INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(In Ringgit Malaysia)

Russell Bedford LC & Company
(AF 1237)
Chartered Accountants

INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

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INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2013.

Principal activities

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

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

Financial results

	Group RM	Company RM
Net profit/(loss) for the year	2,216,630	(133,075)
Attributable to:		
Owners of the Company	2,434,763	(133,075)
Non-controlling interests	(218,133)	-
	2,216,630	(133,075)

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

Dividends

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

Reserves and provisions

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

Issue of shares and debentures

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

Share options

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

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

INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

Directors

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

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

Directors' interest in shares

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

	Number of ordinary shares of RM0.10 each			
	Balance as at 1.1.2013	**Bought**	**Sold**	**Balance as at 31.12.2013**
Shareholdings registered in the name of directors:				
In the Company				
Phang Chee Leong	13,298,372	-	-	13,298,372
Wong Kok Woh	7,299,086	-	-	7,299,086
Looa Hong Tuan	12,374,685	-	-	12,374,685
Seah Kum Loong	6,817,292	-	-	6,817,292
Robert Lim Choon Sin	2,900	-	-	2,900

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

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INNITY CORPORATION BERHAD
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Other statutory information

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

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

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

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

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

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

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

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

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

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

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

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

Auditors

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

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

PHANG CHEE LEONG

SHAMSUL ARIFFIN BIN MOHD NOR

Kuala Lumpur

Dated: 10 April 2014

Co. No. 764555-D

INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of INNITY CORPORATION BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 1965 and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013, and of their financial performance and their cash flows for the year ended on that date.

The supplementary information set out in Note 31, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

PHANG CHEE LEONG

SHAMSUL ARIFFIN BIN MOHD NOR

Kuala Lumpur

Dated: 10 April 2014

STATUTORY DECLARATION

I, YAP SOON KIM, being the officer primarily responsible for the financial management of INNITY CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named YAP SOON KIM at Kuala Lumpur in Wilayah Persekutuan on 10 April 2014)

YAP SOON KIM

Before me,

PESURUHJAYA SUMPAH
No. W 521
MOHAN A.S. MANIAM
MALAYSIA

COMMISSIONER FOR OATHS

No. 50, Jalan Hang Lekiu
50100 Kuala Lumpur.

Russell Bedford LC
& Company
(AF 1237)
Chartered Accountants
羅瑞貝德特許會計師事務所
10th Floor, Bangunan Yee Seng
15, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

T: +603 2031 8223
F: +603 2031 4223
E: mail@russellbedford.com.my
W: www.russellbedford.com.my

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

1. Report on the financial statements

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 December 2013, and the related statements of comprehensive income, changes in equity and cash flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

1.1 Directors' responsibility for the financial statements

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

1.2 Auditors' responsibility

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

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Forward)

Russell Bedford

1.3 Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Act and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and their cash flows for the year ended on that date.

2. Report on other legal and regulatory requirements

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

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

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

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

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

3. Other reporting responsibilities

The supplementary information set out in Note 31 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

RUSSELL BEDFORD LC & COMPANY	LOH KOK LEONG
AF 1237	1965/06/15 (J)
CHARTERED ACCOUNTANTS	PARTNER

Kuala Lumpur

Dated: 10 April 2014

INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Revenue	4	46,505,386	38,669,668	-	-
Other operating income		619,701	361,248	158,754	255,417
Direct costs		(24,958,866)	(21,910,900)	-	-
Staff costs	5	(11,579,757)	(9,282,494)	-	-
Depreciation		(302,904)	(230,431)	-	-
Amortisation of development expenditure		(910,652)	(878,760)	-	-
Other operating expenses		(6,062,295)	(4,188,174)	(291,829)	(544,485)
Profit/(Loss) from operations		3,310,613	2,540,157	(133,075)	(289,068)
Finance costs		(25,410)	(28,186)	-	-
Share in loss of equity-accounted associates, net of tax		(370,401)	(152,893)	-	-
Profit/(Loss) before tax	6	2,914,802	2,359,078	(133,075)	(289,068)
Income tax expense	7	(698,172)	(451,862)	-	-
Net profit/(loss) for the year		2,216,630	1,907,216	(133,075)	(289,068)
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		(196,534)	(178,389)	-	-
Other comprehensive loss for the year, net of tax		(196,534)	(178,389)	-	-
Total comprehensive income/ (loss) for the year		2,020,096	1,728,827	(133,075)	(289,068)
Profit/(Loss) attributable to:					
Owners of the Company		2,434,763	2,124,131	(133,075)	(289,068)
Non-controlling interests		(218,133)	(216,915)	-	-
		2,216,630	1,907,216	(133,075)	(289,068)
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		2,261,718	1,954,653	(133,075)	(289,068)
Non-controlling interests		(241,622)	(225,826)	-	-
		2,020,096	1,728,827	(133,075)	(289,068)
Basic earnings per share (sen)	8	1.76	1.64		

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

INNITY CORPORATION BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Group					
Non current assets					
Property, plant and equipment	9	1,592,459	1,345,954	-	-
Intangible assets	10	3,032,403	2,805,394	-	-
Investment in subsidiaries	11	-	-	3,051,932	2,922,173
Investment in associates	12	62,194	432,595	495,488	495,488
Deferred tax assets	13	39,241	41,144	-	-
		4,726,297	4,625,087	3,547,420	3,417,661
Current assets					
Trade receivables	14	20,014,816	14,095,940	-	-
Other receivables, deposits and prepayments	15	2,462,249	1,776,208	9,283,344	6,746,251
Tax recoverable		24,389	51,182	-	-
Fixed deposits with a licensed bank	16	1,701,768	681,139	-	-
Other financial assets	17	5,307,157	7,743,572	5,307,157	7,743,572
Cash and bank balances		5,382,349	5,199,548	17,508	29,892
		34,892,728	29,547,589	14,608,009	14,519,715
Current liabilities					
Trade payables	18	9,456,061	6,781,402	-	-
Other payables and accruals	19	3,475,955	3,021,086	475,011	234,413
Short term borrowings	20	34,158	33,123	-	-
Tax payable		388,883	218,888	-	-
		13,355,057	10,054,499	475,011	234,413
Net current assets		21,537,671	19,493,090	14,132,998	14,285,302
Non current liabilities					
Deferred tax liabilities	13	331,012	175,400	-	-
Long term loans	21	251,672	285,829	-	-
Other payables	19	-	-	110,530	-
Retirement benefit obligations	22	53,475	50,344	-	-
		(636,159)	(511,573)	(110,530)	-
		25,627,809	23,606,604	17,569,888	17,702,963
Represented by:					
Share capital	23	13,840,342	13,840,342	13,840,342	13,840,342
Reserves	24	12,315,026	10,049,415	3,729,546	3,862,621
Equity attributable to owners of the Company		26,155,368	23,889,757	17,569,888	17,702,963
Non-controlling interests		(527,559)	(283,153)	-	-
Total equity		25,627,809	23,606,604	17,569,888	17,702,963

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

INNITY CORPORATION BERHAD
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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

Group	Share capital RM	Share premium RM	Reverse acquisition reserve RM	Foreign currency translation reserve RM	Retained profits RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
At 1 January 2012								
- as previously reported	12,582,129	136,213	(2,512,173)	(71,362)	6,382,112	16,516,919	(41,352)	16,475,567
- prior year adjustments (Note 25)	-	-	-	-	(801,004)	(801,004)	(16,014)	(817,018)
- as restated	12,582,129	136,213	(2,512,173)	(71,362)	5,581,108	15,715,915	(57,366)	15,658,549
Acquisition of subsidiaries (Note 11)	-	-	-	-	-	-	39	39
Issue of shares (Note 23)	1,258,213	5,410,316	-	-	-	6,668,529	-	6,668,529
Share issue expenses	-	(449,340)	-	-	-	(449,340)	-	(449,340)
Net profit for the year	-	-	-	-	2,124,131	2,124,131	(216,915)	1,907,216
Other comprehensive loss for the year:								
- Foreign currency translation	-	-	-	(169,478)	-	(169,478)	(8,911)	(178,389)
At 31 December 2012	13,840,342	5,097,189	(2,512,173)	(240,840)	7,705,239	23,889,757	(283,153)	23,606,604
Acquisition of subsidiaries (Note 11)	-	-	-	-	-	-	1,125	1,125
Acquisition of non-controlling interest	-	-	-	-	3,893	3,893	(3,909)	(16)
Net profit for the year	-	-	-	-	2,434,763	2,434,763	(218,133)	2,216,630
Other comprehensive loss for the year:								
- Foreign currency translation	-	-	-	(173,045)	-	(173,045)	(23,489)	(196,534)
At 31 December 2013	13,840,342	5,097,189	(2,512,173)	(413,885)	10,143,895	26,155,368	(527,559)	25,627,809

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

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STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

Company	**Share capital RM**	**Share premium RM**	**Accumulated losses RM**	**Total RM**
At 1 January 2012	12,582,129	136,213	(945,500)	11,772,842
Issue of shares (Note 23)	1,258,213	5,410,316	-	6,668,529
Share issue expenses	-	(449,340)	-	(449,340)
Net loss/Total comprehensive loss for the year	-	-	(289,068)	(289,068)
At 31 December 2012	13,840,342	5,097,189	(1,234,568)	17,702,963
Net loss/Total comprehensive loss for the year	-	-	(133,075)	(133,075)
At 31 December 2013	13,840,342	5,097,189	(1,367,643)	17,569,888

INNITY CORPORATION BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash flows from/(used in) operating activities				
Profit/(Loss) before tax	2,914,802	2,359,078	(133,075)	(289,068)
Adjustments for:				
Allowance for doubtful debts	77,732	53,274	-	-
Allowance for doubtful debts no longer required	(6,141)	-	-	-
Amortisation of				
- development expenditure	910,652	878,760	-	-
- financial guarantee liabilities	-	-	(10,000)	-
Depreciation	302,904	230,431	-	-
Development expenditure written off	125,574	-	-	-
Fair value gain on other financial assets	-	(169,394)	-	(169,394)
Gain on bargain purchase of subsidiaries	(3,066)	-	-	-
Gain on disposal of plant and equipment	-	(805)	-	-
Impairment of investment in subsidiaries	-	-	-	250,000
Interest expense	25,410	28,186	-	-
Interest income	(177,321)	(117,235)	(136,640)	(86,023)
Plant and equipment written off	5,531	13,283	-	-
Retirement benefits	12,581	17,131	-	-
Share of loss in equity-accounted associates	370,401	152,893	-	-
Unrealised loss/(gain) on foreign exchange	395,981	(30,312)	-	-
Operating profit /(loss) before working capital changes	4,955,040	3,415,290	(279,715)	(294,485)
(Increase)/Decrease in trade and other receivables	(7,069,815)	1,411,635	(682)	(694)
Increase/(Decrease) in trade and other payables	3,497,084	(717,606)	(180,300)	167,221
Cash generated from/(used in) operations	1,382,309	4,109,319	(460,697)	(127,958)
Income tax paid	(332,249)	(257,881)	-	-
Income tax refunded	36,422	-	-	-
Net cash from/(used in) operating activities	1,086,482	3,851,438	(460,697)	(127,958)
Cash flows from/(used in) investing activities				
Development expenditure paid	(1,263,235)	(1,068,854)	-	-
Fair value gain on other financial assets	-	169,394	-	169,394
Increase in fixed deposits pledged	(1,020,629)	(64,832)	-	-
Interest received	177,321	117,235	136,640	86,023
Investment in associates	-	(585,488)	-	(495,488)
Proceeds from disposal of plant and equipment	1,575	18,238	-	-
Purchase of plant and equipment	(562,547)	(398,093)	-	-
Acquisition of non-controlling interest	(16)	-	-	-
(Advances to)/Repayments from associates	(488,235)	(198,927)	25,000	98,594
Advances to subsidiaries	-	-	(2,149,742)	(1,577,014)
Net cash used in investing activities	(3,155,766)	(2,011,327)	(1,988,102)	(1,718,491)

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

INNITY CORPORATION BERHAD
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STATEMENTS OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash flows from/(used in) financing activities				
Interest paid	(25,410)	(28,186)	-	-
Net cash inflow on acquisition of subsidiaries	1,508	39		-
Proceeds from issue of shares	-	6,668,529	-	6,668,529
Share issue expenses	-	(449,340)	-	(449,340)
Repayments of term loans	(33,122)	(30,767)	-	-
Net cash (used in)/from financing activities	(57,024)	6,160,275	-	6,219,189
Net (decrease)/increase in cash and cash equivalents	(2,126,308)	8,000,386	(2,448,799)	4,372,740
Exchange differences	(127,306)	(135,688)	-	-
Cash and cash equivalents at beginning of year	12,943,120	5,078,422	7,773,464	3,400,724
Cash and cash equivalents at end of year	10,689,506	12,943,120	5,324,665	7,773,464
Cash and cash equivalents comprise:				
Cash and bank balances	5,382,349	5,199,548	17,508	29,892
Fixed deposits with a licensed bank	1,701,768	681,139	-	-
Other financial assets	5,307,157	7,743,572	5,307,157	7,743,572
	12,391,274	13,624,259	5,324,665	7,773,464
Less: Fixed deposits pledged	(1,701,768)	(681,139)	-	-
	10,689,506	12,943,120	5,324,665	7,773,464

	Group 2013 RM	Group 2012 RM
Analysis of acquisition of subsidiaries		
Purchase consideration paid in cash	150	656,826
Less: cash and cash equivalents acquired	(1,658)	(656,865)
Net cash inflow on acquisition	(1,508)	(39)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

1. General information

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

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

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

The registered office is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal place of business of the Company is located at C501 & C502, Block C, Kelana Square, 17, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the board of directors on 10 April 2014.

2. Principal accounting policies

2.1 Statement of compliance

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

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

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

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

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

i. Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

   MFRS 101 requires entities to group items presented in "other comprehensive income" ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

2.2.1 **Basis of accounting** (continued)

ii. MFRS 10 Consolidated Financial Statements

MFRS 10 supersedes MFRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation – Special Purpose Entities. MFRS 10 introduces a new single control model to determine which investees should be consolidated. MFRS 10 includes a new definition of control that contains three elements: (a) power by investor over an investee, (b) exposure, or rights to variable returns from investor's involvement with the investee, and (c) investor's ability to affect those returns through its power over the investee.

The adoption of MFRS10 has no significant impact on the financial statements of the Group.

iii. MFRS 12 Disclosure of Interest in Other Entities

MFRS 12 requires disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 Investment in Associate. It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

The adoption of this standard affects disclosures in the financial statements only and has no financial impact on the Group's financial statements. The disclosures of the Group's material associate are set out in Note 12.

iii. Amendments to MFRS 119 Employee Benefits

The amendments to MFRS 119, Employee Benefits change the accounting for defined benefits plan and termination benefits. The most significant change relates to the accounting for the changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor method' permitted under the previous version of MFRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

The change in accounting policy has been made retrospectively. The adoption of MFRS119 has no significant impact on the financial statements of the Group.

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

i. MFRS 9, Financial instruments (effective for a date yet to be confirmed)

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement, on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. MFRS 9 requires financial assets to be classified into two categories: amortised cost and fair value. The classification will be based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset.

The Group is in the process of making an assessment of the financial impact that may arise from the adoption of MFRS 9.

2.2.2 Significant accounting policies

Business Combination - Reverse Acquisition

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

Basis of consolidation

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

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

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

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

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

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

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

2.2.2 **Significant accounting policies** (continued)

Basis of consolidation (continued)

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

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

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

Revenue and income recognition

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

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

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

Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

2.2.2 **Significant accounting policies** (continued)

Foreign currencies (continued)

(ii) Foreign currency transactions (continued)

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

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

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

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

	2013	**2012**
	RM	**RM**
1 United States Dollar	3.382	3.058
1 Hong Kong Dollar	0.423	0.395
1 Singapore Dollar	2.594	2.503
1 Chinese Renminbi	0.542	0.491
100 Indonesian Rupiah	0.027	0.032
100 Thai Baht	9.976	9.991
100 Vietnamese Dong	0.016	0.015
100 Philippine Peso	7.391	7.445
100 New Taiwan Dollar	11.009	-

Employee benefits

(i) Short term benefits

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

2.2.2 **Significant accounting policies** (continued)

Employee benefits (continued)

(ii) Defined contribution plans

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

(iii) Defined benefit plans

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

Actuarial gains or losses arising from experience adjustments or changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the reporting period in which they arise.

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

Income tax

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

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

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

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

2.2.2 **Significant accounting policies** (continued)

Impairment of non financial assets

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

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

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

Property, plant and equipment and depreciation

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

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

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

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

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

Intangible assets

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

2.2.2 **Significant accounting policies** (continued)

Intangible assets (continued)

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

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

Development expenditure recognised as intangible asset is stated at cost less accumulated amortisation and impairment losses, if any. Such development expenditure is amortised from the commencement of the income recognition to which the asset relates on the straight line basis over the period of expected benefit of five years.

Investment in subsidiaries

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

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

Investment in associates

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

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

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

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

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

2.2.2 **Significant accounting policies** (continued)

Investment in associates (continued)

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

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

Leases

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

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

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

Segment information

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

Contingent liabilities

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

2.2.2 **Significant accounting policies** (continued)

Financial instruments

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

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

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

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

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

(i) Loans and receivables

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

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

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

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

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

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

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

(iii) Payables

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

2.2.2 **Significant accounting policies** (continued)

Financial instruments (continued)

(iv) Interest bearing borrowings

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

(v) Financial guarantee contracts

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

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

(vi) Equity instruments

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

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

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

Impairment of financial assets

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

(i) Loans and receivables

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

2.2.2 **Significant accounting policies** (continued)

Impairment of financial assets (continued)

(i) Loans and receivables (continued)

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

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

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

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

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

3. Critical accounting estimates and judgements

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

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

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

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the date of the financial statements, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than the contingent liability as disclosed in Note 26.

4. Revenue

	Group	
	2013	**2012**
	RM	**RM**
Technology based online advertising solutions	45,694,653	37,981,919
Other related internet services	810,733	687,749
	46,505,386	38,669,668

5. Staff costs

	Group 2013 RM	Group 2012 RM
Salaries, wages and bonus	11,225,592	9,126,394
Defined contribution plan	976,771	702,951
Defined benefit plan	12,581	17,131
Other employee related expenses	628,048	504,872
	12,842,992	10,351,348
Staff costs recognised as intangible assets (Note 10)	(1,263,235)	(1,068,854)
	11,579,757	9,282,494

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

	Group 2013	Group 2012
Executive directors:		
RM150,001 to RM200,000	-	1
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	1	1
RM300,001 to RM350,000	-	1
RM350,001 to RM400,000	2	1
Non executive directors:		
RM Nil	4	4
Below RM50,000	3	3

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

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Executive directors:				
Basic salaries and other emoluments recognised:				
- in profit or loss	893,516	768,899	-	-
- as intangible assets (Note 10)	215,040	176,738	-	-
Fees included in profit or loss	132,000	225,878	-	-
	1,240,556	1,171,515	-	-
Non executive directors:				
Other emoluments included in profit or loss	10,500	13,500	10,500	13,500
Fees included in profit or loss	90,000	90,000	90,000	90,000
	100,500	103,500	100,500	103,500
Total	1,341,056	1,275,015	100,500	103,500

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6. Profit/(Loss) before tax

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Profit/(Loss) before tax is arrived at after charging:				
Allowance for doubtful debts				
- trade receivables	77,732	46,588	-	-
- other receivables	-	6,686	-	-
Amortisation of development expenditure	910,652	878,760	-	-
Auditors' remuneration				
- auditors of the Company				
- statutory	74,600	53,300	25,000	22,000
- non statutory	8,000	8,000	8,000	8,000
- auditors of subsidiaries				
- current year	56,344	52,079	-	-
- (over)/under provision in prior years	(2,250)	775	-	-
Depreciation	302,904	230,431	-	-
Development expenditure written off	125,574	-	-	-
Directors' remuneration				
- directors of the Company				
- fees	222,000	315,878	90,000	90,000
- other than fees	904,016	782,399	10,500	13,500
- directors of the subsidiaries				
- other than fees	571,912	256,170	-	-
Impairment of investment in subsidiaries	-	-	-	250,000
Interest expense				
- term loans	22,521	24,876	-	-
- bank overdrafts	2,889	3,310	-	-
Loss on foreign exchange				
- realised	13,413	56,083	2,300	11,206
- unrealised	442,581	-	-	-
Office rental	803,838	690,507	-	-
Plant and equipment written off	5,531	13,283	-	-
Preliminary expenses	11,642	11,842	-	-
Retirement benefits	12,581	17,131	-	-
And crediting:				
Allowance for doubtful debts no longer required	(6,141)	-	-	-
Gain on bargain purchase of subsidiaries	(3,066)	-	-	-
Interest income from				
- fixed and short term bank deposits	(40,681)	(31,212)	-	-
- other financial assets	(136,640)	(86,023)	(136,640)	(86,023)
Fair value gain on other financial assets	-	(169,394)	-	(169,394)
Amortisation of financial guarantee liabilities	-	-	(10,000)	-
Gain on disposal of plant and equipment	-	(805)	-	-
Gain on foreign exchange				
- realised	(202,293)	(6,142)	-	-
- unrealised	(46,600)	(30,312)	-	-

7. Income tax expense

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Estimated tax payable				
- current year				
- Malaysia	(49,700)	(11,600)	-	-
- Outside Malaysia	(519,826)	(306,921)	-	-
- over/(under) provision in prior years				
- Malaysia	(2,705)	-	-	-
- Outside Malaysia	27,467	169	-	-
	(544,764)	(318,352)	-	-
Deferred tax (Note 13)				
- current year				
- Malaysia	(154,800)	(107,400)	-	-
- Outside Malaysia	1,392	31,691	-	-
- (under)/over provision in prior years				
- Malaysia	-	(68,000)	-	-
- Outside Malaysia	-	10,199	-	-
	(153,408)	(133,510)	-	-
	(698,172)	(451,862)	-	-

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

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Profit/(Loss) before tax	2,914,802	2,359,078	(133,075)	(289,068)
Add: Share in loss of equity-accounted associates, net of tax	370,401	152,893	-	-
Adjusted profit/(loss) before tax	3,285,203	2,511,971	(133,075)	(289,068)
Taxation at statutory tax rate of 25% (2012: 25%)	(821,300)	(628,000)	33,300	72,300
Expenses not deductible for tax purposes	(187,145)	(13,066)	(73,000)	(136,200)
Different tax rates in other countries	25,083	42,965	-	-
Deferred tax assets not recognised during the year	(527,847)	(404,979)	-	-
Tax incentives on multiple deductibility of expenses	109,675	146,750	-	-
Income not subject to tax	678,600	462,100	39,700	63,900
(Under)/Over provision in prior years				
- deferred tax liabilities	-	(57,801)	-	-
- income tax payable	24,762	169	-	-
Income tax expense for the year	(698,172)	(451,862)	-	-

7. **Income tax expense** (continued)

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

8. **Basic earnings per share**

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

	Group	
	2013	**2012**
Net profit attributable to ordinary shareholders (RM)	2,434,763	2,124,131
Weighted average number of ordinary shares in issue	138,403,417	129,337,389
Basic earnings per ordinary share (sen)	1.76	1.64

Diluted earnings per share are not presented in the financial statements since there are no dilutive potential ordinary shares as at 31 December 2013 and 2012.

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9. Property, plant and equipment

Group	Long term leasehold shop offices RM	Furniture, fittings and office equipment RM	Computers and peripherals RM	Renovations RM	Total RM
Cost					
At 1 January 2012	720,000	431,345	878,163	161,641	2,191,149
Additions	-	94,919	168,597	134,577	398,093
Disposals	-	(5,120)	(21,121)	-	(26,241)
Write offs	-	(17,447)	(17,848)	-	(35,295)
Exchange differences	-	(840)	(2,061)	(3,028)	(5,929)
At 31 December 2012	720,000	502,857	1,005,730	293,190	2,521,777
Acquisition of a subsidiary	-	2,876	8,232	-	11,108
Additions	-	60,033	195,142	307,372	562,547
Disposals	-	-	(2,250)	-	(2,250)
Reclassification	-	3,149	(3,149)	-	-
Write offs	-	(2,442)	(5,180)	-	(7,622)
Exchange differences	-	(5,659)	(10,032)	(4,980)	(20,671)
At 31 December 2013	720,000	560,814	1,188,493	595,582	3,064,889
Accumulated depreciation					
At 1 January 2012	50,271	214,335	621,952	91,118	977,676
Charge for the year	8,772	47,752	129,490	44,417	230,431
Disposals	-	(1,538)	(7,270)	-	(8,808)
Write offs	-	(8,318)	(13,694)	-	(22,012)
Exchange differences	-	(70)	(381)	(1,013)	(1,464)
At 31 December 2012	59,043	252,161	730,097	134,522	1,175,823
Acquisition of a subsidiary	-	234	4,802	-	5,036
Charge for the year	8,773	55,100	136,065	102,966	302,904
Disposals	-	-	(675)	-	(675)
Reclassification	-	630	(630)	-	-
Write offs	-	(710)	(1,381)	-	(2,091)
Exchange differences	-	(1,225)	(3,959)	(3,383)	(8,567)
At 31 December 2013	67,816	306,190	864,319	234,105	1,472,430
Net book value					
At 31 December 2013	652,184	254,624	324,174	361,477	1,592,459
At 31 December 2012	660,957	250,696	275,633	158,668	1,345,954

9. **Property, plant and equipment** (continued)

At the reporting date:

(i) a unit of long term leasehold shop office of the Group with carrying amount of RM446,108 (2012: RM452,096) has been charged as collateral to secure the banking facilities referred to in Note 20; and

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

10. **Intangible assets**

	Group	
	2013	**2012**
	RM	**RM**
Development expenditure		
Costs		
At beginning of year	6,713,547	5,644,693
Additions	1,263,235	1,068,854
Write offs	(125,574)	-
At end of year	7,851,208	6,713,547
Accumulated amortisation		
At beginning of year	3,908,153	3,029,393
Charge for the year	910,652	878,760
At end of year	4,818,805	3,908,153
Carrying amount	3,032,403	2,805,394

	2013	**2012**
	RM	**RM**
The additions to the cost of intangible assets are analysed as follows:		
Directors' remuneration other than fees		
- directors' of the Company	215,040	176,738
- directors' of the subsidiaries	257,776	-
Other staff costs	790,419	892,116
	1,263,235	1,068,854