

ADVANCE INFORMATION MARKETING BERHAD

(Company No 644769-D)

(Incorporated in Malaysia)

FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 MARCH 2008

ADVANCE INFORMATION MARKETING BERHAD
(Company No. 644769-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2008
(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 31.3.2008 RM'000	Preceding Year Corresponding Quarter 31.3.2007 RM'000	Current Year To Date 31.3.2008 RM'000	Preceding Year Corresponding Period 31.3.2007 RM'000
Revenue		13,479	11,026	13,479	11,026
Cost of sales		(7,967)	(6,189)	(7,967)	(6,189)
Gross profit		<u>5,512</u>	<u>4,837</u>	<u>5,512</u>	<u>4,837</u>
Operating expenses		(3,344)	(2,711)	(3,344)	(2,711)
Other operating income		158	180	158	180
Profit from operations		<u>2,326</u>	<u>2,306</u>	<u>2,326</u>	<u>2,306</u>
Finance cost		(23)	(28)	(23)	(28)
Profit before tax		<u>2,303</u>	<u>2,278</u>	<u>2,303</u>	<u>2,278</u>
Taxation	15	(255)	(238)	(255)	(238)
Profit after tax		<u>2,048</u>	<u>2,040</u>	<u>2,048</u>	<u>2,040</u>
Attributable to:					
Equity holders of the parent		2,047	2,002	2,047	2,002
Minority interest		1	38	1	38
Net profit for the period		<u>2,048</u>	<u>2,040</u>	<u>2,048</u>	<u>2,040</u>
Weighted average number of ordinary shares in issue					
- Basic profit per share (sen)	23	1.32	1.29	1.32	1.29
- Diluted profit per share (sen)	23	-	-	-	-
Actual number of ordinary shares of RM0.10 each in issue					
- Basic profit per share (sen)	23	1.32	1.29	1.32	1.29
- Diluted profit per share (sen)	23	-	-	-	-

The Condensed Income Statements should be read in conjunction with the accompanying explanatory notes attached to this interim financial statements.

The annexed notes are an integral part of this statement

ADVANCE INFORMATION MARKETING BERHAD
(Company No. 644769-D)

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008
(The figures have not been audited)

	Note	As At End Of Current Quarter 31.3.2008 RM'000	Audited Financial Year Ended 31.12.2007 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		9,853	9,985
Investment in Associate company		1,366	-
Other Investment		45	45
Intangible assets - development expenditure		1,480	1,447
Deferred tax assets		51	55
		<u>12,795</u>	<u>11,532</u>
Current Assets			
Inventories		3,525	3,007
Trade receivables		14,605	12,061
Other receivables, deposits and prepayment		3,808	4,955
Short term deposits		15,612	15,309
Cash and bank balances		4,861	6,103
		<u>42,411</u>	<u>41,435</u>
TOTAL ASSETS		<u><u>55,206</u></u>	<u><u>52,967</u></u>
EQUITY			
Share capital		15,500	15,500
Share premium		9,500	9,500
Retained profit		19,278	17,231
Exchange fluctuation reserve		122	60
Equity attributable to the shareholders of the Company		<u>44,400</u>	<u>42,291</u>
Minority interest		69	68
TOTAL EQUITY		<u><u>44,469</u></u>	<u><u>42,359</u></u>
LIABILITIES			
Non-Current Liabilities			
Hire purchase payables	19	58	98
Deferred tax liabilities		86	86
		<u>144</u>	<u>184</u>
Current Liabilities			
Trade payables		7,082	5,615
Other payables and accruals		2,010	3,291
Hire purchase payables	19	134	134
Short term borrowings	19	1,200	1,211
Tax payable		167	173
		<u>10,593</u>	<u>10,424</u>
TOTAL LIABILITIES		<u><u>10,737</u></u>	<u><u>10,608</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>55,206</u></u>	<u><u>52,967</u></u>
Net Assets per share (RM)		0.29	0.27

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

ADVANCE INFORMATION MARKETING BERHAD**(Company No. 644769-D)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE FIRST QUARTER ENDED 31 MARCH 2008****(The figures have not been audited)**

Note	Share Capital	(Non Distributable)		(Distributable)		Total Shareholders' funds RM'000	Minority Interest RM'000	Total Equity RM'000
	Ordinary Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000				
As at 1 January 2008	15,500	9,500	60	17,231	42,291	68	42,359	
Exchange Fluctuation Reserve	-	-	62	-	62	-	62	
Net profit for the year	-	-	-	2,047	2,047	1	2,048	
Balance as at 31 March 2008	15,500	9,500	122	19,278	44,400	69	44,469	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

ADVANCE INFORMATION MARKETING BERHAD
(Company No. 644769-D)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2008**
(The figures have not been audited)

	Current Year To Date 31.3.2008 RM'000	Audited Financial Year Ended 31.12.2007 RM'000
Cash flow from operating activities		
Profit before taxation	2,303	9,379
Adjustment for non-cash items	421	959
Operating profit before working capital changes	<u>2,724</u>	<u>10,338</u>
Net change in current asset & current liabilities	<u>(1,084)</u>	<u>(1,763)</u>
Cash generated from operations	1,640	8,575
Tax paid	(155)	(1,353)
Withholding tax paid	-	(66)
Interest paid on overdraft	-	(1)
Net cash generated from operating activities	<u>1,485</u>	<u>7,155</u>
Net cash used in investing activities	(865)	(7,373)
Net cash (used in)/ generated from financing activities	(1,624)	(4,763)
Net change in cash and cash equivalents	<u>(1,004)</u>	<u>(4,981)</u>
Effects of exchange rate changes	65	(5)
Cash and cash equivalents at the beginning of the period	21,412	26,398
Cash and cash equivalents at the end of the period	<u><u>20,473</u></u>	<u><u>21,412</u></u>
Analysed into:		
Short term deposit with licensed financial institutions	15,612	15,309
Cash and bank balances	4,861	6,103
Cash and cash equivalents at the end of the period	<u><u>20,473</u></u>	<u><u>21,412</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

ADVANCE INFORMATION MARKETING BERHAD

(Company No. 644769-D)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2008**

1. Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in compliance with Financial Reporting Standard ("FRS") FRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the Mesdaq Market.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 31 December 2007.

The accounting policies and methods of computation adopted in these interim financial statements of the Company and its subsidiaries ("The Group") are consistent with those adopted for the annual financial statements for the FYE 31 December 2007.

2. Auditors' Report on preceding annual financial statements

The auditors' reports on the financial statements of the Company and its subsidiaries for the FYE 31 December 2007 were not subjected to any qualification.

3. Seasonality or cyclical

The Group's operations have not been affected materially by any seasonal/cyclical factors.

4. Nature and amount of unusual items affecting assets, liabilities, equity, net income or cash flows

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

5. Changes in Estimates

There were no material changes in the estimates used for the preparation of this interim financial statements.

6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the current quarter under review.

7. Valuation of property, plant and equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have an effect in the current financial quarter under review.

8. Material events subsequent to the end of the interim period

Save from the following, there were no material events subsequent to the current financial quarter ended 31 March 2008 up to the date of this report which is likely to substantially affect the results of the operations of the Company:

i) Proposed bonus issue of up to 31,310,000 new ordinary shares of RM0.10 each in the company on the basis of one (1) new ordinary share for every five (5) existing company's shares held on an entitlement date to be determined later.

ii) Customer Loyalty Solutions Sdn. Bhd. (Co. No. 610748-V) ("CLS"), a wholly-owned subsidiary of the company, has entered into a 5 year service contract with ExxonMobil Malaysia Sdn. Bhd. to provide its expertise in loyalty management, sourcing and supply of premiums and supply chain distribution logistics. This agreement is expected to contribute positively to the overall growth of the Group.

9. Change in the composition of the group

The 25% equity interest in Customer Loyalty Solutions (Shanghai) Co. Ltd. ("CLSS"), was effective in the current quarter after the full payment and approvals from the relevant authorities in China.

10. Contingent liabilities and contingent assets

As at 31 March 2008, there were no contingent liabilities and assets.

11. Segmental information

The revenue and profit/(loss) before taxation of the Group for the first quarter ended 31 March 2008 ("Q1") are generated from the following segments:

SEGMENT REVENUE	Licensing & Data Management RM'000	Managed Customer Loyalty Services RM'000	Mail Order & Channel Sales RM'000	Inter- Segment Revenue RM'000	Consolidated RM'000
Malaysia	2,323	11,266	63	(387)	13,265
Singapore & others		214			214
	<u>2,323</u>	<u>11,480</u>	<u>63</u>	<u>(387)</u>	<u>13,479</u>

SEGMENT PROFIT/ (LOSS)	Licensing & Data Management RM'000	Managed Customer Loyalty Services RM'000	Mail Order & Channel Sales RM'000		Consolidated RM'000
Malaysia	1,570	832	(47)		2,355
Singapore & Others		(52)			(52)
	<u>1,570</u>	<u>780</u>	<u>(47)</u>		<u>2,303</u>

12. Review of performance

During the first quarter ended 31 March 2008, the Group achieved a revenue of RM13.5 million, representing an increase of 22.2% as compared to the RM11.0 million reported in the preceding year corresponding quarter ended 31 March 2007. This is attributable to higher transactions with existing clients.

Our operating expenses have increased by RM0.6 million mainly due to the increase in staff cost.

Overall, we have achieved an unaudited profit before tax of RM2.3 million and unaudited profit after tax of RM2.0 million for the first quarter ended 31 March 2008. The the first quarter ended 31 March 2008 profit before tax was lower as compared to previous quarter ended 31 December 2007 mainly due to the RM 0.4 million gain on disposal of a warehouse which was recognised in the previous quarter.

13. Prospects for 2008

Barring unforeseen circumstances, the Group is expected to continue to operate profitably in the ensuing year. The contract entered with ExxonMobile Malaysia Sdn Bhd as disclosed in Note 8 above is expected to contribute positively to the overall growth of the Group.

14. Profit forecast

The Group did not disclose any profit forecast and profit guarantee for this financial period.

15. Taxation

	Current Quarter 31.3.2008 RM'000	Current Year To Date 31.3.2008 RM'000
Current provision	<u>255</u>	<u>255</u>

The effective tax rate of the Company is lower than the statutory rate applicable mainly due to the Multimedia Super Corridor status granted by Multimedia Development Corporation. The pioneer status entitles the company for five years exemption from Malaysian Income tax (only on income derived from MSC related activities).

16. Unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

17. Purchase or disposal of quoted securities

(a) There were no purchase or disposal of quoted securities for the current quarter under review.

(b) There were no investments in quoted securities as at the end of the reporting period.

18. a) Status of corporate proposal announced

On 2 May 2008, the Company proposed the bonus issue of up to 31,310,000 new ordinary shares of RM0.10 each in the company on the basis of one (1) new ordinary share for every five (5) existing company's shares held on an entitlement date to be determined later ("Proposed Bonus Issue"). Bursa Malaysia Securities Berhad had, vide its letter dated 16 May 2008 (which was received on 21 May 2008), approved in-principle the listing of and quotation for up to 31,310,000 new ordinary shares of RM0.10 each to be issued pursuant to the Proposed Bonus Issue. An Extraordinary General Meeting will be convened in due course to seek shareholders' approval on the Proposed Bonus Issue.

b) Utilisation of proceeds

The Company raised RM14.7 million during its Initial Public Offering exercise in April 2006 and the details of the utilisation of proceeds up to 31 March 2008 are as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Amount RM'000	Explanations*
Expansion of the core and related business of the Group	3,900	3,900	-	N/A
Purchase of software and hardware equipment	3,000	747	2,253	N/A
R & D expenditure	4,800	2,054	2,746	N/A
Working capital	1,300	1,300	-	N/A
Estimated listing expenses	1,700	1,700	-	N/A
Total	<u>14,700</u>	<u>9,701</u>	<u>4,999</u>	

*The utilisation of proceeds is within the timeframe of 5 years as stated in the company's prospectus dated 28 March 2006.

19. Group borrowings

Total Group borrowings as at 31 March 2008 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	1,334	-	1,334
Long term borrowings			
- Local currency (RM)	58	-	58
Total	<u>1,392</u>	<u>-</u>	<u>1,392</u>

20. Off balance sheet financial instruments

There were no off Balance Sheet financial instruments entered into by the Group as at the date not earlier than 7 days from the date of announcement.

21. Material litigation

The Group is not engaged in any material litigation either as a plaintiff or defendant and the directors do not have any knowledge of any proceeding pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

22. Dividend

There was no dividend proposed or declared during the quarter under review.

23. Basis of calculation of earnings per share

The basic earnings per share for the quarter and cumulative year to date are computed as follows:

	Current Quarter 31.3.2008	Preceding Year Corresponding Quarter 31.3.2007	Current Year To Date 31.3.2008	Preceding Year Corresponding Period 31.3.2007
Net profit attributable to equity holders of the parent for the period (RM'000)	<u>2,047</u>	<u>2,002</u>	<u>2,047</u>	<u>2,002</u>
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>
- Basic earnings per share (sen)	1.32	1.29	1.32	1.29
Actual number of ordinary shares of RM0.10 each in issue ('000)	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>
- Basic earnings per share (sen)	1.32	1.29	1.32	1.29

Diluted

The fully diluted earnings per share have not been presented as there is no diluted effect for the shares of the Company.