

# **ADVANCE INFORMATION MARKETING BERHAD**

**(Company No 644769-D)**

**(Incorporated in Malaysia)**

**FINANCIAL REPORT**

**FOR THE 4TH QUARTER**

**ENDED 31 DEC 2015**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year To Date 31.12.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
Revenue		4,820	5,001	21,062	13,166
Cost of sales and services		(4,284)	(4,314)	(18,504)	(10,718)
Gross profit		536	687	2,558	2,448
Other income		520	603	2,032	1,519
Administrative and other operating expenses		(1,103)	(914)	(3,843)	(3,640)
Operating profit / (loss)		(48)	376	747	327
Profit/(loss) before taxation	16	(48)	376	747	327
Taxation	17	(122)	(70)	(121)	(122)
<b>Profit/(loss) after tax for the period</b>		<b>(170)</b>	<b>306</b>	<b>626</b>	<b>205</b>
<b>Other comprehensive income/(loss)</b>					
<i>Items that will be reclassified subsequently to profit or loss, net of tax</i>					
Remeasurement of defined benefit obligations		2	1	2	1
Fair value reserve		(1)	-	6	-
Exchange fluctuation reserve		63	64	238	54
<b>Total comprehensive income/(loss) for the period</b>		<b>(106)</b>	<b>371</b>	<b>872</b>	<b>260</b>
<b>Profit/(loss) for the period attributable to:</b>					
Owners of the Company		(170)	306	626	205
Non-controlling interest		-	-	-	-
		<b>(170)</b>	<b>306</b>	<b>626</b>	<b>205</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		(106)	371	872	260
Non-controlling interest		-	-	-	-
		<b>(106)</b>	<b>371</b>	<b>872</b>	<b>260</b>
Earnings/ (loss) per share :-					
- Basic /diluted (sen)	24	(0.07)	0.13	0.26	0.08
- Diluted (sen)					

This unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 DECEMBER 2015**

	UNAUDITED	AUDITED
	As at	As at
	31.12.2015	31.12.2014
ASSETS	Note	RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment		1,550
Other Investment		1,475
Deferred tax assets		45
		19
		<u>7,411</u>
		<u>1,532</u>
<b>Current Assets</b>		
Inventories		275
Trade receivables		461
Other receivables, deposits and prepayments		2,965
Tax recoverable		330
Placements with money market funds		7
Fixed deposits with licensed banks		1,073
Cash and bank balances		15,298
		10,411
		7,639
		<u>22,700</u>
		<u>27,606</u>
<b>TOTAL ASSETS</b>		<u><u>30,111</u></u>
		<u><u>29,138</u></u>
<b>EQUITY</b>		
Share capital		26,606
Share premium		26,606
Retained profits	23	1,446
Treasury shares		5,443
Fair Value Reserve		(4,058)
Other reserves		6
		(20)
<b>Equity attributable to the shareholders of the Company</b>		<u>29,423</u>
Non-controlling interest		28,551
<b>TOTAL EQUITY</b>		<u><u>29,423</u></u>
		<u><u>28,551</u></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Employee benefits		79
		<u>79</u>
		49
<b>Current Liabilities</b>		
Trade payables		95
Other payables and accruals		195
Tax payable		465
		49
		<u>609</u>
		<u>538</u>
<b>TOTAL LIABILITIES</b>		<u><u>688</u></u>
		<u><u>587</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>30,111</u></u>
		<u><u>29,138</u></u>
		-
		-
Net Assets per share (RM)		0.1216
		0.1180

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015

For the twelve months ended 31 December 2015

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 2015	26,606	1,446	(4,058)	(258)	-	4,815	28,551	-	28,551
Total comprehensive income for the period	-	-	-	238	6	628	872	-	872
Balance as at 31 Dec 2015	26,606	1,446	(4,058)	(20)	6	5,443	29,423	-	29,423

For the twelve months ended 31 December 2014

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 2014	26,606	1,446	(4,058)	(312)	-	4,609	28,291	-	28,291
Total comprehensive loss for the period	-	-	-	54	-	206	260	-	260
Balance as at 31 Dec 2014	26,606	1,446	(4,058)	(258)	-	4,815	28,551	-	28,551

This unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015**

	Current Year To Date 31.12.2015 RM'000	Audited Financial Year Ended 31.12.2014 RM'000
<b>Cash flow from operating activities</b>		
Profit before taxation	747	326
Adjustment for:-		
Depreciation of property, plant & equipment	282	292
Defined benefit obligations	-	16
(Gain) on disposal of property, plant and equipment	-	(6)
Unrealised (Gain) on foreign exchange	(625)	(276)
Allowance for impairment loss on trade receivables	-	11
Income from placement with money market funds and fixed deposits	(897)	(1,236)
Operating loss before working capital changes	<u>(493)</u>	<u>(873)</u>
Decrease/(Increase) in inventories	185	102
(Increase) in trade receivables	(1,659)	(26)
(Decrease)/ Increase in other receivables	(131)	32
(Increase) / Decrease in other receivables, deposits and prepayments	(98)	324
Increase/(Decrease) in other payables and accruals	159	(33)
Cash utilised in operations	<u>(2,037)</u>	<u>(474)</u>
Tax paid	(109)	(58)
Income from placement with money market funds and fixed deposits	897	1,236
<b>Net cash used in operating activities</b>	<u>(1,249)</u>	<u>704</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(356)	(6)
Investment in Bond	(5,776)	6
<b>Net cash from investing activities</b>	<u>(6,132)</u>	<u>(0)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(7,381)	704
Exchange differences on cash and cash equivalents	872	259
Cash and cash equivalents at beginning of the year	25,632	24,669
<b>Cash and cash equivalents at the end of the period</b>	<u>19,123</u>	<u>25,632</u>
<b>Cash and cash equivalents comprise:</b>		
Short term deposit with licensed financial institutions	1,073	15,298
Fixed deposits with licensed banks	10,411	8,577
Cash and bank balances	7,639	1,757
	<u>19,123</u>	<u>25,632</u>

This unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 2014. 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 2014.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the preparation of the Group's recent audited financial statements for the FYE 31 December 2014, except for the adoption of the following amendments to MFRSs during the current financial period :-

- Amendments to MFRS 119, Defined Benefit Plans : Employee Contributions
- Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2010 - 2012 Cycle"
- Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2011 - 2013 Cycle"

The Group has not early adopted the following new MFRSs and amendments to MFRSs which have been issued by the Malaysian Accounting Standards Board but are not yet effective :-

**Effective for annual periods beginning on or after 1 January 2016**

- MFRS 14, Regulatory Deferral Accounts
- Amendments to MFRS 10, MFRS 12 and MFRS 128 - Investment Entities : Applying the Consolidation Exception
- Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 11 - Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 101 - Disclosure Initiative
- Amendments to MFRS 116 and MFRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141 - Agriculture : Bearer Plants
- Amendments to MFRS 127 - Equity Method in Separate Financial Statements
- Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2012 - 2014 Cycle"

**Effective for annual periods beginning on or after 1 January 2017**

- MFRS 15, Revenue from Contracts with Customers

**Effective for annual periods beginning on or after 1 January 2018**

- MFRS 9, Financial Instruments (IFRS 9 issued in July 2014)

The Group will apply the above MFRSs and amendments to MFRSs once they become effective. The above standards and amendments are not expected to have any material financial impact on the financial statements of the Group on initial adoption.

**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 2014 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 was no item or event that was unusual by reason of its 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 was no material change in the estimates used for the preparation of these interim financial statements.

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

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

**7. Valuation of property, plant and equipment**

There was no change in the valuation of the property, plant and equipment reported in the previous audited financial statements that would have an effect on the current quarter's financial statements.

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

- a. As reported in the previous quarters, PT CLS System, a wholly owned subsidiary of the company in Indonesia has initiated legal action against contain parties to recover two payments meant for earnest deposits to acquire a landed paroperty in Jakarta.

There is no change to the status of the legal case as reported in the previous quarter.

- b. The Company had on 27 January 2016 entered into a Subscription Agreement ("SA") with NTL International Holdings (M) Sdn Bhd to subscribe for a total of 100,000 new Non-convertible Redeemable Preference Shares at the issue price of RM30.00 each in NTL for total a consideration of RM3.0 million.

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

The Group has incorporated a subsidiary namely Angkara Setia Development Sdn Bhd (1160916-U) during the quarter under review.

**10. Contingent liabilities and contingent assets**

There was no contingent asset and liability during the financial quarter under review.

**11. Segmental information**

The revenue and profit/(loss) before taxation of the Group for the quarter ended 31st December 2015 were generated from the following segments:

	Managed Customer Loyalty Services RM'000	Distribution of Health & Beauty RM'000	Others RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>				
Malaysia	306	289	-	595
Indonesia & others	4,225	-	-	4,225
	<u>4,531</u>	<u>289</u>	<u>-</u>	<u>4,820</u>
<b>SEGMENT PROFIT/ (LOSS)</b>				
Malaysia	(266)	83	(59)	(241)
Indonesia & others	194	-	-	194
	<u>(72)</u>	<u>83</u>	<u>(59)</u>	<u>(48)</u>

## **12. Review of performance**

During the quarter ended 31 December 2015, the Group recorded an unaudited sales revenue of RM4.82 million, as compared with RM5.0 million of the corresponding quarter of the preceding year. The operating expenses during the quarter were higher by RM0.19 million, as compared with the corresponding quarter of the preceding year. The Group recorded after tax loss of RM0.17 million as compared to after tax profit of RM0.31 million in the corresponding quarter of the preceding year.

The major revenue contributor to the Group remained as the Managed Customer Loyalty Services ("MCLS") segments. While the business in Malaysia in this segment remains lacklustre, the Indonesian operation has remained robust. The Indonesia MCLS segmental revenue of RM4.23 million is lower than the revenue of RM5.56 mil recorded in the preceding quarter due to lower demand in this quarter. However, the Indonesian MCLS segment recorded a lower profit of RM0.19 mil as compared to a profit of RM0.28 mil recorded in the preceding quarter. The lower revenue recorded of the current quarter was also due after taking into consideration of the adjustments made in accordance with the Malaysia Financial Reporting Standards.

Contribution from the Distribution of Healthy & Beauty Products segment towards the Group's revenue remained low, even though the segment has brought in a small segmental profit of RM0.08 million as compared to the loss of RM0.09 million in preceding quarter.

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

The Group recorded an unaudited loss before tax of RM0.048 million the current quarter, compared with the profit before tax of RM0.59 million in the preceding quarter, against the backdrop of fluctuation in foreign currency against Ringgit Malaysia.

## **14. Prospects**

The IT industry remains extremely competitive with countless players in the industry and with ever-changing technology. The Group does not expect this segment to turnaround in near future in Malaysia. The Group, however, is actively exploring the development of new products and services based on its existing platforms in both local and international markets.

The continuous cut back on corporate spending on loyalty marketing by the Group's clients and customers' preference for instant redemptions and gift vouchers will continue to pose a major challenge to the Group's MCLS segment in Malaysia. However, this segment has shown encouraging growth in Indonesia and the Group expects this trend to continue in the current year. In this regard, while the Group is focusing its resources to tap into this area of growth, it is also mindful of the risks associated with doing business in a foreign country.

For the Distribution of Healthy & Beauty Products ("DHBP"), the weakening of Ringgit Malaysia has extended pressure on the product margin. Despite the challenging environment, the Company is actively looking into expanding its distribution network as well as enlarging the product range.

The Company is also looking into diversification into other industries, one of which is the property and construction industry.

## **15. Profit forecast**

The Group did not disclose or announce any profit forecast or profit guarantee in any public document in the financial quarter under review.



## 16. Profit/(Loss) Profit before Taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year To Date 31.12.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
This is arrived at after charging :				
Depreciation of property, plant and equipment	41	74	282	293
and crediting :-				
Interest income on short term deposits	25	520	915	855

## 17. Taxation

	Current Quarter 31.12.2015 RM'000	Current Year To Date 31.12.2015 RM'000
Current provision	122	121

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

## 18. Unquoted investments and/or properties

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

## 19. Status of corporate proposals

There was no corporate proposal for the current quarter and financial year to date.

## 20. Group borrowings

There was no bank borrowing by the Group for the current quarter and financial year to date.

## 21. Material litigation

There was no material litigation for the current quarter under review.

## 22. Dividend

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

## 23. Retained Profits :- Realised and Unrealised

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

	31.12.2015 RM'000	31.12.2014 RM'000
Total retained profits		
- Realised	626	468
- Unrealised	2	31
	628	499
Less: consolidation adjustments	4,815	4,316
Total retained profits	5,443	4,815

#### 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 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014	Current Year To Date 31.12.2015	Preceding Year Corresponding Period 31.12.2014
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	(170)	306	626	205
Weighted average number of shares of RM0.10 each in issue ('000)	<u>241,968</u>	<u>241,968</u>	<u>241,968</u>	<u>241,968</u>
- Basic earnings per share (sen)	(0.07)	0.13	0.26	0.08
- Diluted earnings per share (sen)*	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

*\*Fully diluted earnings per share was not computed as there was no outstanding ordinary share to be issued as at the end of the reporting period.*

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