

ADVANCE INFORMATION MARKETING BERHAD

(Company No 644769-D)

(Incorporated in Malaysia)

FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 JUNE 2009

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2009
(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 30.6.2009 RM000	Preceding Year Corresponding Quarter 30.6.2008 RM000	Current Year To Date 30.6.2009 RM000	Preceding Year Corresponding Period 30.6.2008 RM000
Revenue		10,685	11,898	22,148	25,377
Cost of sales		(9,359)	(7,175)	(19,039)	(15,142)
Gross profit		<u>1,326</u>	<u>4,723</u>	<u>3,109</u>	<u>10,235</u>
Operating expenses		(1,977)	(3,100)	(4,312)	(6,444)
Other operating income		151	135	223	293
(Loss)/ Profit from operations		<u>(500)</u>	<u>1,758</u>	<u>(980)</u>	<u>4,084</u>
Finance cost		-	(3)	(1)	(26)
(Loss)/ Profit before tax		<u>(500)</u>	<u>1,755</u>	<u>(981)</u>	<u>4,058</u>
Taxation	16	(32)	(274)	(65)	(529)
(Lost)/ Profit after tax		<u>(532)</u>	<u>1,481</u>	<u>(1,046)</u>	<u>3,529</u>
Attributable to:					
Equity holders of the parent		(573)	1,472	(1,115)	3,519
Minority interest		41	9	69	10
Net (loss)/ profit for the period		<u>(532)</u>	<u>1,481</u>	<u>(1,046)</u>	<u>3,529</u>
Actual number of ordinary shares of RM0.10 each in issue ('000)					
- Basic (loss)/ earnings per share (sen)	23	(0.31)	0.94	(0.60)	2.26
Weighted average number of ordinary shares of RM0.10 each in issue ('000)					
- Basic (loss)/ earnings per share (sen)	23	(0.31)	0.95	(0.60)	2.27

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 30 JUNE 2009
(The figures have not been audited)

	Note	As At End Of Current Quarter 30.6.2009 RM'000	Audited Financial Year Ended 31.12.2008 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		5,663	6,090
Investment in Associate company		1,378	1,378
Other Investment		45	45
Intangible assets - development expenditure		1,327	1,517
Deferred tax assets		47	72
		<u>8,460</u>	<u>9,102</u>
Current Assets			
Inventories		2,502	1,305
Trade receivables		11,829	10,166
Other receivables, deposits and prepayment		5,914	5,767
Short term deposits		17,388	20,600
Cash and bank balances		2,836	3,262
		<u>40,469</u>	<u>41,100</u>
TOTAL ASSETS		<u>48,929</u>	<u>50,202</u>
EQUITY			
Share capital		18,717	18,717
Share premium		6,639	6,639
Retained profit		8,634	9,749
Exchange fluctuation reserve		148	121
Equity attributable to the shareholders of the Company		<u>34,138</u>	<u>35,226</u>
Minority interest		197	128
TOTAL EQUITY		<u>34,335</u>	<u>35,354</u>
LIABILITIES			
Non-Current Liabilities			
Hire purchase payables	19	21	49
Deferred tax liabilities		132	132
		<u>153</u>	<u>181</u>
Current Liabilities			
Trade payables		11,080	10,142
Other payables and accruals		3,320	4,369
Hire purchase payables	19	41	41
Tax payable		-	115
		<u>14,441</u>	<u>14,667</u>
TOTAL LIABILITIES		<u>14,594</u>	<u>14,848</u>
TOTAL EQUITY AND LIABILITIES		<u>48,929</u>	<u>50,202</u>
Net Assets per share (RM)		0.1834	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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2009
(The figures have not been audited)**

Note	Share Capital	(Non Distributable)	(Distributable)				
	Ordinary Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Total Shareholders' funds RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 January 2009	18,717	6,639	121	9,749	35,226	128	35,354
Exchange Fluctuation Reserve	-	-	27	-	27	-	27
Net loss for the period	-	-	-	(1,115)	(1,115)	69	(1,046)
Balance as at 30 June 2009	18,717	6,639	148	8,634	34,138	197	34,335

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
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2009
(The figures have not been audited)**

	Current Year To Date 30.6.2009 RM000	Audited Financial Year Ended 31.12.2008 RM000
Cash flow from operating activities		
Loss before taxation	(981)	(2,980)
Adjustment for non-cash items	807	6,989
Operating (loss)/ profit before working capital changes	<u>(174)</u>	<u>4,009</u>
Net change in current asset & current liabilities	<u>(2,938)</u>	<u>6,591</u>
Cash (used)/ generated from operations	(3,112)	10,600
Tax paid	(336)	(841)
Withholding tax paid	-	(89)
Net cash (used in)/ generated from operating activities	<u>(3,448)</u>	<u>9,670</u>
Net cash used in investing activities	(187)	(2,034)
Net cash used in financing activities	(30)	(5,223)
Net change in cash and cash equivalents	<u>(3,665)</u>	<u>2,413</u>
Effects of exchange rate changes	27	37
Cash and cash equivalents at the beginning of the period	23,862	21,412
Cash and cash equivalents at the end of the period	<u><u>20,224</u></u>	<u><u>23,862</u></u>
Analysed into:		
Short term deposit with licensed financial institutions	17,388	20,600
Cash and bank balances	2,836	3,262
Cash and cash equivalents at the end of the period	<u><u>20,224</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 30 JUNE 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 ACE 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 cyclicality

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 30 June 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 30 June 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 30 June 2009 ("Q2") were generated from the following segments:

SEGMENT REVENUE	Licensing & Data Management RM000	Managed Customer Loyalty Services RM000	Mail Order & Channel & Channel Sales RM000	Inter- Segment Revenue RM000	Consolidated RM000
Malaysia	1,638	8,224	134	(345)	9,651
Singapore & others	-	1,034	-	-	1,034
	<u>1,638</u>	<u>9,258</u>	<u>134</u>	<u>(345)</u>	<u>10,685</u>

SEGMENT PROFIT/ (LOSS)	Licensing & Data Management RM000	Managed Customer Loyalty Services RM000	Mail Order & Channel & Channel Sales RM000	Consolidated RM000
Malaysia	403	(769)	71	(295)
Singapore & Others	-	(205)	-	(205)
	<u>403</u>	<u>(974)</u>	<u>71</u>	<u>(500)</u>

12. Review of performance

During the quarter ended 30 June 2009, the Group recorded an unaudited sales revenue of RM10.7 mil compared to RM11.9 mil of the preceeding year corresponding quarter. The lower sales revenue is due to the cut-back in corporate spending on program licensing and maintenance fees during this economic crisis. Consequently, this affected the gross profit margin, in addition to price competition as each competitor tries to undercut prices to gain bigger market share.

The operating expenses during the quarter showed significant improvement of RM1.98 mil as compared to RM3.1 mil in the preceeding year corresponding quarter. This is due to the implementation of various cost reduction measures and optimization of the the company's resources.

13. 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.

14. Profit forecast

The Group did not disclose or announce any profit forecast or profit guarantee in any public document in the financial quarter ended 30 June 2009.

15. Taxation

	Current Quarter 30.6.2009 RM'000	Current Year To Date 30.6.2009 RM'000
Current provision	<u>32</u>	<u>65</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).

16. Unquoted investments and/or properties

There were 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 and financial year to date.

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

18. a) Status of corporate proposals announced

There were no corporate proposals announced but not completed as at the date not earlier than 7 days from the date of announcement.

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 30 June 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	1,252	1,748	N/A
R & D expenditure	4,800	3,557	1,243	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>11,709</u>	<u>2,991</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 30 June 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)	21	-	21
Total	<u>62</u>	<u>-</u>	<u>62</u>

20. Off balance sheet financial instruments

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

21. 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.

22. Dividend

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

23. 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 30.6.2009	Preceding Year Corresponding Quarter 30.6.2008	Current Year To Date 30.6.2009	Preceding Year Corresponding Period 30.6.2008
a) Net (loss)/profit attributable to equity holders of the parent for the period (RM'000)	(573)	1,472	(1,115)	3,519
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	<u>187,169</u>	<u>155,203</u>	<u>187,169</u>	<u>155,102</u>
- Basic earnings per share (sen)	(0.31)	0.95	(0.60)	2.27
Actual number of ordinary shares of RM0.10 each in issue ('000)	<u>187,169</u>	<u>155,974</u>	<u>187,169</u>	<u>155,974</u>
- Basic earnings per share (sen)	(0.31)	0.94	(0.60)	2.26