

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 31.03.2011 RM'000	Preceding Year Corresponding Quarter 31.03.2010 RM'000	Current Year To Date 31.03.2011 RM'000	Preceding Year Corresponding Period 31.03.2010 RM'000
Revenue		4,916	8,053	4,916	8,053
Cost of sales and services		(4,716)	(6,161)	(4,716)	(6,161)
Gross profit		<u>200</u>	<u>1,892</u>	<u>200</u>	<u>1,892</u>
Administrative and other expenses		(740)	(1,843)	(740)	(1,843)
Other income		209	178	209	178
Operating profit/ (loss)		<u>(331)</u>	<u>227</u>	<u>(331)</u>	<u>227</u>
Finance costs		(3)	(1)	(3)	(1)
Profit/ (loss) before taxation		<u>(334)</u>	<u>226</u>	<u>(334)</u>	<u>226</u>
Taxation	16	-	(117)	-	(117)
Profit/ (loss) after tax for the period		<u>(334)</u>	<u>109</u>	<u>(334)</u>	<u>109</u>
Other comprehensive income					
Fair Value Reserve		(12)	46	(12)	46
Exchange Fluctuation Reserve		(161)	(67)	(161)	(67)
Total comprehensive income/ (loss) for the period		<u>(507)</u>	<u>88</u>	<u>(507)</u>	<u>88</u>
Profit/ (loss) for the period attributable to:					
Owners of the parent		(328)	80	(328)	80
Non-controlling interest		<u>(6)</u>	<u>29</u>	<u>(6)</u>	<u>29</u>
		<u>(334)</u>	<u>109</u>	<u>(334)</u>	<u>109</u>
Total comprehensive income attributable to:					
Owners of the parent		(501)	59	(501)	59
Non-controlling interest		<u>(6)</u>	<u>29</u>	<u>(6)</u>	<u>29</u>
		<u>(507)</u>	<u>88</u>	<u>(507)</u>	<u>88</u>
Earnings/ (loss) per share :-					
- Basic (sen)	24	(0.16)	0.04	(0.16)	0.04
- Diluted (sen)	24	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

The annexed notes are an integral part of this statement.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	UNAUDITED As at 31.03.2011 RM'000	AUDTED As at 31.12.2010 RM'000
ASSETS	Note	
Non-Current Assets		
Property, plant and equipment	3,655	3,693
Other investments	3,653	3,612
Intangible assets - development expenditure	508	596
Deferred tax assets	65	64
	<u>7,881</u>	<u>7,965</u>
Current Assets		
Inventories	1,526	1,446
Trade receivables	7,274	5,029
Other receivables, deposits and prepayments	3,160	4,701
Tax recoverable	638	1,061
Short term deposits	21,399	13,965
Cash and bank balances	3,092	10,273
	<u>37,089</u>	<u>36,475</u>
Non-current asset classified as held for sale	-	-
TOTAL ASSETS	<u>44,970</u>	<u>44,440</u>
EQUITY		
Share capital	24,406	24,406
Share premium	896	896
Retained profit	8,943	9,271
Treasury Shares	(4,058)	(4,058)
Other reserves	(211)	(38)
Equity attributable to the shareholders of the C	<u>29,976</u>	<u>30,477</u>
Non-controlling interest	42	48
TOTAL EQUITY	<u>30,018</u>	<u>30,525</u>
LIABILITIES		
Current Liabilities		
Trade payables	13,047	12,270
Other payables and accruals	1,794	1,597
Hire purchase payable	13	21
Tax payable	98	27
	<u>14,952</u>	<u>13,915</u>
TOTAL LIABILITIES	<u>14,952</u>	<u>13,915</u>
TOTAL EQUITY AND LIABILITIES	<u>44,970</u>	<u>44,440</u>
Net Assets per share (RM)	0.1230	0.1251

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

For the three months ended 31 March 2011

	Attributable to owners of the parent								
	Ordinary Shares RM'000	Share Premium RM'000	Treasury Shares RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2011	24,406	896	(4,058)	(140)	102	9,271	30,477	48	30,525
Total comprehensive income for the period	-	-	-	(161)	(12)	(328)	(501)	(6)	(507)
Balance as at 31 March 2011	24,406	896	(4,058)	(301)	90	8,943	29,976	42	30,018

For the three months ended 31 March 2010

	Attributable to owners of the parent								
	Ordinary Shares RM'000	Share Premium RM'000	Treasury Shares RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2010	18,717	6,639		11	-	8,434	33,801	134	33,935
Before the adoption of FRS 139	-				37		37		37
Effects on the adoption of FRS 139									
After the adoption of FRS 139									
Total comprehensive income for the period	-	-		(67)	46	80	59	29	88
Balance as at 31 March 2010	18,717	6,639		(56)	83	8,514	33,897	163	34,060

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

	Current Year To Date 31.03.2011 RM'000	Audited Financial Year Ended 31.12.2010 RM'000
Cash flow from operating activities		
Profit/(Loss) before taxation	(334)	(915)
Adjustment for non-cash items	7	956
Operating profit/(loss) before working capital changes	(327)	41
Net change in current asset & current liabilities	175	(1,160)
Cash generated from operations	(152)	(1,119)
Tax paid	492	32
Net cash generated from operating activities	340	(1,087)
Net cash generated from/(used in) investing activities	134	7,085
Net cash used in financing activities	(8)	(4,141)
Net change in cash and cash equivalents	466	1,857
Effects of exchange rate changes	(213)	22
Cash and cash equivalents at the beginning of the period	24,238	22,359
Cash and cash equivalents at the end of the period	24,491	24,238
Analysed into:		
Short term deposit with licensed financial institutions	21,399	13,965
Cash and bank balances	3,092	10,273
Cash and cash equivalents at the end of the period	24,491	24,238

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2010. 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 2010.

Changes in Accounting Policies

Save as disclosed below, all significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those applied in the audited financial statements for the financial year ended 31 December 2010.

The Group has adopted the following new and revised FRSS, Issues Committee ("IC") Interpretations and amendments to FRSS and IC Interpretations which are relevant to the Group's operations with effect from 1 January 2011 :-

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters - Additional Exemptions for First-time Adopters
Amendments to FRS 5	Non current Assets Held for Sale and Discontinued Operations - Plan to sell the controlling interest in a subsidiary
Amendments to FRS 7	Financial Instruments : Disclosures - Improving disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments : Presentation - Classification of Rights Issues
Amendments to FRS 138	Intangible Assets - Additional consequential amendments arising from revised FRS3
IC Interpretation 4	Determining whether an Arrangement contains a Lease
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives - Scope of IC Interpretation 9 and revised FRS 3
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to FRSS Classified as "Improvement to FRSS (2010)"	

The adoption of the FRSS and Interpretations is not expected to have any material impact on the financial statements of the Group and of the Company other than as discussed below :-

(a) FRS 3, Business Combinations (Revised)

The revised FRS 3 will result in a change in the accounting for business combinations occurring on or after 1 July 2010. The principal changes are as follows :-

- Definitions of a "business" and a "business combination" have been amended and additional guidance was added for identifying when a group of assets constitutes a business.
- Minority interest (which will be known as non-controlling interest) must be measured either at fair value or at its proportionate share of the acquiree's net identifiable assets.
- Recognition of contingencies acquired in a business combination that do not meet the definition of liability is no longer permitted.
- Costs incurred in connection with a business combination must be accounted for separately from the business combination, which usually means that they are recognised as an expense rather than included in
- Contingent consideration will be measured and recognised at fair value at the acquisition date and subsequent changes in fair value of contingent considerations classified as liabilities are recognised in accordance with FRS 139, FRS 137 or other FRSS as appropriate, rather than by adjusting goodwill.

The Group will apply the revised FRS 3 prospectively in accordance with the transitional provisions of the revised Standard to business combinations for which the acquisition date is on or after 1 July 2010.

(b) FRS 127, Consolidated and Separate Financial Statements (Revised)

Main amendments made to FRS 127 are as follows :-

- The term "minority interest" will be replaced by the term "non-controlling interest".
- The total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Currently, excess losses are allocated to the owners of the parent, except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.
- Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control shall be accounted for as equity transactions. There are no requirements for such transactions in the current FRS.

The revised FRS 127 is not expected to have any material impact on the Group upon its initial application.

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 2010 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 were unusual by reason of their nature, size or incidence during the current quarter which affected the assets, liabilities, equity, net income or cash flows of the Group.

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

As announced on 2 February 2011 and 10 February 2011, Ambank served a writ on CLS on 28.1.2011 claiming a sum of RM7,316,667.39 together with interest and cost. The Directors of CLS upon seeking legal opinion took the position that Ambank is not entitled to the monies claimed and the suit against the company is premature. The company is defending the suit as well as pursuing a counter claim against Ambank for breach of the Service Level Agreement. On 19.04.2011, the Court, allowed the AmBank's application for an interim injunction preventing CLS from withdrawing any of the balance monies in the AmInvestment account pending the disposal of the suit. CLS has lodged an appeal against this order to the Court of Appeal on 18.05.2011. The matter is now fixed for case management on 07.07.2011 and trial dates are fixed for 22 to 25 August 2011. The Directors are of the view that the suit will not adversely affect the financial and business operations of the Group.

Other than this, there were no material events subsequent to the financial quarter ended 31 March 2011 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 during the financial quarter ended 31 March 2011.

10. Contingent liabilities and contingent assets

As at 31 March 2011, there were no contingent assets and liabilities.

11. Segmental information

The revenue and profit/(loss) before taxation of the Group for the fourth quarter ended 31 March 2011 ("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	53	3,081	82	(45)	3,171
Singapore & others	-	1,745	-	-	1,745
	<u>53</u>	<u>4,826</u>	<u>82</u>	<u>(45)</u>	<u>4,916</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	(229)	(277)	59	(447)
Singapore & Others	-	113	-	113
	<u>(229)</u>	<u>(164)</u>	<u>59</u>	<u>(334)</u>

12. Review of performance

During the quarter ended 31 March 2011, the Group recorded an unaudited sales revenue of RM4.92 million compared to RM8.05 million in the preceding year corresponding quarter. This was due to the expiry and non-renewal of few redemption programs due to clients' shifting their reward patterns.

The operating expenses during the quarter was lower by RM1.1 mil as compared to the preceding year corresponding quarter. This was due to the management's effort in controlling costs.

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

The Group recorded an unaudited loss before tax of RM0.33 mil in the current quarter as compared to profit before tax of RM1.08 mil in the preceding quarter. The profit recorded in preceding quarter was mainly due to the gain of RM1.61 million arising from the disposal of warehouse. The variance is also attributed to lower margin from the redemption programs.

14. Prospects

The continuous cut back on corporate spending on loyalty marketing by our customers and preference for instant redemptions and gift vouchers will continue to pose a major challenge to the Group's revenue and profitability. The Group is actively exploring new business initiatives while continuing with its cost reduction exercise.

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 2011.

16. Taxation

	Current Quarter 31.03.2011 RM'000	Current Year To Date 31.03.2011 RM'000
Current provision	<u>-</u>	<u>-</u>

The effective tax rate of the Group was higher than the statutory tax rate as some subsidiaries were incurring losses.

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 was no purchase or disposal of quoted securities for the current quarter and financial year to date.

(b) Investments in quoted securities as at 31 March 2011 were stated at fair value as at 31 March 2011.

	Original cost per share SGD	Carrying Value/ Market Value per share as at 31 March 2011 SGD
DBS 6%NCPS	104.38	102.34
UOB 5.05%NCPS 100 1X34	100.00	104.90
OCBC 5.1%NCPS 100 1W95	100.97	105.70

19. Status of corporate proposals & utilization of proceeds

The Group has fully utilised its proceeds raised from the Group's Initial Public Offering as at 28 March 2011.

20. Group borrowings

Total Group borrowings as at 31 March 2011 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	13	-	13

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 plaintiff or defendant and the directors do not have any knowledge of any pending proceeding or threat 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. Realised and Unrealised Profit / Losses

The breakdown of retained profit into realised and unrealised profits as at the reporting period as follows:-

	31.03.2011 RM'000	31.12.2010 RM'000
Total retained profits		
- Realised	9,666	10,161
- Unrealised	(15)	(15)
	9,651	10,146
Less: consolidation adjustments	(708)	(875)
Total retained profits	8,943	9,271

25. 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 31.03.2011	Preceding Year Corresponding Quarter 31.03.2010	Current Year To Date 31.03.2011	Preceding Year Corresponding Period 31.03.2010
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	(328)	80	(328)	80
Weighted average number share of RM0.10 each in issue ('000)	<u>201,005</u>	<u>187,169</u>	<u>201,005</u>	<u>187,169</u>
- Basic earnings per share (sen)	(0.16)	0.04	(0.16)	0.04
- Diluted earnings per share (sen)*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Fully Diluted earnings per share were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the reporting period.