



ANNUAL REPORT  
INNITY CORPORATION BERHAD

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## CORPORATE PROFILE

### ABOUT



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

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

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

- Branding & Interactive Advertising
- Influencer & Key Opinion Consumer (KOC) Marketing
- Sponsored Content & Community Marketing
- E-commerce Performance Marketing

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

# 2023 IN NUMBERS

# 2023



Total Influencers

**50,000+**

Total Active Advertisers

**2,000+**

Total Publishers

**5,000+**

Total Campaigns

**10,000+**



Total Engagements

**90 Million+**



Total Clicks

**36 Million+**



Total Impressions Captured

**10 Billion+**

Total Programmatic Impressions

**92 Million+**

## Certifications:



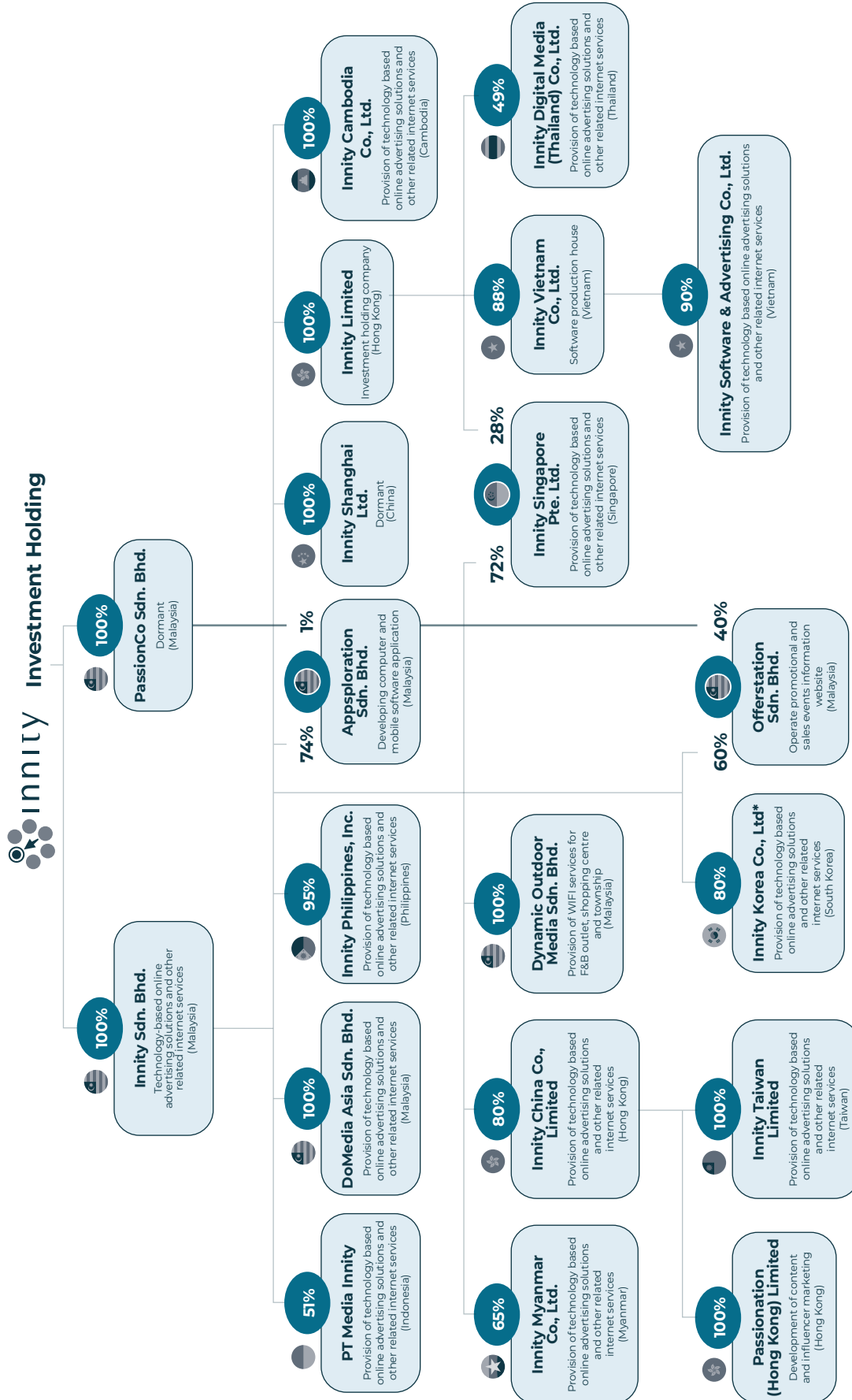
Member of:



Verified by:



# CORPORATE STRUCTURE



\* The Company has completed its dissolution with the attainment of business closure certificate on 10 April 2023.

## CORPORATE INFORMATION

# BOARD OF DIRECTORS

<b>Phang Chee Leong</b>	<i>Executive Chairman</i>
<b>Looa Hong Tuan</b>	<i>Managing Director</i>
<b>Wong Kok Woh</b>	<i>Executive Director</i>
<b>Seah Kum Loong</b>	<i>Executive Director</i>
<b>Norliza Binti Rasool Khan</b>	<i>Independent Non-Executive Director</i>
<b>Fung Kam Foo</b>	<i>Independent Non-Executive Director</i>
<b>Cheong Chee Yun</b>	<i>Independent Non-Executive Director</i>
<b>Gregory Charles Poarch</b>	<i>Non-Independent Non-Executive Director</i>
<b>Liong Wei Li</b>	<i>Alternate Director to Gregory Charles Poarch</i>
<b>Michihiko Suganuma</b>	<i>Non-Independent Non-Executive Director</i>
<b>Rieko Yoshikawa</b>	<i>Alternate Director to Michihiko Suganuma</i>

#### **AUDIT AND RISK MANAGEMENT COMMITTEE**

Cheong Chee Yun (*Chairman*)  
Fung Kam Foo  
Norliza Binti Rasool Khan

#### **REMUNERATION COMMITTEE**

Fung Kam Foo (*Chairman*)  
Cheong Chee Yun  
Norliza Binti Rasool Khan

#### **NOMINATION COMMITTEE**

Fung Kam Foo (*Chairman*)  
Cheong Chee Yun  
Norliza Binti Rasool Khan

#### **COMPANY SECRETARIES**

Fong Seah Lih  
(MAICSA 7062297)/  
(SSM PC NO. 202008000973)  
Tham Yin Tong  
(MAICSA 7049718)/  
(SSM PC NO.202008001314)

#### **AUDITORS**

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

#### **PRINCIPAL BANKERS**

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

#### **SHARE REGISTRAR**

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

#### **REGISTERED OFFICE**

Tricor Corporate Services Sdn Bhd  
(200701021758 (779773-H))  
Unit 30-01, Level 30  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : 603-2783 9191  
Fax : 603-2783 9111  
Email : [info@my.tricorglobal.com](mailto:info@my.tricorglobal.com)

#### **BUSINESS OFFICE**

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

#### **STOCK INFORMATION**

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

#### **WEBSITE**

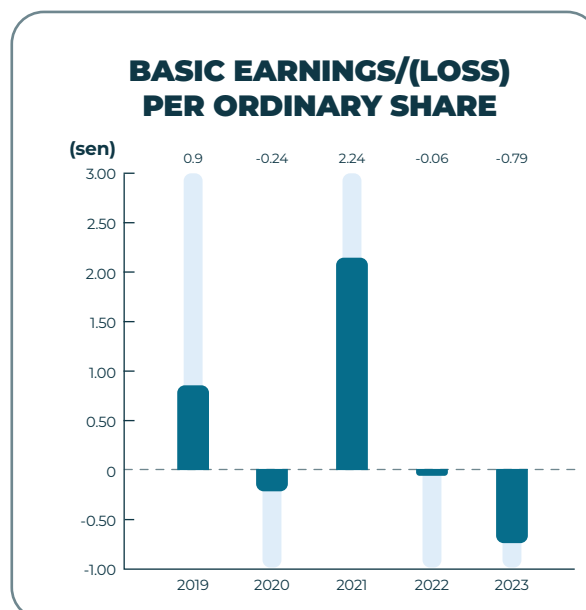
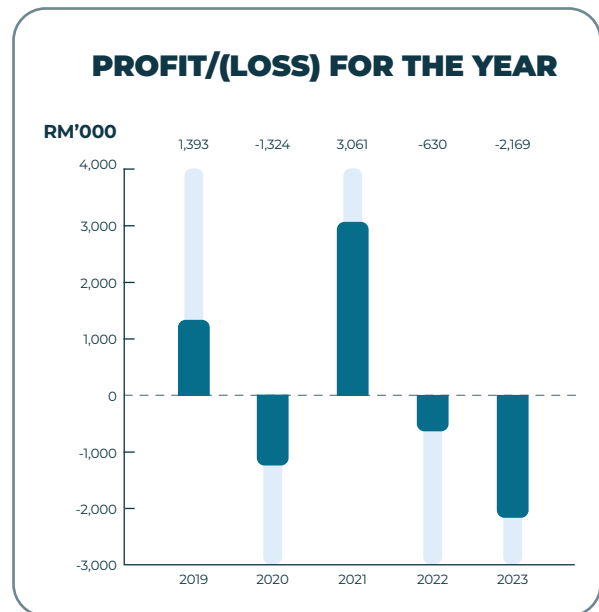
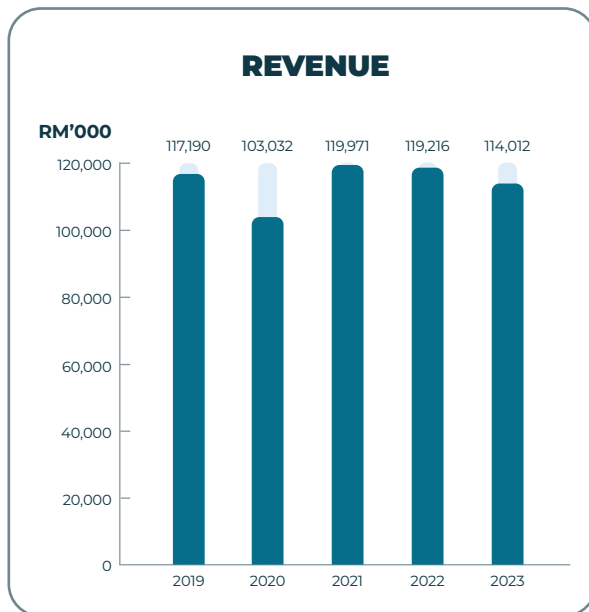
[www.innity.com](http://www.innity.com)

## 5-YEAR GROUP FINANCIAL HIGHLIGHTS

### FINANCIAL YEAR ENDED 31 DECEMBER

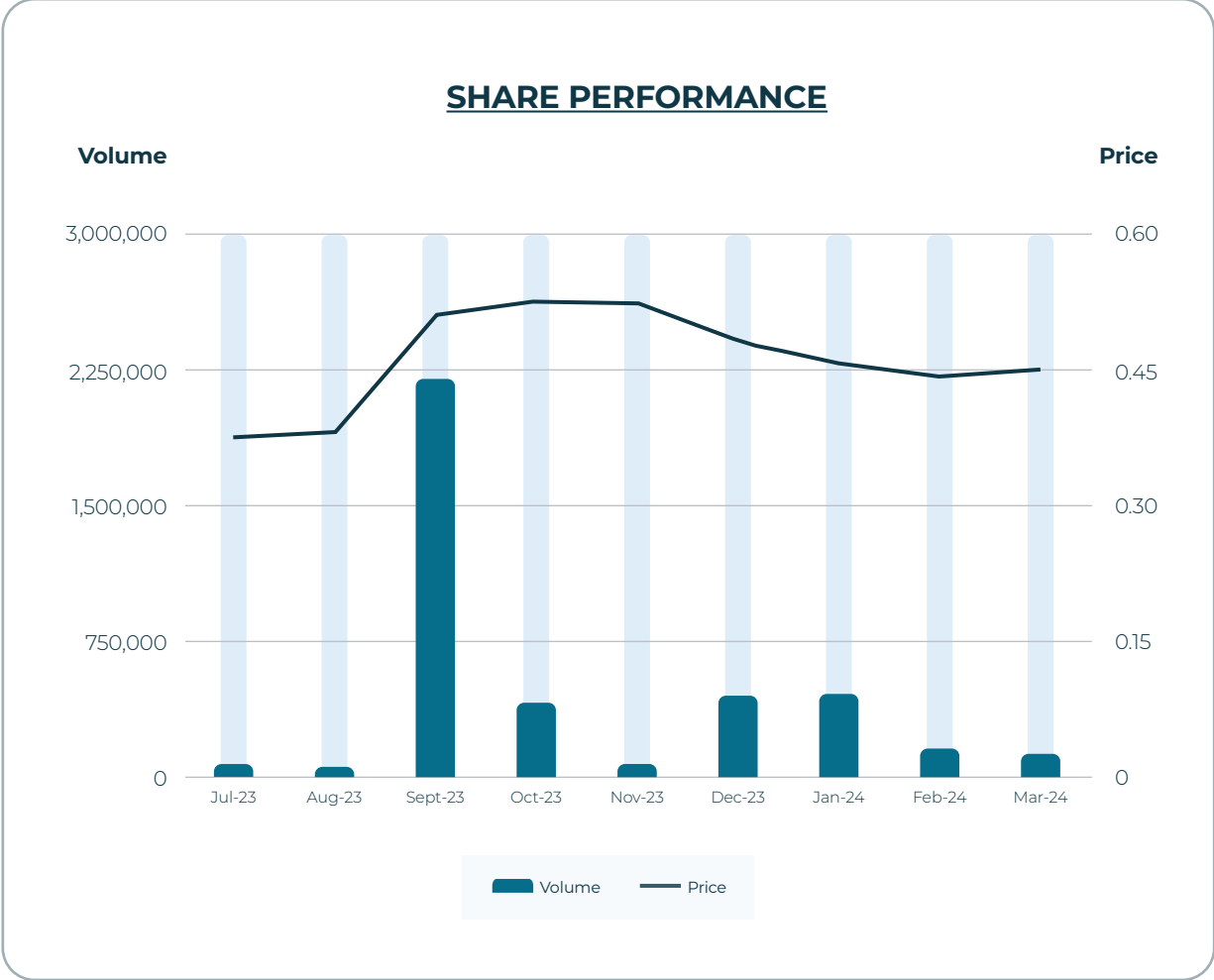
#### AUDITED

	2019	2020	2021	2022	2023
Revenue (RM'000)	117,190	103,032	119,971	119,216	114,012
Profit/(Loss) for the year (RM'000)	1,393	-1,324	3,061	-630	-2,169
Basic Earnings/(Loss) per ordinary share (sen)	0.90	-0.24	2.24	-0.06	-0.79



# SHARE PERFORMANCE

up to 31 March 2024



## MARKET VALUE RATIO

At 31 March 2024

Market capitalisation : RM64.8 million

Price / Book value : 1.88x



## DIRECTORS'S PROFILE

### **Phang Chee Leong**

*Executive Chairman*

*Malaysian, aged 53 (M)*

Phang Chee Leong was appointed as the Executive Chairman on 28 April 2008. He graduated with a Bachelor of Science Degree in Microelectronics from Campbell University, USA in 1995. He started his career as a software engineer with PC Automation Sdn Bhd, a company involved in industrial automation. Moving on, he joined Asia Connect Sdn Bhd as a senior software architect and technical manager where he was involved in video streaming, testing and deployment of new technology. Subsequently in 1997, he joined Consortio, a US company that implemented large-scale e-business solutions. In 1999, he co-founded Innity Sdn Bhd ("ISB") and took on the position of Chief Executive Officer /Chief Technology Officer. Through his 24 years of experience in the digital industry, Mr. Phang has been a visionary for the company, helping to develop Innity over the years into a leading provider of online interactive marketing technologies. Mr. Phang's continuous enthusiasm and zeal to look beyond the ordinary has been a key factor in facilitating the company's growth. He is deeply involved in directing product development and R&D strategies in order to ensure that all future developments are integrated with cutting edge technology so as to deliver value-added and optimised digital advertising solutions. He does not hold any other directorship of public companies.

Mr. Phang attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

### **Looa Hong Tuan**

*Managing Director*

*Malaysian, aged 53 (M)*

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

Mr. Looa attended all the six (6) Board Meetings of the Company of the Company held during the financial year ended 31 December 2023.

## Director's Profile (Cont'd)

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### Wong Kok Woh

*Executive Director**Malaysian, aged 53 (M)*

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

Mr. Wong attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

### Seah Kum Loong

*Executive Director**Malaysian, aged 52 (M)*

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

Mr. Seah attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

## Director's Profile (Cont'd)

### **Norliza Binti Rasool Khan**

*Independent Non-Executive Director*

*Audit and Risk Management Committee Member*

*Member of the Remuneration and Nominating Committees*

*Malaysian, aged 50 (F)*

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

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

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

She currently holds the position of independent non-executive director for Innity Corporation Berhad, IFCA MSC Berhad and Executive Director in Mimir Sdn Bhd. She had resigned from RedOne Holding Berhad on January 2024.

Norliza Binti Rasool Khan attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

### **Fung Kam Foo**

*Independent Non-Executive Director*

*Chairman of Nomination and Remuneration Committee*

*Member of the Audit and Risk Management Committee*

*Malaysian, aged 61 (M)*

Fung Kam Foo was appointed as Independent Non-Executive Director to our Board on 1 August 2019. Mr. Fung currently holds the Independent non-executive director position in Innity Corporation Berhad, IFCA MSC Bhd and he was appointed as Independent non-executive director of Yoong Onn Corporation Berhad on 31 May 2023. He was resigned from Damansara Technology Sdn Bhd and Damansara Holdings Berhad effective from 31 May 2023.

He obtained Bachelor of Computer Science and Business Administration (Honours) from University of Guelph, Ontario, Canada in 1984. He is also a certified coach with the International Coaching Federation(ICF) Organisation, he is actively involved in life & executive coaching and business mentorship through organisations such as Malaysian Global Innovation & Creativity Centre (MaGIC), MDEC, Cradle, Beyond4 and the 100 Soonicorn Programs.

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

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

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

Mr. Fung attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

## Cheong Chee Yun

*Independent Non-Executive Director*

*Chairman of the Audit and Risk Management Committee*

*Member of Nomination Committee and Remuneration Committee*

*Malaysian, aged 63 (M)*

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

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

In year the 2012, he joined Enco Holdings Sdn Bhd, a biomass thermal energy solutions provider as Head of Finance & Corporate Affairs and is now an executive director of the company. He is also a non-executive director of Kencana Bio Energy Pte Ltd, Singapore, (now known as Enco Power Pte.Ltd., Singapore) a biomass power generation holding company. Moreover, he currently holds the post of independent non-executive director for Innity Corporation Berhad and Executive Director for Samchem Holdings Berhad. Mr. Cheong retired from ManagePay Systems Berhad in May 2023 and resigned from ETA World Group Berhad in September 2023.

Mr. Cheong attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

## Gregory Charles Poarch

*Non-Independent Non-Executive Director*

*American, aged 59 (M)*

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

Mr. Poarch attended all the six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

## Director's Profile (Cont'd)

### **Liong Wei Li**

*Alternate Director to Gregory Charles Poarch*

*Malaysian, aged 40 (M)*

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

### **Michihiko Suganuma**

*Non-Independent Non-Executive Director*

*Japanese, aged 45 (M)*

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

Mr. Michihiko attended six (6) Board Meetings of the Company held during the financial year ended 31 December 2023.

### **Rieko Yoshikawa**

*Alternate Director to Michihiko Suganuma*

*Japanese, aged 44 (F)*

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

#### **Notes:**

Save as disclosed above:

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

## KEY SENIOR MANAGEMENT'S PROFILE

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The Key Senior Management in FY 2023 comprises Mr. Phang - Executive Chairman of Innity Corporation Berhad and Chief Executive Officer of Innity Sdn Bhd ("ISB"); Mr. Looa - Managing Director of Innity Corporation Berhad and Sales and Marketing Director of ISB; Mr. Wong - Executive Director of Innity Corporation Berhad and Client Services Director of ISB; and Mr. Seah - Executive Director of Innity Corporation Berhad and Creative Director of ISB are included under the Directors' profiles on (page 8 to page 12) in the Annual Report 2023 and the following persons:

### **Chow Tat Kee**

*Corporate Strategy Director*

*Malaysian, aged 58 (M)*

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

### **Edward Lum Chi Kwan**

*Head of Creative & Design*

*Malaysian, aged 45 (M)*

Edward is a dynamic creative leader with over two decades of experience in graphic design, web development, and digital advertising. Graduating from the Central Academy of Arts in 2000. Edward started his career as a self-taught web designer for a prominent digital publisher. In 2001, he joined ISB as a creative designer rising through the ranks to be the Lead Designer and later returning as Head of Creative & Design in 2009. In this pivotal role, Edward spearheads the branding and creative development of Innity's cutting-edge ad solutions. Currently, Edward focuses on expanding Innity's content studio, overseeing the development of a skilled team proficient in photo and video production, event management, and community building. His strategic mindset and passion for innovation drive forward-thinking campaigns, elevating brand experiences across multiple platforms.

## Key Senior Management's Profile (Cont'd)

### **Yap Soon Kim**

*Chief Financial Officer*

*Malaysian, aged 50 (F)*

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

### **Lee Pey Ling**

*Regional, Head of Strategic Partnership*

*Malaysian, age 46 (F)*

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

## Key Senior Management's Profile (Cont'd)

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### Gilbert Chee Guang Yao

*Strategy and Implementation Director**Malaysian, age 36 (M)*

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

#### Notes:

Save as disclosed above:

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



## EXECUTIVE CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors ("the Board") of Innity Corporation Berhad ("INNITY" or "the Company"), it gives me great pleasure to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2023 ("FY2023").

### **ECONOMIC OVERVIEW**

With the challenges presented by the Covid-19 pandemic almost over, the gradual recovery of the global economy in 2023 took centre stage as global businesses, by and large, were starting to recover from the financial instability which have inevitably affected their growth performance during the pandemic years. The International Monetary Fund ("IMF") has forecasted global economic expansion to slow from 3.5% in 2022 to 3.0% in 2023. (Source: IMF's World Economic Outlook, October 2023). The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Despite core inflation has receded, it remains tilted to the downside.

Although there has been considerable progress in reopening the domestic economy, increasing energy and food prices continue to squeeze living standards more quickly than expected as inflation continues to remain due to lingering supply of consumables and demand imbalances. In line with the IMF's forecast of lower global growth in 2023, the Malaysian economy remains on track to achieve its gross domestic growth ("GDP") of 4%, albeit at the lower end of its forecast range of 4% and 5%. (Source: The Edge, 17 November 2023).

For the past 3 years since the lockdown, we have witnessed a significant upsurge in the adoption of digitisation and e-commerce amongst local businesses and internet users. This encouraging growth trend boosted online traffic and continually fueled the internet penetration rate in Malaysia. At the start of 2023, 96.8% of the Malaysian population were using the internet (Source: DataReportal, 13 February 2023). The imminent rollout of the 5G networks will inevitably quicken the pace of internet penetration in Malaysia to reach 100% by 2025 (Source: Ministry of Digitalisation).

### **FY2023 PERFORMANCE**

Despite the reopening of the domestic economy, INNITY faced a volatile and uncertain business landscape in 2023. For the FY2023, the Group recorded a loss after tax ("LAT") of RM2.2 million (2022:RM0.63 million) on total revenue of RM114.0 million (2022:119.2 million). After years of expansion, the digital growth momentum has slowed going into FY2023. Increased competition and rising operational costs in the wake of declining revenues in most of our overseas business units, contributed to the LAT in FY2023.

Nevertheless, it's worth highlighting the market share in the Malaysia and Philippines business units have improved markedly in FY2023 as indicated by their profitable results.

Given the Group's unfavourable performance, the Board and senior Management have already commenced an in-depth review of rationalising, restructing and reconfiguring most of the overseas business units in light of rising operational costs and declining revenues.

We continue to deliver new online advertising solutions and enhanced product features and capabilities. Our financial condition remains in good shape with a strong balance sheet, healthy liquidity and debt service coverage.

A detailed discussion of the Group's financial performance in FY2023 is found under the Management Discussion & Analysis section in the ensuing pages.

## Executive Chairman's Statement (Cont'd)

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### **BUSINESS OUTLOOK**

Technology has been advancing so rapidly that the future is rather unpredictable. The past year, 2023 has been a rather transformative year with generative artificial intelligence ("GenAI") and ChatGPT becoming repeated "buzzwords" globally and also within the local tech ecosystem.

In the coming years, GenAI is predicted to revolutionise content creation and elevate immersive experiences within the tech ecosystem. A deeper integration of AI technologies and metaverse platforms is anticipated for more dynamic and enriched virtual experiences.

Going into 2024, business confidence in Southeast Asia will significantly improve after several years of struggling in the shadow of the Covid-19 pandemic. High interest rates to curb inflation and a subdued consumer market were major factors afflicting both the global and regional economies.

Amid a challenging global environment plagued by geopolitical conflicts, higher inflation and elevated interest rates, Bank Negara Malaysia reported that the Malaysian economy is projected to expand between 4% and 5% in 2024 on account of favourable domestic market conditions, progress in investment projects, improvement in the global tech cycle and the expected rise in inbound tourism activity.

Malaysia's integration into fast-growing segments of global value chains, accommodative monetary policy, digitalisation that had taken off in a major way as well as continued policy support would be key drivers of a resilient and sustained economic rebound beyond 2024.

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

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

Our commitment to technology leadership in Research and Development is a major asset to the INNITY Group. We continue to deliver new online advertising solutions and enhanced product features and capabilities.

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

## **CORPORATE GOVERNANCE**

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

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

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

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

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

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Innity's CSR commitment of building long-lasting, mutually beneficial relationships with our stakeholders and the society at large within the spirit of appreciation, in 2023, are summarised as follows:-

### **Passionation Upcycled by Fuze Ecoteer**

Innity influencer marketing platform namely Passionation teamed up with Upcycled by Fuze Ecoteer to help drive awareness and educate Passionatives about plastic recycling and upcycling. A group of Passionatives participated in the workshop by Upcycled where they learned how to create their own plant pot using recycled bottle caps. After the workshop, the Key Opinion Leaders created and shared their videos on Instagram to further help bring awareness to Upcycled's mission and their many ongoing eco initiatives.

### **Passionation Ibupreneur Social Event**

Passionation partnered with Ibupreneur for their grand launch. Ibupreneur is an accredited social enterprise established in Malaysia which provides talented mothers with a singular, online marketplace to connect their talents to the society. Their mission is to improve the lives of unemployed women in Malaysia through entrepreneurial activities. Passionation was one of the sponsors for their launch event where we also invited 10 mother content creators to attend the event and share about Ibupreneur's mission on their socials.

A statement detailing Innity's actions in addressing environmental, social and governance ("ESG") risks and opportunities, in 2023, is found under the Corporate Sustainability Statement in the ensuing pages.

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## Executive Chairman's Statement (Cont'd)

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### **APPRECIATION**

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

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

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

**PHANG CHEE LEONG**

*EXECUTIVE CHAIRMAN*

# MANAGEMENT DISCUSSION & ANALYSIS

## MANAGEMENT DISCUSSION & ANALYSIS

The following Management Discussion & Analysis (MD&A) contains data derived from audited financial statements and factual statements of INNITY and INNITY Group. It provides an overview of the Group's business and operations and how INNITY addresses risks, foreign exchange fluctuations, impact of inflation and other economic uncertainties for the financial period ended 31 December 2023 (FY2023).

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

### **1. GROUP BUSINESS AND OPERATIONS**

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

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

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

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

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

#### **INNITY Group Launched New Mobile Offerings In FY2023**

INNITY cares most deeply about digital transformation in this vibrant era of rapidly growing market players and internet users. Over the years, we have experienced commendable success and currently, we are just at the beginning of an incredible new wave of AI and Chat GPT which are going to transform not only our work culture but every life and every country.

We have consistently introduced exciting product innovations as well as increasing engagement and customer base to consolidate our position as one of the leading technology-based online providers in the Asia Pacific region. In FY2023, the range of these online products included the following: -

#### **i. INNITY Rolled Out a New Shoppable Video Format**

It added another video format to its Shoppable Video range entitled the Stories 300x600 (Vertical Video + Product Feed Variation). With this format, brands can repurpose existing vertical stories and video content into a shoppable video format to expand reach and lifespan.

## Management Discussion & Analysis (Cont'd)

### 1. GROUP BUSINESS AND OPERATIONS (CONT'D)

#### INNITY Group Launched New Mobile Offerings In FY2023

##### ii. **INNITY Rolled Out New Ad Formats: In-Read Video Skinner & In-Read Video + Ad**

INNITY added 2 new ad formats to its Video Format range i.e. In-Read Video Skinner & In-Read Video Skinner +\_Ad. This format comes with a skinner function ensuring that the video ad only starts playing when it is at least 50% in-view providing more informative and engaging branding experience.

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

In FY2023, INNITY added 3 video advertising formats to its Video range in first quarter FY2023 and third quarter FY2023. The Stories 300x600 (Vertical Video + Product Feed Variation) and In-Read Video Skinner & In-Read Video Skinner+Ad. Up-to-date advertising format in FY2023 amounting to 83 in total.

##### iii. **INNITY Achieves ISO 27001:2013 Certification: Reinforcing our Commitment to Data Security Excellence**

A wholly-owned subsidiary of INNITY, Innity Sdn Bhd has successfully achieved the ISO 27001:2013 certification. This certification is an internationally recognised standard that sets forth a systematic and rigorous approach to establishing, implementing, maintaining and continually improving an Information Security Management System ("ISMS"). The certification validates INNITY's ability to safeguard sensitive data and demonstrates our compliance with the highest industry standards for information security.

##### iv. **INNITY Awarded TAG Brand Safety and Anti-Fraud Certification**

INNITY has been awarded the TAG Certification Against Fraud Seal and Brand Safety Seal from the Trustworthy Accountability Group ("TAG") once again.

TAG is an advertising initiative that aims to combat fraudulent and criminal activity while strengthening brand safety in the online advertising ecosystem. This certification recognises the highest standards set by INNITY in upholding the digital advertising industry regulated framework for Brand Safety.

#### a) Summary Financial Results of the Group Operations

Financial Year Ended 31 December	FY2023	FY2022	%Change
	(RM'Million)		
Revenue	114.0	119.2	(4%)
(Loss Before Tax) ("LBT")/Profit Before Tax ("PBT")	(0.71)	0.48	> (100%)
Loss After Tax ("LAT")	(2.2)	(0.63)	> (100%)

## Management Discussion & Analysis (Cont'd)

### 1. GROUP BUSINESS AND OPERATIONS (CONT'D)

#### b) Compliance with Applicable Accounting Standards

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

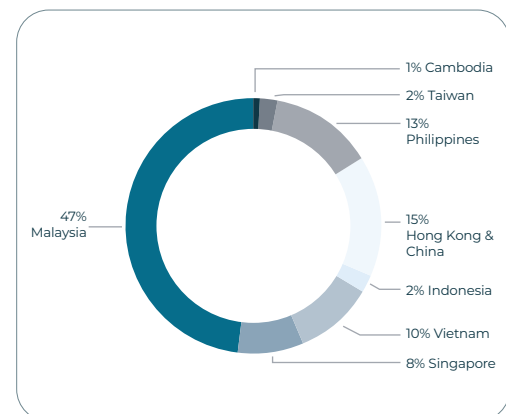
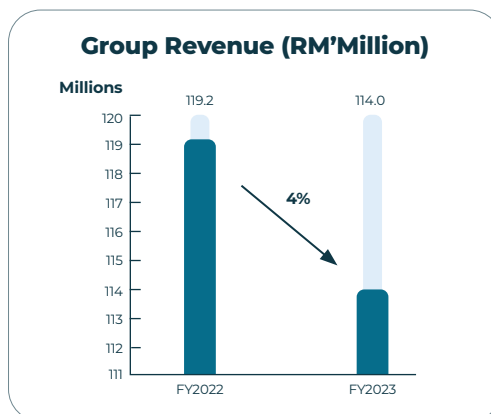
The accounting policies adopted by the Group are consistent with previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed on page 133 to page 193.

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW

#### a) Group Review of Revenue and Profitability

##### Revenue

The Group revenue declined by 4% or RM5.2 million to RM114.0 million in FY2023 compared with RM119.2 million in FY2022. Malaysia and Philippines business units registered a higher revenue by 10% and 11% respectively in FY2023 whereas lower revenue was recorded in Singapore, Vietnam, Hong Kong and China, Indonesia, Taiwan, Cambodia and Myanmar business units as compared to the preceding year. Malaysia business unit remained as the top revenue contributor in FY2023 followed by Hong Kong and Philippines business units. Malaysia, Philippines and Hong Kong/China business units contributed a combined revenue of RM86.4 million revenue, representing 75.8% of total group revenue.



##### Profitability

In FY2023, the group gross profit increased 5.1% YoY to RM52.7 million, reflecting a higher GP margin of 46% compared to 42% last year. The marginal increase in GP margin was mainly due to the reversal in provision of platform fees arising from the discontinued Visa card-linked program in the Malaysia business unit and reversal in the provision of customers' rebate that were no longer required in Malaysia and Singapore business units.

## Management Discussion & Analysis (Cont'd)

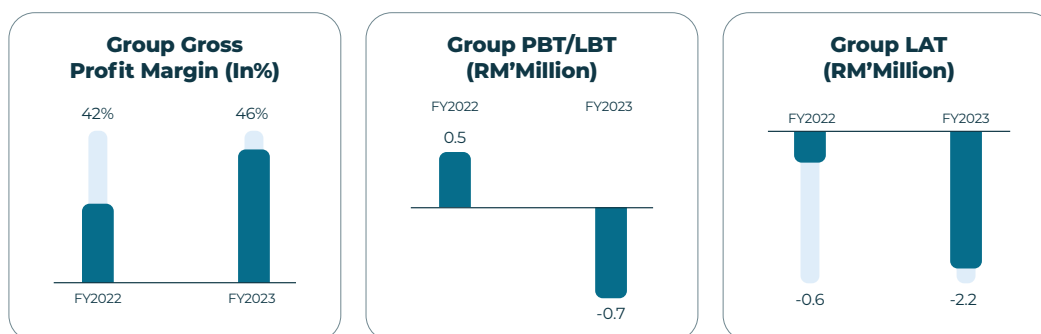
### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### a) Group Review of Revenue and Profitability (Cont'd)

##### Profitability (Cont'd)

The group incurred an LBT of RM0.71 million in FY2023 as compared to a PBT of RM0.48 million in FY2022. Despite a higher gross profit recorded in FY2023, rising staff costs, higher depreciation expenses attributed from the depreciation of the right of use asset in accordance to the new lease term and share of losses from an associate company were the factors which resulted in a higher LBT.

The income tax amount was mainly incurred by Malaysia and Philippines business units in FY2023 and FY2022. These business units were subjected to local statutory income tax rates resulting in the LAT of RM2.2 million in FY2023 and LAT of RM0.63 million in FY2022.



#### b) Country-Level Performance

South-East Asia's digital advertising spending has shown a rebound in the second half of FY2023 after falling to lower levels in the first half FY2023 (Source: CNBC published on 1 Nov 2023). The group landed a LAT of RM5.0 million, albeit group performance significantly improved in the second half of FY2023.

Malaysia and the Philippines business units contributed to a higher revenue growth and PBT recording a combined PBT of RM4.6 million in FY2023 as compared to PBT of RM2.0 million in FY2022. PBT improved more than three fold in the Philippines business unit mainly due to higher revenue achieved which resulted in a higher gross profit margin coupled with lower operating expenses and gains on impairment reversal of trade receivables from improvement in the collection of long outstanding debts. Higher revenue and gross profit achieved in Malaysia business unit, Malaysia PBT improved from RM1.2 million to RM2.3 million, which was in tandem to the increase in revenue and gross profit.

The Hong Kong and Singapore business units recorded lower revenue in the first half of FY2023, albeit improved revenue growth was recorded in second half FY2023. Both business units registered LBT of RM0.51 million and RM0.92 million respectively. Rising staff costs in both business units and higher depreciation charges (attributed from the depreciation of the right of use asset arising from the new lease arrangement in Hong Kong business unit) were key causes of LBT in both business units. The recruitment of additional content writers by the Hong Kong business unit to support revenue growth in the lifestyle content platform developed in the current year has yet to be realised.



## Management Discussion & Analysis (Cont'd)

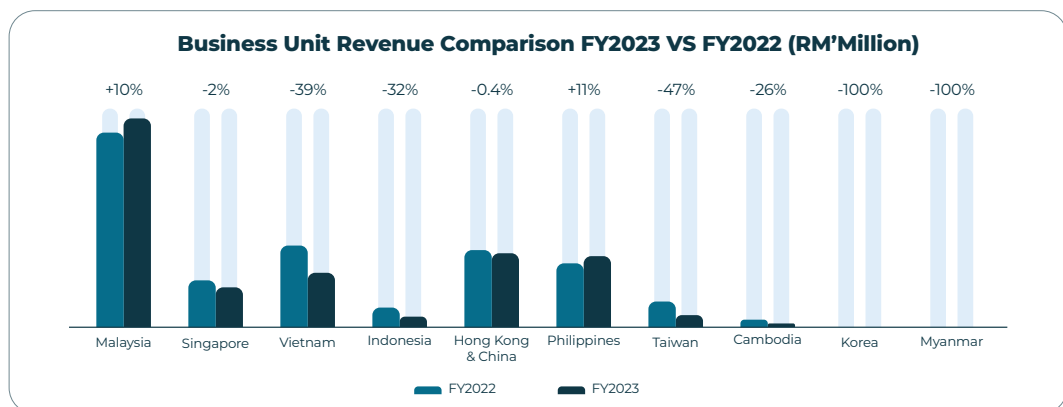
### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### b) Country-Level Performance (Cont'd)

Indonesia, Vietnam and Cambodia business units posted negative growths, recording 32%, 39% and 26% drop in revenue respectively. These business units faced stiff competition from local competitors. These business units are currently in the midst of restructuring its marketing strategy, upskilling and retraining their sales force to meet local customer needs. LBT incurred in Indonesia and Cambodia business units were in tandem with the decline in revenue. On the other hand, PBT of RM0.21 million was recorded in Vietnam business unit mainly due to the lower operating costs incurred.

Taiwan business unit continued to post negative growth in revenue and LBT in FY2023 registering about 47% lower revenue than FY2022. The business unit is currently in the process of strategising its business direction.

In FY2023, the economic activities in Myanmar business unit remained uncertain amidst macroeconomic headwinds. No business activities were recorded in the business unit. A LBT of RM0.11 million was incurred in FY2023.



#### **Business Unit PBT/LBT Comparison FY2023 VS FY2022 (RM'000)**

	Business Units in:	2023		2022	
		RM'000	% Change	RM'000	% Change
1.	Malaysia	2,270	84	1,237	(51)
2.	Hong Kong/China	(506)	>(100)	1,160	7
3.	Indonesia	(1,703)	(35)	(1,265)	>(100)
4.	Philippines	2,323	>100	717	(47)
5.	Singapore	(922)	(64)	(561)	>(100)
6.	Taiwan	(942)	19	(1,158)	>(100)
7.	Vietnam	209	(53)	445	>100
8.	South Korea	1	(97)	31	>100
9.	Cambodia	(385)	>(100)	(5)	>(100)
10.	Myanmar	(110)	(12)	(124)	14
	<b>Total PBT Before Inter-segment elimination</b>	<b>235</b>		<b>477</b>	
	<b>Inter-segment elimination</b>	<b>(945)</b>		<b>-</b>	
	<b>Total (LBT)/PBT</b>	<b>(710)</b>		<b>477</b>	

## Management Discussion & Analysis (Cont'd)

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### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

Further detailed breakdown of Group revenue is as follows:

#### c) Revenue by Business Segments

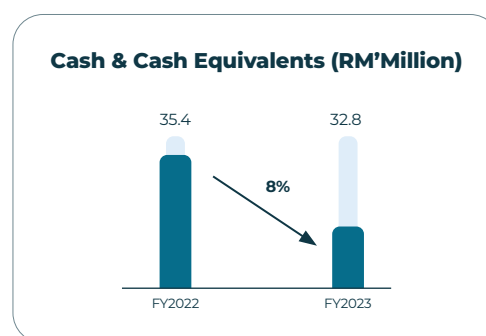
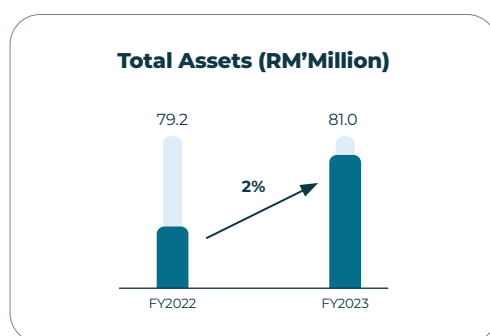
Financial Year Ended 31 December	FY2023	FY2022	%Change
	(RM'Million)		FY2023 vs FY2022
Advenue Premium	77.9	77.9	Nil
Advenue Performance	22.4	31.7	(29%)
Programmatic Advertising	5.6	4.2	33%
Content and Production	6.8	3.8	78.9%
Others	1.3	1.6	(18.8%)
<b>Total</b>	<b>114.0</b>	<b>119.2</b>	

#### d) Significant Financial Disclosures

##### Liquidity

The Group's principal sources of liquidity have been cash from operations, short-term borrowings in the form of overdraft and receivable factoring, whereas long-term borrowings are in the form of term loans. Group total assets increased by 3% to RM81.8 million from RM79.2 million in tandem with the increased in trade receivable. On the other hand, group cash and cash equivalents (including deposits with licensed bank) declined to RM32.8 million from RM35.4 million a year ago due to the drop in financial performance in certain business units, utilising existing funds to support its respective operations.

In FY2024, the Group will look into reconfiguring its operational loss-making business units particularly, in Indonesia, Cambodia and Taiwan. Amongst other business strategies to be introduced, these business units will focus engaging in business partnerships which will generate probable future economic benefits to the Group.



## Management Discussion & Analysis (Cont'd)

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### d) Significant Financial Disclosures (Cont'd)

##### Key Financial Ratios

		FY2023	FY2022
a.	Trade debtors' collection period (days)	98	83
b.	Trade creditors' payment period (days)	125	113
c.	Current ratio	1.80	1.96

Trade debtor aging period increased from 83 days to 98 days mainly due to higher revenue achieved at the tail-end of 4Q2023, resulting in most debts either current or becoming overdue within 30 days and trade creditor payment period rose to 125 days from 113 days.

##### Research & Development ("R&D") Expenses

R&D is top priority as INNITY's competitive edge relies on continuous R&D development for new product innovation and improvements in display, mobile and programmatic advertising. Even as INNITY invested in innovation and expanded geographically, the Group maintained its commitment as a leading digital transformer in online advertising.

Total development expenditure incurred in FY2023 amounted to RM1.78 million (FY2022:RM1.60 million).

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

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

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

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

##### Identified Risks Affecting Group Performance

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

## Management Discussion & Analysis (Cont'd)

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### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### e) Significant Financial Disclosures (Cont'd)

##### Identified Risks Affecting Group Performance (Cont'd)

The identified risks affecting Group performance are:

##### **Credit Risk**

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

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

##### **Foreign Currency Exchange Risk**

The Group continues with its existing presence in nine (9) countries. As business transactions are conducted in foreign currencies, our Group is exposed to foreign currency risk. Foreign currency denominated assets and liabilities together with its expected cash flows arising from sales and purchases give rise to foreign exchange exposures.

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

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

##### **Competition Risk**

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

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

##### **Interest Rate Risk**

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

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

## Management Discussion & Analysis (Cont'd)

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### e) Factors Affecting Group's Results

Apart from the key business risks and the mitigating measures being highlighted in the Statement on Risk Management and Internal Control on page 44 to page 51, our Group's financial performance will continue to be affected by several key factors set out below: -

##### **People**

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

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

##### **Political and Economic Stability**

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

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

##### **Change in Rules and Regulations**

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

##### **Technology**

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

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

#### f) Industry Trends

Global advertising spend is expected to grow by 8.9% in 2024 with media inflation driving the increase to reach US\$740.3 billion. Digital continues to rise with 6.5% growth in 2024 to reach US\$442.6 billion and accounted for 68.8% of global ad spend with retail media leading the accelerated growth. (Source: Statista.com, 6 December 2023).

eMarketer also reported that growth will spike in 2024 in worldwide digital ad spending, traditional ad spending and total media ad spending in the immediate aftermath of 2020's pandemic-driven collapse. (Source: eMarketer Insider Intelligence 10 January 2024). Emerging economies in Asia-Pacific and Latin America are expected to be the fastest-growing ecommerce markets with standout growth in digital sales. Based on eMarketer's report, the Philippines, India, Indonesia, Malaysia and Thailand will set the global pace in ecommerce sales growth.

## Management Discussion & Analysis (Cont'd)

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### f) Industry Trends (Cont'd)

According to Statista.com, the United States will remain the largest economy by ad spend in 2024 with an estimated expenditure of around US\$363 billion. This amount would be more than the 10 other biggest markets combined i.e. China, Japan, the United Kingdom, Germany, France, Indonesia, Canada, Australia, Brazil and India.

Most ad spending will be generated in the United States estimated at US\$298.0 billion in 2024. As consumers widely prefer mobile devices such as smartphones and tablets (over laptops or desktops), owing to convenience and portability, 70% of total ad spending will be generated through mobile devices by 2028 while 81% of digital advertising revenue will be generated through programmatic advertising by 2028.

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

Ad spending in the local digital advertising space is projected to grow 9% to reach MYR6.6 billion in 2023 (Source: Magna Global, 8 December 2022). Digital advertising will continue to grow by 13% being led by mobile devices which will increase by 213%. In terms of format, spending is led by social media (20%), search advertising (16%) and video advertising (13%). With linear advertising facing an uncertain future post pandemic, digital ad spending will continue to outperform linear advertising as consumers continue to shift to digital media formats.

The projected growth of 9% in 2023 is considered to be commendable in comparison against the APAC growth rate of 5.2% in 2022 and 6.1% projection in 2023. However, Magna Global pointed out that these growth rates are uneven across different categories of media. Forecasting further ahead over the next 5 years, digital is expected to take a dominant position of 75% of advertising revenues.

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

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

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

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

## Management Discussion & Analysis (Cont'd)

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### g) Future Industry Trends

Navigating customer challenges requires highly sought-after skills and a strategic understanding of the varying levels of customer support. Hence, INNITY is introducing a **Customer Experience Platform** offering a suite of dynamic and effective digital advertising solutions designed to transform the way brands connect with their audience. This initiative reflects the commitment to deliver continuous services to its customers. The group focus in the coming year includes:

##### i. **Branding and Interactive Advertising:**

Entertain, inform and engage users with immersive experiences which will captivate audiences from interactive videos on gamified ads that will leave a lasting impact on consumers through interactivity;

##### ii. **Influencer & Key Opinion Consumers ('KOCs') Marketing:**

Leverages the credibility and reach of influencers to shape brand protection through authentic product reviews and compelling content creation.

As influence is a driving force in marketing, this solution focuses on the influential and persuasive voices of Key Opinion Leaders ('KOLs') and Key Opinion Consumers ('KOCs'). The emphasis is on Daily Influencers concept and transforms customers into brand influencers. It also establishes a bridge of credibility between the brands and their target audience through content creation. The result is an authentic, influential and relatable connection that ensures the brand resonates effectively in today's highly competitive market.

Product Sampling and Review is a marketing strategy in which a company offers products or free samples to potential customers to create interest, share experiences and generate sales. The Passionation on Consumer Sampling Package is designed to connect with real consumers and get unique photos, video, authentic reviews, testimonials to generate consistent mass social buzz. By combining influencer content with frictionless shopping experience, social commerce drives conversions effectively turning engagement into tangible revenue.

##### iii. **Sponsored Content & Community Marketing:**

Curate branded content and create valuable product recommendations within online communities to foster brand loyalty and advocacy.

Brands curate branded content that aligns with their target audience's interests and preferences. This strategic approach drives community-based always on marketing with paid, earned and owned media. Within brand communities, users can discover and explore products recommended by their peers.

##### iv. **E-commerce Performance Marketing:**

Provides interactive product discovery experiences and immersive shopping journeys that drive conversions and enhance the overall e-commerce customer experience.

This solution is tailored to enhance the e-commerce customer experience. This solution comes with **Interactive shopping and Product Discovery experience with Quick-Buy feature**, enabling direct product purchases from various digital touchpoints such as ads, articles, landing pages, blog posts or apps.

## Management Discussion & Analysis (Cont'd)

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### g) Future Industry Trends (Cont'd)

##### iv. E-commerce Performance Marketing: (Cont'd)

Embedding product discovery capabilities within the INNITY platform contributes to the decentralisation of the marketplace. This approach empowers users to explore and find products seamlessly within the whole ecosystem, reducing dependency on centralised marketplaces and enhancing the user-centric shopping experience.

**Shoppable partnership solution** provides Interactive Shoppable Content experience such as Shoppable Ads & Articles, Shoppable Videos, Shoppable Deals & Promotions, Shoppable Immersive AR/360 to be embedded on partner's assets to reward partners' audiences such as retail media collaboration.

#### h) Sustainability of Operations

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

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

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

#### i) Forward-Looking Statements

##### Prospects and Outlook

While the extent of the economic impact beyond 2024 is riddled with uncertainty, the global outlook remains challenging as the world economy faces multiple geopolitical conflicts, including Russia's invasion of Ukraine (since February 2022), US-China ongoing trade tension as well as the recent tensions in Middle East. Beyond these issues, volatility in financial market, persistent inflation in many countries added to the geopolitical tensions are clouding the economic outlook and challenging efforts to achieve the Sustainable Development Goals.

Delving into the digital advertising sector, the global ad market seems to be staying on a stable track entering its final stretch of FY2023, a turnaround from a rocky first half and a positive sign for FY2024. Still, marketers are likely to remain cautious in the months ahead amid the global headwinds. Cognizant of the global challenges, management has formulated a list of Key Result Areas ('KRAs'), ensuring lean and efficient operations.



## Management Discussion & Analysis (Cont'd)

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### i) Forward-Looking Statements (Cont'd)

##### **Prospects and Outlook (Cont'd)**

In 2024, the list of overall goals or Key Result Areas ('KRAs') for INNITY that will 'align' with the business direction for FY2024 are based on 4Ps (namely, Profit, People, Process, Product):-

+ Prospect

- Qualitative Goal (long-term): the Group's vision or ultimate goal over a 3-5-year horizon;
- Quantitative Goal (short-term): the Group's mission or FY2024 goal.

##### **Profit:**

A financial goal focused on key issues such as staff costs, current maximum manpower capacity, shorten receivables and payables gap to balance customer and supplier cash flow, review tax incentive schemes;

##### **People:**

Managing people effectively is vital to optimise productivity level and to add value of each employee;

##### **Process:**

Every process must comply with Standard Operating Procedures ('SOPs'), improve campaign deliveries, campaign counts, win rate and marketing, improve inventory utilisation and inventory rate to maximise market demand.

Additionally, INNITY's key KRAs in FY2024 will focus on: -

#### **i. Branding and Interactive Advertising**

Engaging users pre- and post-purchase with immersive ad experiences which will captivate audiences from interactive videos that grab attention to gamified ads that will leave a lasting impression;

#### **ii. Influencer and Key Opinion Consumers ('KOCs') Marketing**

Leverages the credibility and reach of influencers to shape brand perception through authentic product reviews and compelling content creation;

#### **iii. Sponsored Content and Community Marketing**

Curate branded content and create valuable product recommendations within online communities to foster brand loyalty and advocacy;

#### **iv. E-commerce Performance Marketing**

Provides interactive product discovery experiences and immersive shopping journeys that drive conversions and enhance the overall e-commerce customer experience.

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

## Management Discussion & Analysis (Cont'd)

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### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### i) Forward-Looking Statements (Cont'd)

##### **Prospects and Outlook (Cont'd)**

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

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

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

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

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

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

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

## Management Discussion & Analysis (Cont'd)

### 2. FY2023 GROUP FINANCIAL RESULTS REVIEW (CONT'D)

#### i) Forward-Looking Statements (Cont'd)

##### **Prospects and Outlook (Cont'd)**

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

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

#### j) Dividend Policy

In 2023, the Board did not recommend the payment of an interim or final dividend.

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

Given that the Malaysian economy, in 2024, is widely expected to remain challenging, underpinned by a recovering economy amid the threat of widening geopolitical tensions in Ukraine and the Middle East, continuing health precautions domestically to alleviate Covid-19 and its variants, the Board's decision against declaring a dividend is deemed acceptable.

**This statement is made at the Board of Directors' Meeting held on 9 April 2024.**

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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The Board of Directors is pleased to present the Audit and Risk Management Committee Report (“ARMC”) for the financial year ended 31 December 2023 pursuant to Paragraph 15.15 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

## 1. COMPOSITION

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

## 2. MEMBERSHIP

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

### Chairman

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

### Members

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

Puan Norliza Binti Rasool Khan (*Independent Non-Executive Director*)

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

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

## 3. FREQUENCY OF MEETINGS

During the financial year ended 31 December 2023, the ARMC convened five (5) meetings. The attendance of each ARMC member at these meetings during the financial year were as follows: -

Director	Number of Meetings Attended
Mr. Cheong Chee Yun	5/5
Mr. Fung Kam Foo	5/5
Puan Norliza Binti Rasool Khan	5/5

## Audit and Risk Management Committee Report (Cont'd)

### 3. FREQUENCY OF MEETINGS (CONT'D)

The meetings were conducted with a quorum of two (2) members. The Company Secretary is the Secretary of the ARMC and is responsible, together with the ARMC Chairman, to draw up an agenda, which shall be circulated together with the relevant board papers to members of the ARMC at least seven (7) days prior to each meeting. This will allow ARMC members having sufficient time to go through the significant or material matters highlighted in the board papers.

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

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

In performing its duties and discharging its responsibilities, the ARMC is guided by its Terms of Reference available for reference at the Company's website, [www.innity.com](http://www.innity.com).

### 4. INTERNAL AUDIT FUNCTIONS

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

During the financial year ended 31 December 2023, the business activities, entity review and risk assessment were carried out in accordance with the approved risk based internal audit plan approved by the ARMC. During the year the internal audit review was conducted to assess the adequacy and effectiveness of Innity Philippines Inc, Innity Software and Advertising Co., Ltd and Innity China Co Ltd. System of Internal control and its compliance to ICB group policies and procedures over the following areas or process:

#### **Credit Control and Collection**

- Credit Assessment (New Customers)
- Collection
- Credit Monitoring
- Review Of Relevant Policies and Procedures
- Periodic Performance Reviews & Evaluation
- Review of Relevant Policies and Procedures

#### **Human Resource Management**

- Recruitment, Resignation & Employee Retention
- Payroll Processing
- Employee Benefits Disbursement
- Performance Appraisal System
- Training and Development
- Succession Planning
- Review of Relevant Policies and Procedures

## Audit and Risk Management Committee Report (Cont'd)

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### 4. INTERNAL AUDIT FUNCTIONS (CONT'D)

#### **Procurement**

- Pre-Qualification & Selection of Vendors
- Procurement Planning
- Sourcing for Competitive Prices
- Purchase Processing to Receiving
- Payment Processing
- Vendor Performance Evaluation
- Procurement Authority Limits Review
- Operating Procedure Review

#### **Product Development**

- Product Planning
- Product Evaluation

#### **Sales and Marketing**

- Development of Sales Target
- Sales and Marketing Plan
- Pricing Development & Maintenance
- Discounts Authorisation
- Invoicing & Revenue Recognition
- Customer Complaints Management
- Review of Relevant Policies and Procedures

#### **Project Implementation and Management**

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

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

The audit review procedures applied principally consisted of process evaluations through interviews with various personnel, observations and testing of controls on sampling basis and relevant processes covering the period from 1 March 2022 to 28 February 2023 for Innity Philippines Inc., 1 May 2022 to 30 April 2023 for Innity Software & Advertising Co., Ltd. and 1 September 2022 to 31 August 2023 for Innity China Co Ltd. respectively. The samples of the testing were selected based on a judgmental basis to provide to Senior Management with due perspective of the audit scope business processes. Only audit results with high priority require rectification and improvement will be brought to the ARMC attention.

## Audit and Risk Management Committee Report (Cont'd)

### 4. INTERNAL AUDIT FUNCTIONS (CONT'D)

The results of the internal audit on entity processes carried out in Innity Philippines Inc, Innity Software and Advertising Co., Ltd. and Innity China Co Ltd. were reviewed. The review included the recommended corrective actions that were agreed by Senior Management, which were subsequently presented to the ARMC Committee at ARMC meetings held on 24 May 2023, 23 August 2023 and 21 November 2023. Follow-up visits were conducted to ensure that management's action plans in respect of the matters highlighted in the internal audit reports have been adequately addressed and the results of the follow up reviews were also reported to the ARMC. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

RESOLVE also assists ARMC to circular for signing, the Anti-Corruption Awareness & Conflict of Interest declaration assessment form to key personnel responsible for the business processes covered in the Internal audit of Innity Philippines Inc, Innity Software and Advertising Co., Ltd. and Innity China Co Ltd. for the financial year ended 31 December 2023 to facilitate the following:

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

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

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

Based on the declaration made by the relevant key personnels, none of these declarations highlighted any potential or existing conflicts of interest in respect of their areas of responsibility. In addition, none were aware of any related party or related party transaction arising.

The cost incurred for the internal audit function for the financial year under review was RM60,000.

### 5. SUMMARY OF ACTIVITIES

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

#### **Financial Reporting**

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

## Audit and Risk Management Committee Report (Cont'd)

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### 5. SUMMARY OF ACTIVITIES (CONT'D)

#### **External Audit**

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

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

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

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

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

#### **Internal Audit**

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

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

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

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



## Audit and Risk Management Committee Report (Cont'd)

### 5. SUMMARY OF ACTIVITIES (CONT'D)

#### Related Party Transactions

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

#### Others

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

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

### 6. DUTIES & RESPONSIBILITIES

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

#### **(A) Matters Relating to External Audit: -**

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

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

## Audit and Risk Management Committee Report (Cont'd)

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### 6. DUTIES & RESPONSIBILITIES (CONT'D)

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

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

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

	Group		Company	
	FY2023 RM'000	FY2022 RM'000	FY2023 RM'000	FY2022 RM'000
Audit fees	187.0	177.0	93.0	89.0
Non-audit fees	12.6	12.6	12.6	12.6
(Over)/under provision in prior year	-	-	-	-
<b>Total</b>	<b>199.6</b>	<b>189.6</b>	<b>105.6</b>	<b>101.6</b>

#### (B) Matters Relating to Internal Audit function: -

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

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

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

## Audit and Risk Management Committee Report (Cont'd)

### 6. DUTIES & RESPONSIBILITIES (CONT'D)

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

#### (D) Related Party Transaction: -

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

#### (E) Disclosure Obligations: -

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

#### (F) Others: -

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

## Audit and Risk Management Committee Report (Cont'd)

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### 7. AUTHORITY AND RIGHTS OF THE ARMC: -

The ARMC shall in accordance with the procedures determined by the Board, at the expense of the company:

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

### 8. RETIREMENT & RESIGNATION OF ARMC MEMBER: -

#### (A) Retirement/Resignation

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

#### (B) Vacancy

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) of Innity Corporation Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control of the Company and its subsidiaries (“the Group”) which outlines the nature and scope of risk management and the internal control systems of the Group for the financial year ended 31 December 2023 pursuant to Paragraph 15.26 (b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) and the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (“the Guidelines”).

## BOARD’S RESPONSIBILITIES

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

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

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

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

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

### 1. RISK MANAGEMENT SYSTEM

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

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

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

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

#### 1. RISK MANAGEMENT SYSTEM (CONT'D)

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

#### Group Risk Management Committee ("GRMC")

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

#### Management Risk Committee ("MRC")

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

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

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

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

Key business risks are identified and 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.

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

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

#### 1. RISK MANAGEMENT SYSTEM (CONT'D)

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

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

##### i) Competition in the Online Advertising Market

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

##### ii) Dependency on Major Clients

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

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

##### iii) Technologies Advancements and Developments

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

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

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

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

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

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

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

#### 1. RISK MANAGEMENT SYSTEM (CONT'D)

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

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

##### iv) Foreign Exchange Fluctuations

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

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

##### v) Security and System Disruption

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

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

##### vi) Larger Funding for Growing Business Volume Especially in the Influencer Marketing Business

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

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

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

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



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

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

#### 1. RISK MANAGEMENT SYSTEM (CONT'D)

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

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

##### vi) Larger Funding for Growing Business Volume (Cont'd)

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

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

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

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

##### viii) Cybersecurity Risk

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

We have obtained ISO27001 certification in 2023 to formalise and improve business processes around information security, privacy and securing its information assets. ISO27001 is internationally recognised as providing a best-practice specification for an Information Security Management System ("ISMS"). By achieving the certification, it displays the organisation's commitment to robust security, ongoing risk management and protecting sensitive information, a reputational boon to clients, vendors and partners.

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

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

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

#### 1. RISK MANAGEMENT SYSTEM (CONT'D)

##### Credit Committee ("CC")

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

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

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

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

#### 2. INTERNAL CONTROL SYSTEM

- **Organisation Structure & Authorisation Procedures**

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

- **Business Strategic Plan and Annual Budget**

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

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

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

#### 2. INTERNAL CONTROL SYSTEM (CONT'D)

- **Group Policies and Procedures**

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

- **Information and Communication**

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

- **Monitoring and Review**

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

- **Human Resource Policies and Procedures**

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

- **Training and Development Programmes**

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

#### 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 2023, internal audits were carried out in accordance with the approved internal audit plan and the processes reviewed were disclosed in Audit and Risk Committee Report.

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

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

#### 3. INTERNAL AUDIT FUNCTION (CONT'D)

During the financial year, the entities and business processes reviewed were as follows:

Entity	Business Processes
Innity Philippines Inc.	Sales & Marketing, Credit Control and Collection, Human Resource Management
Innity Vietnam Co. Ltd	Product Development, Procurement, Human Resource Management
Innity China Co., Limited	Sales & Marketing, Credit Control and Collection, Human Resource Management

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

#### 4. ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Management that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group, for the financial year ended 31 December 2023, and up to the date of this Statement.

#### 5. REVIEW OF THIS STATEMENT

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

### CONCLUSION

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

**This statement was approved by the Board of Directors on 9 April 2024.**

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (“STATEMENT”)

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

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

#### A. APPLICATION OF MCCG 2021 PRACTICES

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

# Corporate Governance Overview Statement (Cont'd)

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

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

## Corporate Governance Overview Statement (Cont'd)

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

The Code's Best Practice	Application	Explanation For Departure And Timeframe
<b>PRINCIPLE A – BOARD LEADERSHIP &amp; EFFECTIVENESS (CONT'D)</b>		
<b>I. Board Responsibilities (Cont'd)</b>		
4.3	The board takes appropriate action to ensure that they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.	Applied  Not applicable
4.4	Performance evaluations of the Board and Senior Management include a review of the performance of the Board and Senior Management in addressing the company's material sustainability risks and opportunities.	Applied  Not applicable
4.5	<b>Step Up:</b> The Board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.	Not Adopted  Not Adopted
<b>II. Board Composition</b>		
5.1	The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.	Applied  Not applicable
5.2	At least half of the Board comprises independent directors. For <b>Large Companies</b> , the Board comprises a majority of Independent Directors.	Departure  <b>Explanation:</b> The Board intend to increase the number of Independent Non-Executive Director from three (3) to five (5) members to make up of 50% Independent Director.  <b>Timeframe:</b> Before 31 December 2025.
5.3	The tenure of an Independent Director does not exceed a term limit of nine (9) years. Upon completion of the nine years, an Independent Director may continue to serve on the Board as a Non-Independent Director.  If the Board intends to retain an Independent Director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.	Applied  Not applicable

# Corporate Governance Overview Statement (Cont'd)

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

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



## Corporate Governance Overview Statement (Cont'd)

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

The Code's Best Practice		Application	Explanation For Departure And Timeframe
<b>PRINCIPLE A – BOARD LEADERSHIP &amp; EFFECTIVENESS (CONT'D)</b>			
<b>II. Board Composition (Cont'd)</b>			
5.8	The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.	Applied	Not applicable
5.9	The Board comprises at least 30% women directors.	Departure	<p>The Board has appointed a female Independent Non-Executive director on 1 September 2022. As the Board has not met the 30% target for female directors, the Board will continue to identify more female candidates who will meet the qualifications, qualities and standards that commensurate with the Group's requirements to achieve the target.</p> <p><b>Timeframe:</b> Before 31 December 2025.</p>
5.10	The Board discloses in its annual report the company's policy on gender diversity for the board and senior management.	Applied	Not applicable
6.1	<p>The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.</p> <p>For Large Companies, the board engages independent experts at least every three years, to facilitate objective and candid board evaluations.</p>	Applied	Not applicable
<b>III. Remuneration</b>			
7.1	The Board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of Non-Executive Directors, Executive Directors and Senior Management. The policies and procedures are periodically reviewed and made available on the company's website.	Applied	Not applicable

# Corporate Governance Overview Statement (Cont'd)

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

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

## Corporate Governance Overview Statement (Cont'd)

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

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

# Corporate Governance Overview Statement (Cont'd)

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

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

## Corporate Governance Overview Statement (Cont'd)

### B. PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

#### PART I - BOARD RESPONSIBILITIES

##### Strategic Aim, Value and Standard

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

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

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

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

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

##### Chairman

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

The Chairman is responsible for:

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

## Corporate Governance Overview Statement (Cont'd)

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

#### PART I - BOARD RESPONSIBILITIES (CONT'D)

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

The positions of Chairman (designated as Executive Chairman) and CEO (designated as Managing Director) are held by different individuals.

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

##### Qualified and Competent Secretary

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

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

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

##### Access to Information and Advice

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

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

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

##### Board Charter

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

The Board Charter is reviewed and updated from time to time, as deemed necessary, to keep abreast of statutory revisions in corporate governance best practices to ensure its relevance and effectiveness.

The Board Charter is available on the Company's website at [www.innity.com](http://www.innity.com).

## Corporate Governance Overview Statement (Cont'd)

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

#### PART I - BOARD RESPONSIBILITIES (CONT'D)

##### **Business Code of Conduct (“COC”)**

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

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

The COC is available on the Company’s website at [www.innity.com](http://www.innity.com).

##### **Whistle-Blowing**

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

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

Whistle-blowing policy sets out the principles and grievance procedures for any individual to report any suspected or actual misconduct/wrongdoing perpetrated within the Group. This policy, under the purview of the Group Risk Management Committee (“GRMC”) not only covers possible improprieties in matter of financial reporting but also include:

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

Details of the Whistle-Blowing Policy is available on the Company’s website at [www.innity.com](http://www.innity.com).

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

## Corporate Governance Overview Statement (Cont'd)

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

#### PART I - BOARD RESPONSIBILITIES (CONT'D)

##### Anti-Bribery and Corruption

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

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

The Anti-Bribery and Corruption Policy is available on the Company's website at [www.innity.com](http://www.innity.com).

##### Governing Sustainability

The Board holds the ultimate responsibility for integrating sustainability into the strategic direction of INNITY and its operations. To keep the Board informed about pertinent sustainability issues impacting INNITY's business and operations, we have implemented a sustainability framework. This framework concentrates on the long-term preservation and enhancement of social, economic, and environmental ("EES") factors. Details on the approaches taken by the Group in sustainability management and business processes are outlined in INNITY's standalone Sustainability Statement, available in the INNITY Annual Report. This statement provides comprehensive insights into our commitment to sustainable practices and their integration into our overall business strategy.

##### Sustainability Risk and Opportunity

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

To embrace sustainability in the Group's business and create long term value, the Board together with Senior Management have implemented a blueprint consisting of the Group's strategy, business plan, risk management and compliance in setting a vision of creating multiple digital advertising platforms through product Innovation and business models aligned with sustainability trends. The Board is tasked with continuously addressing group ESG risk, strategic focus on ESG as well as identifying business opportunities for the group. The Group's sustainability strategy, business plan and targets as well as performance against these targets are communicated to the internal and external stakeholders.



## Corporate Governance Overview Statement (Cont'd)

### **B. PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

#### **PART I - BOARD RESPONSIBILITIES (CONT'D)**

##### **Director's Fit and Proper Policy**

The Board of Directors adopted a fit and proper policy which outlined the fit and proper criteria for the appointment and re-election of Directors of the Company and its subsidiaries.

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

#### **PART II - BOARD COMPOSITION**

##### **Board Composition**

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

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

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

##### **Tenure of Independent Director**

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

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

##### **Diverse Board and Senior Management Team**

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

## Corporate Governance Overview Statement (Cont'd)

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

#### PART II -BOARD COMPOSITION (CONT'D)

##### Diverse Board and Senior Management Team (Cont'd)

In evaluating potential candidates, the Group has in place a diversity policy. The Board acknowledges the importance of diversity in its Boardroom, Senior Management and workforce whereby gender diversity is an essential element in attaining effective strategic objectives of the Company and its subsidiaries, in enhancing sustainable growth and development and in promoting better corporate governance. The Board takes cognisance of the recommendation of the MCCG 2021 appointed a female director and continue to identify more female candidates who meet the qualifications, qualities and standards that commensurate with the Group's requirements to achieve the 30% target.

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

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

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

##### Nomination Committee

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

The Nomination Committee

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

## Corporate Governance Overview Statement (Cont'd)

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

#### PART II -BOARD COMPOSITION (CONT'D)

##### Nomination Committee (Cont'd)

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

##### **Chairman**

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

##### **Members**

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

Puan Norliza Binti Rasool Khan (*Independent Non-Executive Director*)

The Committee held one (1) meeting during the financial year ended 31 December 2023. During the meeting, the Committee: -

- i. Reviewed and assessed the performance and effectiveness of the Board as a whole and the contribution of each individual Director of the Company;
- ii. Reviewed the term of office and performance of the Audit and Risk Management Committee and each of its members;
- iii. Reviewed the independence of the Independent Directors;
- iv. To Reviewed and assessed the performance and effectiveness of the Key Officer of the Company;
- v. Assessed, reviewed, considered and recommended, at the next AGM, Board members due for re-election.

The Terms of Reference of the NC is available at the Company's website at [www.innity.com](http://www.innity.com).

##### **Annual Evaluation**

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

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

Each Director furnishes to the Board a self-assessment of his performance during the course of the financial year. An objective assessment by each Director on the performance of each of his peers is also submitted to the Board for adjudication and levelling. The assessment included whether each Director, when addressing various issues, was able to exercise independent judgment, when challenged on his point of view, while still acting in the Company's best interest. The Board is satisfied with the time commitment and level of effective participation given by the Directors as espoused in the Code, towards fulfilling their roles and responsibilities. The Board established a "Fit and Proper" policy to enhance the evaluation of all Directors to ensure that all members measure up to the standards expected in terms of integrity, independence and professionalism.

## Corporate Governance Overview Statement (Cont'd)

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

#### PART II -BOARD COMPOSITION (CONT'D)

##### Nomination Committee (Cont'd)

##### **Nomination and Election of Directors**

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

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

##### **Board Commitment**

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

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

##### **Re-election of Retiring Directors**

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

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

Pursuant to Clause 76 of the Company's Constitution, Wong Kok Woh, Gregory Charles Poarch and Michihiko Suganuma are subject to retirement by rotation at the forthcoming 17th AGM and they have expressed their willingness to seek for re-election at the 17th AGM.

## Corporate Governance Overview Statement (Cont'd)

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

#### PART II -BOARD COMPOSITION (CONT'D)

##### Nomination Committee (Cont'd)

##### Directors' Training

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

All Directors are required to complete the Mandatory Accreditation Program Part II ("MAP II") in relation to sustainability and the related roles of a directors organised by the MAP II organiser no later than 1 August 2025. MAP II is an extension to the Mandatory Accreditation Program ("MAP"), the main focus is on corporate governance, including director's roles, duties and liabilities as well as other obligations under the Bursa Listing Requirement.

The following directors listed in the table have attended relevant training programmes, webinars, workshops seminars and MAP II organised by regulatory authorities and professional bodies: -

	<b>Name of Director</b>	<b>Name of programme</b>	<b>Date</b>
1.	Phang Chee Leong	Leveraging Artificial Intelligence (AI) in Growing the Digital Economy	11 October 2023
2.	Looa Hong Tuan	MIA Webinar Series: Financial Analysis as Strategic and Operational Management Tool	13 September 2023
3.	Wong Kok Woh	Leveraging Artificial Intelligence (AI) in Growing the Digital Economy	11 October 2023
4.	Seah Kum Loong	Webinar Series: Reading, Understanding and Analysing of Financial Statements for Better Decision Making	25 October 2023
5.	Norliza Binti Rasool Khan	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)  University of Oxford Leading Sustainable Corporations Programme	11-12 Dec 2023  6 weeks programme ended on 24 January 2024
6.	Michihiko Suganuma	Ad Creative Summit 2023 Summer Google×HDYG APAC Summit 2023 AdAsia 2023 Seoul  MarTech Innovation Conference and Expo 2023	12 July 2023 14 September 2023 24-27 October 2023 31 October - 2 November 2023
7.	Fung Kam Foo	A New Strategy & Risk Approach -Out With The Old, In With The New  A Delicate Balance – Board & Management Relationship  Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	12 October 2023  2 November 2023  6-7 December 2023

# Corporate Governance Overview Statement (Cont'd)

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

### PART II - BOARD COMPOSITION (CONT'D)

#### Nomination Committee (Cont'd)

#### **Directors' Training (Cont'd)**

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

	<b>Name of Director</b>	<b>Name of programme</b>	<b>Date</b>
8.	Gregory Charles Poarch	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	6-7 December 2023
		Bursa: Conflict of Interest and Governance of Conflict of Interest	27 July 2023
		Closed Period and Insider Trading	21 November 2023
		BDO Tax Webinar on Budget 2023	15 March 2023
9.	Cheong Chee Yun	PLC Transformation Programme-Digital4ESG	10 April 2023
		Advance corporate tax issues and strategies	17 May 2023
		ESG and Carbon Footprint by MyESG Sdn Bhd	30 August, 6 Sept, 13 Sept 2023
		Sustainability in the digital edge	14 Sept 2023
		Capital Gains tax & Latest development on tax treatment on receipt of foreign dividends	28 Nov 2023
		Mandatory Accreditation Programme Part II: Leading for impact	4 -5 December 2023

### PART III – REMUNERATION

#### Remuneration Committee

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

The present composition of the RC consists of three (3) Independent Non-Executive Directors: -

#### **Chairman**

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

#### **Members**

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

Puan Norliza Binti Rasool Khan (*Independent Non-Executive Director*)

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

The Committee held one (1) meeting during the financial year ended 31 December 2023.

## Corporate Governance Overview Statement (Cont'd)

### **B. PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

#### **PART III – REMUNERATION**

##### **Remuneration Policy**

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

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

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

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

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

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

The Terms of Reference of the RC and the Remuneration Policy and Procedures can be viewed on the Company's website at [www.innity.com](http://www.innity.com).

The RC shall recommend to the Board the remuneration and entitlement of all Directors and the Board will decide based on the recommendations of the RC. 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.

## Corporate Governance Overview Statement (Cont'd)

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

#### PART III – REMUNERATION (CONT'D)

##### Remuneration Policy (Cont'd)

The remuneration paid or payable to Directors for the financial year ended 31 December 2023 are as follows:

Group (in RM)	Salary	Fees	Bonus	Other Emoluments*	Total
<b>Non-Executive Directors: -</b>					
Fung Kam Foo	-	46,200	-	3,500	49,700
Norliza Binti Rasool Khan	-	46,200	-	3,500	49,700
Cheong Chee Yun	-	46,200	-	3,500	49,700
Gregory Charles Poarch	-	23,100	-	-	23,100
Liong Wei Li	-	23,100	-	-	23,100
Michihiko Suganuma	-	-	-	-	-
Rieko Yoshikawa	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>184,800</b>	<b>-</b>	<b>10,500</b>	<b>195,300</b>
<b>Executive Directors: -</b>					
Phang Chee Leong	584,520	331,226	24,605	83,935	1,024,286
Looa Hong Tuan	721,435	-	21,640	74,680	817,755
Wong Kok Woh	319,200	-	13,550	49,295	382,045
Seah Kum Loong	291,360	-	12,390	45,960	349,710
<b>TOTAL</b>	<b>1,916,515</b>	<b>331,226</b>	<b>72,185</b>	<b>253,870</b>	<b>2,573,796</b>

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

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

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



## Corporate Governance Overview Statement (Cont'd)

### C. PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART I - AUDIT COMMITTEE

##### Audit and Risk Management Committee

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

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

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

The Terms of Reference of the ARMC is found on the Company's website at [www.innity.com](http://www.innity.com).

The activities of the ARMC during the year are described in the Audit and Risk Management Committee Report on page 38 to page 40.

##### Risk Governance

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

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

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

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

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

The Statement on Risk Management and Internal Control, as set out in page 44 to page 51, provides an overview on the state of risk management and internal control within the Group.

## Corporate Governance Overview Statement (Cont'd)

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

#### PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### Internal Audit

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

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

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

During the financial year ended 31 December 2023, RESOLVE has undertaken independent and systematic review on the systems of internal control of the operating units within the Group and has provided reasonable assurance that such systems would continue to operate effectively, and in compliance with the Group's established policies and procedures. The work undertaken is guided by the International Professional Practices Framework on Internal Auditing that is promulgated by the IIAM.

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

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

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

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

##### Relationship with the External Auditors

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

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Relationship with the External Auditors (Cont'd)

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

Briefly, these are:

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

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

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

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

The activities of the ARMC during the year are described in the Audit and Risk Management Committee Report in this Annual Report (page 38 to page 40).

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

#### PART I – COMMUNICATION WITH STAKEHOLDERS

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

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

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

## Corporate Governance Overview Statement (Cont'd)

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

#### PART II - CONDUCT OF GENERAL MEETING

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

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

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

#### Our Priorities and Focus Areas in FY2024

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

In FY2024, much of our priorities will be focused in the following areas: -

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

**This statement is made at the Board of Directors' Meeting held on 9 April 2024.**

# SUSTAINABILITY STATEMENT

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# SUSTAINABILITY STATEMENT

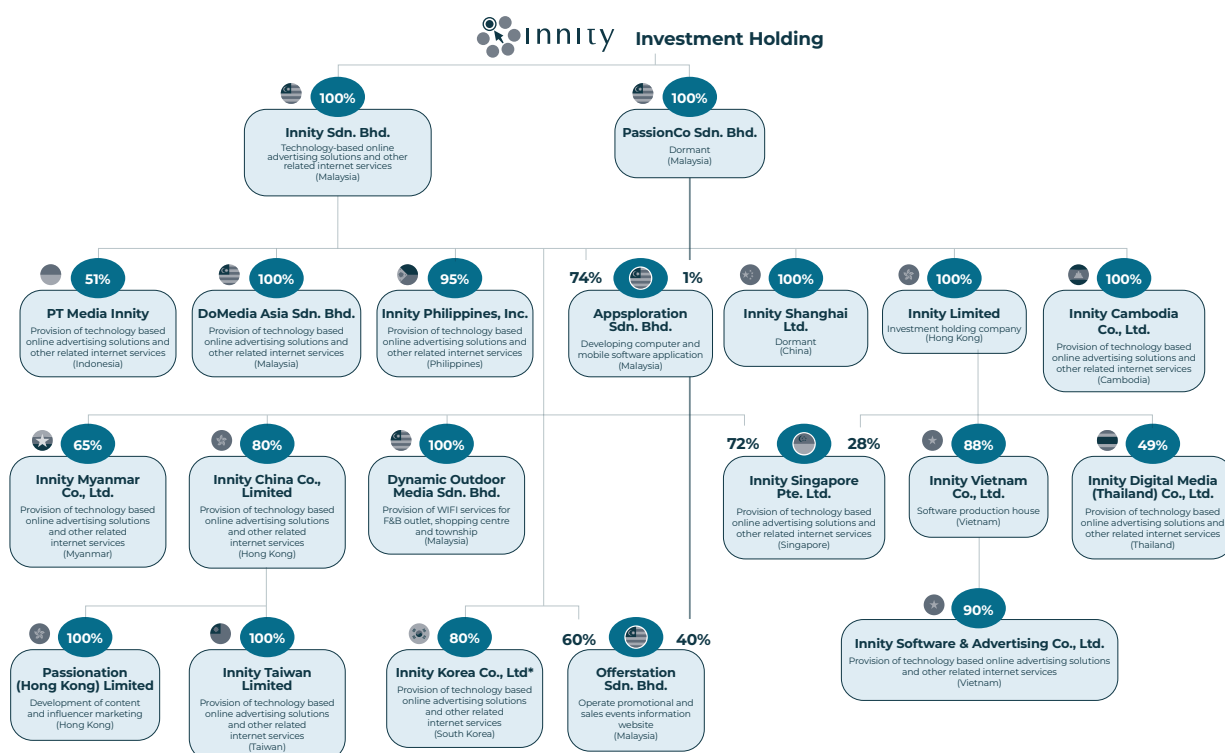
## INNITY CORPORATION BERHAD

Innity Corporation Berhad and its subsidiaries (“INNITY Group”) is the leading online advertising company in Asia that provides data-driven, interactive online marketing solutions and technologies for advertisers and publishers. INNITY Group has presence in Malaysia, Singapore, Indonesia, Vietnam, Philippines, Taiwan, Hong Kong, Cambodia and Myanmar, with over 300 staff in total. INNITY Group is committed to constantly exploring online marketing opportunities for all our partners through our versatile combination of online media proficiency, industry clout, and the development of cutting-edge technology in a brand-safe and fraud-free environment.

### Where Innity Operates

Innity is a leading online advertising operating in Malaysia, Singapore, Indonesia, Taiwan, Philippines, Vietnam, Myanmar, Cambodia and Hong Kong.

### Group Structure and Operating Entities

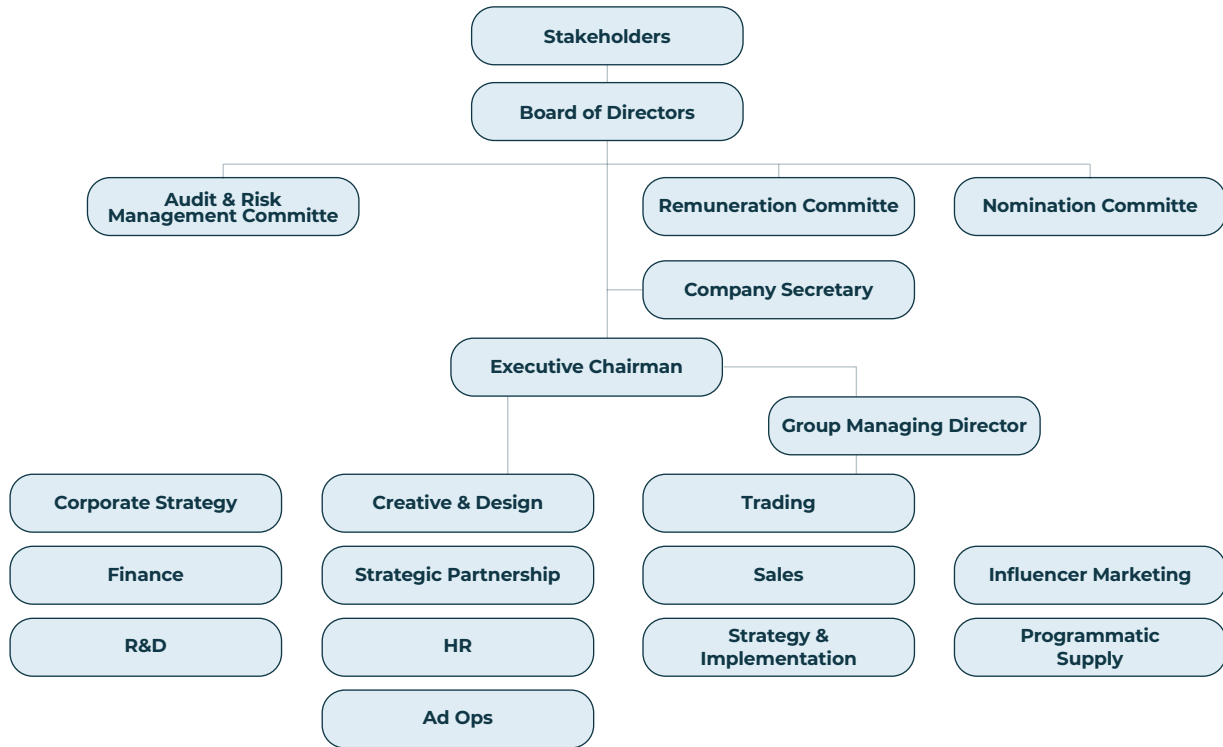


Note: We have excluded the following from our reporting scope:

- Operations in Myanmar, Taiwan, Korea, Thailand and Cambodia are excluded as we only take account the countries which has insignificant impact on the Group's overall sustainability performance and progress.
- Our associated company, namely: Innity Digital Media (Thailand) Co.,Ltd. As we have limited control or influence over the associated company's operation.
- Operations in Innity Cambodia Co.,Ltd., Innity Myanmar Co.,Ltd., Innity Limited, Innity Shanghai Ltd., Dynamic Outdoor Media Sdn.Bhd., and PassionCo Sdn.Bhd company's activities may not be material enough to significantly impact the overall ESG performance of the reporting entity.

## Sustainability Statement (Cont'd)

### Governance Structure



### Senior Management Team

<b>Phang Chee Leong</b> <i>Executive Chairman</i>	<b>Wong Kar Wei</b> <i>Regional HR Business Partner</i>	<b>Gabriel Joaquin Dionisio Zosa</b> <i>Philippines Country Manager</i>
<b>Looa Hong Tuan</b> <i>Group Managing Director</i>	<b>Yap Soon Kim</b> <i>Chief Financial Officer</i>	<b>Chong Yee Yin</b> <i>Trading Director</i>
<b>Wong Kok Woh</b> <i>Executive Director</i>	<b>Lee Pey Ling</b> <i>Regional, Head of Strategic Partnership</i>	<b>Koong Wah Yan</b> <i>Head of Research &amp; Development</i>
<b>Seah Kum Loong</b> <i>Executive Director</i>	<b>Gilbert Chee Guang Yao</b> <i>Strategy and Implementation Director</i>	<b>Chow Tat Kee</b> <i>Corporate Strategy Director</i>
<b>Edward Lum Chi Kwan</b> <i>Head of Creative &amp; Design</i>	<b>Lim Kai Hian</b> <i>Hong Kong Managing Partner</i>	<b>Nadya Rosalia Hanum Simbolon</b> <i>Indonesia General Manager</i>
<b>Lee King Huat</b> <i>Singapore Country Manager</i>	<b>Doan Thi My Phuong</b> <i>Vietnam General Manager</i>	

## Sustainability Statement (Cont'd)

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### **ABOUT THIS REPORT**

Innity Corporation Berhad (“Innity”) is pleased to present our Annual Sustainability Statement for the year 2023. This report offers an insight into the Group’s sustainability endeavours from January 1, 2022, to December 31, 2023, unless specified otherwise.

Restatement of information for this reporting cycle can be found in the Performance Data table page 106 to page 108.

### **Scope and Basis of Scope**

This Statement covers more than 90% Group’s sustainability performance and progress of our business operations in Malaysia and selected geographical locations we operate in, namely Singapore, Indonesia, Philippines, Vietnam and Hong Kong.

We excluded the following from our reporting scope:

- a. Operations in the Myanmar, Taiwan, Korea, and Cambodia as these operations have minimal impact on the Group’s overall sustainability performance and progress.
- b. Operations in Thailand as we lack managerial control.

We will maintain the reporting scope of this statement similar to last year, as the Group has not made any major changes that would affect the operation.

We will strive to include all significant geographical areas that we operate in, for our future reports.

### **Reporting Frameworks and Standards**

This Statement has been developed according to Bursa Malaysia’s Ace Market Listing Requirements, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (“GRI”) Standards, Sustainability Accounting Standards Board (“SASB”) Standards and the International Sustainability Standards Boards (“ISSB”) Standards.

### **Data Assurances**

All performance indicators used herein will be using year 2023 as the base year. In terms of assurances on the data for the performances indicated herein, the data are being generated and verified internally. We intend to do the assurances on our performance data in year 2024.

### **Feedback**

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to our Corporate Department at [compliancealert@innity.com](mailto:compliancealert@innity.com).



# OUR APPROACH TO SUSTAINABILITY

## 1. SUSTAINABILITY GOVERNANCE

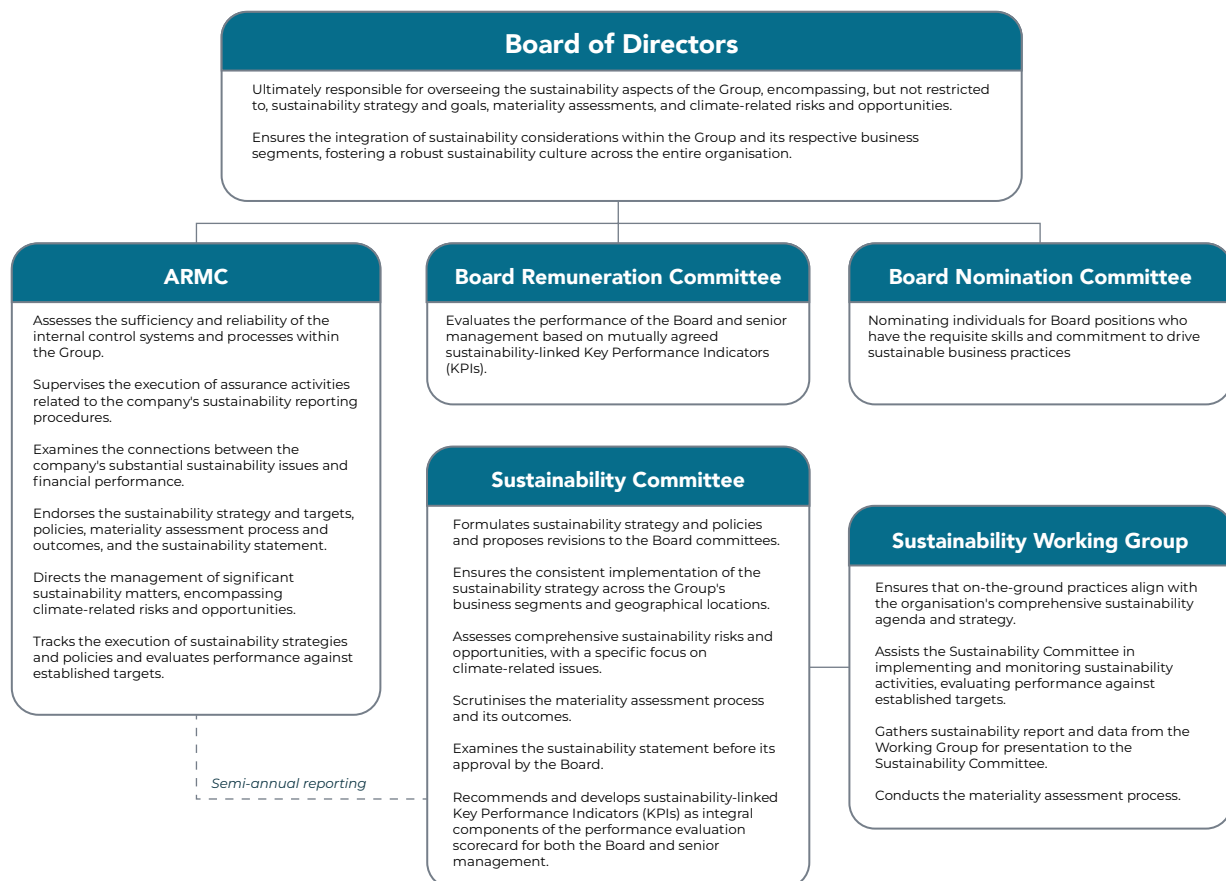
The Group's sustainability governance structure is seamlessly integrated into our corporate governance framework. To ensure sustainability permeates every aspect of our organisation, the responsibilities of our Board and its committees have been expanded to include sustainability elements, as outlined in their respective terms of reference. The Board of Directors holds ultimate responsibility for setting the Group's sustainability strategy, with support from the Audit and Risk Committee (ARMC) through delegated authority.

Our Sustainability Committee (SC), led by the Corporate Strategy Director, aids the ARMC in strategically managing the organisation's significant sustainability concerns. Comprising C-suite executives, Senior Management, and Country Heads from various geographical locations, the SC represents diverse perspectives.

Operating under the SC's umbrella is the Sustainability Working Group (SWG), consisting of middle management members from our operating countries and units. The SWG is tasked with implementing the organisation's sustainability strategies and plans on a day-to-day basis. Additionally, the Sustainability Department serves as both subject matter experts and coordinators of the Group's sustainability efforts and performance.

The Board of Directors actively seeks to enhance their understanding of sustainability management, including climate-related risks and opportunities, through regular participation in capacity-building programs. Furthermore, the Board ensures periodic assessment of competencies related to sustainability to bolster leadership and oversight in this area.

To foster group-wide accountability for sustainability performance, sustainability-linked key performance indicators (KPIs) are incorporated into the Board's and senior management's performance evaluation scorecards. This approach aims to drive collective efforts in steering our sustainability journey forward.



## Our Approach to Sustainability (Cont'd)

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### 1. SUSTAINABILITY GOVERNANCE (CONT'D)

*Note: The Sustainability Committee comprises C-suites, Country Heads and Heads of departments whereas the Sustainability Working Group consists of country representatives and middle management of different functions. For small geographical locations, finance managers are the sustainability representatives.*

### 2. STAKEHOLDER ENGAGEMENT

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

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

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

Innity strives to maintain open lines of communication with our key stakeholder groups. To achieve this, we conduct regular engagements through formal and informal channels. Our shareholder engagement process includes discussions on pertinent areas relevant to our stakeholders. These engagements help us identify material issues, gain insights into emerging opportunities and risks, and respond more effectively to their needs.

Stakeholders	Sustainability Interest & Issues	Engagement Platforms	Response
<b>Investors &amp; Shareholders</b>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Market conditions and future trends</li> <li>Business strategies and future plan</li> <li>Group's overall performance</li> <li>Good management and corporate governance</li> <li>Mitigation and adaptation to climate change</li> </ul>	<p><b>As required</b></p> <ul style="list-style-type: none"> <li>Company websites</li> <li>Bursa announcements</li> <li>Press interviews/ releases</li> <li>Extraordinary General Meetings</li> <li>Analysts' briefings</li> </ul> <p><b>Quarterly</b></p> <ul style="list-style-type: none"> <li>Quarterly reports</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>Annual reports</li> <li>Annual General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Providing timely updates on the Group's strategy and financial performance through investor briefings and announcements</li> <li>Ensuring adherence to good governance practices throughout the Group and its supply chain</li> <li>Monitoring sustainability performance and targets closely</li> </ul>

## Our Approach to Sustainability (Cont'd)

### 2. STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholders	Sustainability Interest & Issues	Engagement Platforms	Response
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Communication &amp; engagement</li> <li>• Health &amp; safety at the workplace</li> <li>• Working environment</li> <li>• Career development and upskilling</li> <li>• Remuneration and benefits</li> <li>• Business strategic direction</li> </ul>	<p><b>On-going</b></p> <ul style="list-style-type: none"> <li>• Internal communications</li> </ul> <p><b>As required</b></p> <ul style="list-style-type: none"> <li>• Meeting and brainstorming sessions</li> <li>• Training and development</li> <li>• Breakout and team building sessions</li> <li>• Workshops and trainings</li> <li>• Employee engagement programmes and events</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>• Appraisal and performance reviews</li> <li>• Town halls</li> </ul>	<ul style="list-style-type: none"> <li>• Foster transparent communication channels for employees</li> <li>• Ensure equal employment opportunities, free from discrimination</li> <li>• Provide competitive benefits and remuneration packages in line with industry standards</li> <li>• Offer relevant upskilling and development opportunities</li> <li>• Ensure compliance with the Occupational Safety and Health Act ("OSHA") 1994</li> <li>• Implement flexible work arrangements to support work-life balance</li> </ul>
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>• Legal &amp; Regulatory Compliance</li> </ul>	<p><b>On-going</b></p> <ul style="list-style-type: none"> <li>• Compliance of relevant legal and regulatory framework</li> </ul> <p><b>As required</b></p> <ul style="list-style-type: none"> <li>• Participation in government and regulatory events</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct regular reviews and monitoring of the risk register, including assessment of climate-related risks</li> <li>• Ensure full compliance with regulatory requirements</li> <li>• Support government initiatives aimed at sustainability and social responsibility</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Regular updates on product development</li> <li>• Sustaining long-term relationships</li> <li>• High-quality products and services Customer experience</li> <li>• Consumer data privacy</li> </ul>	<p><b>On-going</b></p> <ul style="list-style-type: none"> <li>• Regular dialogues</li> <li>• Customer support channels</li> </ul> <p><b>As required</b></p> <ul style="list-style-type: none"> <li>• Site visits to customer</li> <li>• Public engagement events</li> </ul>	<ul style="list-style-type: none"> <li>• Adhere to the Personal Data Protection Act 2010 and achieved ISO 27001:2013 Information Security Management Systems certification</li> <li>• Adhere to quality standards including Tag Brand Safety Certified Program, Tag Certified Against Fraud Program and IAB Transparency and Consent Framework.</li> <li>• Periodic engage with customers to introduce new product and services</li> </ul>

## Our Approach to Sustainability (Cont'd)

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### 2. STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholders	Sustainability Interest & Issues	Engagement Platforms	Response
<b>Community and Society</b>	<ul style="list-style-type: none"> <li>Initiate/Participate in community activities</li> <li>Healthy and sustainable built environment</li> </ul>	<b>On-going</b> <ul style="list-style-type: none"> <li>Initiate/participate in conservation of resources based on 3R concept (i.e., reduce, reuse &amp; recycle)</li> <li>Community programs</li> </ul>	<ul style="list-style-type: none"> <li>Engage in periodic dialogues with local communities and non-governmental organisations (NGOs) to address their concerns.</li> <li>Seeking to invest in welfare initiatives to enhance community well-being.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Efficient procurement processes</li> <li>Transparency in procurement processes</li> <li>Capacity-building for suppliers</li> </ul>	<b>As needed</b> <ul style="list-style-type: none"> <li>Capacity development Initiatives</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Supplier assessment/</li> <li>Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Enhance efficiency through the digitalisation of procurement processes.</li> <li>Prioritise transparent procurement processes.</li> <li>Provide regular updates on new initiatives to suppliers/contractors to enhance their skills.</li> <li>Ensure contractors' compliance with the Group's Health and Safety policies, Code of Conduct, and relevant procedures.</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Maintain transparency in communicating information and updates regarding business performance and initiatives, including those related to ESG and community impact programs.</li> </ul>	<b>As needed</b> <ul style="list-style-type: none"> <li>Placement of advertorials</li> <li>Conducting media briefings and providing press kits</li> <li>Issuing media releases and participating in interviews</li> </ul>	<ul style="list-style-type: none"> <li>Regularly engage with media through mainstream news and information channels.</li> </ul>

### 3. MATERIAL MATTERS

A materiality assessment by way of survey to identify and assess material economic, social and governance issues that will impact on the long-term sustainability of the Group was carried out. Innity is cognisant of the fact that material issues can directly and indirectly impact its ability to create long-term value for its stakeholders. A full-scale materiality assessment was conducted in 2022 involving our key internal and external stakeholders to ensure that their interests and concerns are addressed. Our material matters influence our business strategy and decision on allocation of resources to material sustainability issues. We undertake an annual review of the relevance of our previously prioritised economic, environment, social and governance impacts arising from our day-to-day activities.

## Our Approach to Sustainability (Cont'd)

### 3. MATERIAL MATTERS (CONT'D)

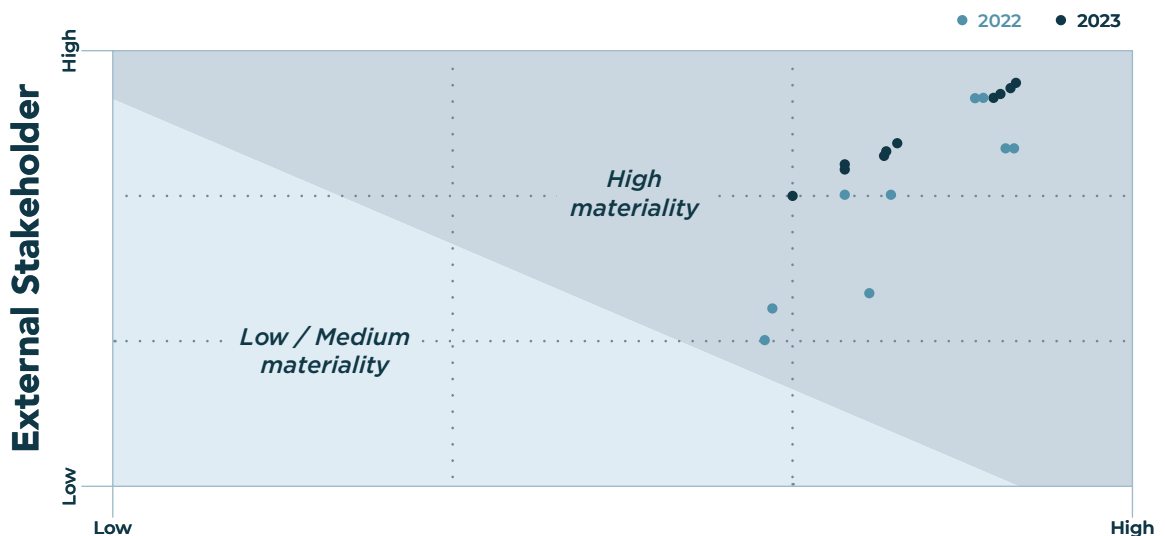
The identified economic, social and governance issues, based on their importance to the Group's business, were classified under three (3) pillars of Bursa Malaysia Sustainability Reporting Guide relating to ESG.

2022	2023
<ul style="list-style-type: none"> <li>Conducted a full materiality assessment with internal stakeholders and all key external stakeholder.</li> <li>Our ESG Framework prioritises best practices consistent with Rule 90 of Appendix 9C of the ACE Market Listing Requirements of Bursa Securities.</li> <li>Resulted in identifying 5 keys stakeholders and 9 relevant material matters being prioritised. The outcome of the process was reviewed by our Sustainability Committee and endorsed by the Board.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed 2022 materiality matrix and list of keys stakeholders. This was done via focus group sessions with 2 external stakeholders' group (i.e., <b>Suppliers and Media</b>).</li> <li>In addition to Proposed Bursa Malaysia's Illustrative Sustainability Reporting was also considered for sector specific material matters.</li> <li>Resulted in two new material matters being prioritised (i.e., Emission Management and Waste Management).</li> </ul>

In the current year, following a focused materiality review, we have finalised the assessment of our 11 existing material matters. These matters are in line with Innity's strategic priorities and stakeholder expectations. Our evaluation involved benchmarking against both local and regional peers, considering emerging risks, and referencing relevant frameworks.

Although the material matters have remained consistent, the materiality review process led to the repositioning of two additional concerns: emission management and waste management. This adjustment reflects our commitment to addressing environmental impact and aligning with our carbon management strategy. Specifically, the material matter for emission management now enhances "Climate Change".

#### Innity's Materiality Matrix



## Our Approach to Sustainability (Cont'd)

### 3. MATERIAL MATTERS (CONT'D)

#### Innity's Materiality Matrix (Cont'd)

Internal Stakeholder	
Energy Management	Labour Practices and Standards
Water Management	Supply Chain Management
Community & Society	Data Privacy and Security
Diversity & Inclusion	Anti-bribery & Anti-corruption
Employee Health & Safety and Wellbeing	Waste Management
	Climate Change

**Note:**

The Illustration showed an overall increase in the importance material matters from 2022's materiality assessment.

Our updated Materiality Matrix underscores our emphasis on key issues that serve as the foundation of this report, while the corresponding indicators enable us to monitor and evaluate our sustainability performance.

### 4. RISK MANAGEMENT

Innity Enterprise Risk Management ("ERM") framework has integrated sustainability and climate-related risks in addition to our corporate financial and operational risks. We ensure all identified risks stay within our risk appetite through revision and monitoring by designated risk owners and further deliberate by the ARMC and SC.

Materiality	Risks	Opportunities
Anti-Bribery and Corruption Page 90	Ineffective corporate governance practices have the potential to damage Innity's reputation and image.	Adopting effective corporate governance practices contributes to enhancing Innity's reputation as a trustworthy company among stakeholders.
Data Privacy and Security Page 93	Potential cyber threats, such as the breach of customers' data, can result in the loss of customer trust and harm to the company's reputation.	Implementing robust cybersecurity measures and enhancing data management practices are essential to protect critical customer data and maintain trust in Innity.
Employee, Health Safety and Wellbeing Page 91	Workplace accidents and injuries not only lead to productivity loss but also carry legal repercussions, including penalties and potential reputational damage. Disengaged and underdeveloped employees can result in decreased productivity and performance.	A strong safety culture, coupled with a conducive working environment, enhances employee well-being, productivity, and contributes to maintaining Innity's reputation. Implementing effective upskilling programs is crucial for retaining and fostering a high-performance culture.
Labour Practices and Standards Page 98	Violations in labour rights practices can result in regulatory penalties, negatively impact employee retention and organisational culture, and harm reputation.	By advocating good labour rights practices, Innity reinforces its reputation as a responsible employer.

## Our Approach to Sustainability (Cont'd)

### 4. RISK MANAGEMENT (CONT'D)

Innity Enterprise Risk Management (“ERM”) framework has integrated sustainability and climate-related risks in addition to our corporate financial and operational risks. We ensure all identified risks stay within our risk appetite through revision and monitoring by designated risk owners and further deliberate by the ARMC and SC. (Cont'd)

Materiality	Risks	Opportunities
Community and Society Page 99	Business activities that have adverse effects on communities can impact Innity's social license to operate.	Engaging in regular community impact initiatives serves to strengthen our relationship and goodwill with local communities.
Supply Chain Management Page 97	Noncompliance by suppliers and contractors with Innity's ethical principles and safety culture poses the risk of operational disruptions.	Implementing sound procurement governance is crucial in attracting and retaining credible and skilled suppliers and contractors. Regular supplier assessments, including environmental and social evaluations, uphold Innity's commitment to our ESG goals.
Diversity and Inclusion Page 94	Employment and work culture practices that incline towards discrimination can harm Innity's reputation.	Cultivating an inclusive, diverse, equal opportunity and empowering our staff in our work culture not only attracts talent but also introduces a variety of perspectives that enhance the quality of our human capital.
Water Management Page 101	Inefficient water management results in increased operational and environmental costs and disrupts the potential scarcity of water resources.	Implementing efficient water management practices can help reduce operational costs and foster water conservation behavior.
Energy Management Page 100	Ineffective energy management results in increased operational & environmental costs and disrupt potential scarcity of energy resources.	Implementing efficient energy management practices can help reduce operational costs and promote energy conservation behavior.
Waste Management Page 103	Failure to comply with environmental regulations leads to consequences from authorities and activists.	Implementing waste reduction and increased resource efficiency measures can lead to cost savings for operations and promote reduction of carbon footprint and conserving the environment.
Emission Management Page 104	Insufficient climate adaptation and mitigation can lead to damage to environment, financial loss, and business disruption.	Establish a secure position in the low-carbon solutions market to capitalise on the increasing demand for low-carbon products and services.

### 5. SUSTAINABILITY FRAMEWORK

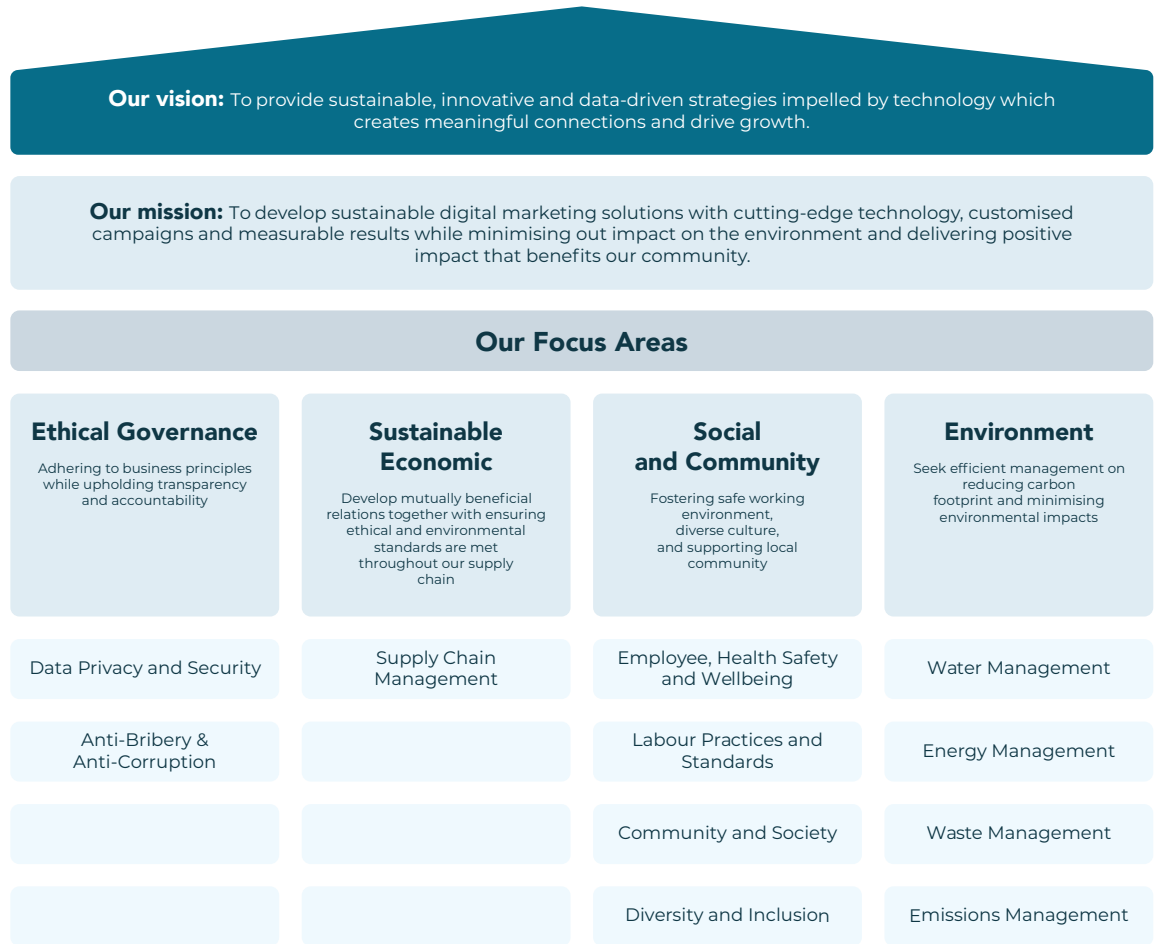
INNITY's sustainability Framework not only extends to the online products of its business top-line growth and also its long-term vision of the sustainability agenda to be an ecosystem that includes its entire value chain of stakeholders i.e. advertisers, publishers, suppliers and business partners – as “we are only as strong as our whole value chain.”

# Our Approach to Sustainability (Cont'd)

## 5. SUSTAINABILITY FRAMEWORK (CONT'D)

Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. It outlines our focus areas which are: Delivering Excellence, Responsible Supply Chain, Empowering Our People and the Community, and Caring for the Environment. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance.

By linking these targets to a performance scorecard, we are able to track our progress and ensure that we are making continuous improvements towards these targets.



In alignment to :



**Legend: progress tracking**

- 📍 On track to meeting set targets
- ✘ Falling short on meeting target for one year, review current practices
- ✘✘ Falling short on meeting target for more than 2 years, review and revise targets (if necessary)



## Our Approach to Sustainability (Cont'd)

### 6. PERFORMANCE SCORECARD

Below are our key targets and progress to date:

Focus Areas	Material Matters	Targets	Current progress against targets
<b>Sustainable Economic</b>	Supply Chain Management	Maintain spending on local publishers >80%	-----📍 Achieved spending of 83% in Y2023.
<b>Ethical Governance</b>	Data Privacy and Security	Maintain Information and Data Security Certification	-----📍 Sustained Certification for Information and Data Security in Y2023.(ISO 27001)
	Anti-Bribery & Anti-Corruption	Monitor and maintain Zero incidence on corruption activity	-----📍 There were no reported cases of corruption activity in the year 2023.
<b>Social &amp; Community</b>	Employee, Health Safety and Wellbeing	Maintain zero incidents in the company	-----📍 There was no incident happened in the year 2023.
	Labour Practices and Standards	Achieve a 5% increase in employee retention by the year 2026.	In Y2023, the group recorded a turnover rate of 32%. We have proactively identified the issues and taken steps to enhance both the percentage of retention.
	Community and Society	Increase participation on CSR related activity to the society year-by-year	-----✖ Only one CSR activity took place in 2023. In 2024, the Group will implement several measures to enhance the effectiveness of our CSR initiatives.
	Diversity and Inclusion	Maintain the proportion 30% of leadership roles are held by women at the management level	-----📍 The Group has adjusted its target to ensure that more than 30% of leadership roles are held by women at the management level.
<b>Environment</b>	Water Management	Maintaining water consumption	-----✖ After numerous communications with the office management, we have included the water consumption data for our Singapore operations in our reporting.

## Our Approach to Sustainability (Cont'd)

### 6. PERFORMANCE SCORECARD (CONT'D)

Below are our key targets and progress to date: (Cont'd)

Focus Areas	Material Matters	Targets	Current progress against targets
Environment (Cont'd)	Energy Management	Maintaining energy consumption	<p>----✘</p> <p>In 2023, the group incurred 164,310 kWh of energy usage, primarily due to the utilisation of a new office and extended working hours. We remain committed to monitoring our energy consumption closely and exploring avenues for reducing it further.</p>
	Waste Management	Monitor waste management	<p>In 2023, the group-initiated waste management protocols, with a focus on laptop and monitor. Moving forward, we plan to expand our efforts to include other tangible products that have the most significant impact on our group's operations.</p>
	Emissions management	Monitor and maintain CO2 Emission	<p>In 2023, the group began calculating emissions associated with our virtual machine (VM) services within our business value chain, focusing on scope 3 emissions. Moving forward, we aim to further intensify our efforts in reducing the scope 1 and scope 2 emissions occurring in our business operations.</p>

**Legend: progress tracking**

- 📍 On track to meeting set targets
- ✘ Falling short on meeting target for one year, review current practices
- ✘✘ Falling short on meeting target for more than 2 years, review and revise targets (if necessary)

# MANAGEMENT APPROACH FOR MATERIAL MATTERS

## 1. ANTI-CORRUPTION & BRIBERY

### Related UNSDGs:



At Innity, we are unwavering in our commitments to maintain the highest standards of business ethics and compliance. Rooted in our core values of Integrity, Transparency and Excellence, our stance against corruption is resolute. This commitment is vital in safeguarding the integrity of our operations and protecting the interests of both our business and stakeholders.

### Our Approach

The Board and senior management remain committed to conducting business with fairness, honesty, respect and trust, guided by our Business Code of Conduct (“BCOC”). The BCOC communicates Innity’s fundamental principles and guidelines to all employees. New employees are required to sign a statement indicating that they have read, understand, and will comply with the Code of Conduct. Employees are periodically asked to reaffirm their compliance with the Code of Conduct.

The Group’s zero-tolerance stance against corruption is outlined in our Anti-Bribery and Corruption (“ABC”) Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission (“MACC”) Act 2009.

Every new team member embarks on a comprehensive induction program designed to familiarise them with Group’s BCOC, ABC policy and other pertinent policies and procedures. Employees are required to undergo annual mandatory briefing and acknowledgement, affirming their comprehensive understanding of these essential policies and procedures.

In line with our commitment to ethical business practice, our suppliers are held to the same high standards. All suppliers are obligated to sign a declaration, confirming their commitment to ethical conduct and compliance with the guidelines and policies set forth by Innity in all business interactions.

To further reinforce our dedication, Innity has established a dedicated whistleblowing channel under Whistleblowing policy. This channel provides a confidential means for both employees and external stakeholders to report any improprieties through email.

To ensure accessibility and transparency, our BCOC, ABC, and Whistleblowing Policy are readily available on our corporate website. This strategic placement underscores our commitment to providing all stakeholders with easy access to our guiding principles and policies, fostering a collective responsibility for upholding integrity and ethical behaviour.

# Management Approach for Material Matters (Cont'd)

## 1. ANTI-CORRUPTION & BRIBERY (CONT'D)

### Our Performance

#### **Corruption-Related Training**

In 2023, we initiated anti-corruption training for our employees and implemented an annual acknowledgment process to ensure their understanding and compliance. Our goal is to have all employees complete the acknowledgment annually, setting it as a yearly target.

	2022	2023
Percentage of employees completed and acknowledge training	-	52%

#### **Corruption Incidents**

As of 31st December 2023, we recorded zero incidents of corruption across Innity's business operations.

	2022	2023
Number of confirmed corruption incidents	0	0

## 2. EMPLOYEE HEALTH, SAFETY AND WELLBEING

### Related UNSDGs:



The well-being and safety of our employees and contractors take precedence in all our business operations and workplaces. Through the maintenance of a healthy, safe, and conducive work environment, our goal is to proactively mitigate the risk of injuries and illnesses for all individuals within our premises. This commitment not only promotes the welfare of our team but also contributes to heightened efficiency and enhanced productivity.

### Our Approach

Our Group Health and Safety Policy outlines how our business operations are conducted in a safe manner, through the implementation of various measures and controls by all levels of our workforce. Throughout analysing the workplace, we implement specific risk management processes, including the design to identify hazards, lower risks, and improve health and safety management for all existing and potential areas. We foster a reporting culture where workers can report incidents without fear of reprisal. An incident reporting line has been established to communicate information for management's attention.

## Management Approach for Material Matters (Cont'd)

### 2. EMPLOYEE HEALTH, SAFETY AND WELLBEING (CONT'D)

#### Our Approach (Cont'd)

Prioritising employees' health & well-being, we continue to adopt flexible working arrangements i.e. hybrid work mode & flexi working hour post-pandemic to reduce the risk of infections while saving precious time on daily commute and lowering our carbon footprint.

Our employee benefits will include both core and flexible benefits that serve to support the well-being and unique needs of Innity employees. Core benefits include insurance coverage for medical, life and personal accident. Flexible benefit plan to be provided to all employees can be utilised for additional lifestyle, health & wellness products and services.

At Innity, we offer medical care to our employees. Additionally, we provide health and safety training at the point of recruitment, on-the-job, and regular refresher training to employees. Our training programmes include both knowledge-based and skills-based training, covering topics such as emergency response, hazard and risk management. These programmes are reviewed on a regular basis to ensure their relevance.

#### Our Performance

##### ***Health and Safety Trainings***

We began implementing training on health and safety standards in the second half of 2023 following the publication of Bursa's illustrative sustainability report. In 2023, we observed the percentage of participants who underwent training and acknowledgment on health and safety standards.

Our aim is to increase the participation of internal employees in these initiatives.

	2022	2023
Percentage of employees trained on health and safety standards	-	39%

##### ***Work-Related Injuries***

Innity is dedicated to the paramount objective of ensuring the safe return of all workers at the end of each day. This commitment propels our continuous efforts to achieve zero fatalities annually through the proactive prevention and minimisation of workplace incidents.

	2022	2023
Number of work-related fatalities	0	0
Number of Lost Time Incident Rate (LTIR)	0	0

## Management Approach for Material Matters (Cont'd)

93

### 3. DATA PRIVACY AND SECURITY

#### Related UNSDGs:



Over the past few years, we've witnessed the rapid advancement of trends in remote work, e-commerce, and automation, driving the widespread adoption of digital technologies and infrastructure. Nevertheless, this surge has also heightened the vulnerability of data to cybersecurity risks. Therefore, it is incumbent upon us to proactively address the increasing menace of cyber-attacks on Innity, ensuring the safeguarding of our customers' sensitive information to avert any potential leaks, threats, or loss of customer data.

#### Our Approach

The organisation consistently enhances its cybersecurity protocols by strictly adhering to our Data Privacy Policy, which has been developed in accordance with the Personal Data Protection Act ("PDPA") 2010 and aligns with the ISO 27001 Information Security framework. Our cybersecurity framework, deeply integrated into our operations and processes, aligns with regulatory requirements across the regions in which we operate. Furthermore, we have strengthened our management efforts by obtaining ISO 27001:2013 Information Security Management Systems certification.

To ensure the effectiveness of our data privacy and security controls, we conduct regular reviews. We employ lawful means in data collection, prioritise transparency in data gathering, usage, and security, and obtain necessary consent when handling customer data, ensuring that only authorised personnel have access. Regular reviews of user access and activities are conducted to prevent unauthorised access or misuse of authority. Our data retention and destruction policy guides us in responsibly managing data throughout its lifecycle.

In 2023, various cybersecurity measures were implemented, including network penetration tests conducted by our specialists to identify and address vulnerabilities. Employee education on data protection and privacy remains a priority, with mandatory annual online training covering their responsibility to safeguard data. Additionally, phishing email simulation exercises are regularly conducted to enhance employees' ability to identify and respond to such emails.

#### Our Performance

##### **Information Security Trainings**

We initiated the implementation of training on Information Security Standards in the latter part of 2023, prompted by the release of Bursa's illustrative sustainability report. We monitored the percentage of participants who completed training and acknowledged Information Security Standards.

## Management Approach for Material Matters (Cont'd)

### 3. DATA PRIVACY AND SECURITY (CONT'D)

#### Our Performance (Cont'd)

##### *Information Security Trainings (Cont'd)*

Our goal is to enhance the involvement of internal employees in these endeavours.

	2022	2023
Percentage of employees trained on Information Security Standards	-	40%

As of 31st December 2023, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

	2022	2023
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0

### 4. DIVERSITY, EQUITY & INCLUSION

#### Related UNSDGs:



Embracing diversity and fostering inclusivity in the workplace provides us with a competitive advantage by enabling us to accumulate and leverage a broad spectrum of knowledge, perspectives, and ideas. In alignment with this principle, we are dedicated to championing equal employment opportunities and preventing discrimination.

#### Our Approach

We champion equal rights and inclusivity for all our employees and stakeholders, striving to cultivate a fair and equitable working environment across our organisation.

Our Business Code of Conduct & Diversity Policy unequivocally prohibits all forms of discrimination. We adhere to a hiring and promotion process that disregards race, colour, religion, national origin, gender, sexual orientation, marital status, age, disability, or any other protected category under the law. We make accommodations for employees' disabilities or religious beliefs whenever feasible, fostering a workplace that prioritises safety, security, and productivity.

# Management Approach for Material Matters (Cont'd)

## 4. DIVERSITY, EQUITY & INCLUSION (CONT'D)

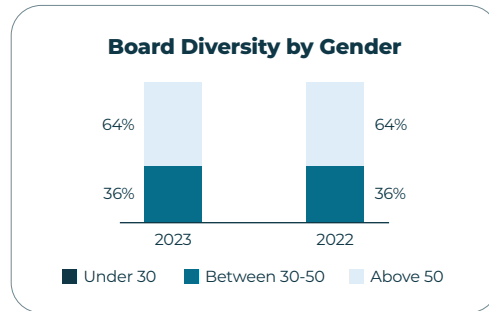
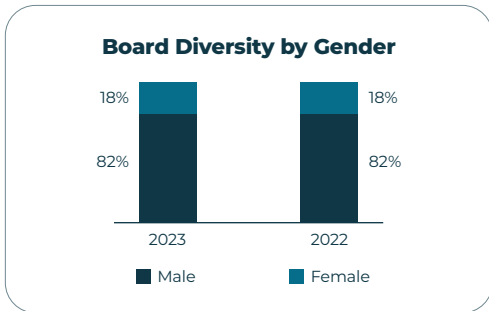
### Our Approach (Cont'd)

Our commitment to diversity and inclusion is deeply ingrained in our company culture, reflecting one of Innity's core values: "Teamwork." We recognise that a diverse workforce brings a breadth of perspectives that enhances our ability to adapt to evolving market dynamics. Embracing different viewpoints fosters creativity and innovation within our teams. By assembling inclusive teams comprising diverse individuals, we harness our disparities & turning them as assets for the company.

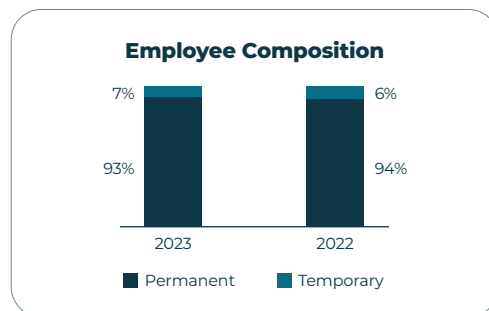
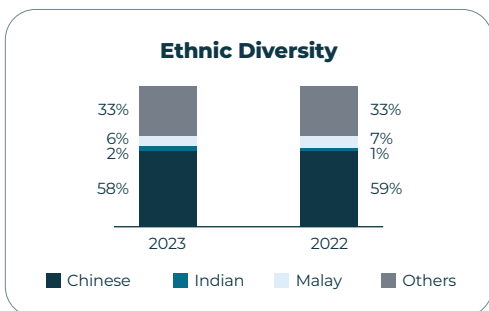
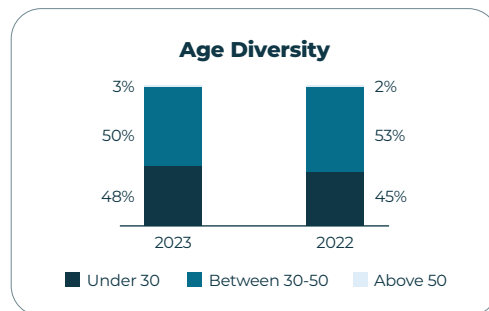
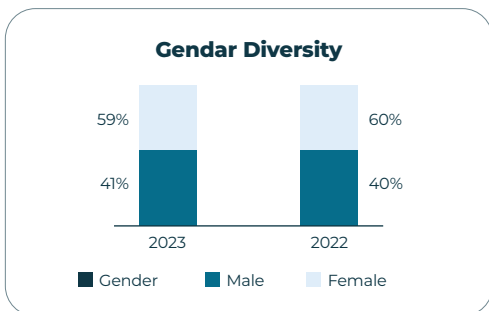
Our employment terms and working conditions are not influenced by any collective bargaining agreements, ensuring that fairness and equality prevail throughout our organisation.

*Reporting the numbers as an average across the reporting period takes into account the fluctuations during the reporting period.*

### Our Performance



### Workforce Profile

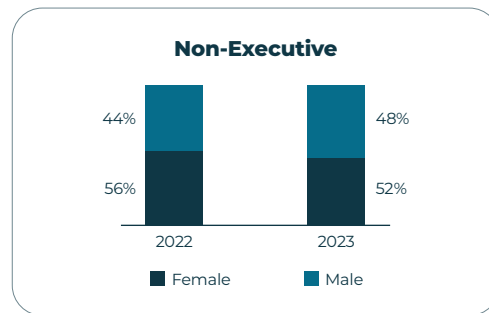
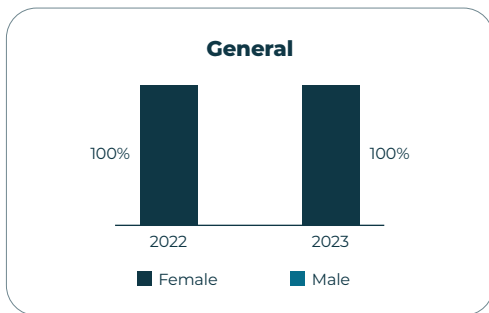
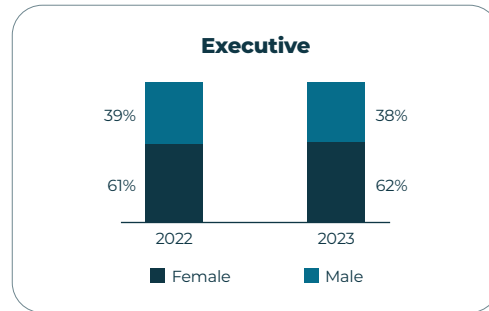
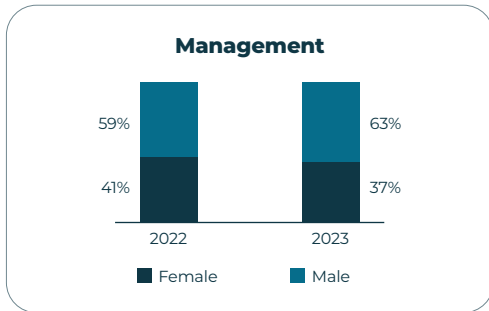




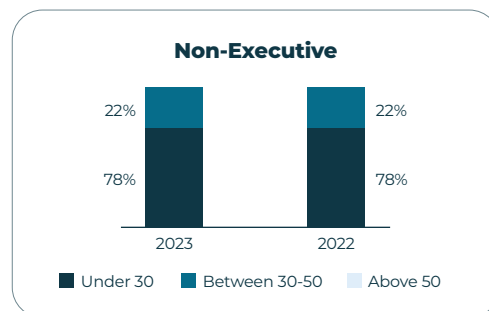
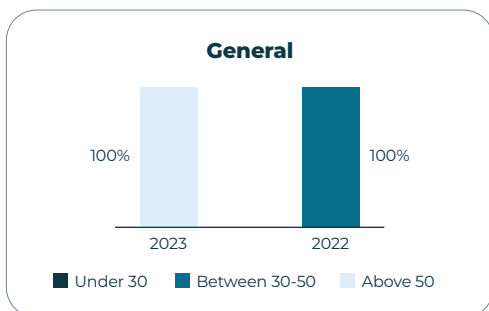
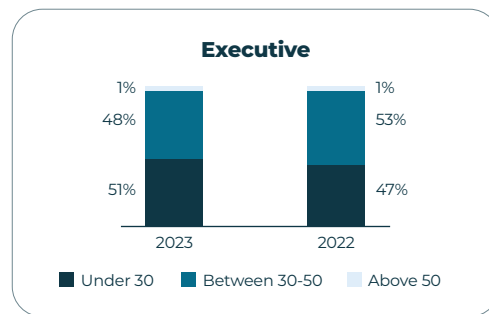
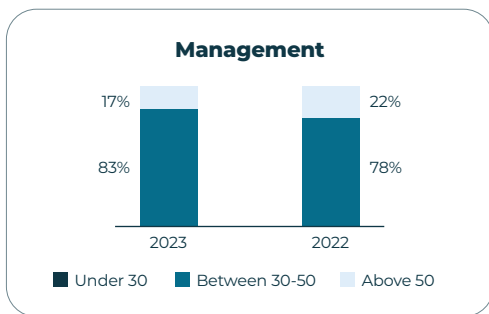
## Management Approach for Material Matters (Cont'd)

### 4. DIVERSITY, EQUITY & INCLUSION (CONT'D)

#### Gender Diversity by Employee Category



#### Age Diversity by Employee Category



# Management Approach for Material Matters (Cont'd)

## 5. SUPPLY CHAIN MANAGEMENT

Related UNSDGs:



Innity is committed to advancing responsible procurement practices and fortifying the resilience of our supply chain by integrating sustainability elements across our procurement lifecycle. Our strong belief in supporting local businesses and fostering economic growth in the communities where we are present guides our actions.

### Our Approach

We are dedicated to ensuring the fairness and transparency of our procurement practices to judiciously award tenders to the most reputable suppliers. All suppliers, whether new or existing, must address a set of requirements that center on ethical business practices. Following assessment, we categorise suppliers based on maturity, conduct annual performance reviews, and consider internal risk mitigation factors. Moving forward, adherence to Innity’s ethical business practices, encompassing zero corruption, minimising environmental impact, and safeguarding employee and worker rights, is mandatory for all our suppliers.

Recognising our operational needs, we prioritise the procurement of products and services from local suppliers to the best extent possible.

### **Local Suppliers**

In 2023, 83% was spent on local suppliers.

The decrease in spending from local suppliers is attributed to a decrease in spending from one subsidiary, while another subsidiary has seen an increase in spending on non-local suppliers.

	2022	2023
Proportion of spending on local suppliers	87%	83%

## 6. LABOUR PRACTICES AND STANDARDS

Related UNSDGs:



As a conscientious organisation, Innity is dedicated to safeguarding and honouring labour rights throughout all our business operations. We are convinced that robust labour rights practices, combined with fair and ethical treatment, enhance productivity and foster a healthy working culture.

## Management Approach for Material Matters (Cont'd)

### 6. LABOUR PRACTICES AND STANDARDS (CONT'D)

#### Our Approach

Innity is unwavering in its commitment to upholding labour rights principles across all facets of our operations. Our dedication to sustainability extends beyond environmental stewardship to encompass the advancement and safeguarding of labour rights.

We uphold labour rights standards through robust human resources policies and practices, subjecting them to regular review to ensure ongoing compliance and respect for human and labour rights. Our objective is to meet the obligations incumbent upon a responsible corporate entity.

Within our organisation, we prioritise the protection of workplace rights, adhering to all pertinent employment laws, labour standards, and local regulations. We promote fair treatment, non-discrimination, and the provision of a safe working environment for our diverse workforce. By nurturing a culture of respect and inclusion, we empower employees to voice concerns, contribute ideas, and flourish in an environment that values their rights and dignity.

Innity meticulously adheres to all relevant labor laws, including those governing minimum wages and benefits mandated by legislation. Our employment policies are clearly outlined in our Employee Handbook, readily accessible to all employees through our HR Platform portal. Through these channels, we underscore our commitment to equity, diversity, inclusion, and transparency. Regular reviews and benchmarking against industry standards ensure that our employee compensation packages remain competitive and aligned with prevailing market norms.

#### Our Performance

The percentage outlined below corresponds to the reporting scope mentioned above, indicating a turnover rate of 31% for the year 2022. Additionally, for the year 2023, a turnover rate of 32% was recorded.

In Innity's operation, employees are regarded as our most valuable asset for sustaining and growing the business. We are committed to continuously monitoring and enhancing employee wellbeing within the company.

	2022	2023
Percentage of turnover for full-time staff	31%	32%

# Management Approach for Material Matters (Cont'd)

## 7. COMMUNITY AND SOCIETY

### Related UNSDGs:



Innity is dedicated to fostering positive relationships between businesses and communities, emphasising social inclusion and long-term positive outcomes. Through community engagement and impactful programs, particularly in education and social welfare, Innity strives to be a responsible corporate citizen, investing in local talent to provide opportunities for personal growth.

### Our Approach

Innity showcases its commitment to local communities by implementing campaigns that raise awareness and address environmental sustainability and positive social impact. The following highlights our efforts to generate mutually beneficial outcomes for both the Group and the community through aligned community programs in the current year.

Passionation teamed up with Upcycled by Fuze Ecoteer to help drive awareness and educate Passionatives about plastic recycling and upcycling. 6 Passionatives participated in the workshop by Upcycled where they learned how to create their own plant pot using recycled bottle caps. After the workshop, the Key Opinion Leaders created and shared their videos on Instagram to further help bring awareness to Upcycled's mission and their many ongoing eco initiatives.

### Our Performance

Key highlights of Innity's contributions for year 2023 are as follows:

#### **Community Performance Data**

	2022	2023
Total number of positive impacts towards the community	25X Gift	<b>Followers:</b> 33,200+ <b>Views:</b> 6650+ <b>Engagement rate:</b> 1.06%

## Management Approach for Material Matters (Cont'd)

### 8. ENERGY MANAGEMENT

#### Related UNSDGs:



Innity recognises the pivotal role that energy management plays in safeguarding our planet. Understanding the environmental implications of energy consumption, we acknowledge the responsibility to implement sustainable practices that contribute to the preservation of Earth. By prioritising efficient energy management strategies, we aim to minimise our carbon footprint, reduce environmental impact, and actively participate in the global efforts to combat climate change.

#### Our Approach

Innity seeks to diminish our environmental impact and build operational resilience with the goal of providing sustained value to our business, stakeholders, and communities in the long term. Our actions are directed by our Environmental Policy, which articulates the Group's commitment to efficiently manage and mitigate the effects stemming from our business operations.

#### Managing Operation Efficiency

Innity commits to conserve resource on day-to-day operations

We have paved the way for the adoption of the following initiatives:

Key Initiative	Description
<b>Office Buildings</b>	We have installed energy-saving LED lighting in our offices.
<b>Flexible Working Schedule</b>	We implemented flexible working days to reduce energy consumption of office spaces.
<b>Energy Audit</b>	We regularly conduct energy audits to identify areas of improvement and implement energy-saving measures.

#### Our Performance

##### **Energy consumption**

We have set a goal to maintain energy consumption levels, but by 2023, we observed an increase in energy consumption compared to our 2022 baseline.

The discrepancy arose from the office renovation and relocation in the Philippines and DM (DoMedia Asia Sdn Bhd) operations, which occurred from mid-2022 to early 2023. During this period, data collection was not conducted as the office operated in a shared environment.

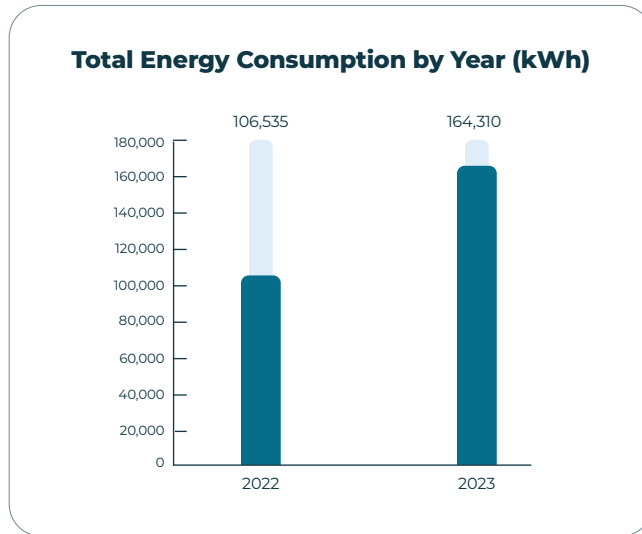
# Management Approach for Material Matters (Cont'd)

## 8. ENERGY MANAGEMENT (CONT'D)

### Our Performance (Cont'd)

#### *Energy consumption (Cont'd)*

We will continue in monitoring energy consumption and advocating for reduction initiatives within the company.



## 9. WATER MANAGEMENT

Related UNSDGs:



The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. The Group is committed to mitigating the risk of water shortages through efficient water management across our operations.

### Our Approach

As a Group, we aim to improve water efficiency and promote water conservation.

## Management Approach for Material Matters (Cont'd)

### 9. WATER MANAGEMENT (CONT'D)

#### Our Approach (Cont'd)

We are committed to implementing water conservation initiatives on proper water management at all our premises. These initiatives include:

- i. **Increase Employee Awareness:** Educate employees about the importance of water conservation and encourage them to be mindful of water usage in their daily activities.
- ii. **Maintenance:** Regularly inspect and promptly fix any leaks in plumbing or water fixtures within the office. Leaks can contribute to significant water wastage over time.
- iii. **Efficient Appliances:** Choose water-efficient appliances, such as dishwashers and coffee makers, in office kitchens and break areas.
- iv. **Metering and Monitoring:** Implement water metering and monitoring systems to track water usage patterns and identify areas for improvement.
- v. **Flexible Work Policies:** If applicable, consider implementing remote work policies, reducing the need for on-site facilities and amenities that may contribute to water consumption.

We will annually review our water management plans across all our operations to continually increase efficiency and ensure we are able to achieve our water consumption reduction targets.

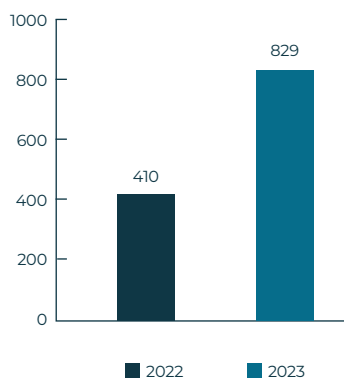
#### Our Performance

In Year 2022 data, Vietnam and Singapore operation's water bill is integrated and calculated together with the rental. After discussing with the building management, we successfully obtain the water usage for the Singapore office from July 2023- December 2023. For Vietnam operation however, the building management does not have the service to breakdown the water usage with the office rental. The decrease in water consumption can also be attributed to the operations in the Philippines during the shared office environment while undergoing office renovations.

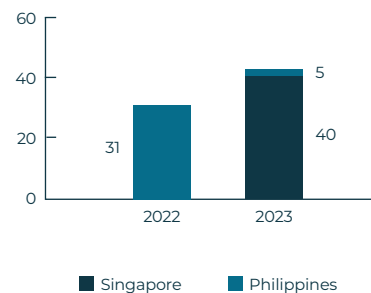
As the business returns to normalcy, with more employees returning to the office in which increase in water consumption.

Innity primarily uses water for office purposes. Nevertheless, we remain committed to monitoring and minimising unnecessary usage wherever possible.

**Total Water Consumption by Year (cu.m)**



**Total Water Consumption by Year  
Singapore & Philippines (cu.m)**



# Management Approach for Material Matters (Cont'd)

## 10. WASTE MANAGEMENT

Related UNSDGs:



At Innity, our foremost priority is effective waste management to diminish our environmental footprint and contribute to the well-being of nearby communities, particularly concerning our digital marketing endeavours. Acknowledging the gravity of potential impacts, it is crucial for us to enact proactive measures to guarantee responsible waste management practices throughout all our operations.

### Our Approach

Our strategies delineate the means to minimise waste by decreasing the materials utilised in our operations, embracing the 3R approach—reduce, reuse, and recycle—and enhancing employee awareness regarding the importance of sustainable waste management. Furthermore, we ensure that all scheduled waste undergoes proper storage and management, from its collection point to final disposal, facilitated by licensed contractors.

Initiatives have been instituted to heighten employee awareness, aiming to diminish waste generation.

Key Initiative	Description
<b>Digital</b>	We have adopted electronic leave and attendance system for leave applications and promote the adoption of digital documents to reduce reliance on paper.
<b>E-Waste Recycling</b>	We support the recycling of electronic devices and will seek collaboration opportunities with third-party waste management entities to advance recycling initiatives.
<b>Segregation of Non-recyclable and Recyclable Waste</b>	Implementing a waste segregation program to separate recyclable and non-recyclable materials, promoting responsible disposal practices and environmental stewardship.
<b>Product Selection</b>	We enhance material selection and product design by prioritising longevity and durability, repairability, modularity, disassembly, and recyclability.



## Management Approach for Material Matters (Cont'd)

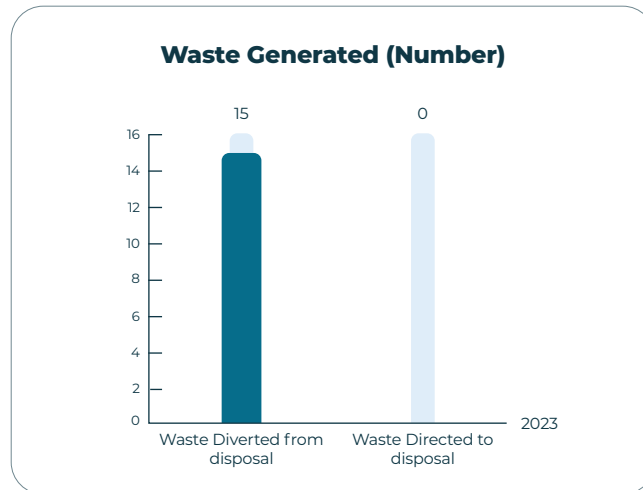
### 10. WASTE MANAGEMENT (CONT'D)

#### Our Performance

In 2023, Innity identified a total of 15 waste items attributed to laptops and monitors, all of which were recycled with a 100% recycling rate.

We strive to actively engage and involve all relevant stakeholders to address any existing coordination gaps and implement innovative solutions, wherever feasible, to advance sustainable waste management practices across the Group.

Upon completion of data collection for all our operations, we will establish specific targets for reducing our waste usage.



### 11. EMISSION MANAGEMENT

Related UNSDGs:



In Innity, we recognise the critical importance of emission management in our commitment to environmental sustainability. As a responsible corporate entity, we strive to proactively address our carbon footprint by implementing robust emission management strategies. By embracing innovative solutions and engaging our stakeholders, we aim to not only reduce our environmental impact but also contribute to a greener and more sustainable future.

# Management Approach for Material Matters (Cont'd)

## 11. EMISSION MANAGEMENT (CONT'D)

### Our Approach

In our pursuit of environmental responsibility at our digital marketing company, we adopt a multi-faceted approach to manage carbon emissions effectively.

Initiatives have been instituted to heighten employee awareness, aiming to diminish waste generation.

Key Initiative	Description
<b>Renewable Energy Integration</b>	Innity is prioritising the integration of renewable energy sources which involves exploring solar and wind power to create carbon offsets. We aim to cut carbon emissions and contribute to a cleaner, greener environment.
<b>Meeting and Communication</b>	Virtual meetings and video conferencing amongst employees working at home and for our regular communication with overseas business units and business associates.
<b>Remote Work Practices</b>	Embracing flexible work arrangements by reducing the need for daily commutes and on-site operations, in which also significantly decrease our carbon footprint associated with transportation. (Scope 2 emissions)

### **Carbon Emissions Performance**

We have initiated the tracking and monitoring of our Scope 3 emissions, focusing specifically on emissions associated with our virtual machine (VM) services within our business value chain. We have successfully obtained emissions data from 2 out of 5 cloud hosting vendors, namely Alibaba Cloud and AWS Cloud. Efforts to collect emissions data from the remaining providers, including IBM Cloud, Digital Ocean, and Huawei, are ongoing.

The data collection period spans from January 2023 to November 2023.

Upon completion of data collection for all our operations, we will establish specific targets for reducing our Scope 3 emissions.

TNB has released the grid emission factor for calculating Scope 1 energy emissions in Malaysia's operations. However, there has been a delay in obtaining this information. Rest assured, we will promptly update the relevant data once it becomes available from TNB's sources.

In 2024, we will be collaborating closely with a consultant to develop a framework for calculating Scope 1 CO2 emission and Scope 2 CO2 emission.

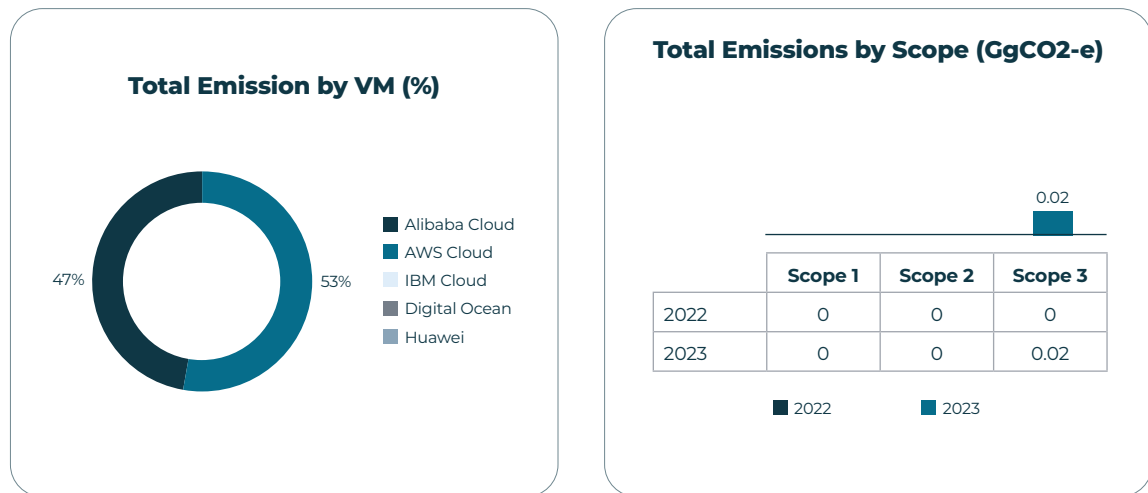
## Management Approach for Material Matters (Cont'd)

### 11. EMISSION MANAGEMENT (CONT'D)

#### Our Approach (Cont'd)

##### **Carbon Emissions Performance (Cont'd)**

In the current reporting period, these emissions totalled 0.02 Gg CO<sub>2</sub>-e.



### 12. PERFORMANCE DATA TABLE

Indicator	Unit	2022	2023	Target
<b>Anti-Corruption</b>				
Percentage of employees completed and acknowledge training	Percentage	-	52%	
Confirmed incidents of corruption and action taken	Number	0	0	Zero incident annually
<b>Health &amp; Safety and Wellbeing</b>				
Percentage of employees trained on health and safety standards	Percentage	-	39%	
Number of work-related fatalities	Number	0	0	Zero fatality annually
Number of Lost Time Incident Rate (LTIR)	Number	0	0	
<b>Data Privacy and Security</b>				
Percentage of employees trained on Information Security Standards	Percentage	-	40%	
Number of substantiated complaints concerning breaches in customer privacy or data loss	Number	0	0	Zero complaints annually

# Management Approach for Material Matters (Cont'd)

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## 12. PERFORMANCE DATA TABLE (CONT'D)

Indicator	Unit	2022	2023	Target
<b>Diversity and Inclusion</b>				
Percentage of directors by gender and age group				
Male	Percentage	82%	82%	
Female	Percentage	18%	18%	
Under 30	Percentage	-	-	
Between 30-50	Percentage	36%	36%	
Above 50	Percentage	64%	64%	
Percentage of employees that are contractors or temporary staff				
Gender Diversity - Male	Percentage	41%	40%	
Gender diversity - Female	Percentage	59%	60%	
Age diversity - Under 30	Percentage	48%	45%	
Age diversity - Between 30-50	Percentage	50%	53%	
Age diversity - Above 50	Percentage	3%	2%	
Ethnic diversity - Bumiputera	Percentage	6%	7%	
Ethnic diversity - Chinese	Percentage	58%	59%	
Ethnic diversity - Indian	Percentage	1%	2%	
Ethnic diversity - Others	Percentage	33%	33%	
Percentage of employees by gender and age group by employee category				
<b>Gender Group by Employee Category</b>				
Management - Male	Percentage	59%	63%	
Management - Female	Percentage	41%	37%	
Executive - Male	Percentage	39%	38%	
Executive - Female	Percentage	61%	62%	
Non-executive - Male	Percentage	44%	48%	
Non-executive - Female	Percentage	56%	52%	
General Workers - Male	Percentage	-	-	
General Workers - Female	Percentage	100%	100%	
<b>Age Group by Employee Category</b>				
Management - Under 30	Percentage	-	-	
Management - Between 30-50	Percentage	83%	78%	
Management - Above 50	Percentage	17%	22%	
Executive - Under 30	Percentage	51%	47%	
Executive Between 30-50	Percentage	48%	53%	
Executive Above 50	Percentage	1%	1%	
Non-executive - Under 30	Percentage	78%	78%	
Non-executive - Between 30-50	Percentage	22%	22%	
Non-executive - Above 50	Percentage	-	-	

## Management Approach for Material Matters (Cont'd)

### 12. PERFORMANCE DATA TABLE (CONT'D)

Indicator	Unit	2022	2023	Target
<b>Age Group by Employee Category (Cont'd)</b>				
General Workers - Under 30	Percentage	-	-	
General Workers - Between 30-50	Percentage	-	100%	
General Workers - Above 50	Percentage	100%	-	
<b>Supply Chain Management</b>				
Proportion of spending on local suppliers	Percentage	86%	83%	Maintain 80% on local spending
<b>Labour Practices and Standards</b>				
Percentage of turnover for full-time staff	Percentage	31%	32%	
<b>Community and Society</b>				
Total number of positive impacts towards the community	Number	25X Gift	Followers: 33,200+ Views: 6650+ Engagement rate: 1.06%	
<b>Energy Management</b>				
Total energy consumption	kwh	106,535	164,310	
<b>Water Management</b>				
Total volume of water used	Cu.m	410	829	
<b>Waste Management</b>				
Total waste diverted from disposal	Number	-	15	
<b>Emission Management</b>				
Scope 3 emissions in tonnes of CO <sub>2</sub> e	GgCO <sub>2</sub> -e	-	0.02	

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

# Management Approach for Material Matters (Cont'd)

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## 13. GRI CONTENT INDEX

Innity has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

GRI Standard	Disclosure	Page Number	
<b>General Disclosures</b>			
GRI 2: General Disclosures 2023	2-1	Organisational details	Annual report 2023
	2-2	Entities included in the organisation's sustainability reporting	Page 79
	2-3	Reporting period, frequency and contact point	Page 79
	2-4	Restatements of information	Page 79
	2-5	External assurance	None
	2-6	Activities, value chain and other business relationships	Page 77 to page 78
	2-7	Employees	Page 95 to page 96
	2-8	Workers who are not employees	Page 95
	2-9	Governance structure and composition	Annual report 2023
	2-10	Nomination and selection of highest governance body	Annual report 2023
	2-11	Chair of highest governance body	Annual report 2023
	2-12	Role of the highest governance body in overseeing the management of impacts	Annual report 2023
	2-13	Delegation of responsibility for managing impacts	Annual report 2023
	2-14	Role of the highest governance body in sustainability reporting	Page 80
	2-15	Conflicts of interest	Annual report 2023
	2-16	Communication of critical concerns	Annual report 2023
	2-17	Collective knowledge of the highest governance body	Annual report 2023
	2-18	Evaluation of the performance of the highest governance body	Annual report 2023
	2-19	Remuneration policies	Annual report 2023
	2-20	Process to determine remuneration	Annual report 2023
	2-21	Annual total compensation ratio	Annual report 2023
	2-22	Statement on sustainable development strategy	Page 86
	2-23	Policy commitments	Page 90
	2-24	Embedding policy commitments	Page 90
	2-25	Processes to remediate negative impacts	Page 90
	2-26	Mechanisms for seeking advice and raising concerns	Page 90, page 94
	2-27	Compliance with laws and regulations	Page 90
	2-28	Membership associations	Annual report 2023

## Management Approach for Material Matters (Cont'd)

### 13. GRI CONTENT INDEX (CONT'D)

Innity has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. (Cont'd)

GRI Standard	Disclosure	Page Number	
<b>General Disclosures (Cont'd)</b>			
GRI 2: General Disclosures 2023 (Cont'd)	2-29	Approach to stakeholder engagement	Page 81
	2-30	Collective bargaining agreements	Page 94
<b>Material Topics</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 83 to page 85
	3-2	List of material topics	Page 83 to page 85
<b>Anti-corruption</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 90
GRI 205: Anti – Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Page 90, page 106
	205-3	Confirmed incidents of corruption and actions taken	Page 90, page 106
<b>Employee Health, Safety and Well-being</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 91
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 91
	403-4	Worker participation, consultation and communication on occupational health and safety	Page 91
	403-5	Worker training on occupational health and safety	Page 91, page 106
	403-9	Work-related injuries	Page 91, page 106
<b>Data Privacy and Security</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 93
GRI 418: Customer Privacy 2016	418-1	Substantiate complaints concerning breaches of customer privacy and losses of customer data	Page 93, page 106
<b>Diversity, Equity &amp; Inclusion</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 94
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 94, page 106
<b>Supply Chain Management</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 97
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 97, page 106

# Management Approach for Material Matters (Cont'd)

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## 13. GRI CONTENT INDEX (CONT'D)

Innity has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. (Cont'd)

GRI Standard	Disclosure	Page Number	
<b>Community &amp; Society</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 99
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual report 2023
<b>Energy Management</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 100
GRI 302 Energy 2016	302-1	Energy consumption within the organisation	Page 100, page 106
<b>Water Management</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 101
GRI 303 Water and Effluents 2018	301-1	Interactions with water as a shared resource	Page 101, page 106
<b>Waste Management</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 103
GRI 306 Waste 2020	306-4	Waste diverted from disposal	Page 103, page 106
	306-5	Waste diverted to disposal	Page 103, page 106
<b>Emission Management</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 104
GRI 305 Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	Page 104, page 106



## Management Approach for Material Matters (Cont'd)

### 14. SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) CONTENT INDEX

Services Sector: Advertising & Marketing

Topic	Code	Description	2023 Performance
Data Privacy	SV-AD-220a.1	Discussion of policies and practices relating to behavioural advertising and consumer privacy.	Please refer to page 93.
	SV-AD-220a.2	Percentage of online advertising impressions that are targeted to custom audiences.	To be included in subsequent Sustainability Statement.
	SV-AD-220a.3	Total amount of monetary losses as a result of legal proceedings associated with consumer privacy.	Zero
Advertising Integrity	SV-AD-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false, deceptive, or unfair advertising.	Zero
	SV-AD-270a.2	Percentage of campaigns reviewed for adherence with the Advertising Self-Regulatory Council (ASRC) procedures, percentage of those in compliance.	Not applicable
	SV-AD-270a.3	Percentage of campaigns that promote alcohol or tobacco products.	To be included in subsequent Sustainability Statement
Workforce Diversity & Inclusion	SV-AD-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) professionals, and (3) all other employees.	Please refer to page 94.
Activity Metric	SV-AD-000.A	Median reach of advertisements and marketing campaigns.	Approximately 453,000
	SV-AD-000.B	Number of exposures to advertisements or marketing campaigns.	Please refer to Annual Report
	SV-AD-000.C	Median frequency of exposures	Approximately 1.80
	SV-AD-000.D	Number of employees	We do not publicly report this information as the data is commercially sensitive and confidential

International Sustainability Standards Boards (ISSB) Content Index

Internet Media & Services

Environmental Footprint of Hardware Infrastructure	TC-IM-130a.1	1. Total energy consumed, 2. Percentage grid electricity and 3. Percentage renewable.	Please refer to page 100.
	TC-IM-130a.2	1. Total water withdrawn, 2. Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress.	Please refer to page 101.
	TC-IM-130a.3	Discussion of the integration of environmental considerations into strategic planning for data centre needs.	Please refer to page 104.

# Management Approach for Material Matters (Cont'd)

## 14. SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) CONTENT INDEX (CONT'D)

Internet Media & Services (Cont'd)

Topic	Code	Description	2023 Performance
Activity Metric	TC-IM-000.A	Entity-defined measure of user activity.	Please refer to Annual Report
	TC-IM-000.B	1. Data processing capacity, 2. Percentage outsourced.	1. 148 2. 100%
	TC-IM-000.C	1. Amount of data storage, 2. Percentage outsourced.	1. Up to 78 TB 2. 100%

## 15. MATERIAL MATTERS (APPENDIX)

In our pursuit of generating value for the organisation and our stakeholders, it is crucial to comprehend the influence of sustainability issues on our business and the repercussions of our business practices on stakeholders and the environment. The materiality process, illustrated in flow chart, is grounded in key stages involving the identification of potential material industry and operational issues pertinent to the Group’s business. This ongoing process can be implemented at both the company (enterprise) level and across all operating levels of associated companies.



### a. Identification

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

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

## Management Approach for Material Matters (Cont'd)

### 15. MATERIAL MATTERS (APPENDIX) (CONT'D)

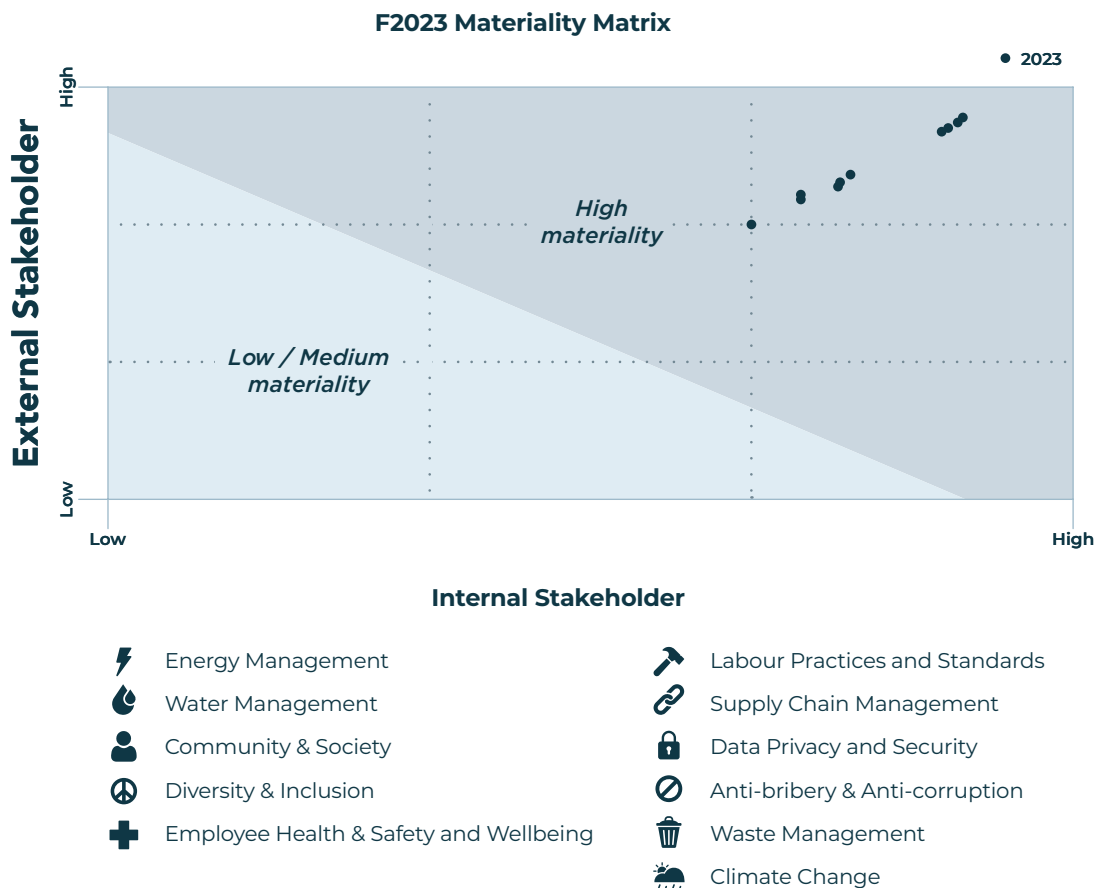
#### b. Prioritisation

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

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

#### c. Review

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



## Management Approach for Material Matters (Cont'd)

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### 15. MATERIAL MATTERS (APPENDIX) (CONT'D)

Material Matters	Description	Ranking
Data Privacy and Security	Protect personal information in accordance with national laws and regulations and relevant industry privacy standards	1
Employee, Health Safety and Wellbeing	Keeping employees and people safe from injury or disease at within our operations.	2
Labour Practices and Standards	Respecting and protecting human and labour right throughout our operations and supply chain.	3
Anti-Bribery and Corruption	Act lawfully, ethically and in the public interest. Prohibit bribery and corruption. Not tolerate illegal or unethical behaviour by clients, supplier or by public officials.	4
Diversity and Inclusion	Inculcate an equitable workplace culture that recognises the unique needs and contributions of employees. Implementation of policies, strategies or practices to promote diversity of gender, ethnicity, disabilities, and age, within the workplace.	5
Supply Chain Management	Support local supply suppliers and building a sustainable long term relationship and business partnership.	6
Community and Society	Using Innity's service, platform and product to promote and enable a more equitable, safe and healthy society. Invest on sustainability issues and societal values similar to Innity.	7
Waste Management	Efforts to reduce, reuse, and recycle waste, as well as adopting environmentally friendly disposal methods.	8
Emission Management (Climate Change)	Assessing, measuring, and actively managing emissions to minimise the environmental impact and contribute to climate change mitigation efforts	9
Water Management	Minimising or Optimising the overall water consumption and quality impacts across operations, including within headquarters and subsidiaries.	10
Energy Management	Minimising or Optimising the overall energy consumption and quality impacts across operations, including within headquarters and subsidiaries.	10

## Management Approach for Material Matters (Cont'd)

### 16. GLOSSARY

<b>List of Abbreviations</b>	
ARMC	Audit and Risk Management Committee
ABC	Anti-Bribery and Corruption
Ad Ops	Advertising Operation
BCOC	Business Code of Conduct
COC	Code of Conduct
CO2	Carbon Dioxide
DM	DoMedia Asia Sdn Bhd
ERM	Enterprise risk management
GRI	Global Reporting Initiative
HR	Human Resource
ISO	International Standard Organisation
ISSB	International Sustainability Standards Boards
KPI	Key performance indicators
LED	Light-emitting diode
LTI	Lost time incident
MACC	Malaysian Anti-Corruption Commission
OSHA	Occupational Safety and Health Act
PDPA	Personal Data Protection Act
R&D	Research and Development
SASB	Sustainability Accounting Standards Board
SC	Sustainability Committee
SWG	Sustainability Working Group
TB	Terabyte
UNGC	United Nations Global Compact
VM	Virtual Machine

## ADDITIONAL COMPLIANCE INFORMATION

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### 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 2023.

### 4. Sanctions and/or Penalties

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

### 5. Non-Audit Fees

There was an amount of RM12,600 paid to the Company's auditors Messrs. BDO PLT during the financial year ended 31 December 2023 on the review of Statement of Risk Management and Internal Control and Group Reporting package.

### 6. Profit Guarantee

There were no profit guarantees given by the Group and the Company during the financial year ended 31 December 2023.

### 7. Variation of Results

For the financial year ended 31 December 2023, there were no variances between the audited financial statements and the unaudited results previously announced.

### 8. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries which involved the Directors and substantial shareholders' interest during the financial year ended 31 December 2023.

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

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

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

**9. Innity Corporation Berhad's Employee's Share Scheme ("ESS") (Cont'd)**
**Share granted to the Senior Management**

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

**10. Recurrent Related Party Transaction**

The Company had on 9 April 2024 announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company will be seeking its shareholders' approval for Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue Or Trading Nature entered/to be entered into from forthcoming AGM until the next AGM.

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

The related parties are as follows:

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

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

JCBNEXT has a direct holding of 17.99% equity interest in 104 Corporation Ltd. ("104 Corporation").

Hakuhodo DY Group consists of subsidiaries and associate companies of Hakuhodo DY Holdings Inc ("Hakuhodo DY Holdings"). Hakuhodo DY Holdings is the ultimate holding company of DAC (D.A.Consortium Inc.), by virtue of its 100% indirect equity interest in DAC, through 90.75% equity interest in DAC Holdings (D.A.Consortium Holdings Inc.) and 9.25% in Hakuhodo DY Media Partners.

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

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

ISB is a wholly-owned subsidiary of INNITY.

## Additional Compliance Information (Cont'd)

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**10. Recurrent Related Party Transaction (Cont'd)**

The RRPTs entered into by the Group during the financial year ended 31 December 2023 were as follows:

Related Party	Nature of Recurrent Transactions	Interested Related Parties	Actual Value Transacted for the Financial Year (RM)
104 Corporation Ltd	Purchase of online recruitment services	<b>Major shareholder</b> JCBNext  <b>Director</b> Gregory Charles Poarch Liong Wei Li	2,248
Hakuhodo DY Group	Provision of advertising and publicity related services	<b>Major shareholder</b> DAC	877,550
	Purchase of advertising and publicity related services	<b>Corporations Connected with Major Shareholder</b> DAC Holdings Hakuhodo DY Holdings  <b>Director</b> Michihiko Suganuma Reiko Yoshikawa	5,106
Innity Thailand	Provision of advertising and publicity related services	<b>Director</b> Looa Hong Tuan	36,812
	Purchase of advertising and publicity related services		154,413
	Management fees in relation to backend support staff costs chargeback which include Corporate Strategy, Finance, Business Development, Operation and Creative team based on time allocation of each individual		298,655
	Royalty fees		101,093
MMRD	Provision of advertising and publicity related services	<b>Major shareholder</b> MMRD	-
	Purchase of advertising and publicity related services	<b>Director</b> U Moe Kyaw	-



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## STATEMENT OF RESPONSIBILITY BY DIRECTORS

### **STATEMENT OF RESPONSIBILITY BY DIRECTORS**

#### **In respect of preparation of the Audited Financial Statements**

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

The Directors are also responsible for ensuring that the audited financial statements of both the Group and the Company are prepared with reasonable accuracy from their respective accounting records so as to give a true and fair view of the financial position of the Group and the Company as of 31 December 2023, as well as their financial performance and cash flows for the year then ended.

In preparing the audited financial statements, the Directors have:

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

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

# REPORT AND FINANCIAL STATEMENT

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## DIRECTOR'S REPORT

### DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

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

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

### RESULTS

	Group RM	Company RM
(Loss) /Profit for the financial year	(2,169,225)	163,155
Attributable to:		
Owners of the parent	(1,101,087)	163,155
Non-controlling interests	(1,068,138)	-
	(2,169,225)	163,155

### DIVIDEND

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

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

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

## EMPLOYEES' SHARE SCHEME

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

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

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

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

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

## DIRECTORS

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

### Innity Corporation Berhad

Phang Chee Leong\*  
 Looa Hong Tuan\*  
 Wong Kok Woh\*  
 Seah Kum Loong\*  
 Michihiko Suganuma  
 Cheong Chee Yun  
 Gregory Charles Poarch  
 Fung Kam Foo  
 Norliza Binti Rasool Khan  
 Liong Wei Li (Alternate Director to Gregory Charles Poarch)  
 Rieko Yoshikawa (Alternate Director to Michihiko Suganuma)

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

### Subsidiaries of Innity Corporation Berhad (excluding those Directors listed above)

Gabriel Joaquin D. Zosa II  
 Simon Ong  
 U Moe Kyaw  
 Nadya Rosalia Hanum S  
 Celine Mariel J.Gaspar  
 Melody C. Neri

## DIRECTORS' INTEREST

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Number of ordinary shares			
	Balance as at 1.1.2023	Bought	Sold	Balance as at 31.12.2023
<b>Direct interest</b>				
Phang Chee Leong	13,298,372	-	-	13,298,372
Looa Hong Tuan	12,374,685	-	-	12,374,685
Wong Kok Woh	7,299,086	-	-	7,299,086
Seah Kum Loong	6,817,292	-	-	6,817,292

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

## DIRECTORS' BENEFITS

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

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

## DIRECTORS' REMUNERATION

The Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Salaries, bonuses, allowances and other emoluments	2,027,834	10,500
Defined contribution plan	225,236	-
Directors' fees	516,026	184,800
	2,769,096	195,300

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

During the financial year, the total amount of insurance premium paid for the Directors and the officers of the Group and of the Company is RM9,374.

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

## **OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**

### **I. AS AT THE END OF THE FINANCIAL YEAR**

- a. Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - ii. to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- b. In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

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

### **III. AS AT THE DATE OF THIS REPORT**

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

## AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Statutory audit	455,996	93,000
Assurance related services	12,600	12,600
	468,596	105,600

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

**Phang Chee Leong**

Director

**Looa Hong Tuan**

Director

Kuala Lumpur  
9 April 2024



## STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on page 133 to page 193 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

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**Phang Chee Leong**  
Director

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**Looa Hong Tuan**  
Director

Kuala Lumpur  
9 April 2024

## STATUTORY DECLARATION

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

I, Yap Soon Kim (CA 23399), being the officer primarily responsible for the financial management of Innity Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on page 133 to page 193 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly  
declared by the abovenamed  
at Kuala Lumpur this  
on 9 April 2024

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**Yap Soon Kim**

Before me,  
Commissioner for Oaths  
Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT

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## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Innity Corporation Berhad, which comprise the statements of financial position as at 31 December 2023, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on page 133 to page 193.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### Independence and Other Ethical Responsibilities

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

### Key Audit Matters

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

### Impairment of Trade Receivables

As at 31 December 2023, the gross trade receivables of the Group were RM32,749,319 and the associated impairment losses of trade receivables were RM2,272,827, as disclosed in Note 13 to the financial statements.

The Group has recognised a reversal of impairment losses on trade receivables amounted to RM406,470 during the financial year.

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

## Independent Auditors' Report (Cont'd)

### **Key Audit Matters (Cont'd)**

#### **Impairment of Trade Receivables (Cont'd)**

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

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

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

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

#### **Responsibilities of the Directors for the Financial Statements**

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

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

## Independent Auditors' Report (Cont'd)

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### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

## Independent Auditors' Report (Cont'd)

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

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

### **Report on Other Legal and Regulatory Requirements**

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

### **Other Matters**

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

#### **BDO PLT**

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

#### **Brendan Francis Lim Jern Zhen**

03591/09/2025 J  
Chartered Accountant

Kuala Lumpur  
9 April 2024

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

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	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	1,932,524	1,032,041	-	-
Right-of-use assets	6	3,995,719	3,706,280	-	31,572
Intangible assets	7	4,756,306	4,450,080	-	-
Investments in subsidiaries	8	-	-	15,335,819	15,335,819
Investments in an associate	9	255,433	658,736	-	-
Deferred tax assets	11	824,130	702,934	-	-
		11,764,112	10,550,071	15,335,819	15,367,391
<b>Current assets</b>					
Inventories	12	11,933	34,505	-	-
Trade receivables	13	30,476,492	27,240,425	-	-
Other receivables, deposits, contract assets and prepayments	14	6,133,257	5,321,548	1,724,974	864,844
Current tax assets		587,455	593,149	-	-
Cash and bank balances	15	32,780,826	35,439,026	238,197	420,706
		69,989,963	68,628,653	1,963,171	1,285,550
<b>TOTAL ASSETS</b>		81,754,075	79,178,724	17,298,990	16,652,941
<b>EQUITY</b>					
Share capital	16	19,477,031	19,477,031	19,477,031	19,477,031
Reserves	17	19,677,933	20,073,814	(3,787,479)	(3,950,634)
<b>Equity attributable to owners of the Company</b>		39,154,964	39,550,845	15,689,552	15,526,397
Non-controlling interests		263,026	1,342,322	-	-
<b>TOTAL EQUITY</b>		39,417,990	40,893,167	15,689,552	15,526,397
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Other payables, contract liabilities and accruals	20	-	-	1,059,454	209,840
Deferred tax liabilities	11	1,168,135	933,552	-	-
Lease liabilities	6	1,462,490	1,529,861	-	-
Retirement benefit obligations	18	513,232	442,031	-	-
Borrowings	21	245,788	277,707	-	-
		3,389,645	3,183,151	1,059,454	209,840
<b>Current liabilities</b>					
Trade payables	19	21,003,543	21,431,171	-	-
Other payables, contract liabilities and accruals	20	14,746,795	12,385,900	549,984	884,182
Lease liabilities	6	1,632,160	1,192,357	-	32,522
Borrowings	21	1,400,514	32,286	-	-
Current tax liabilities		163,428	60,692	-	-
		38,946,440	35,102,406	549,984	916,704
<b>TOTAL LIABILITIES</b>		42,336,085	38,285,557	1,609,438	1,126,544
<b>TOTAL EQUITY AND LIABILITIES</b>		81,754,075	79,178,724	17,298,990	16,652,941

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

## STATEMENTS OF PROFIT OR LOSS

For the Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	22	114,012,489	119,216,452	4,864,417	4,548,148
Other operating income		1,103,565	1,704,170	159,949	66,032
Direct costs		(61,289,958)	(69,075,711)	(3,769,572)	(3,295,840)
Staff costs	23	(43,358,442)	(39,619,044)	(661,362)	(512,358)
Depreciation	5,6	(2,238,388)	(1,527,650)	(31,572)	(31,572)
Amortisation of development expenditure	7	(1,472,748)	(1,584,603)	-	-
Net gains/(losses) on impairment of financial assets	25	406,470	(183,912)	(66,649)	(56,708)
Other operating expenses		(7,220,802)	(8,258,777)	(294,826)	(323,796)
<b>(Loss)/Profit from operations</b>	25	(57,814)	670,925	200,385	393,906
Finance costs	26	(226,345)	(136,914)	(37,230)	(78,667)
Share of loss in equity accounted associate, net of tax		(426,348)	(56,656)	-	-
<b>(Loss)/Profit before tax</b>		(710,507)	477,355	163,155	315,239
Income tax expense	27	(1,458,718)	(1,107,671)	-	-
<b>(Loss)/Profit for the financial year</b>		(2,169,225)	(630,316)	163,155	315,239
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		(1,101,087)	(78,804)	163,155	315,239
Non-controlling interests		(1,068,138)	(551,512)	-	-
		(2,169,225)	(630,316)	163,155	315,239
<b>Loss per ordinary share attributable to owners of the Company (sen)</b>					
Basic and diluted	28	(0.79)	(0.06)		

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

# STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2023

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	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit for the financial year		(2,169,225)	(630,316)	163,155	315,239
Other comprehensive income/(loss) for the year, net of tax					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation	27(d)	740,635	1,151,712	-	-
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Remeasurement of retirement benefit obligations	27(d)	(1,874)	167,257	-	-
<b>Total other comprehensive income for the year, net of tax</b>		738,761	1,318,969	-	-
<b>Total comprehensive (loss)/income</b>		(1,430,464)	688,653	163,155	315,239
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the Company		(395,881)	1,011,533	163,155	315,239
Non-controlling interests		(1,034,583)	(322,880)	-	-
		(1,430,464)	688,653	163,155	315,239

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



## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023

Group	Share capital (Note 16)		Reverse acquisition reserve (Note 17)		Foreign currency translation reserve (Note 17)		Retained profits (Note 17)		Total attributable to Owners of the Company		Non-controlling interests		Total equity	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>At 1 January 2022</b>	19,477,031	(2,512,173)	(223,193)	21,797,647	38,539,312	1,699,944	40,239,256							
Loss for the financial year	-	-	-	(78,804)	(78,804)	(551,512)	(630,316)							
Other comprehensive income	-	-	960,000	130,337	1,090,337	228,632	1,318,969							
Total comprehensive income/(loss)	-	-	960,000	51,533	1,011,533	(322,880)	688,653							
Dividends paid to non-controlling interests	-	-	-	-	-	(34,742)	(34,742)							
Total transaction with Owners and changes in ownership interests	-	-	-	-	-	(34,742)	(34,742)							
<b>At 31 December 2022/1 January 2023</b>	19,477,031	(2,512,173)	736,807	21,849,180	39,550,845	1,342,322	40,893,167							
Loss for the financial year	-	-	-	(1,101,087)	(1,101,087)	(1,068,138)	(2,169,225)							
Other comprehensive income/(loss)	-	-	706,189	(983)	705,206	33,555	738,761							
Total comprehensive income/(loss)	-	-	706,189	(1,102,070)	(395,881)	(1,034,583)	(1,430,464)							
Dividends paid to non-controlling interests	-	-	-	-	-	(44,713)	(44,713)							
Total transaction with Owners and changes in ownership interests	-	-	-	-	-	(44,713)	(44,713)							
<b>At 31 December 2023</b>	19,477,031	(2,512,173)	1,442,996	20,747,110	39,154,964	263,026	39,417,990							

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

## Statements of Changes in Equity

For the Financial Year Ended 31 December 2023 (Cont'd)

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Company	-----Non-distributable-----		
	Share capital	Accumulated losses	Total equity
	(Note 16)	(Note 17)	
	RM	RM	RM
<b>At 1 January 2022</b>	19,477,031	(4,265,873)	15,211,158
Profit for the financial year/Total comprehensive income	-	315,239	315,239
<b>At 31 December 2022/1 January 2023</b>	19,477,031	(3,950,634)	15,526,397
Profit for the financial year/Total comprehensive income	-	163,155	163,155
<b>At 31 December 2023</b>	19,477,031	(3,787,479)	15,689,552

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

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023 (Cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before tax		(710,507)	477,355	163,155	315,239
Adjustments for:					
Amortisation of development expenditure	7	1,472,748	1,584,603	-	-
Depreciation	5,6	2,238,388	1,527,650	31,572	31,572
Dividend income from a subsidiary		-	-	(600,000)	(750,000)
Gain on disposal of property, plant and equipment		-	(810)	-	-
Gain on lease modification	6(g)	(19,448)	(80,028)	-	-
(Reversal)/ Impairment losses on financial assets, net		(406,470)	183,912	66,649	56,708
Interest expense	26	226,345	136,914	37,230	78,667
Interest income	25	(224,768)	(119,923)	(26,054)	(58,446)
Inventories written off		-	1,676	-	-
Property, plant and equipment written off	25	1,373	1,575	-	-
Retirement benefits	18	46,356	174,811	-	-
Share of loss in equity-accounted associate		426,348	56,656	-	-
Net unrealised (gain)/loss on foreign exchange	25	(255,779)	(3,455)	-	855
<b>Operating profit/(loss) before working capital changes</b>		<b>2,794,586</b>	<b>3,940,936</b>	<b>(327,448)</b>	<b>(325,405)</b>
Decrease in inventories		22,572	41,864	-	-
(Increase)/Decrease in trade and other receivables		(2,287,439)	11,486,415	(6,182)	(14,799)
Increase/(Decrease) in trade and other payables		1,462,685	(6,604,441)	(3,787)	(16,004)
<b>Cash generated from/(used in) operations</b>		<b>1,992,404</b>	<b>8,864,774</b>	<b>(337,417)</b>	<b>(356,208)</b>
Dividend received		-	-	600,000	750,000
Income tax paid		(1,329,604)	(2,050,379)	-	-
Income tax refunded		123,395	-	-	-
<b>Net cash from operating activities</b>		<b>786,195</b>	<b>6,814,395</b>	<b>262,583</b>	<b>393,792</b>

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

# Statements of Cash Flows

For the Financial Year Ended 31 December 2023 (Cont'd)

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	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Development expenditure paid	7	(1,778,974)	(1,598,791)	-	-
Withdrawals/(Placements) of fixed deposits:					
- pledged to licensed banks		44,675	(78,501)	-	-
- with maturity period more than three (3) months		(4,874,379)	(3,955,539)	-	-
Interest received		224,768	119,923	26,054	58,446
Proceeds from disposal of plant and equipment		-	1,769	-	-
Purchase of property, plant and equipment	5	(1,424,426)	(438,521)	-	-
Additions of right-of-use assets	6(i)	(33,176)	-	-	-
(Advances to) Repayment from an associate		(260,210)	303,865	(88,039)	19,027
Advances to subsidiaries		-	-	(313,355)	(394,482)
<b>Net cash used in investing activities</b>		<b>(8,101,722)</b>	<b>(5,645,795)</b>	<b>(375,340)</b>	<b>(317,009)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid to non-controlling interests		(44,713)	(34,742)	-	-
Interest paid		(47,691)	(47,985)	(36,152)	(75,689)
Repayments of loan		(30,870)	(30,512)	-	-
Payment of lease liabilities	6	(1,730,130)	(1,012,586)	(33,600)	(33,600)
<b>Net cash used in financing activities</b>		<b>(1,853,404)</b>	<b>(1,125,825)</b>	<b>(69,752)</b>	<b>(109,289)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(9,168,931)</b>	<b>42,775</b>	<b>(182,509)</b>	<b>(32,506)</b>
Effects of exchange rate fluctuations on cash and cash equivalents		313,848	1,333,819	-	-
<b>Cash and cash equivalents at at the beginning of financial year</b>		<b>29,427,005</b>	<b>28,050,411</b>	<b>420,706</b>	<b>453,212</b>
<b>Cash and cash equivalents at the end of financial year</b>	15	<b>20,571,922</b>	<b>29,427,005</b>	<b>238,197</b>	<b>420,706</b>

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

## Statements of Cash Flows

For the Financial Year Ended 31 December 2023 (Cont'd)

### Reconciliation of liabilities arising from financing activities:

Group	Group		Company
	Lease Liabilities Note 6 RM	Term loans Note 21 RM	Lease Liabilities Note 6 RM
<b>At 1 January 2022</b>	1,324,985	340,505	-
Cash flows	(1,012,586)	(43,632)	(33,600)
Non-cash flows:			
- Acquisition of right-of-use assets	2,744,091	-	63,144
- Effect of foreign exchange	42,385	-	-
- Lease modification	(465,586)	-	-
- Interest expense	88,929	13,120	2,978
<b>At 31 December 2022/1 January 2023</b>	2,722,218	309,993	32,522
Cash flows	(1,730,130)	(47,348)	(33,600)
Non-cash flows:			
- Acquisition of right-of-use assets	2,019,079	-	-
- Effect of foreign exchange	97,134	-	-
- Lease modification	(192,305)	-	-
- Interest expense	178,654	16,478	1,078
At 31 December 2023	3,094,650	279,123	-

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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## 1. CORPORATE INFORMATION

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

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

The consolidated financial statements for the financial year ended 31 December 2023 comprise the Company and its subsidiaries and the interests of the Group in an associate. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 9 April 2024.

## 2. PRINCIPAL ACTIVITIES

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

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

## 3. BASIS OF PREPARATION

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

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

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

#### **4. OPERATING SEGMENT**

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

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

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

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

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

## Notes to the Financial Statements (Cont'd)

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## 4. OPERATING SEGMENT (CONT'D)

2023	Malaysia	Singapore	Indonesia	Vietnam	Philippines	Hong Kong/China	Taiwan	South Korea	Cambodia	Myanmar	Total	Inter-segment elimination	Group
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Revenue</b>													
External revenue	54,140,077	9,654,429	2,505,797	11,737,403	14,837,264	17,464,462	2,621,156	-	1,051,961	-	114,012,489	-	114,012,489
Inter-segment revenue	50,405,582	138,412	1,406,188	18,975	489,708	14,537	105,106	-	-	1,463	59,499,401	(59,499,401)	-
Total revenue	59,180,599	9,792,841	2,646,415	11,756,378	15,326,972	17,478,999	2,726,262	-	1,051,961	1,463	119,961,890	(59,499,401)	114,012,489
<b>Results</b>													
Profit/(Loss) from operations	2,788,607	(897,227)	(1,693,690)	333,872	2,374,830	(434,393)	(843,808)	(657)	(382,414)	(889,21)	113,6199	(119,4013)	(57,814)
Finance costs	(72,370)	(24,774)	(9,207)	(124,558)	(51,865)	(71,923)	(97,969)	-	(2,543)	(19,699)	(474,908)	248,563	(226,345)
Share of loss in equity accounted associates, net of tax	(426,348)	-	-	-	-	-	-	-	-	-	(426,348)	-	(426,348)
Profit/(Loss) before tax	2,269,889	(922,001)	(1,702,897)	209,314	2,322,965	(506,316)	(941,777)	(657)	(384,957)	(108,620)	234,943	(945,450)	(710,507)
Income tax expense	(899,304)	-	102,572	21,547	(658,627)	34,95	(28,401)	-	-	-	(1,458,718)	-	(1,458,718)
Profit/(Loss) for the financial year	1,370,585	(922,001)	(1,600,325)	230,861	1,664,338	(502,821)	(970,178)	(657)	(384,957)	(108,620)	(1,223,775)	(945,450)	(2,169,225)
Non-controlling interests	108,376	-	784,160	(49,254)	(83,227)	75,898	194,036	132	-	38,017	1,068,138	-	1,068,138
Profit/(Loss) attributable to Owners of the Company	1,478,961	(922,001)	(816,165)	181,607	1,581,111	(426,923)	(776,142)	(525)	(384,957)	(70,603)	(155,637)	(945,450)	(1,101,087)



## Notes to the Financial Statements (Cont'd)

**4. OPERATING SEGMENT (CONT'D)**

2023 (Cont'd)	Malaysia	Singapore	Indonesia	Vietnam	Philippines	Hong Kong/China	Taiwan	South Korea	Cambodia	Myanmar	Total	Inter-segment elimination	Group
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Assets and liabilities</b>													
Segment assets	5,966,306	6,840,937	2,417,159	8,035,250	18,965,386	20,584,350	1,232,646	-	335,091	20,057	110,397,182	(28,898,540)	81,498,642
Investments in an associate	255,433	-	-	-	-	-	-	-	-	-	255,433	-	255,433
<b>Consolidated total assets</b>	52,221,739	6,840,937	2,417,159	8,035,250	18,965,386	20,584,350	1,232,646	-	335,091	20,057	110,652,615	(28,898,540)	81,754,075
Segment liabilities	22,383,071	3,096,363	4,185,171	8,279,074	12,731,084	4,973,662	9,193,141	-	777,309	953,835	66,572,710	(24,236,625)	42,336,085
<b>Consolidated total liabilities</b>	22,383,071	3,096,363	4,185,171	8,279,074	12,731,084	4,973,662	9,193,141	-	777,309	953,835	66,572,710	(24,236,625)	42,336,085
<b>Other information</b>													
Capital expenditure	2,298,872	16,178	4,636	8,791	273,907	588,471	12,545	-	-	-	3,203,400	-	3,203,400
Amortisation of development expenditure	1,472,748	-	-	-	-	-	-	-	-	-	1,472,748	-	1,472,748
Depreciation	557,026	311,519	14,596	320,093	390,451	621,147	12,774	-	8,701	2,081	2,238,388	-	2,238,388
Material non-cash items other than depreciation and amortisation													
- (Reversal of)/impairment losses on:													
- trade receivables	(13,939)	-	263	88,628	(290,813)	(189,580)	(1,029)	-	-	-	(406,470)	-	(406,470)
- Property, plant and equipment written off	809	-	-	-	-	564	-	-	-	-	1,373	-	1,373
- Retirement benefits	-	-	8,374	-	37,982	-	-	-	-	-	46,356	-	46,356
- Net unrealised (gain)/loss on foreign exchange	28,488	72,585	(17,101)	(5,548)	14,077	(2,272)	(14,1968)	-	(1,261)	31,877	(84,897)	(170,882)	(255,779)

## Notes to the Financial Statements (Cont'd)

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## 4. OPERATING SEGMENT (CONT'D)

2022	Malaysia	Singapore	Indonesia	Vietnam	Philippines	Hong Kong/China	Taiwan	South Korea	Cambodia	Myanmar	Total	Inter-segment elimination	Group
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Revenue</b>													
External revenue	49,107,518	9,863,798	3,702,678	19,209,899	13,319,680	17,532,718	4,974,231	8,1854	1,420,261	3,815	119,216,452	-	119,216,452
Inter-segment revenue	5,323,830	428,987	234,975	54,658	115,999	41,229	29,093	-	9,520	13,992	6,252,263	(6,252,263)	-
Total revenue	54,431,348	10,292,785	3,937,653	19,264,557	13,435,679	17,573,947	5,003,324	8,1854	1,429,781	17,807	125,468,715	(6,252,263)	119,216,452
<b>Results</b>													
Profit/(Loss) from operations	1,389,671	(531,727)	(1,258,329)	531,321	727,522	1,166,524	(10,666,602)	38,092	3,475	(112,244)	887,703	(216,778)	670,925
Finance costs	(95,477)	(28,819)	(6,968)	(86,796)	(9,845)	(6,462)	(91,492)	(6,844)	(7,902)	(13,147)	(353,692)	216,778	(136,914)
Share of loss in equity-accounted associates, net of tax	(56,656)	-	-	-	-	-	-	-	-	-	(56,656)	-	(56,656)
Profit/(Loss) before tax	1,237,598	(560,546)	(1,265,297)	444,525	717,677	1,160,062	(1,588,094)	31,248	(4,427)	(125,391)	477,355	-	477,355
Income tax expense	(912,384)	3,133	4,767	(33,251)	(201,181)	(78,867)	110,112	-	-	-	(1,107,671)	-	(1,107,671)
Profit/(Loss) for the financial year	325,214	(557,413)	(1,260,530)	411,274	516,496	1,081,195	(1,047,982)	31,248	(4,427)	(125,391)	(630,316)	-	(630,316)
Non-controlling interests	144,288	-	64,0213	(81,328)	(26,428)	(224,940)	229,157	(73,337)	-	43,887	551,512	-	551,512
Profit/(Loss) attributable to Owners of the Company	469,502	(557,413)	(620,317)	329,946	490,068	856,255	(818,825)	(142,089)	(4,427)	(81,504)	(78,804)	-	(78,804)

## Notes to the Financial Statements (Cont'd)

**4. OPERATING SEGMENT (CONT'D)**

2022 (Cont'd)	Malaysia	Singapore	Indonesia	Vietnam	Philippines	Hong Kong/China	Taiwan	South Korea	Cambodia	Myanmar	Total	Inter-segment elimination	Group
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Assets and liabilities</b>													
Segment assets	42,004,739	8,398,327	3,562,133	11,519,550	11,832,068	20,930,018	1,828,016	667	394,513	93,154	100,553,185	(22,033,197)	78,519,988
Investments in an associate	658,736	-	-	-	-	-	-	-	-	-	658,736	-	658,736
<b>Consolidated total assets</b>	<b>42,663,475</b>	<b>8,398,327</b>	<b>3,562,133</b>	<b>11,519,550</b>	<b>11,832,068</b>	<b>20,930,018</b>	<b>1,828,016</b>	<b>667</b>	<b>394,513</b>	<b>93,154</b>	<b>101,211,921</b>	<b>(22,033,197)</b>	<b>79,178,724</b>
Segment liabilities	16,420,753	3,966,727	3,666,822	11,984,249	6,646,893	5,335,392	6,513,050	-	436,687	884,755	55,855,328	(17,569,771)	38,285,557
<b>Consolidated total liabilities</b>	<b>16,420,753</b>	<b>3,966,727</b>	<b>3,666,822</b>	<b>11,984,249</b>	<b>6,646,893</b>	<b>5,335,392</b>	<b>6,513,050</b>	<b>-</b>	<b>436,687</b>	<b>884,755</b>	<b>55,855,328</b>	<b>(17,569,771)</b>	<b>38,285,557</b>
<b>Other information</b>													
Capital expenditure	1,807,667	4,320	18,641	59,699	48,892	74,326	-	-	24,767	-	2,037,312	-	2,037,312
Amortisation of development expenditure	1,584,603	-	-	-	-	-	-	-	-	-	1,584,603	-	1,584,603
Depreciation	519,841	280,572	19,051	262,589	299,848	51,038	14,601	1,236	76,121	2,753	1,527,650	-	1,527,650
Material non-cash items other than depreciation and amortisation													
- (Reversal of)/impairment losses on:													
- trade receivables	(11,200)	(10)	(68,015)	(14,205)	70,780	244,684	(58,122)	-	-	-	183,912	-	183,912
- Property, plant and equipment written off	1	-	-	-	-	-	-	1,574	-	-	1,575	-	1,575
- Inventory written off	1,676	-	-	-	-	-	-	-	-	-	1,676	-	1,676
- Retirement benefits	-	-	117,485	-	57,326	-	-	-	-	-	174,811	-	174,811
- Net unrealised (gain)/loss on foreign exchange	(590,531)	51,959	14,532	30,505	(68,478)	27,880	556,999	(18,659)	3,969	(8,378)	9,798	(13,253)	(3,455)

## Notes to the Financial Statements (Cont'd)

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## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, fittings and office equipment	Computers and peripherals	Renovations	Total
	RM	RM	RM	RM
<b>At cost</b>				
At 1 January 2022	1,250,270	2,522,462	1,577,679	5,350,411
Additions	57,575	329,910	51,036	438,521
Written off	(6,549)	(34,194)	-	(40,743)
Disposals	-	(12,028)	-	(12,028)
Exchange differences	12,569	(9,146)	(9,477)	(6,054)
At 31 December 2022/1 January 2023	1,313,865	2,797,004	1,619,238	5,730,107
Additions	254,717	257,509	912,200	1,424,426
Written off	(197,962)	(367,908)	(47,078)	(612,948)
Exchange differences	34,599	41,439	52,148	128,186
At 31 December 2023	1,405,219	2,728,044	2,536,508	6,669,771
<b>Accumulated depreciation</b>				
At 1 January 2022	757,082	2,034,965	1,360,770	4,152,817
Charge for the financial year	99,032	255,585	196,215	550,832
Written off	(6,549)	(32,619)	-	(39,168)
Disposals	-	(11,069)	-	(11,069)
Exchange differences	5,858	(10,667)	(9,313)	(14,122)
At 31 December 2022/1 January 2023	855,423	2,236,195	1,547,672	4,639,290
Charge for the financial year	134,734	279,336	137,012	551,082
Written off	(154,220)	(354,505)	(44,074)	(552,799)
Exchange differences	25,556	27,860	46,258	99,674
At 31 December 2023	861,493	2,188,886	1,686,868	4,737,247
<b>Accumulated impairment</b>				
At 31 December 2022/ 1 January 2023	43,178	12,594	3,004	58,776
Written off	(43,178)	(12,594)	(3,004)	(58,776)
At 31 December 2023	-	-	-	-
<b>Carrying amount</b>				
At 31 December 2023	543,726	539,158	849,640	1,932,524
At 31 December 2022	415,264	548,215	68,562	1,032,041

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

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

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

The principal depreciation annual rates used are as follows:

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

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

## 6. LEASES

### Right-of-use assets

#### Leasehold shop offices

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>At cost</b>				
At 1 January	7,005,419	6,093,855	63,144	-
Additions	2,052,255	2,744,091	-	63,144
Modification	(172,857)	(385,558)	-	-
Written off	(3,027,176)	(1,487,855)	-	-
Exchange differences	166,575	40,886	-	-
<b>At 31 December</b>	<b>6,024,216</b>	<b>7,005,419</b>	<b>63,144</b>	<b>63,144</b>
<b>Accumulated depreciation</b>				
At 1 January	3,299,139	3,810,251	31,572	-
Charge for the financial year	1,687,306	976,818	31,572	31,572
Written off	(3,027,176)	(1,487,855)	-	-
Exchange differences	69,228	(75)	-	-
<b>At 31 December</b>	<b>2,028,497</b>	<b>3,299,139</b>	<b>63,144</b>	<b>31,572</b>
<b>Carrying amount</b>				
At 31 December	3,995,719	3,706,280	-	31,572

## Notes to the Financial Statements (Cont'd)

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**6. LEASES (CONT'D)****Right-of-use assets (Cont'd)****Lease liabilities**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	2,722,218	1,324,985	32,522	-
Additions	2,019,079	2,744,091	-	63,144
Modification	(192,305)	(465,586)	-	-
Lease payments	(1,730,130)	(1,012,586)	(33,600)	(33,600)
Interest expenses	178,654	88,929	1,078	2,978
Exchange differences	97,134	42,385	-	-
At 31 December	3,094,650	2,722,218	-	32,522

**Represented by:**

Current liabilities	1,632,160	1,192,357	-	32,522
Non-current liabilities	1,462,490	1,529,861	-	-
	3,094,650	2,722,218	-	32,522
Lease liabilities owing to non-financial institutions	3,094,650	2,722,218	-	32,522

- a. The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.  
After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.
- b. The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are one (1) to sixty-eight (68) years.
- c. The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- d. At the end of the reporting date, one (2022: one) unit of long term leasehold shop office of the Group with carrying amount of RM401,072 (2022: RM407,211) is charged as collateral to secure the banking facilities granted to a subsidiary.
- e. The incremental borrowing rates applied to the lease liabilities ranged from 3.92% to 6.05% (2022: from 3.92% to 6.05%).
- f. The Group has certain leases of properties with lease term of 12 months or less. The Group applies the "short-term lease" exemptions for these leases.

## Notes to the Financial Statements (Cont'd)

### 6. LEASES (CONT'D)

#### Right-of-use assets (Cont'd)

##### Lease liabilities (Cont'd)

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

Represented by:	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation charge of right-of-use assets (included in depreciation)	1,687,306	976,818	31,572	31,572
Interest expense on lease liabilities (included in finance costs)	178,654	88,929	1,078	2,978
Expense relating to short-term leases (included in other operating expenses)	373,940	841,140	-	-
Gain on lease modification (included in other operating income)	(19,448)	(80,028)	-	-
	2,220,452	1,826,859	32,650	34,550

h. Total cash outflows for leases are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Payments relating to short-term leases	373,940	841,140	-	-
Payments of lease liabilities	1,730,130	1,012,586	33,600	33,600
	2,104,070	1,853,726	33,600	-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Additions of right-of-use assets	2,052,255	2,744,091	-	63,144
Financed by lease liabilities	(2,019,079)	(2,744,091)	-	(63,144)
Cash payments on purchase of right-of-use assets	33,176	-	-	-

## Notes to the Financial Statements (Cont'd)

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## 6. LEASES (CONT'D)

## The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

Group	Incremental borrowing rate %	Within 1 year RM	1 - 2 years RM	Total RM
<b>31 December 2023</b>				
<b>Lease liabilities</b>				
Fixed rate	3.92 - 6.05	1,632,160	1,462,490	3,094,650
<b>31 December 2022</b>				
<b>Lease liabilities</b>				
Fixed rate	3.92 - 6.05	1,192,357	1,529,861	2,722,218
Company	Incremental borrowing rate %	Within 1 year RM	1 - 2 years RM	Total RM
<b>31 December 2022</b>				
<b>Lease liabilities</b>				
Fixed rate	6.05	32,522	-	32,522

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

Group	Within 1 year RM	1 - 2 years RM	Total RM
<b>31 December 2023</b>			
Lease liabilities	1,733,907	1,478,231	3,212,138
<b>31 December 2022</b>			
Lease liabilities	1,333,745	1,615,707	2,949,452
Company	Within 1 year RM	1 - 2 years RM	Total RM
<b>31 December 2022</b>			
Lease liabilities	33,600	-	33,600



## Notes to the Financial Statements (Cont'd)

### 7. INTANGIBLE ASSETS

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
<b>Development expenditure</b>		
<b>Cost</b>		
At 1 January	22,302,610	20,696,724
Additions	1,778,974	1,598,791
Exchange differences	4,630	7,095
At 31 December	24,086,214	22,302,610
<b>Accumulated amortisation</b>		
At 1 January	17,595,926	16,004,228
Charge for the financial year	1,472,748	1,584,603
Exchange differences	4,630	7,095
At 31 December	19,073,304	17,595,926
<b>Accumulated impairment</b>		
At 1 January/31 December	256,604	256,604
<b>Carrying amount</b>	<b>4,756,306</b>	<b>4,450,080</b>

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

The expenditure capitalised includes direct labour and cost of materials that are directly attributable to preparing the asset for its intended use. Development expenditure is amortised from the commencement of the income recognition to which the asset relates on the straight line basis over the period of expected benefit of five (5) years (2022: five (5) years).

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

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Staff costs (Note 23)	1,774,303	1,593,091
Other software costs	4,671	5,700
	<b>1,778,974</b>	<b>1,598,791</b>

## Notes to the Financial Statements (Cont'd)

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## 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
<b>Unquoted shares, at cost</b>		
At 1 January/31 December	15,335,819	15,335,819

- a. Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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

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

	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
<b>Subsidiaries of the Company</b>				
Innity Sdn. Bhd.	Malaysia	100%	100%	Provision of technology based online advertising solutions and other related internet services
PassionCo Sdn. Bhd.	Malaysia	100%	100%	Dormant
<b>Subsidiaries of Innity Sdn. Bhd.</b>				
Innity Limited*	Hong Kong	100%	100%	Investment holding company
PT Media Innity*	Indonesia	51%	51%	Provision of technology based online advertising solutions and other related internet services
DoMedia Asia Sdn. Bhd.	Malaysia	100%	100%	Provision of technology based online advertising solutions and other related internet services
Innity China Co., Limited	Hong Kong	80%	80%	Provision of technology based online advertising solutions and other related internet services

## Notes to the Financial Statements (Cont'd)

### 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
<b>Subsidiaries of Innity Sdn. Bhd. (Cont'd)</b>				
Innity Philippines Inc.*	Philippines	95%	95%	Provision of technology based online advertising solutions and other related internet services
Appsploration Sdn. Bhd.	Malaysia	75%	75%	Developing computer and mobile software applications
Innity Shanghai Ltd.*	China	100%	100%	Dormant
Dynamic Outdoor Media Sdn. Bhd.	Malaysia	100%	100%	Dormant
Offerstation Sdn. Bhd.	Malaysia	90%	90%	Operate promotional and sales events information website
Innity Korea Co., Ltd. #	South Korea	-	80%	Dissolved
Innity Myanmar Co., Ltd. #	Myanmar	65%	65%	Provision of technology based online advertising solutions and other related internet services
Innity (Cambodia) Co., Ltd. #	Cambodia	100%	100%	Provision of technology based online advertising solutions and other related internet services
Innity Singapore Pte. Ltd.*	Singapore	100%	100%	Provision of technology based online advertising solutions and other related internet services
<b>Subsidiaries of Innity Limited</b>				
Innity Vietnam Co., Ltd.*	Vietnam	88%	88%	Software production house
<b>Subsidiary of Innity Vietnam Co., Ltd.</b>				
Innity Software and Advertising Co., Ltd.	Vietnam	79%	79%	Provision of technology based online advertising solutions and other related internet services
<b>Subsidiary of Innity China Co., Limited</b>				
Innity Taiwan Limited*	Belize	80%	80%	Provision of technology based online advertising solutions and other related internet services
Passionation (Hong Kong) Limited*	Hong Kong	80%	80%	Development of content and influencer marketing

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

# No statutory audit requirement.

## Notes to the Financial Statements (Cont'd)

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**8. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

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

Innity Korea Co., Ltd, an 80% owned subsidiary of the Group has completed its dissolution with the attainment of business closure certificate on 10 April 2023 with no material financial impact to the Group.

- d. Changes in the Group's composition during the financial year ended 31 December 2022.

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

- e. Interest in subsidiaries with material non-controlling interests ("NCI").

The Group has the following subsidiaries with NCI that is material to the Group.

	2023 RM	2022 RM
Carrying amount of non-controlling interests:		
Innity China Co., Limited Group ("ICCL Group")*	1,475,392	1,681,314
PT Media Innity ("PTM")	(849,665)	(34,637)
Other subsidiaries with immaterial non-controlling interests	(362,701)	(304,355)
	263,026	1,342,322
(Loss)/Profit attributable to non-controlling interests:		
ICCL Group*	(269,934)	(4,218)
PTM	(784,159)	(640,213)
Other subsidiaries with immaterial non-controlling interests	(14,045)	92,919
	(1,068,138)	(551,512)
Total comprehensive (loss)/profit attributable to non-controlling interests:		
ICCL Group*	(205,922)	(1,143)
PTM	(815,028)	(608,410)
Other subsidiaries with immaterial non-controlling interests	(13,633)	286,673
	(1,034,583)	(322,880)

\*Includes companies that are held by ICCL as disclosed in Note 8(b) to the financial statements.

## Notes to the Financial Statements (Cont'd)

### 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- e. Interest in subsidiaries with material non-controlling interests ("NCI") (Cont'd)

#### Summarised financial information about subsidiaries with material NCI

- i. Summarised statements of financial position

	ICCL Group		PTM	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Current</b>				
Assets	16,114,757	18,247,577	2,191,602	3,340,781
Liabilities	(11,185,334)	(11,049,583)	(3,826,371)	(3,335,413)
<b>Net current assets</b>	<b>4,929,423</b>	<b>7,197,994</b>	<b>(1,634,769)</b>	<b>5,368</b>
<b>Non-current assets</b>	<b>5,074,138</b>	<b>4,209,012</b>	<b>259,557</b>	<b>255,353</b>
<b>Non-current liabilities</b>	<b>(2,626,603)</b>	<b>(3,000,438)</b>	<b>(358,798)</b>	<b>(331,408)</b>
<b>Net assets/(liabilities)</b>	<b>7,376,958</b>	<b>8,406,568</b>	<b>(1,734,010)</b>	<b>(70,687)</b>

- ii. Summarised statements of profit or loss and other comprehensive income

	ICCL Group		PTM	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	20,476,639	22,839,268	2,646,415	3,937,653
(Loss)/Profit before tax	(1,324,762)	(52,333)	(1,702,897)	(1,311,325)
(Loss)/Profit for the financial year	(1,349,668)	(21,088)	(1,600,325)	(1,306,558)
Total comprehensive (loss)/income	(1,029,610)	(5,715)	(1,663,323)	(1,241,654)

- iii. Other summarised information

	ICCL Group		PTM	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from/(used in) operating activities	687,892	1,690,215	(1,125,714)	588,943
Cash flows used in investing activities	(3,536,461)	(1,343,320)	(4,636)	(18,641)
Cash flows from/(used in) financing activities	(518,685)	272,420	-	-
Effect of changes in foreign exchange	8	14,416	-	-
Net (decrease)/increase in cash and cash equivalents	(3,367,246)	633,731	(1,130,350)	570,302

## Notes to the Financial Statements (Cont'd)

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## 9. INVESTMENT IN AN ASSOCIATE

	Group	
	2023 RM	2022 RM
Unquoted shares, at cost	108,106	108,106
Share of post-acquisition profit of an associate	82,023	508,371
Exchange difference	65,304	42,259
	255,433	658,736

- a. Investment in an associate is measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- b. The details of the associate is as follows:

	Country of incorporation/ Principal place of business	Group's effective and voting interests		Principal activities
		2023	2022	
<b>Associate of the Company</b>				
<b>Held through Innity Limited</b>				
Innity Digital Media (Thailand) Co., Ltd. ("Innity Thailand")*	Thailand	49%	49%	Provision of technology based online advertising solutions and other related internet services

\* Associates not audited by BDO PLT and BDO member firms.

Innity Thailand is a result of the business alliance of the Group to access new customers in Thailand market.

The summarised financial information of the material associate is as follows:

	Innity Thailand RM
<b>2023</b>	
<b>Assets and liabilities</b>	
Non-current assets	233,250
Current assets	2,702,798
Total assets	2,936,048
Non-current liabilities	91,722
Current liabilities	2,323,034
Total liabilities	2,414,756
<b>Net assets</b>	521,292
<b>Results</b>	
Revenue	3,955,092
Loss for the financial year/Total comprehensive loss for the financial year	(870,097)

## Notes to the Financial Statements (Cont'd)

### 9. INVESTMENT IN AN ASSOCIATE (CONT'D)

- b. The details of the associate is as follows: (Cont'd)

The summarised financial information of the material associate is as follows: (Cont'd)

	<b>Innity Thailand RM</b>
<b>2022</b>	
<b>Assets and liabilities</b>	
Non-current assets	422,040
Current assets	3,335,831
<b>Total assets</b>	<b>3,757,871</b>
Current liabilities/Total liabilities	2,413,511
<b>Net assets</b>	<b>1,344,360</b>
<b>Results</b>	
Revenue	5,237,486
Loss for the financial year/Total comprehensive loss for the financial year	(115,625)

Reconciliation of the summarised financial information presented to the carrying amount of the investment in an associate is as follows:

	<b>Innity Thailand RM</b>
<b>2023</b>	
Group's share of net assets	255,433
<b>2022</b>	
Group's share of net assets	658,736

- c. When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognised of further losses is discontinued except to the extent that Group has an obligation to fund the investee's operations or has made payment on behalf of these investee.

## Notes to the Financial Statements (Cont'd)

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## 10. GOODWILL

	Group	
	2023 RM	2022 RM
<b>Cost</b>		
At 1 January/31 December	442,872	442,872
<b>Accumulated impairment losses</b>		
At 1 January/ 31 December	442,872	442,872
<b>Carrying amount</b>		
At 1 January/ 31 December	-	-

- a. Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.
- b. Goodwill arising from business combinations has been allocated to two (2) individual cash- generating units ('CGU') for impairment testing as follows:

	Wi-Fi Advertising Platform	Digital Advertising Platform	Total
	RM	RM	RM
Goodwill, gross	148,049	294,823	442,872
Less: Impairment loss	(148,049)	(294,823)	(442,872)
Carrying amount	-	-	-

- c. In the previous financial years, the Group had recognised an impairment loss of RM148,909 and RM294,823 in respect of CGU of Wi-Fi and Digital Advertising Platform respectively as the carrying amounts exceeded the recoverable amounts and this impairment loss had been recorded in profit or loss. The recoverable amounts were below the carrying amounts due to declining business operation in these CGU.



## Notes to the Financial Statements (Cont'd)

### 11. DEFERRED TAX

#### Recognised deferred tax assets and liabilities

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2023 RM	2022 RM
Deferred tax assets	824,130	702,934
Deferred tax liabilities	(1,168,135)	(933,552)
	(344,005)	(230,618)

- a. The amount of the deferred tax income or expense recognised in the statements of profit or loss and statements of comprehensive income during the financial year are as follows:

	Note	Group	
		2023 RM	2022 RM
At 1 January		(230,618)	166,375
Recognised in profit or loss	27		
- current year			
- Malaysia		(97,479)	(485,743)
- Outside Malaysia		(69,398)	153,408
- (under)/over provision in prior years			
- Malaysia		(109,919)	7,091
- Outside Malaysia		134,929	(957)
		(141,867)	(326,201)
Recognised in other comprehensive income	27(d)	(307)	(52,424)
Exchange differences		28,787	(18,368)
At 31 December		(344,005)	(230,618)

## Notes to the Financial Statements (Cont'd)

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**11. DEFERRED TAX (CONT'D)****Recognised deferred tax assets and liabilities (Cont'd)**

- b. The components of deferred tax assets and liabilities at the end of each reporting period comprise the tax effects of:

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Deferred tax assets (before offsetting)		
- Retirement benefit obligations	117,544	100,566
- Unutilised tax losses and unabsorbed capital allowances	8,189	19,414
- Lease liabilities	11,529	-
- Impairment losses on trade receivables	420,774	540,619
- Other deductible temporary differences	597,637	472,590
	1,155,673	1,133,189
Offsetting	(331,543)	(430,255)
Deferred tax assets (after offsetting)	824,130	702,934
Deferred tax liabilities (before offsetting)		
- Carrying amount of development expenditure	(1,140,128)	(1,068,019)
- Excess of tax capital allowances over related depreciation of property, plant and equipment	(148,702)	(68,585)
- Lease liabilities	-	(10,834)
- Other deductible temporary differences	(210,848)	(216,369)
	(1,499,678)	(1,363,807)
Offsetting	331,543	430,255
Deferred tax liabilities (after offsetting)	(1,168,135)	(933,552)
	(344,005)	(230,618)

## 11. DEFERRED TAX (CONT'D)

### Unrecognised deferred tax assets

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows (stated at gross):

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other deductible temporary differences	201,355	393,176	-	-
Unabsorbed capital allowances	309,283	264,030	-	-
Unutilised tax losses allowed to be utilised up to financial year ending 31 December				
-No expiry date	1,883,809	495,708	-	-
-2023	-	73,772	-	-
-2024	51,831	51,831	-	-
-2025	523,501	523,501	-	-
-2026 to 2033	13,593,056	12,208,875	389,821	363,961
	16,562,835	14,010,893	389,821	363,961

Deferred tax assets of the Company and certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the Company and certain subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local and foreign tax authorities. Unutilised tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

Unrecognised deferred tax assets arising from unutilised tax losses amounting to RM73,772 has expired during the current financial year.

## 12. INVENTORIES

	Group	
	2023 RM	2022 RM
<b>At cost</b>		
Inventories	11,933	34,505
<b>Recognised in profit or loss:</b>		
Inventories written off	-	1,676

- Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out formula. Cost comprises purchase price plus cost incurred in bringing the inventories to their present condition and location.
- The inventories represent trading goods for e-commerce business.

## Notes to the Financial Statements (Cont'd)

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**13. TRADE RECEIVABLES**

	Group	
	2023 RM	2022 RM
Third parties	32,712,315	29,852,606
Amount due from an associate	37,004	35,034
	32,749,319	29,887,640
Less: Impairment losses	(2,272,827)	(2,647,215)
	30,476,492	27,240,425

- Trade receivables are classified as financial assets and measured at amortised cost.
- Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranged from 30 days to 150 days (2022: 30 days to 150 days). Trade receivables are recognised at the original invoices values, which represent the fair values on initial recognition.
- Foreign currency exposure of trade receivables of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2023 RM	2022 RM
United States Dollar	328,580	1,158,412
Singapore Dollar	-	44,741

- Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses a provision matrix to measure the expected credit loss ("ECL") of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the geographical regions.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors which the Group has identified as digital advertising expenditure (ADEX) and gross domestic product growth rate of Information and Communications Technology industry in Malaysia, and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

**13. TRADE RECEIVABLES (CONT'D)**

- d. It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

Group	2023		
	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
Current (not past due)	13,855,965	(39,837)	13,816,128
1 - 30 days past due	7,181,850	(115,271)	7,066,579
31 - 60 days past due	4,385,451	(28,232)	4,357,219
61 - 90 days past due	1,442,285	(6,333)	1,435,952
91 - 120 days past due	2,072,601	(14,250)	2,058,351
More than 120 days past due	3,811,167	(2,068,904)	1,742,263
	32,749,319	(2,272,827)	30,476,492

Group	2022		
	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
Current (not past due)	8,063,798	(19,798)	8,044,000
1 - 30 days past due	7,117,416	(157,901)	6,959,515
31 - 60 days past due	5,136,817	(72,055)	5,064,762
61 - 90 days past due	2,893,164	(120,190)	2,772,974
91 - 120 days past due	2,797,091	(910,758)	1,886,333
More than 120 days past due	3,879,354	(1,366,513)	2,512,841
	29,887,640	(2,647,215)	27,240,425

Trade receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

As at the end of each reporting period, no collateral has been obtained by the Group. Thus, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivables of the Group.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

## Notes to the Financial Statements (Cont'd)

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**13. TRADE RECEIVABLES (CONT'D)**

- e. Reconciliation of movements in impairment losses on trade receivables are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	2,647,215	2,585,320
Charge for the financial year	252,642	335,848
Reversal for the financial year	(659,112)	(151,936)
Written off	(66,078)	(73,766)
Exchange differences	98,160	(48,251)
At 31 December	2,272,827	2,647,215

- f. Included in trade receivables is amount due from subsidiaries of a corporate shareholder which amounted to RM288,800 (2022: RM155,776).
- g. Trade receivables of a subsidiary amounting to RM7,000,000 (2022: RM8,666,666) has been pledged to a licensed bank for factoring facility granted to the subsidiary.

**14. OTHER RECEIVABLES, DEPOSITS, CONTRACT ASSETS AND PREPAYMENTS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	1,138,193	1,314,117	9,000	-
Amounts due from subsidiaries	-	-	1,689,818	893,815
Amount due from an associate	367,623	105,265	150,846	62,807
	1,505,816	1,419,382	1,849,664	956,622
Less: Impairment losses	(552,647)	(547,845)	(146,888)	(116,794)
	953,169	871,537	1,702,776	839,828
Deposits	583,454	576,665	1,500	1,500
Total other receivables and deposits	1,536,623	1,448,202	1,704,276	841,328
Contract assets	3,425,020	2,623,046	-	-
Prepayments	1,171,614	1,250,300	20,698	23,516
	6,133,257	5,321,548	1,724,974	864,844

- a. Other receivables and deposits are classified as financial assets and measured at amortised cost.
- b. Amounts due from subsidiaries represent payments made on behalf and advances given, which are unsecured, interest-free and receivable within next twelve months in cash and cash equivalents except for an amount of RM1,217,101 (2022: RM732,404) which bears interest ranging from 2.45% to 2.60% (2022: 1.73%) per annum.

## Notes to the Financial Statements (Cont'd)

### 14. OTHER RECEIVABLES, DEPOSITS, CONTRACT ASSETS AND PREPAYMENTS (CONT'D)

- c. Amount due from an associate represents payments made on behalf and advances given, which are unsecured, interest-free and receivable within next twelve months in cash and cash equivalents except for an amount of RM150,846 (2022: RM62,807) which bears interest ranging from 2.45% to 2.60% (2022: 1.73%) per annum.
- d. Foreign currency exposure of other receivables (including amounts due from an associate) and deposits of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2023 RM	2022 RM
United States Dollar	62,762	936

- e. Impairment for other receivables, including amounts due from subsidiaries and an associate are recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. Other receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments.

Generally, the Group and the Company consider loans and advances to subsidiaries and an associate to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when the financial position of a subsidiary or an associate deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the subsidiaries' and associate's loans and advances when they are payable, the Group and the Company consider the loans and advances to be in default when the subsidiaries and the associate are not able to pay when demanded. The loan or advance of the subsidiary or associate to be considered as credit impaired when:

- the subsidiary or associate is unlikely to repay its loan or advance to the Group or the Company in full;
- the subsidiary or associate is continuously loss making and is having a deficit shareholders' fund; and
- past due 60 days.

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

Reconciliation of movements in impairment losses on other receivables are as follows:

Credit Impaired	Group	
	2023 RM	2022 RM
At 1 January	547,845	550,115
Exchange differences	4,802	(2,270)
At 31 December	552,647	547,845

## Notes to the Financial Statements (Cont'd)

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**14. OTHER RECEIVABLES, DEPOSITS, CONTRACT ASSETS AND PREPAYMENTS (CONT'D)**

- e. The following tables provide information about the exposure to credit risk and ECLs for subsidiaries' and associate's loans and advances as at 31 December 2023 and 31 December 2022:

<b>31 December 2023</b>			
	<b>Gross carrying amount</b>	<b>Impairment losses</b>	<b>Net balance</b>
<b>Group</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Low credit risk	367,623	- *	367,623
<b>Company</b>			
Low credit risk	1,693,776	-*	1,693,776
Credit impaired	146,888	(146,888)	-
	1,840,664	(146,888)	1,693,776

<b>31 December 2022</b>			
	<b>Gross carrying amount</b>	<b>Impairment losses</b>	<b>Net balance</b>
<b>Group</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Low credit risk	105,265	- *	105,265
<b>Company</b>			
Low credit risk	839,828	-*	839,828
Credit impaired	116,794	(116,794)	-
	956,622	(116,794)	839,828

\* Expected credit loss is negligible.

Reconciliation of movements in impairment losses on amounts due from subsidiaries are as follows:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
At 1 January	116,794	60,086
Charge for the financial year	66,649	56,708
Written off	(36,555)	-
At 31 December	146,888	116,794



## Notes to the Financial Statements (Cont'd)

### 14. OTHER RECEIVABLES, DEPOSITS, CONTRACT ASSETS AND PREPAYMENTS (CONT'D)

- f. Contract assets represent the timing differences in revenue recognition and the billings. The billings are issued upon the completion of contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. There is no significant changes in the contract assets during the financial year.

No expected credit losses were recognised arising from contract assets as it is negligible.

### 15. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	21,939,101	29,427,005	238,197	420,706
Fixed deposits with licensed banks	10,841,725	6,012,021	-	-
	32,780,826	35,439,026	238,197	420,706
Less: Short term deposits with maturity period more than three (3) months	(8,829,918)	(3,955,539)	-	-
Less: Fixed deposits pledged to licensed banks	(2,011,807)	(2,056,482)	-	-
Less: Bank overdraft (Note 21)	(1,367,179)	-	-	-
Cash and cash equivalents included in the statements of cash flows	20,571,922	29,427,005	238,197	420,706

- a. Cash and bank balances are financial assets that are measured at amortised cost which have an insignificant risk of changes in fair value, and are used by the Group and the Company in the management of their short term commitments.
- b. Bank balances earn interest at floating rates based on daily bank deposit rates. Deposits with licensed banks are made for varying periods of one (1) month to twelve (12) months (2022: one (1) month to twelve (12) months), depending on the immediate cash requirements of the Group, and earn interest at rates ranging from 0.65% to 5.00% (2022: 0.10% to 2.70%) per annum.

Fixed deposit of a subsidiary amounting to RM2,011,807 (2022: RM1,912,744) has been pledged to licensed banks for credit facilities granted to the subsidiary of the Group as disclosed in Note 21 to the financial statements. In the previous financial year, another fixed deposit of a subsidiary amounted to RM143,738 had been pledged to third party for supply of services to the subsidiary.

## Notes to the Financial Statements (Cont'd)

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**15. CASH AND BANK BALANCES (CONT'D)**

- c. Foreign currency exposure of cash and bank balances other than the functional currency of the Group entities is as follows:

	Group	
	2023 RM	2022 RM
Chinese Renminbi	35,871	20,995
Hong Kong Dollar	168,639	161,922
Singapore Dollar	228	10,295
United States Dollar	9,911,173	9,521,974

- d. No expected credit losses were recognised arising from deposits with financial institutions because the probability of default by these financial institutions were negligible.

**16. SHARE CAPITAL**

	Group and Company			
	2023		2022	
	Number of shares	Amount RM	Number of shares	Amount RM
<b>Issued and fully paid ordinary shares with no par value</b>				
At 1 January/31 December	139,403,415	19,477,031	139,403,415	19,477,031

The owners of the Company are entitled to receive dividends as and when declared by the Company and entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

## Notes to the Financial Statements (Cont'd)

### 17. RESERVES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Reverse acquisition reserve (legal capital adjustment)	(2,512,173)	(2,512,173)	-	-
Foreign currency translation reserve	1,442,996	736,807	-	-
	(1,069,177)	(1,775,366)	-	-
Retained profits/(Accumulated losses)	20,747,110	21,849,180	(3,787,479)	(3,950,634)
	19,677,933	20,073,814	(3,787,479)	(3,950,634)

a. **Reverse acquisition reserve**

Reverse acquisition reserve arose from the reverse acquisition of the Company by Innity Sdn. Bhd..

b. **Foreign currency translation reserve**

Foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

### 18. RETIREMENT BENEFIT OBLIGATIONS

	Group	
	2023 RM	2022 RM
Present value of retirement benefit obligations/Net liability arising from retirement benefit obligations	513,232	442,031

- a. Retirement benefit obligations are post employment benefit plans other than defined contribution plans and under which the pension benefits payable to employees are usually determined by reference to employee's earning and/or length of service.

The defined benefit liability recognised is net total of the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised past service cost.

The present value of the defined benefit obligation is determined by independent qualified actuaries using the Projected Unit Credit Method, by discounting estimated future cash outflows using interest rates of high quality corporate bonds or market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the defined benefit obligations.

## Notes to the Financial Statements (Cont'd)

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**18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

- a. Remeasurements comprising actuarial gains or losses arising from experience adjustments or changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the reporting period in which they arise and it would not be reclassified to profit or loss in subsequent periods.
- b. The movements in the present value of the retirement benefit obligations are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	442,031	502,549
Expenses/(Income) recognised in profit or loss (included in staff costs) (Note 23)		
- current service cost	106,127	146,605
- interest cost	27,943	28,206
- gain on settlement	(87,714)	-
Remeasurement of retirement benefit obligations recognised in other comprehensive income	1,567	(219,681)
Exchange differences	23,278	(15,648)
At 31 December	513,232	442,031

- c. The Group provides retirement benefit obligations for qualifying employees of its overseas subsidiaries, PT Media Innity and Innity Philippines Inc., in accordance with the legislations established in Indonesia and Philippines respectively.

The principal actuarial assumptions used are as follows:

For the reporting period	Discount rate %	Annual salary increase %
2023		
- Indonesia	7.00	8.00
- Philippines	6.61	5.00
2022		
- Indonesia	7.25	8.00
- Philippines	7.81	5.00

## 18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

### d. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the retirement benefit obligation by the amounts shown below.

	Group	
	2023 RM	2022 RM
Discount rate:		
- if 1% increase	(88,489)	(67,049)
- if 1% decrease	85,673	80,855
Annual salary:		
- if 1% increase	84,673	80,165
- if 1% decrease	(89,066)	(67,640)

The sensitivity analysis presented above may not be representative of the actual change in the retirement benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## 19. TRADE PAYABLES

	Group	
	2023 RM	2022 RM
Third parties	20,990,365	21,419,905
Amount due to an associate	13,178	11,266
	21,003,543	21,431,171

- Trade payables are classified as financial liabilities and measured at amortised cost.
- Trade payables are non-interest bearing and the normal trade credits granted to the Group range from 30 to 90 days (2022: 30 to 90 days).
- Included in trade payables is provision of direct costs to publishers for on-going advertising activities as of end of the reporting period which amounted to RM14,191,612 (2022: RM15,183,527).

The provision of direct costs to the publishers are based on rate card profit margin and the number of unit served for each of the on-going advertising campaign as of end of reporting period. Actual payments may differ from these direct cost provided when the final settlements are reached between the parties. However, the Group does not expect material differences to arise from the final settlements with the publishers upon completion of the campaigns.

## Notes to the Financial Statements (Cont'd)

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**19. TRADE PAYABLES (CONT'D)**

- d. Foreign currency exposure of trade payables of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2023 RM	2022 RM
Chinese Renminbi	15,105	-
Hong Kong Dollar	4,259	6,132
Indonesian Rupiah	542	365
Korean Won	-	38,339
New Taiwan Dollar	5,897	15,836
Philippines Peso	784	15,743
Singapore Dollar	5,568	917
Thai Baht	14,967	32,267
United States Dollar	250,862	355,955
Vietnamese Dong	268	463

**20. OTHER PAYABLES, CONTRACT LIABILITIES AND ACCRUALS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-current liabilities</b>				
Amount due to a subsidiary	-	-	1,059,454	209,840
<b>Current liabilities</b>				
Other payables	2,569,091	1,684,740	40,221	2,803
Amount due to a subsidiary	-	-	-	330,411
Amount due to an associate	19,118	16,970	-	-
Accruals	4,819,781	4,448,247	404,863	457,461
Other payables and accruals	7,407,990	6,149,957	445,084	790,675
Contract liabilities	4,013,531	3,154,780	-	-
Indirect tax payable	2,219,772	2,104,059	-	-
Statutory liabilities	1,105,502	977,104	104,900	93,507
	14,746,795	12,385,900	549,984	884,182
<b>Total other payables, contract liabilities and accruals</b>	<b>14,746,795</b>	<b>12,385,900</b>	<b>1,609,438</b>	<b>1,094,022</b>

## Notes to the Financial Statements (Cont'd)

### 20. OTHER PAYABLES, CONTRACT LIABILITIES AND ACCRUALS (CONT'D)

- a. Other payables and accruals are classified as financial liabilities and measured at amortised cost.
- b. The contract liabilities are stated at cost and represent the obligation primarily related to the advance consideration received or due from customers, which revenue is recognised over a period of time for services to be rendered. The contract liabilities are expected to be derecognised when the performance obligations of the contract are met.

The amount of RM3,154,780 recognised in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2023. The amount of RM4,013,531 recognised in contract liabilities at the end of the reporting period is expected to be recognised as revenue in the next financial year. There is no significant changes in the contract liabilities during the financial year.

- c. Non-current amount due to a subsidiary represents advances and payments made on behalf, which are unsecured, interest-free and payable after twelve (12) months in cash and cash equivalents. The carrying amount of the non-current amount due to a subsidiary is reasonable approximation of its fair value due to the insignificant impact of discounting.

In the previous financial year, current amount due to a subsidiary represented advances and payments made on behalf, which were unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents except for an amount of RM237,846 which bore interest at 1.73% per annum.

- d. Amount due to an associate represents advances and payments made on behalf, which are unsecured, interest-free and payable within twelve (12) months in cash and cash equivalents.
- e. Foreign currency exposure of other payables and accruals of the Group other than the functional currency of the Group entities is as follows:

	Group	
	2023 RM	2022 RM
New Taiwan Dollar	69	-
Singapore Dollar	22,836	-
Thai Baht	854	745
United States Dollar	42,386	75,373

### 21. BORROWINGS

	Group	
	2023 RM	2022 RM
<b>Secured:</b>		
<b>Non-current</b>		
Term loan	245,788	277,707
<b>Current</b>		
Term loan	33,335	32,286
Bank overdraft	1,367,179	-
	1,400,514	32,286

## Notes to the Financial Statements (Cont'd)

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**21. BORROWINGS (CONT'D)**

	Group	
	2023 RM	2022 RM
<b>Secured: (Cont'd)</b>		
<b>Total borrowings</b>		
Term loan	279,123	309,993
Bank overdraft	1,367,179	-
	1,646,302	309,993
<b>Maturity of borrowings:</b>		
Not later than 1 year	1,400,514	32,286
Later than 1 year and not later than 5 years	145,126	140,648
More than 5 years	100,662	137,059
<b>Total</b>	1,646,302	309,993

- a. Borrowings are classified as financial liabilities measured at amortised cost.
- b. On 3 January 2020, Innity Sdn. Bhd. obtained a term loan from a financial institution. The salient terms of the facility are as follows:
  - i. Facility amount: RM357,000.
  - ii. Bank interest rate: 1.77% p.a. + Kuala Lumpur Interbank Offered Rate.
  - iii. Purpose: To finance the purchase of 1 unit of office lot known as Unit No. C605, Block C, Level 6, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
  - iv. Tenure: Ten (10) years or one hundred and twenty (120) months.
  - v. Payment: Principal shall be repayable in monthly instalments and such instalment amounts shall be inclusive of interest commencing from May 2021.
- c. The secured borrowings of the Group are secured by the following:
  - i. A fixed charge over a subsidiary's office building as disclosed in Note 6(d) to the financial statements;
  - ii. Pledge of fixed deposits of the Group with licensed banks as disclosed in Note 15(b) to the financial statements; and
  - iii. Corporate guarantee by the Company.
- d. The weighted average effective interest rates are as follows:

	Group	
	2023 %	2022 %
Term loan	4.91	4.03
Bank overdraft	7.99	-



## Notes to the Financial Statements (Cont'd)

**21. BORROWINGS (CONT'D)**

- e. The term loan and bank overdraft of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- f. The borrowings are denominated in Ringgit Malaysia.
- g. The table below summarises the maturity profile of the Group's borrowings at the end of reporting period based on contractual undiscounted repayment obligations:

	On demand or within 1 year	1 to 5 years	Over 5 years	Total
	RM	RM	RM	RM
<b>Group</b>				
<b>2023</b>				
Term loan	42,206	168,825	105,060	316,091
Bank overdraft	1,367,179	-	-	1,367,179
Total undiscounted financial liabilities	1,409,385	168,825	105,060	1,683,270
<b>2022</b>				
Term loan/Total undiscounted financial liabilities	42,206	168,825	144,480	355,511

- h. Carrying amount of the borrowings are reasonable approximation of fair values due to the current rates offered to the Group approximate the market rates of similar borrowing of the same remaining maturities.

**22. REVENUE**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contracts with customers:</b>				
Technology based online advertising solutions	113,713,834	118,960,358	-	-
Management fees from:				
- subsidiaries	-	-	3,965,762	3,542,054
- an associate	298,655	256,094	298,655	256,094
	114,012,489	119,216,452	4,264,417	3,798,148
<b>Other revenue:</b>				
Dividend income from a subsidiary	-	-	600,000	750,000
	114,012,489	119,216,452	4,864,417	4,548,148

## Notes to the Financial Statements (Cont'd)

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**22. REVENUE (CONT'D)**

- a. Revenue from sale of technology based online advertising solutions is recognised over time when the services have been rendered to the customer and coincides with the delivery of services and acceptance by customers.

There is no significant financing component in the revenue arising from services rendered as the services were made on the normal credit terms not exceeding twelve (12) months.

- b. Management fees from the provision of management services to the subsidiaries and the associate are recognised over time when the subsidiaries and the associate simultaneously receive and consume the benefits.
- c. Dividend income is recognised when the right of the Company to receive payment is established.
- d. Revenue from contracts with customers is disaggregated in Note 4 by geographical market.

**23. STAFF COSTS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages and bonuses	40,069,194	35,123,694	527,097	439,766
Defined contribution plan	3,035,803	2,542,830	42,361	16,425
Defined benefit plan (Note 18)	46,356	174,811	-	-
Other employee related expenses	1,981,392	3,370,800	91,904	56,167
	45,132,745	41,212,135	661,362	512,358
Staff costs recognised as intangible assets (Note 7)	(1,774,303)	(1,593,091)	-	-
	43,358,442	39,619,044	661,362	512,358

## Notes to the Financial Statements (Cont'd)

### 23. STAFF COSTS (CONT'D)

- a. The number of Directors of the Group where total remuneration during the reporting period falls within the following bands is analysed as follows:

	2023	2022
<b>Executive Directors:</b>		
RM300,001 to RM350,000	1	1
RM350,001 to RM400,000	1	1
RM750,001 to RM800,000	-	1
RM800,001 to RM850,000	1	-
RM900,001 to RM950,000	-	1
RM1,00,001 to RM1,050,000	1	-
<b>Non-Executive Directors:</b>		
RM Nil	2	4
Below RM50,000	5	4

- b. The remuneration received and receivable by the Directors of the Company during the reporting period are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Executive Directors:</b>				
Other benefits*	2,017,334	1,964,855	-	-
Defined contribution plan	225,236	220,965	-	-
Fees included in profit or loss	331,226	246,711	-	-
	2,573,796	2,432,531	-	-
<b>Non-Executive Directors:</b>				
Remuneration other than fees included in profit or loss	10,500	10,500	10,500	10,500
Fees included in profit or loss	184,800	126,000	184,800	126,000
	195,300	136,500	195,300	136,500
<b>Total</b>	2,769,096	2,569,031	195,300	136,500

\* Other benefits include salaries, bonuses, allowances, social security costs and employment insurance scheme.

## Notes to the Financial Statements (Cont'd)

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### 24. EMPLOYEES' SHARE SCHEME ("ESS")

The ESS is granted by the By-Laws which were approved by the shareholders on 1 July 2015. On 4 June 2018, the Company implemented ESS, which is in force for a period of five (5) years until 3 June 2023 ("the scheme period").

The salient features of the ESS as contained in the By-Laws are as follows:

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

Since the implementation of the ESS until its expiry on 3 June 2023, a total of 1,000,000 shares award had been granted to a Senior Management of the Group. The entire 1,000,000 shares award had been exercised since the implementation of the ESS until its expiry.

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

## Notes to the Financial Statements (Cont'd)

**25. (LOSS)/PROFIT FROM OPERATIONS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>(Loss)/Profit from operations is arrived at after charging:</b>				
Auditors' remuneration				
- auditors of the Company				
- statutory				
- current year	187,000	177,000	93,000	89,000
- non-statutory				
- current year	12,600	12,600	12,600	12,600
- auditors of subsidiaries				
- current year	268,996	236,902	-	-
Expenses relating to short-term leases	373,940	841,140	-	-
Impairment losses on financial assets				
- trade receivables	252,642	335,848	-	-
- other receivables	-	-	66,649	56,708
Loss on foreign exchange				
- realised	99,547	369,621	21,283	11,613
- unrealised	211,816	816,917	-	855
Property, plant and equipment written off:	1,373	1,575	-	-
and crediting:				
Gain on disposal of property, plant and equipment	-	(810)	-	-
Gain on foreign exchange				
- realised	(108,293)	(61,213)	-	-
- unrealised	(467,595)	(820,372)	-	-
Reversal of impairment losses on financial assets:				
- trade receivables	(659,112)	(151,936)	-	-
Interest income from:				
- fixed and short term bank deposits	(221,594)	(115,735)	(2,126)	(43,764)
- subsidiaries	-	-	(22,577)	(13,278)
- an associate	(3,174)	(4,188)	(1,351)	(1,404)

## Notes to the Financial Statements (Cont'd)

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**26. FINANCE COSTS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Interest expense on:</b>				
- advance from a subsidiary	-	-	36,152	75,689
- term loan	16,478	13,120	-	-
- bank overdraft	31,213	34,865	-	-
- lease liabilities	178,654	88,929	1,078	2,978
	226,345	136,914	37,230	78,667

**27. INCOME TAX EXPENSES**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Estimated income tax payable</b>				
- current year				
- Malaysia	735,207	457,215	-	-
- Outside Malaysia	635,468	359,322	-	-
- over provision in prior years				
- Malaysia	(43,301)	(23,483)	-	-
- Outside Malaysia	(10,523)	(11,584)	-	-
	1,316,851	781,470	-	-
<b>Deferred tax (Note 11)</b>				
- current year				
- Malaysia	125,880	485,743	-	-
- Outside Malaysia	40,997	(153,408)	-	-
- (over)/under provision in prior years				
- Malaysia	109,919	(7,091)	-	-
- Outside Malaysia	(134,929)	957	-	-
	141,867	326,201	-	-
	1,458,718	1,107,671	-	-

- Malaysian income tax is calculated at the statutory rate of 24% (2022: 24%) of the estimated taxable profits for the fiscal year.
- Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

## Notes to the Financial Statements (Cont'd)

### 27. INCOME TAX EXPENSES (CONT'D)

- c. Numerical reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	(710,506)	477,355	163,155	315,239
Add: Share of (loss)/profit in equity-accounted associate, net of tax	426,348	56,656	-	-
Adjusted (loss)/profit before tax	(284,158)	534,011	163,155	315,239
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	(68,198)	128,163	39,157	75,657
Tax effects of:				
- expenses not deductible for tax purposes	1,886,001	1,460,110	98,637	113,540
- different tax rates in other countries	126,953	(110,179)	-	-
- income not subject to tax	(1,019,670)	(610,986)	(144,000)	(180,000)
Deferred tax assets not recognised during the financial year	622,443	430,195	6,206	-
Utilisation of previously unrecognised deferred tax assets	(9,977)	(47,032)	-	(9,197)
Tax incentives on multiple deductibility of expenses	-	(101,399)	-	-
Over provision in prior years				
- income tax payable	(53,824)	(35,067)	-	-
- deferred tax	(25,010)	(6,134)	-	-
	1,458,718	1,107,671	-	-

## Notes to the Financial Statements (Cont'd)

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**27. INCOME TAX EXPENSES (CONT'D)**

- d. Tax on each component of other comprehensive income/(loss) is as follows:

	Group		
	Before tax RM	Tax effect RM	After tax RM
<b>2023</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of retirement benefit obligations	(1,567)	(307)	(1,874)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation	740,635	-	740,635
<b>2022</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of retirement benefit obligations	219,681	(52,424)	167,257
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation	1,151,712	-	1,151,712

**28. LOSS PER ORDINARY SHARE**

- a. Basic loss per ordinary share

Basic loss per ordinary share for the financial year is calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	2022
Loss for the financial year attributable to owners of the Company (RM)	(1,101,087)	(78,804)
Weighted average number of ordinary shares in issue	139,403,415	139,403,415
Basic loss per ordinary share (sen)	(0.79)	(0.06)

- b. Diluted loss per ordinary share

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted loss per ordinary shares equals basic loss per ordinary share.



## 29. SIGNIFICANT RELATED PARTY DISCLOSURES

### a. Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- i. Direct and indirect subsidiaries as disclosed in Note 8(b);
- ii. An associate as disclosed in Note 9(b); and
- iii. Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise mainly Executive Directors of the Company whose remuneration is disclosed in Note 23(b).

### b. Related party transactions

The Group and the Company had the following transactions with the related parties during the financial year:

	Type of transactions	Group	
		2023 RM	2022 RM
<b>With an associate:</b>			
- Innity Digital Media (Thailand) Co., Ltd.	Sales	36,812	136,510
	Purchases	154,413	179,202
	Interest income	3,174	4,188
	Management fee income	298,655	256,094
	Royalty fee income	101,093	131,838
<b>With subsidiaries of corporate shareholders of the Company:</b>			
- People 'n Rich - H Sdn. Bhd.	Sales	419,058	102,000
- Beginnings Communications, Inc.	Sales	90,184	26,547
- PT Daniswara Amanah Cipta	Sales	326,516	372,570
	Purchase	5,106	9,588
- Hakuhodo Hong Kong Ltd.	Sales	36,699	-
- Hakuhodo (Singapore) Pte Ltd	Sales	5,093	-
	Staff recruitment expense	2,248	1,097

## Notes to the Financial Statements (Cont'd)

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**29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)**

## b. Related party transactions (Cont'd)

The Group and the Company had the following transactions with the related parties during the financial year: (Cont'd)

	Group		
	Type of transactions	2023 RM	2022 RM
<b>With major shareholder of a subsidiary:</b>			
- Myanmar Marketing Research Development	Sales	-	2,640
	Purchase	-	9
<hr/>			
	Company		
	Type of transactions	2023 RM	2022 RM
<b>With subsidiaries:</b>			
- Innity Sdn. Bhd.	Accounting fee expense	14,400	12,000
	Rental expense	33,600	33,600
	Interest expense	36,152	75,689
	Management fee income	1,641,280	1,512,195
	Dividend income	600,000	750,000
- PT Media Innity	Interest income	6,391	3,412
	Management fee income	282,804	245,474
- DoMedia Asia Sdn. Bhd.	Management fee income	134,542	137,215
- Innity China Co., Limited	Interest income	211	-
	Management fee income	362,887	326,355
- Innity Philippines Inc.	Interest income	2,408	1,859
	Management fee income	353,114	324,968
- Appsploration Sdn. Bhd.	Management fee income	76,351	73,088
- Offerstation Sdn. Bhd.	Interest income	2,113	679
	Management fee income	46,190	46,717

## Notes to the Financial Statements (Cont'd)

**29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)**

## b. Related party transactions (Cont'd)

The Group and the Company had the following transactions with the related parties during the financial year: (Cont'd)

	Type of transactions	Company	
		2023 RM	2022 RM
<b>With subsidiaries: (Cont'd)</b>			
- Innity Korea Co., Ltd.	Interest income	-	351
	Management fee income	-	8,960
- Innity Myanmar Co., Ltd.	Interest income	726	363
	Management fee income	9,048	8,009
- Innity (Cambodia) Co., Ltd.	Interest income	1,677	310
	Management fee income	155,887	128,129
- Innity Singapore Pte. Ltd.	Management fee income	515,146	388,062
- Innity Software and Advertising Co., Ltd.	Interest income	3,378	4,376
	Management fee income	208,586	184,190
- Innity Taiwan Limited	Interest income	5,673	1,928
	Management fee income	179,927	158,691
<b>With an associate:</b>			
- Innity Digital Media (Thailand) Co., Ltd.	Interest income	1,351	1,404
	Management fee income	298,655	256,094

## Notes to the Financial Statements (Cont'd)

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### 30. FINANCIAL GUARANTEES

The Company has financial guarantee contracts of RM3,557,000 (2022: RM3,557,000) in respect of financial guarantees given to financial institution for banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loans regularly.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

The Company assumes that there is significant increase in credit risk when the subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full or the subsidiary is continuously loss making and is having a deficit shareholders fund. The Company determines the probability of default of the guaranteed loans individually using internal information available.

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiary in respect of the guaranteed bank facilities.

The maximum credit risk exposure of the financial guarantees issued is limited to the credit amount utilised of RM1,646,302 (2022: RM309,993). The financial guarantees have low credit risk at the end of the year as the financial guarantee is unlikely to be called by the financial institutions.

### 31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

#### a. Financial risk management objectives and policies

The Group's and the Company's overall financial risk management programme seek to minimise potential adverse effects on financial performance of the Group and the Company.

The Group and the Company do not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures risk.

#### i. Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable sales and purchases give rise to foreign exchange exposures. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The currencies giving rise to this risk are Chinese Renminbi ("RMB"), Korean Won ("KRW"), Hong Kong Dollar ("HKD"), Indonesian Rupiah ("IDR"), New Taiwan Dollar ("TWD"), Philippines Peso ("PHP"), Singapore Dollar ("SGD"), Thai Baht ("THB"), United States Dollar ("USD") and Vietnamese Dong ("VND").



## Notes to the Financial Statements (Cont'd)

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**31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)**

## a. Financial risk management objectives and policies (Cont'd)

## i. Foreign exchange risk management (Cont'd)

The following table illustrates the sensitivity of (loss)/profit before tax and equity of the Group to a reasonably possible change in the foreign currency against the functional currencies of the Group entities, with all other variable held constant.

A +/-10% (2022: 10%) change in the RM/USD, RM/HKD, RM/THB, RM/PHP, RM/SGD, RM/TWD, RM/RMB, RM/IDR, RM/VND and RM/KRW exchange rates at the reporting period is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

If the RM had strengthened against the USD, HKD, THB, PHP, SGD, TWD, RMB, IDR, VND and KRW, then the impact would be as follows:

	<b>Group</b>	
	<b>(loss)/profit before tax and equity</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
USD	(1,000,927)	(1,024,999)
HKD	(16,438)	(15,579)
THB	1,582	3,301
PHP	78	1,574
SGD	2,818	(5,412)
TWD	597	1,584
RMB	(2,077)	(2,100)
IDR	54	37
VND	27	46
KRW	-	3,834
	<b>(1,014,286)</b>	<b>(1,037,714)</b>

If the RM had weakened against the USD, HKD, THB, PHP, SGD, TWD, RMB, IDR, VND and KRW, then the impact would be the opposite.

Exposure to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

### 31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

a. Financial risk management objectives and policies (Cont'd)

ii. Interest rate risk management

The Group's and the Company's primary interest rate risk relates to interest bearing debts. The Group and the Company manage its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group and the Company actively review 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 Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss, and the carrying amount of fixed rate financial instruments of the Group and of the Company are measured at amortised cost. Therefore, no sensitivity analysis for fixed rate instruments was prepared as the change in market interest rate at the end of the reporting period would not affect profit or loss.

The sensitivity analysis of interest rates for floating rate instruments is not presented as changes in interest rate would not materially affect profit or loss.

iii. Credit risk management

The Group's and the Company's credit risks are 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 and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures. For other financial assets including cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group and the Company perform ongoing credit evaluation of its customers and generally does not require collateral on account receivables.

At the reporting date, there were no significant concentrations of credit risk.

iv. Liquidity risk management

The Group and the Company maintain sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group and the Company finance its operations by a combination of equity and bank borrowings. In addition, the Group and the Company have 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 and the Company can be required to pay.

## Notes to the Financial Statements (Cont'd)

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**31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)**

a. Financial risk management objectives and policies (Cont'd)

iv. Liquidity risk management (Cont'd)

Group	Contractual cash flows (including interest payments)				
	Carrying amount	Total	On demand or within 1 year	1 to 5 years	Over 5 years
	RM	RM	RM	RM	RM
<b>2023</b>					
Non interest bearing debts	28,411,533	28,411,533	28,411,533	-	-
Interest bearing debts	4,740,952	4,895,408	3,143,292	1,647,056	105,060
	33,152,485	33,306,941	31,554,825	1,647,056	105,060
<b>2022</b>					
Non interest bearing debts	27,581,128	27,581,128	27,581,128	-	-
Interest bearing debts	3,032,211	3,304,963	1,375,951	1,784,532	144,480
	30,613,339	30,886,091	28,957,079	1,784,532	144,480
<b>Company</b>					
<b>2023</b>					
Non interest bearing debts	1,504,538	1,638,433	445,084	1,193,349	-
<b>2022</b>					
Non interest bearing debts	762,669	790,273	552,829	237,444	-
Interest bearing debts	270,368	312,593	312,593	-	-
	1,033,037	1,102,866	865,422	237,444	-

b. Capital structure and equity

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Capital represents equity attributable to the owners of the Company.

The Group monitors capital on the basis of debt-to-equity ratio, where the ratio is arrived at net debts (total borrowings and lease liabilities less cash and bank balances) divided by total equity. During the reporting period ended 31 December 2023, the Group's strategy was unchanged which is to maintain a net cash position.



## Notes to the Financial Statements (Cont'd)

### 31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

#### b. Capital structure and equity (Cont'd)

The net debt-to-equity ratios as at 31 December 2023 and 31 December 2022 are as follows:

	Group	
	2023 RM	2022 RM
Borrowings	1,646,302	309,993
Lease liabilities	3,094,650	2,722,218
Less: Cash and bank balances	(32,780,826)	(35,439,026)
Net Cash	(28,039,874)	(32,406,815)
Total capital	39,154,964	39,550,845
Net debt-to-equity ratio	-	-

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a shareholders' equity more than twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement for the financial year ended 31 December 2023.

### 32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

#### 32.1 New MFRSs adopted during the financial year

The Group and Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
<i>Amendments to MFRS 101 Disclosure of Accounting Policies</i>	1 January 2023
<i>Amendments to MFRS 108 Definition of Accounting Estimates</i>	1 January 2023
<i>Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
<i>Amendments to MFRS 112 International Tax Reform - Pillar Two Model Rules</i>	Refer Paragraph 98M of MFRS 112

The adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

## 32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

### 32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
<i>Amendments to MFRS 16 Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to MFRS 101 Non-current Liabilities with Covenants</i>	1 January 2024
<i>Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements</i>	1 January 2024
<i>Amendments to MFRS 121 Lack of Exchangeability</i>	1 January 2025
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are still in the process of assessing the impact of the above Standards and Amendments since the effects would only be observable in the future financial years.

## LIST OF PROPERTIES

Location	Tenure/ date of expiry of lease/ tenancy	Approximate Age of Building (years)	Built-up Area (sq ft)	Description/ Existing Use	Date of Acquisition	Carrying Amount as at 31 December 2023 (RM)
<b>Selangor</b> 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	25	1,301	Office Lot/ Office	27.07.2005	187,928
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	25	1,371	Office Lot/ Office	27.07.2005	198,299
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	25	1,192	Office Lot/ Office	14.04.2009	178,228
C605, Block C, Kelana Square, 17, Jalan SS7/26 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan  Master Title: PN 9936, Lot 24545 Seksyen 40 Bandar Petaling Jaya, District of Petaling, State of Selangor	Leasehold/ 13-Apr-2089	25	1,262	Office Lot/ Office	18.05.2020	401,072

# ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

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## SHARE CAPITAL

**Total Issued Share** : 139,403,415 Ordinary shares

**Voting Rights** : One (1) vote per Ordinary Share on a poll

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
1 - 99	45	4.554	1,882	0.001
100 - 1,000	536	54.251	215,685	0.155
1,001 - 10,000	254	25.708	1,327,520	0.952
10,001 - 100,000	117	11.842	3,904,880	2.801
100,001 - 6,970,169 (*)	32	3.238	45,900,727	32.927
6,970,170 and Above (**)	4	0.404	88,052,721	63.164
Total	988	100	139,403,415	100.00

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

**Note:**

Information presented at the above table is based on the Record of Depositors dated on 29 March 2024.

## INFORMATION ON SUBSTANTIAL SHAREHOLDERS

As at 29 March 2024

The shareholders holding more than 5% interest in the ordinary shares of Innity Corporation Berhad ("the Company") based on the Register of Substantial Shareholders of the Company as at 29 March 2024 are as follows:

Name of Substantial Shareholders	No. of Shares Held	% of Issued Shares
D.A. Consortium Inc.	34,735,500	24.917
JcbNext Berhad	29,250,040	20.982
Phang Chee Leong	13,298,372	9.538
Looa Hong Tuan	12,374,685	8.876
Total	89,658,597	64.313

## Analysis of Shareholdings

As at 29 March 2024 (Cont'd)

### DIRECTORS' INTERESTS IN SHARES

As at 29 March 2024

Based on the Register of Directors' Shareholdings and the Record of Depositors, the interests of the Directors in the shares of the Company, direct and indirect, as at 29 March 2024 are as follows:

Name	Number of Ordinary Shares in INNITY		% of Issued Shares	
	Direct	Indirect	Direct	Indirect
Cheong Chee Yun	-	-	-	-
Fung Kam Foo	-	-	-	-
Gregory Charles Poarch	-	-	-	-
Liong Wei Li (Alternate Director To Gregory Charles Poarch)	-	-	-	-
Looa Hong Tuan	12,374,685	-	8.876	-
Michihiko Suganuma	-	-	-	-
Phang Chee Leong	13,298,372	-	9.538	-
Rieko Yoshikawa (Alternate Director To Michihiko Suganuma)	-	-	-	-
Seah Kum Loong	6,817,292	-	4.889	-
Norliza Binti Rasool Khan	-	-	-	-
Wong Kok Woh	7,299,086	-	5.235	-

## Analysis of Shareholdings

As at 29 March 2024 (Cont'd)

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### 30 LARGEST SHAREHOLDERS

As at 29 March 2024

No.	Name	No. of Shares Held	%
1.	D.A.Consortium Inc.	34,735,500	24.917
2.	JcbNext Berhad	29,250,040	20.982
3.	Looa Hong Tuan	12,374,685	8.876
4.	Phang Chee Leong	11,692,496	8.387
5.	Wong Kok Woh	6,618,008	4.747
6.	Chang Chew Tuck	6,278,950	4.504
7.	Seah Kum Loong	5,356,527	3.842
8.	Lee Chel Chan	5,309,057	3.808
9.	Wan Lin Seng	3,774,000	2.707
10.	Tan Yu Yeh	2,633,400	1.889
11.	Lee Koon Shing	2,350,000	1.685
12.	Siew Yoke Lee	2,124,366	1.523
13.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Koon Chuan</i>	2,000,000	1.434
14.	RHB Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd For Phang Chee Leong</i>	1,605,876	1.151
15.	RHB Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd For Seah Kum Loong</i>	1,460,765	1.047
16.	Ng Eng Tat	1,022,000	0.733
17.	RHB Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd For Wong Kok Woh</i>	681,078	0.488
18.	Leam Am Kem	622,900	0.446
19.	Alliancegroup Nominees (Tempaten) Sdn. Bhd. <i>Pledged Securities Account for Tee Chee Chiang</i>	564,800	0.405
20.	Yong Wei Lun	437,000	0.313
21.	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leow Kuan Shu</i>	300,000	0.215
22.	Lee Yoke Kee	280,000	0.200
23.	Tan Bee Bee	250,000	0.179
24.	Arshad Bin Abdul Rahman	247,500	0.177
25.	Huan Mee Kiew	235,900	0.169
26.	Yong Wei Lun	221,000	0.158
27.	Yau Yoke Ching	187,300	0.134
28.	Cheng Nyek Paw	168,800	0.121
29.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ooi Lee Peng (MLK/SS)</i>	165,500	0.118
30.	Yew Kok Foo	159,800	0.114
	Total	133,107,248	95.469

**Note:**

Information, which without aggregating securities from different securities accounts belong to the same registered holder, presented at the above table is based on the Record of Depositors dated on 29 March 2024.

**INNITY CORPORATION BERHAD**  
**(200701006554) (764555-D)**  
(Incorporated in Malaysia)

**NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held at Greens III, Sports Wing, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Friday, 7 June 2024 at 9.30 a.m.** to transact the following businesses:-

**AGENDA**

**Ordinary Business**

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.                                     | [Please refer to Note (i) of the Explanatory Notes] |
| 2. | To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Company's Constitution:-   |   |
|    | (i) Mr. Wong Kok Woh   | (Ordinary Resolution 1)                             |
|    | (ii) Mr. Gregory Charles Poarch  | (Ordinary Resolution 2)                             |
|    | (iii) Mr. Michihiko Suganuma   | (Ordinary Resolution 3)                             |
| 3. | To approve the payment of Directors' fees of RM300,000 for the financial year ending 31 December 2024.   | (Ordinary Resolution 4)                             |
| 4. | To approve the payment of Directors' benefits up to an aggregate amount of RM30,000 for the period from 8 June 2024 until Eighteenth Annual General Meeting of the Company to be held in 2025. | (Ordinary Resolution 5)                             |
| 5. | To re-appoint BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.  | (Ordinary Resolution 6)                             |

**Special Business**

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

- 6. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** (Ordinary Resolution 7)

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of the issued shares (excluding treasury shares) 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 Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company in a general meeting."

**NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (CONT'D)**

**7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTs")** (Ordinary Resolution 8)

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5.1 of the Circular to Shareholders dated 26 April 2024 ("the Related Parties") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) not detrimental to the interest of the minority shareholders of the Company.

THAT the authority conferred by such mandate, 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 is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by 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 Proposed Renewal of Shareholders' Mandate for RRPTs."

- 8. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board

**FONG SEAH LIH (MAICSA 7062297) / (SSM PC No. 202008000973)**  
**THAM YIN TONG (MAICSA 7049718) / (SSM PC No. 202008001314)**  
 Company Secretaries

Kuala Lumpur  
 26 April 2024



## NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (CONT'D)

### NOTES:-

- (1) For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at Thursday, 30 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (5) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
The proxy form must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic means via Tricor's TIH Online website at <https://tuh.online>  
Please refer to the Administrative Guide for further information on electronic lodgement of proxy form.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (11) Last date and time for lodging the proxy form is Wednesday, 5 June 2024 at 9.30 a.m.
- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - a. Identity card (NRIC) (Malaysian), or
  - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - c. Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's share registrar earlier.
- (14) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of general meeting will be put to vote by way of poll.

### Explanatory Notes to the Agenda

#### Ordinary Business

##### (i) Item 1 of the Agenda

##### Audited Financial Statements for the financial year ended 31 December 2023

The Audited Financial Statements are meant for discussion only as the approval from shareholders is not required pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda item will not be put forward for voting by shareholders of the Company.

##### (ii) Ordinary Resolutions 1, 2 and 3

##### Re-election of Directors

Mr. Wong Kok Woh, Mr. Gregory Charles Poarch and Mr. Michihiko Suganuma are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Seventeenth Annual General Meeting of the Company.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance ("MCCG"), the profiles of the Directors are set out on page 9 to page 12 of the Annual Report 2023. For the purpose of determining the eligibility of the Directors to stand for re-election at the Seventeenth Annual General Meeting of the Company, the Board had through its Nominating Committee ("NC"), considered, assessed and deliberated on the suitability and fit and properness of the retiring Directors.

Based on the recommendation of the NC, the Board is supportive of their re-election with the following justifications:-

##### Ordinary Resolution 1 – Re-election of Mr. Wong Kok Woh as Executive Director

Mr. Wong Kok Woh is mainly responsible for the implementation and streamlining of daily workflow processes in order to ensure timely and efficient communications with clients to deliver quality work of the account management for the clients.

The Board is satisfied with his performance and contribution, and will continue to carry out his duty diligently and effectively and demonstrate his commitment to the roles.

## NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (CONT'D)

### NOTES:-

Ordinary Resolution 2 – Re-election of Mr. Gregory Charles Poarch as Non Independent Non-Executive Director

Mr. Gregory Charles Poarch has vast experience in accounting and finance functions and contributed to the Group financial strategies to steer the Group forward.

The Board is satisfied with his performance and contribution, and will continue to carry out his duty diligently and effectively and demonstrate his commitment to the roles.

Ordinary Resolution 3 – Re-election of Mr. Michihiko Sukanuma as Non Independent Non-Executive Director

Mr. Michihiko Sukanuma is responsible for overseeing all aspect of strategic partnerships with global companies and cross-border business to grow the Group business.

The Board is satisfied with his performance and contribution, and will continue to carry out his duty diligently and effectively and demonstrate his commitment to the roles.

(iii) *Ordinary Resolution 4*

*Directors' fees for the financial year ending 31 December 2024*

The Directors' fees proposed for the financial year ending 31 December 2024 are calculated based on the enlarge board size to increase the number of Independent Non-Executive Director from three (3) to five (5) to make up of 50% Independent Director and the assessment on the performance of the Board by the NC and assuming that all Non-Executive Directors will hold office until the next AGM. This resolution is to facilitate payment of Directors' fees on current financial year basis.

In the event the Directors' fees proposed are insufficient (e.g., due to more meetings), approval will be sought at the next AGM for additional fees to meet the shortfall.

(iv) *Ordinary Resolution 5*

*Directors' benefits for the period from 8 June 2024 until Eighteenth Annual General Meeting*

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries, shall be approved at a general meeting.

Directors' benefits include allowances payable to Directors and in determining the estimated amount, the Board has considered various factors including the current board size, number of scheduled meetings for the Board and Board Committee for the period from 8 June 2024 until Eighteenth Annual General Meeting. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

(v) *Ordinary Resolution 6*

*Re-appointment of Auditors*

The Board has through the Audit and Risk Management Committee, considered the re-appointment of BDO PLT as the Auditors of the Company. The factors considered by the Audit and Risk Management Committee in making the recommendation to the Board to table their re-appointment at the Eighteenth Annual General Meeting are disclosed in the Audit and Risk Management Committee Report of the 2023 Annual Report.

(vi) *Ordinary Resolution 7*

*Authority to issue shares pursuant to Sections 75 and 76 of the Act*

This Ordinary Resolution 7 is a new mandate. If passed, will provide flexibility to the Directors to undertake fundraising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

(vii) *Ordinary Resolution 8*

*Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature*

Ordinary Resolution 8, if passed, will allow the Company and its subsidiaries to renew its shareholders' mandate to enter into recurrent related party transactions pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Further details relating to this proposal is set out in the Circular to Shareholders dated 26 April 2024.

**INNITY CORPORATION BERHAD**  
**[Registration No. 200701006554 (764555-D)]**  
(Incorporated in Malaysia)

**ADMINISTRATIVE GUIDE FOR THE 17TH ANNUAL GENERAL MEETING (“AGM”)**

**Date** : Friday, 7 June 2024  
**Time** : 9.30 a.m.  
**Online Meeting Platform** : Greens III Sports Wing, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan

**1. REGISTRATION**

The registration will commence at 8.30 a.m.

Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:

- (a) Identity card (NRIC) (Malaysian), or
- (b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
- (c) Passport (Foreigner).

No person will be allowed to register on behalf of another person even with the original identity card or passport of that other person.

**2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS**

Only a shareholder whose name appears on the Record of Depositor as at 30 May 2024 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

**3. REFRESHMENT**

Light refreshment will be provided.

**4. PRE-REGISTRATION TO ATTEND THE ANNUAL GENERAL MEETING**

Shareholders are required to register ahead of the 17TH AGM to allow the Company to make the necessary arrangements in relation to the meeting i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants.

Please do read and follow the following procedures to pre-register your physical attendance at the 17TH AGM via the TIIH Online website at <https://tiih.online>:-

- Registration is open from 10.00 a.m. Friday, 26 April 2024 up to 9.30 a.m. **Wednesday, 5 June 2024**
- Login in to TIIH Online website with your username (i.e. e-mail address) and password under the “e-Services”. If you have not registered as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up.
- Select the corporate event: “**(REGISTRATION) INNITY 17TH AGM 2024**”
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Select “**Register for Physical Attendance at Meeting Venue**”.
- Review your registration and proceed to register.
- System will send an e-mail to notify that your registration for Physical Attendance at Meeting Venue is received and will be verified.
- After verification of your registration against the General Meeting Record of Depositors, the system will send you an e-mail **after 5 June 2024** to approve or reject your registration to attend physically at the Meeting Venue.

Please note that only a depositor whose name appears on the Record of Depositor as at **30 May 2024** shall be entitled to attend or appoint proxies to attend and/or vote on his/her behalf at the 17TH AGM.

## ADMINISTRATIVE GUIDE FOR THE 17TH ANNUAL GENERAL MEETING (“AGM”) (CONT’D)

### 5. POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Paragraph Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the poll and Asia Securities Sdn Berhad as Scrutineers to verify the poll results.

### 6. APPOINTMENT OF PROXY

A shareholder who is unable to attend the 17TH AGM on 7 June 2024 may appoint proxy and indicate the voting instructions in the proxy form.

Only members whose names appear on the Record of Depositors as at Thursday, 30 May 2024 shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf. A member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy form.

- If you wish to participate in the AGM yourself, please do not submit any proxy form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 5 June 2024 at 9.30 a.m.**

(i) In Hard copy:

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar’s office situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

(ii) By electronic means

In the case of an appointment made via electronic means, you may submit the proxy form electronically via TIIH Online website at <https://tiih.online>. Please read and follow the procedures on electronic lodgement of proxy form below.

### 7. ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor’s TIIH Online website are summarised below:

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>• Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services” select “<b>Create Account by Individual Holder</b>”. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>• If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
Proceed with submission of proxy form	<ul style="list-style-type: none"> <li>• After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.</li> <li>• Select the corporate event: “<b>INNITY 17TH AGM 2024-Submission of Proxy Form</b>”.</li> <li>• Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>• Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>• Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy.</li> <li>• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>• Review and confirm your proxy(ies) appointment.</li> <li>• Print the proxy form for your record.</li> </ul>

**ADMINISTRATIVE GUIDE FOR THE 17TH ANNUAL GENERAL MEETING (“AGM”) (CONT’D)****7. ELECTRONIC LODGEMENT OF PROXY FORM (CONT’D)**

The procedures to lodge your proxy form electronically via Tricor’s TIIH Online website are summarised below: (Cont’d)

Procedure	Action
<b>ii. Steps for Corporation or Institutional Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>• Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>• Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>“Create Account by Representative of Corporate Holder”</b>.</li> <li>• Complete the registration form and upload the required documents.</li> <li>• Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>• Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with submission of proxy form	<ul style="list-style-type: none"> <li>• Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>• Select the corporate exercise name: <b>INNITY 17TH AGM 2024-Submission of Proxy Form”</b>.</li> <li>• Agree to the Terms &amp; Conditions and Declaration.</li> <li>• Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein.</li> <li>• Prepare the file for the appointment of proxies by inserting the required data.</li> <li>• Login to TIIH Online, select corporate exercise name: <b>“INNITY 17TH AGM 2024-Submission of Proxy Form”</b>.</li> <li>• Proceed to upload the duly completed proxy appointment file.</li> <li>• Select “Submit” to complete your submission.</li> <li>• Print the confirmation report of your submission for your record.</li> </ul>

The last date and time for lodging the proxy form is **Wednesday, 5 June 2024 at 9.30 a.m.**

**8. NO RECORDING OR PHOTOGRAPHY**

No recording or photography of the 17TH AGM proceedings is allowed without prior written permission of the Company.

- Shareholders are also reminded to monitor the Company’s website and announcements for any changes to 17TH AGM arrangements.
- If you have any enquiries on the above, please contact the following person-in charge during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

**Tricor Investor & Issuing House Services Sdn. Bhd.**

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

Contact : Mr. Allen Sii

+603 2783 9263

[Allen.Sii@my.tricorglobal.com](mailto:Allen.Sii@my.tricorglobal.com)

persons : Ms. Zakiah Binti Wardi

+603 2283 9287

[Zakiah@my.tricorglobal.com](mailto:Zakiah@my.tricorglobal.com)

: Ms. Dina Qistina Zulkanain

+603 2783 9165

[Dina.Qistina@my.tricorglobal.com](mailto:Dina.Qistina@my.tricorglobal.com)

**INNITY CORPORATION BERHAD**  
**(200701006554) (764555-D)**  
(Incorporated in Malaysia)

**PROXY FORM**

CDS Account No.

No. of shares held

Telephone no. (During office hours) \_\_\_\_\_

I/We \_\_\_\_\_ NRIC (New)/ Company No. \_\_\_\_\_  
(PLEASE USE BLOCK CAPITAL)

of \_\_\_\_\_  
(FULL ADDRESS)

being member(s) of **INNITY CORPORATION BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or\* (\*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at **Greens III, Sports Wing, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 7 June 2024 at 9.30 a.m.** or any adjournment thereof, and to vote as indicated below:

Ordinary Business	Resolution	For	Against
Re-election of Mr. Wong Kok Woh as Director pursuant to Clause 76(3) of the Company's Constitution	Ordinary Resolution 1		
Re-election of Mr. Gregory Charles Poarch as Director pursuant to Clause 76(3) of the Company's Constitution	Ordinary Resolution 2		
Re-election of Mr. Michihiko Suganuma as Director pursuant to Clause 76(3) of the Company's Constitution	Ordinary Resolution 3		
Approval of Directors' fees of RM300,000 for the financial year ending 31 December 2024	Ordinary Resolution 4		
Approval of Directors' benefits up to an aggregate amount of RM30,000 for the period from 8 June 2024 until Eighteenth Annual General Meeting of the Company to be held in 2025	Ordinary Resolution 5		
Re-appointment of BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 6		
<b>Special Business</b>			
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 7		
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 8		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature of Member(s) or/ Common Seal

\* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  - (i) at least two (2) authorised officers, of whom one shall be a director; or
  - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



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Notes:

- (1) For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at Thursday, 30 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (5) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
The proxy form must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic means via Tricor's TIH Online website at <https://tjih.online>  
Please refer to the Administrative Guide for further information on electronic lodgement of proxy form.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the share registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (11) Last date and time for lodging the proxy form is Wednesday, 5 June 2024 at 9.30 a.m.
- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - a. Identity card (NRIC) (Malaysian), or
  - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - c. Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's share registrar earlier.
- (14) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of general meeting will be put to vote by way of poll.

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AFFIX  
STAMP

**Share Registrar of Ininity Corporation Berhad  
Tricor Investor & Issuing House Services Sdn Bhd**

Company No: 197101000970 (11324-H)  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

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**Innity Corporation Berhad (200701006554)**

C501 & C502, Block C,  
Kelana Square,  
17, Jalan SS7/26, Kelana Jaya,  
47301 Petaling Jaya,  
Selangor Darul Ehsan, MALAYSIA

W [www.innity.com](http://www.innity.com)

