

# **ADVANCE INFORMATION MARKETING BERHAD**

**(Company No 644769-D)**

**(Incorporated in Malaysia)**

**FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 MARCH 2009**

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2009**  
(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 31.3.2009 RM'000	Preceding Year Corresponding Quarter 31.3.2008 RM'000	Current Year To Date 31.3.2009 RM'000	Preceding Year Corresponding Period 31.3.2008 RM'000
Revenue		11,463	13,479	11,463	13,479
Cost of sales		(9,680)	(7,967)	(9,680)	(7,967)
Gross profit		<u>1,783</u>	<u>5,512</u>	<u>1,783</u>	<u>5,512</u>
Operating expenses		(2,335)	(3,344)	(2,335)	(3,344)
Other operating income		72	158	72	158
(Loss)/ Profit from operations		<u>(480)</u>	<u>2,326</u>	<u>(480)</u>	<u>2,326</u>
Finance cost		(1)	(23)	(1)	(23)
(Loss)/ Profit before tax		<u>(481)</u>	<u>2,303</u>	<u>(481)</u>	<u>2,303</u>
Taxation	16	(33)	(255)	(33)	(255)
(Lost)/ Profit after tax		<u>(514)</u>	<u>2,048</u>	<u>(514)</u>	<u>2,048</u>
Attributable to:					
Equity holders of the parent		(542)	2,047	(542)	2,047
Minority interest		28	1	28	1
Net (loss)/ profit for the period		<u>(514)</u>	<u>2,048</u>	<u>(514)</u>	<u>2,048</u>
Actual number of ordinary shares of RM0.10 each in issue ('000)					
- Basic (loss)/ earnings per share (sen)	24	(0.29)	1.32	(0.29)	1.32
Weighted average number of ordinary shares of RM0.10 each in issue ('000)					
- Basic (loss)/ earnings per share (sen)	24	(0.29)	1.32	(0.29)	1.32

The Condensed Consolidated 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 2009**  
(The figures have not been audited)

	Note	As At End Of Current Quarter 31.3.2009 RM'000	Audited Financial Year Ended 31.12.2008 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		6,004	6,090
Investment in Associate company		1,378	1,378
Other Investment		45	45
Intangible assets - development expenditure		1,444	1,517
Deferred tax assets		44	72
		<u>8,915</u>	<u>9,102</u>
<b>Current Assets</b>			
Inventories		2,144	1,305
Trade receivables		11,663	10,166
Other receivables, deposits and prepayment		5,940	5,767
Short term deposits		20,837	20,600
Cash and bank balances		<u>1,392</u>	<u>3,262</u>
		<u>41,976</u>	<u>41,100</u>
<b>TOTAL ASSETS</b>		<u><u>50,891</u></u>	<u><u>50,202</u></u>
<b>EQUITY</b>			
Share capital		18,717	18,717
Share premium		6,639	6,639
Retained profit		9,207	9,749
Exchange fluctuation reserve		131	121
<b>Equity attributable to the shareholders of the Company</b>		<u>34,694</u>	<u>35,226</u>
Minority interest		<u>156</u>	<u>128</u>
<b>TOTAL EQUITY</b>		<u><u>34,850</u></u>	<u><u>35,354</u></u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Hire purchase payables	20	36	49
Deferred tax liabilities		<u>132</u>	<u>132</u>
		168	181
<b>Current Liabilities</b>			
Trade payables		11,241	10,142
Other payables and accruals		4,523	4,369
Hire purchase payables	20	41	41
Tax payable		<u>68</u>	<u>115</u>
		15,873	14,667
<b>TOTAL LIABILITIES</b>		<u><u>16,041</u></u>	<u><u>14,848</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>50,891</u></u>	<u><u>50,202</u></u>
Net Assets per share (RM)		0.1862	0.1889

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009  
(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 2009	18,717	6,639	121	9,749	35,226	128	35,354
Exchange Fluctuation Reserve	-	-	10	-	10	-	10
Net profit for the year	-	-	-	(542)	(542)	28	(514)
Balance as at 31 March 2009	18,717	6,639	131	9,207	34,694	156	34,850

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009**  
(The figures have not been audited)

	Current Year To Date 31.3.2009 RM'000	Audited Financial Year Ended 31.12.2008 RM'000
<b>Cash flow from operating activities</b>		
(Loss)/ Profit before taxation	(481)	(2,980)
Adjustment for non-cash items	448	6,989
Operating profit before working capital changes	(33)	4,009
Net change in current asset & current liabilities	<u>(1,106)</u>	<u>6,591</u>
Cash generated/ (used) from operations	(1,139)	10,600
Tax paid	(203)	(841)
Withholding tax paid	-	(89)
Interest paid on overdraft	-	-
Net cash generated from operating activities	<u>(1,342)</u>	<u>9,670</u>
<b>Net cash used in investing activities</b>	(287)	(2,034)
<b>Net cash used in financing activities</b>	(14)	(5,223)
<b>Net change in cash and cash equivalents</b>	<u>(1,643)</u>	<u>2,413</u>
<b>Effects of exchange rate changes</b>	10	37
<b>Cash and cash equivalents at the beginning of the period</b>	23,862	21,412
<b>Cash and cash equivalents at the end of the period</b>	<u><u>22,229</u></u>	<u><u>23,862</u></u>
<b>Analysed into:</b>		
<b>Short term deposit with licensed financial institutions</b>	20,837	20,600
<b>Cash and bank balances</b>	1,392	3,262
<b>Cash and cash equivalents at the end of the period</b>	<u><u>22,229</u></u>	<u><u>23,862</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009**

**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 2008. 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 2008.

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 2008.

**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 2008 were not subject to any qualification.

**3. Seasonality or cyclicity**

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

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

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows of the Group that were unusual by reason of their nature, size or incidence during the current quarter.

**5. Changes in Estimates**

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

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

There were no issuances, 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 on the current quarter's financial statements

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

There were no material events subsequent to the financial quarter ended 31 March 2009 which were likely to substantially affect the results of the operations of the Company.

**9. Change in the composition of the group**

There were no changes in the composition of the Group for the current quarter under review.

**10. Contingent liabilities and contingent assets**

As at 31 March 2009, there were no contingent liabilities made.

**11. Segmental information**

The revenue and profit/(loss) before taxation of the Group for the fourth quarter ended 31 March 2009 ("Q1") were 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	1,139	10,467	71	(345)	11,332
Singapore & others	-	131	-	-	131
	<u>1,139</u>	<u>10,598</u>	<u>71</u>	<u>(345)</u>	<u>11,463</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	538	(855)	32	-	(285)
Singapore & Others	-	(196)	-	-	(196)
	<u>538</u>	<u>(1,051)</u>	<u>32</u>	<u>-</u>	<u>(481)</u>

**12. Review of performance**

During the quarter ended 31 March 2009, the Group experienced a decline in revenue from RM13.4mil to RM11.4 million as compared to the corresponding quarter of last year. The gross margin was significantly lower due to the economic crisis whereby clients have requested for a revise in quotation as well as stiff competition in the market.

The result has shown that, by implementing the cost savings measures and the deployment of resources, the Group has managed to maintain lower expenses during the quarter under review. The operating expenses during the first quarter ended 31 March 2009 was RM 2.3 million compared to RM 3.3 million in the corresponding quarter of last year.

**13. Material Changes in The Profit/ (Loss) Before Tax As Compared To the Preceding Quarter**

In the preceeding quarter ended 31 December 2008, the Group has made a provision of RM5.3 million as an exceptional loss due to the fire at the Group's warehouse and logistic centre.

This has resulted in the material change in the loss before tax between the current quarter and the preceding quarter.

**14. Prospects**

Due to the global recession and the much lower consumer spending, the Group expects to face a tough and challenging business environment for the financial year 2009.

**15. Profit forecast**

The Group did not disclose or announce any profit forecast or profit guarantee in any public document in the financial quarter ended 31 March 2009.

**16. Taxation**

	Current Quarter 31.3.2009 RM'000	Current Year To Date 31.3.2009 RM'000
Current provision	<u>33</u>	<u>33</u>

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

**17. Unquoted investments and/or properties**

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

**18. Purchase or disposal of quoted securities**

(a) There were no purchase or disposal of quoted securities for the current quarter and financial year to date.

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

**19. a) Status of corporate proposals announced**

On 24 April 2009, the Company announced that it intends to seek its shareholders' approval at the forthcoming Fifth Annual General Meeting for the following proposals:-

(i) Proposed renewal of the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and

(ii) Proposed purchase of up to ten percent (10%) of AIM's issued and paid-up share capital pursuant to Section 67A of the Companies Act, 1965, Part IIIA of the Companies Regulations 1966 and Chapter 12 of the Listing Requirements of Bursa Malaysia Securities Berhad

**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 2009 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	1,139	1,861	N/A
R & D expenditure	4,800	3,154	1,646	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>11,193</u>	<u>3,507</u>	

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



**20. Group borrowings**

Total Group borrowings as at 31 March 2009 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	41	-	41
Long term borrowings			
- Local currency (RM)	36	-	36
Total	<u>77</u>	<u>-</u>	<u>77</u>

**21. Off balance sheet financial instruments**

As at the latest practicable date, there were no off balance sheet financial instruments entered into by the Group.

**22. Material litigation**

As at the latest practicable date, 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.

**23. Dividend**

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

**24. Basis of calculation of earnings per share**

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

	Current Quarter 31.3.2009	Preceding Year Corresponding Quarter 31.3.2008	Current Year To Date 31.3.2009	Preceding Year Corresponding Period 31.3.2008
a) Net (loss)/profit attributable to equity holders of the parent for the period (RM'000)	(542)	2,047	(542)	2,047
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	<u>187,168</u>	<u>155,000</u>	<u>187,168</u>	<u>155,000</u>
- Basic earnings per share (sen)	(0.29)	1.32	(0.29)	1.32
Actual number of ordinary shares of RM0.10 each in issue ('000)	<u>187,168</u>	<u>155,000</u>	<u>187,168</u>	<u>155,000</u>
- Basic earnings per share (sen)	(0.29)	1.32	(0.29)	1.32