 (2013: RM1,429).

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 reporting date, there were no significant concentrations of credit risk other than the amount due to the Company by a subsidiary amounting to RM11,318,907 (2013: RM8,822,695) and investments in unquoted funds of RM2,611,877 (2013: RM 5,307,157) with a local license bank. Management believes that the financial standing of the counter parties substantially mitigates the Company's exposure to credit risk.

The Company provides unsecured financial guarantee to a bank in respect of banking facility granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. The maximum exposure to credit risk amounts to RM2,000,000 (2013: RM2,000,000) representing the overdraft limit of the banking facility.

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group finance 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.

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.

29. Financial instruments, financial risks and capital risk management (cont'd)

29.2 Financial risk management objectives and policies (cont'd)

Liquidity risk management (cont'd)

Group		Contractual cash flows (including interest payments)				
2014	**Carrying amount RM**	**Total RM**	**On demand or within 1 year RM**	**Within 1 to 2 years RM**	**Within 2 to 5 years RM**	**More than 5 years RM**
Non interest bearing debts	10,237,917	10,237,917	10,237,917	-	-	-
Interest bearing debts	243,523	315,476	55,644	50,101	135,828	73,903
	10,481,440	10,553,393	10,293,561	50,101	135,828	73,903
2013						
Non interest bearing debts	10,221,501	10,221,501	10,221,501	-	-	-
Interest bearing debts	285,830	379,263	55,644	55,644	151,012	116,963
	10,507,331	10,600,764	10,277,145	55,644	151,012	116,963

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 as disclosed in the respective notes.

29. Financial instruments, financial risks and capital risk management (cont'd)

29.2 Financial risk management objectives and policies (cont'd)

Fair values

The carrying amounts of other financial assets, cash and cash equivalents, receivables and payables, and other liabilities approximate their respective fair values due to the respective short-term maturity of these financial instruments.

The fair value of the Group's borrowings approximate their respective carrying amounts, as these instruments were entered with interest rates which are reasonable approximation of the market interest rates on or near reporting date.

The fair values of financial assets and financial liabilities are determined with standard terms and conditions.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group and Company Financial assets 2014	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Investments in unquoted mutual funds (Note 17)	-	-	2,611,877	2,611,877
2013				
Investments in unquoted mutual funds (Note 17)	-	-	5,307,157	5,307,157

The fair value information of the financial assets is disclosed in Note 17 to the financial statements. There were no transfers between Levels 1, 2 and 3 in the current and previous year.

29. Financial instruments, financial risks and capital risk management (cont'd)

29.3 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.

The Group monitors capital on the basis of debt-to-equity ratio, where the ratio is arrived at net debts (total borrowings less cash and cash equivalents) divided by total equity. During the reporting period ended 31 December 2014, the Group's strategy was unchanged which is to maintain a net cash position.

30. Supplementary information – breakdown of retained profits/accumulated losses into realised and unrealised

The breakdown of the retained profits/accumulated losses of the Group and of the Company as at 31 December 2014 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained profits/(accumulated losses) of the Company and its subsidiaries				
- Realised	10,688,609	10,280,263	(1,565,845)	(1,367,643)
- Unrealised	(1,026,818)	(741,227)	-	-
	9,661,791	9,539,036	(1,565,845)	(1,367,643)
Total share of accumulated losses from an associate				
- Realised	(635,673)	(574,818)	-	-
	9,026,118	8,964,218	(1,565,845)	(1,367,643)
Add: Consolidation adjustments	1,774,729	1,179,677	-	-
Retained profits/ (Accumulated losses) as per financial statements	10,800,847	10,143,895	(1,565,845)	(1,367,643)

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	Net Book Values as at 31 December 2014 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	18	1,301	Office Lot/ Office	27.07.2005	214,151
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	18	1,371	Office Lot/ Office	27.07.2005	225,969
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	18	1,192	Office Lot/ Office	14.04.2009	203,291

Authorised share capital	:	RM25,000,000.00
Issued and Fully Paid-up Capital	:	RM13,840,341.57
Class of Share	:	Ordinary shares of 10 sen each fully paid
Voting Rights	:	One vote per 10 sen share

ANALYSIS BY SIZE OF HOLDINGS AS AT 1 APRIL 2015

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	22	2.778	1,222	0.000
100 - 1,000	568	71.718	218,525	0.158
1,001 - 10,000	110	13.889	407,140	0.295
10,001 - 100,000	57	7.196	1,926,380	1.392
100,001 - 6,920,169 (*)	31	3.914	49,273,203	35.601
6,920,170 AND ABOVE (**)	4	0.505	86,576,945	62.554
TOTAL :	**792**	**100.000**	**138,403,415**	**100.000**

REMARK : * - LESS THAN 5% OF ISSUED SHARES
** - 5% AND ABOVE OF ISSUED SHARES

SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2015

No.	Name	Holdings	%
1	D.A.CONSORTIUM INC.	34,735,500	25.097
2	JOBSTREET CORPORATION BERHAD	29,250,040	21.133
3	PHANG CHEE LEONG	13,298,372	9.608
4	LOOA HONG TUAN	12,374,685	8.941
TOTAL		**89,658,597**	**64.779**

DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2015

No.	Name	Holdings	%
1	ABD MALIK BIN A RAHMAN	-	-
2	CHANG MUN KEE (ALTERNATE DIRECTOR TO GREGORY CHARLES POARCH)	-	-
3	GREGORY CHARLES POARCH	-	-
4	HISAHARU TERAI (ALTERNATE DIRECTOR TO YUTAKA SHIMIZU)	-	-
5	LOOA HONG TUAN	10,898,909	7.874
6	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR LOOA HONG TUAN	1,475,776	1.066
7	PHANG CHEE LEONG	11,692,496	8.448
8	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR PHANG CHEE LEONG	1,605,876	1.160
9	ROBERT LIM CHOON SIN	2,900	0.002
10	SEAH KUM LOONG	5,356,527	3.870
11	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR SEAH KUM LOONG	1,460,765	1.055
12	SHAMSUL ARIFFIN BIN MOHD NOR	-	-
13	WONG KOK WOH	6,618,008	4.781
14	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR WONG KOK WOH	681,078	0.492
15	YUTAKA SHIMIZU	-	-
	Total	**39,792,335**	**28.748**

LIST OF TOP 30 HOLDERS AS AT 1 APRIL 2015

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

No.	Name	Holdings	%
1	D.A.CONSORTIUM INC.	34,735,500	25.097
2	JOBSTREET CORPORATION BERHAD	29,250,040	21.133
3	PHANG CHEE LEONG	11,692,496	8.448
4	LOOA HONG TUAN	10,898,909	7.874
5	WONG KOK WOH	6,618,008	4.781
6	CHANG CHEW TUCK	6,278,950	4.536
7	LEE CHEL CHAN	6,278,257	4.536
8	SEAH KUM LOONG	5,356,527	3.870
9	WAN LIN SENG	3,774,000	2.726
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KOON CHUAN	3,000,000	2.167
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KOON SHING	2,930,000	2.116
12	SIEW YOKE LEE	2,034,366	1.469
13	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR PHANG CHEE LEONG	1,605,876	1.160
14	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR LOOA HONG TUAN	1,475,776	1.066
15	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR SEAH KUM LOONG	1,460,765	1.055
16	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,403,700	1.014
17	TAN YU YEH	1,034,400	0.747
18	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR WONG KOK WOH	681,078	0.492
19	LEAM AM KEM	622,900	0.450
20	TAN YU YEH	540,000	0.390
21	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	480,800	0.347

LIST OF TOP 30 HOLDERS AS AT 1 APRIL 2015 (CONT'D)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

No.	Name	Holdings	%
22	MCONTECH SDN BHD	439,000	0.317
23	MUHAMAD SUHAILI BIN YAHAYA	380,000	0.274
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YANG LIANG	372,300	0.268
25	TIONG MEE MEE	305,400	0.220
26	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEOW KUAN SHU	300,000	0.216
27	LEE YOKE KEE	280,000	0.202
28	TAN BEE BEE	250,000	0.180
29	ARSHAD BIN ABDUL RAHMAN	247,500	0.178
30	MATRIX INVENT MSC SDN BHD	230,000	0.166
Total		**134,956,548**	**97.495**

NOTICE OF EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the Company will be held at Green I, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 3 June 2015 at 9.30 a.m.** to transact the following businesses:-

AGENDA

A. Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 2)

2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-

   Mr Looa Hong Tuan (Ordinary Resolution 1)
   Mr Gregory Charles Poarch (Ordinary Resolution 2)
   Mr Yutaka Shimizu (Ordinary Resolution 3)

3. To re-appoint Messrs Russell Bedford LC & Company as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 4)

B. Special Business

To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:

4. **DIRECTORS' FEES**

   "THAT the payment of the Directors' fees of RM90,000 for the financial year ended 31 December 2014 be approved." (Ordinary Resolution 5)

5. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

   "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 party as set out in Section 2.5.1 of the Circular to Shareholders ("the Related Party") provided that such transactions and/or arrangements are:- (Ordinary Resolution 6)

   (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 "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 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders of the Company in general meeting;

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 Shareholders' Mandate."

6. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"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 ("the Related Party") provided that such transactions and/or arrangements are:- (Ordinary Resolution 7)

(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 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders of the Company in general meeting;

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."

7. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." (Ordinary Resolution 8)

C. Other Business

8. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

WONG WAI FOONG (MAICSA 7001358)
LIM POH YEN (MAICSA 7009745)
Company Secretaries

Kuala Lumpur
30 April 2015

NOTES:-

1. Notes on Appointment of Proxy

(i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(ii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

(iii) Where a member of the Company is an Exempt Authorised Nominee (referring to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA) 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.

(iv) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or an attorney duly authorised.

(v) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(vi) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 61(2) of the Articles of Association of the Company and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 24 April 2015 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

2. Audited Financial Statements for the financial year ended 31 December 2014

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

3. Explanatory Notes on Special Business

(i) Ordinary Resolution 5 – Directors' Fees

The Ordinary Resolution 5, if passed, will allow the payment of Directors' fees for the financial year ended 31 December 2014 to the Directors of the Company.

(ii) Ordinary Resolution 6 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 6, if passed, will allow the Company and its subsidiaries to enter into Recurrent Transactions pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 30 April 2015, which is despatched together with the Company's Annual Report 2014.

(iii) Ordinary Resolution 7 – Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 7, if passed, will allow the Company and its subsidiaries to enter into additional Recurrent 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 30 April 2015, which is despatched together with the Company's Annual Report 2014.

(iv) Ordinary Resolution 8 – Authority to Issue Share Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 8 is a renewal of the general mandate pursuant to Section 132D of the Companies Act, 1965 ("General Mandate") obtained from the shareholders of the Company at the previous Annual General Meeting and, if passed, will empower the Directors of the Company to issue new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued share capital of the Company for the time being.

The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Seventh Annual General Meeting held on 3 June 2014 and which will lapse at the conclusion of the Eighth Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding current and/ or future investment project(s), working capital, acquisition and/ or for issuance of shares as settlement of purchase consideration.

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Proxy Form

INNITY CORPORATION BERHAD (764555-D)
(Incorporated in Malaysia)

No. of ordinary shares held	*CDS Account No.*

Telephone no. (During office hours) ____________________

I/We ____ NRIC No. ____________________
(PLEASE USE BLOCK CAPITAL)

of ____
(FULL ADDRESS)

being a member(s) **INNITY CORPORATION BERHAD (764555-D)** hereby appoint* ____________________

NRIC. No. ____________________ of ________________________________

____________________ or failing him ____________________ NRIC No. ____________________

of ____

or the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf, at the Eighth Annual General Meeting of the Company to be held at Green I, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 3 June 2015 at 9.30 a.m.** and at any adjournment thereof, to vote as indicated below :-

Ordinary Business		***FOR***	***AGAINST***
Ordinary Resolution 1	Re-election of Mr Looa Hong Tuan as Director pursuant to Article 84 of the Company's Articles of Association		
Ordinary Resolution 2	Re-election of Mr Gregory Charles Poarch as Director pursuant to Article 84 of the Company's Articles of Association		
Ordinary Resolution 3	Re-election of Mr Yutaka Shimizu as Director pursuant to Article 84 of the Company's Articles of Association		
Ordinary Resolution 4	Re-appointment of Messrs Russell Bedford LC & Company as Auditors		
Special Business			
Ordinary Resolution 5	Payment of Directors' fees for the financial year ended 31 December 2014		
Ordinary Resolution 6	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 7	Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	Authority to Issue Shares		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion.)

The proportions of my/our shareholding to be represented by my/our proxy(ies) are as follows:

First named Proxy.................................%
Second named Proxy.............................%
100%

Dated this ______________ day of ____________________ 2015

____
Signature of Member(s) or/ Common Seal

NOTES:-

(i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(ii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

(iii) Where a member of the Company is an Exempt Authorised Nominee (referring to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA) 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.

(iv) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or an attorney duly authorised.

(v) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(vi) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 61(2) of the Articles of Association of the Company and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 24 April 2015 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

Fold this flap for sealing

AFFIX
STAMP

THE COMPANY SECRETARY
Innity Corporation Berhad
(Company No. 764555-D)

Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

fold here

fold here