

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

Summary of key matters discussed at the Eleventh Annual General Meeting of the Company held at Greens II, Jalan Club Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, on Monday, 4 June 2018 at 9.30 a.m.

Mr Phang Chee Leong, the Chairman of the Company, chaired the Company Annual General Meeting. Upon confirmation of a quorum pursuant to Article 65 of the Company's Constitution by the Secretary, the Chairman called the meeting to order at 9.30 a.m.

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements for the financial year ended 31 December 2017, together with the Reports of the Directors and Auditors of the Company, having been circulated to all the shareholders of the Company within the statutory period, were tabled to the meeting for discussion.

Among the key matters raised by a proxy on the performance of the Company and its subsidiaries ("the Group") as well as the responses from the Board of Directors and Management were as follows:-

No.	Key matters raised by the shareholders	Responses from the Board of Directors and Management Team
1.	A proxy posted a question on the expected company's performance following the change in the government and how is it affected by the abolishment of Goods and Services Tax.	Regarding the change of the government, The Company incurred RM400,000 withholding tax under operation costs in 2017 . The Company will hit our target based on the internal budget set at the beginning of 2018.
2.	The proxy raised a question on the strategies for Innity Corporation Berhad ("the Company") in view of the rapid technological changes.	Regarding the changes in technologies, the Company have been in business for more than 17 years and are quite familiar with the technological changes. And admit that the technology environment is very dynamic. The Company technology team always plans two to three years ahead. It is very hard to predict the technologies that will arise in five to 10 years. And are recognised in the industry for our innovation in advertising and marketing technology. Therefore, the Company are well prepared for future technological changes.

<p>3.</p>	<p>Another question raised by the proxy is regarding the expansion of the Company to other countries. From page 20 and 21 of the Annual Report 2017 that some country segments have generated income while some are still making losses, such as subsidiaries in Taiwan, Vietnam and the Philippines. The proxy would like to know the strategies adopted for those overseas segments and how much is the Company willing to spend on local and overseas operations and does the Company has any plan to expand to other new markets.</p>	<p>The Company focus on Asia Pacific and currently operate in 12 countries within Asia Pacific and not considering any expansion plan for the moment.</p> <p>Some of the overseas subsidiaries have just been established and need a few years to position themselves in the market. Based on our previous track records such as the Hong Kong and Indonesia segments, it is common for overseas subsidiaries to take an average of three years to stabilise.</p> <p>The overall revenue performance is still very positive and up to the Company expectation. The Company will evaluate the potential of subsidiaries for further expansion.</p>
<p>4.</p>	<p>In regards to the notes to the financial statement on page 118, the proxy raised his concern on year 2017 revenue. Revenue has grown but profit has dropped drastically. And the Company trade receivables have increased to RM2 million and some impairment was recognised for trade receivables.</p> <p>In addition, the proxy further inquired the Company collection issue. He mentioned that the receivables under trade credit terms of 120 days have increased by 50%</p>	<p>The Company has provision for bad debt for about RM1.8 million owed by Lee Sport in the Hong Kong segment last year. That is the reason for the huge amount of provision of doubtful debt.</p> <p>The Company always collected from trade receivables within three to four months, had implemented a policy to improve collection since last year, whereby upfront payment is required from the customers</p>
<p>5.</p>	<p>The shareholder further questioned in respect of the trade receivable collectability for debts overdue more than 120 days, the strategies to minimise the trade receivables amount and whether Management having any plan to ask big customers to provide bank guarantees, personal guarantees or corporate guarantees.</p>	<p>To encourage customers to make payments early, the Company has implemented an agreement on early payment scheme with them.</p> <p>The Company will be looking into the option of requesting for bank guarantees.</p>

1. ORDINARY RESOLUTIONS 1, 2 AND 3

RE-ELECTION OF DIRECTORS

(I) MR LOOA HONG TUAN

(II) MR SEAH KUM LOONG

(III) MR GREGORY CHARLES POARCH

(i) Re-election of Mr Looa Hong Tuan

The re-election of Mr Looa Hong Tuan as Director of the Company was approved by the shareholders in the meeting.

(ii) Re-election of Mr Seah Kum Loong

The re-election of Mr Seah Kum Loong as Director of the Company was approved by the shareholders in the meeting.

(iii) Re-election of Mr Gregory Charles Poarch

The re-election of Mr Gregory Charles Poarch as Director of the Company was approved by the shareholders in the meeting.

There was no matter raised by the shareholders of the Company on this Agenda.

2. ORDINARY RESOLUTION 4

APPOINTMENT OF MESSRS BDO AS AUDITORS OF THE COMPANY

The new Company's Auditors, Messrs BDO, had been appointed in place of the retiring Auditors, Messrs Russell Bedford LC & Company was approved by the shareholders at the Meeting.

There was no matter raised by the shareholders of the Company on this Agenda.

3. ORDINARY RESOLUTIONS 5 and 6 (SPECIAL BUSINESS)

PROPOSED CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

(I) MR ROBERT LIM CHOON SIN

(II) ENCIK SHAMSUL ARIFFIN BIN MOHD NOR

(i) Retention of Mr.Robert Lim Choon Sin as Independent Non-Executive Director

The retention of Mr.Robert Lim Choon Sin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company was approved by the shareholders at the Meeting

(ii) Retention of Encik Shamsul Ariffin Bin Mohd Nor as Independent Non-Executive Director

The retention of Encik Shamsul Ariffin Bin Mohd Nor who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company was approved by the shareholders at the Meeting.

The key matters raised by a shareholder on the performance of the Company and its subsidiaries (“the Group”) as well as the responses from the Board of Directors were as follows:-

No.	Key matters raised by the shareholders	Responses from the Board of Directors and Management Team
1.	<p>A shareholder inquired the Board has any plan to change the independent directors due to their tenure of more than nine years. It might be an issue on corporate governance. And will the Board implement the two-tier voting procedure in future.</p> <p>The shareholder addressed his further concern on the non-independence of the executive chairman. In which the Board comprise of high composition of Executive Directors, which is led by an executive chairman of the Company.</p> <p>In addition, the new Code on Corporate Governance requires 50% of the Board to be independent directors to promote transparency. Although the founders or Management are needed in the Board to run the business, there should also be a balance of power</p>	<p>The Company have been performing those aforementioned practices for more than two years. And also in the process of getting new directors, including female directors, to join our Board.</p> <p>The Company is in compliance with the recommended practices under the Code on Corporate Governance. We are in the process of improving and exploring these practices.</p>

**4. ORDINARY RESOLUTION 7 (SPECIAL BUSINESS)
DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The payment of Directors’ Fees of RM90,000.00 for the financial year ended 31 December 2017 was approved by the shareholders at the Meeting.

There was no matter raised by the shareholders of the Company on this Agenda.

**5. ORDINARY RESOLUTION 8 (SPECIAL BUSINESS)
DIRECTORS’ BENEFITS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The payment of Directors’ benefits of RM12,000.00 for the financial year ended 31 December 2017 was approved by the shareholders at the Meeting.

There was no matter raised by the shareholders of the Company on this Agenda.

**6. ORDINARY RESOLUTION 9 (SPECIAL BUSINESS)
DIRECTORS' BENEFITS FOR THE PERIOD FROM 1 JANUARY 2018 UNTIL THE
TWELFTH ANNUAL GENERAL MEETING**

The payment of Directors' benefits of RM30,000.00 for the period from 1 January 2018 until the Twelfth Annual General Meeting was approved by the shareholders at the Meeting.

There was no matter raised by the shareholders of the Company on this Agenda.

**7. ORDINARY RESOLUTION 10 (SPECIAL BUSINESS)
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
("Proposed Shareholders' Mandate")**

The proposed Ordinary Resolution 10 to seek shareholder approval on the renewal of shareholders' mandate for Recurrent Related Party transactions of a revenue or trading nature was approved by the shareholders at the Meeting.

There was no matter raised by the shareholders of the Company on this Agenda.

**8. ORDINARY RESOLUTION 11 (SPECIAL BUSINESS)
AUTHORITY TO ISSUE SHARES**

The issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016 pertaining to the Authority to Issue Shares would provide flexibility to the Company to issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company was approved by the shareholders at the Meeting.

There was no matter raised by the shareholders of the Company on this Agenda.