

# **ADVANCE INFORMATION MARKETING BERHAD**

**(Company No 644769-D)**

**(Incorporated in Malaysia)**

## **FINANCIAL REPORT**

**UNAUDITED FOR THE 3RD QUARTER**

**ENDED 30 SEPTEMBER 2019**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

	As at 30.9.2019 <u>RM'000</u>	As at 31.12.2018 <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	6,574	2,151
Investment property	-	3,728
Intangible assets	7	9
Right-of-use asset	85	-
Other Investments	5,766	6,031
Deferred tax assets	35	35
	<u>12,467</u>	<u>11,954</u>
<b>Current Assets</b>		
Inventories	285	328
Trade receivables	715	1,951
Other receivables, deposits and prepayments	197	205
Tax recoverable	22	-
Fixed deposits with licensed banks	9,097	9,986
Cash and bank balances	585	684
	<u>10,901</u>	<u>13,154</u>
<b>TOTAL ASSETS</b>	<u><u>23,368</u></u>	<u><u>25,108</u></u>
<b>EQUITY</b>		
Share capital	28,052	28,052
Accumulated losses	(3,196)	(39)
Treasury shares	(4,058)	(4,058)
Fair value reserve	759	1,024
Other reserves	(595)	(1,107)
<b>Equity attributable to the shareholders of the Company</b>	<u>20,962</u>	<u>23,872</u>
Non-controlling interest	-	-
<b>TOTAL EQUITY</b>	<u><u>20,962</u></u>	<u><u>23,872</u></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Employee benefits	196	193
Loan and borrowings	1,609	35
	<u>1,805</u>	<u>228</u>
<b>Current Liabilities</b>		
Trade payables	88	426
Other payables and accruals	401	445
Loan and borrowings	112	16
Provision for taxation	-	121
	<u>601</u>	<u>1,008</u>
<b>TOTAL LIABILITIES</b>	<u><u>2,406</u></u>	<u><u>1,236</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>23,368</u></u>	<u><u>25,108</u></u>
Net Assets per share (RM)	0.0866	0.0987

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 30.9.2019 RM'000	Preceding Year Corresponding Quarter 30.9.2018 RM'000	Current Year To Date 30.9.2019 RM'000	Preceding Year Corresponding Period 30.9.2018 RM'000
Revenue		1,311	1,731	3,291	6,810
Cost of sales and services		(1,220)	(1,385)	(2,953)	(5,407)
Gross profit		91	346	338	1,403
Other income		183	190	418	363
Administrative and other operating expenses		(1,051)	(1,505)	(3,889)	(5,177)
Operating loss		(777)	(969)	(3,133)	(3,411)
Finance costs		(24)	-	(24)	-
Loss before taxation	18	(801)	(969)	(3,157)	(3,411)
Taxation	19	-	-	-	-
<b>Loss after tax for the period</b>		<b>(801)</b>	<b>(969)</b>	<b>(3,157)</b>	<b>(3,411)</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefit obligations		-	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		-	-	-	-
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences for foreign operations		44	(23)	512	(184)
Fair value reserve		629	(327)	(265)	(190)
<b>Total other comprehensive income/(loss) for the period</b>		<b>673</b>	<b>(350)</b>	<b>247</b>	<b>(374)</b>
<b>Total comprehensive loss for the period</b>		<b>(128)</b>	<b>(1,319)</b>	<b>(2,910)</b>	<b>(3,785)</b>
<b>Loss for the period attributable to:</b>					
Owners of the Company		(801)	(969)	(3,157)	(3,411)
Non-controlling interest		-	-	-	-
		<b>(801)</b>	<b>(969)</b>	<b>(3,157)</b>	<b>(3,785)</b>
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(128)	(1,319)	(2,910)	(3,785)
Non-controlling interest		-	-	-	-
		<b>(128)</b>	<b>(1,319)</b>	<b>(2,910)</b>	<b>(3,785)</b>
Loss per share :-					
- Basic (sen)	26	(0.331)	(0.400)	(1.305)	(1.410)
- 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 2018 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 CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**For the period ended 30 September 2019**

	Attributable to owners of the parent								
	Share capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2019	28,052	-	(4,058)	(1,107)	1,024	(39)	23,872	-	23,872
Total comprehensive loss for the period	-	-	-	512	(265)	(3,157)	(2,910)	-	(2,910)
Balance as at 30 September 2019	<u>28,052</u>	<u>-</u>	<u>(4,058)</u>	<u>(595)</u>	<u>759</u>	<u>(3,196)</u>	<u>20,962</u>	<u>-</u>	<u>20,962</u>

**For the period ended 30 September 2018**

	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	Accumulated losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2018	26,606	1,446	(4,058)	(198)	423	2,266	26,485	-	26,485
Total comprehensive loss for the period	-	-	-	(184)	(190)	(3,411)	(3,785)	-	(3,785)
Balance as at 30 September 2018	<u>26,606</u>	<u>1,446</u>	<u>(4,058)</u>	<u>(382)</u>	<u>233</u>	<u>(1,145)</u>	<u>22,700</u>	<u>-</u>	<u>22,700</u>

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 2018 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 QUARTER ENDED 30 SEPTEMBER 2019**

	Current Year To Date 30.9.2019 RM'000	Financial Year Ended 31.12.2018 RM'000
<b>Cash flow from operating activities</b>		
Loss before taxation	(3,157)	(2,320)
Adjustment for:-		
Amortisation of intangible assets	2	-
Depreciation of property, plant & equipment	288	294
Depreciation of investment property	-	16
Depreciation of right-of-use asset	25	-
Property, plant & equipment written off	6	288
Gain on disposal of property, plant & equipment	-	(1,377)
Defined benefit obligations	-	50
Interest expense	24	-
Inventories written off	108	60
Finance income	(307)	(342)
Operating loss before working capital changes	(3,011)	(3,331)
(Increase)/Decrease in inventories	(60)	290
Decrease in receivables	1,275	3,448
(Decrease)/Increase in payables	(390)	366
Cash (used in)/generated from operations	(2,186)	773
Tax paid	(159)	204
Tax refunded	15	-
Employee benefits paid	(1)	(44)
Interest paid	(24)	-
Interest received	307	342
<b>Net cash (used in)/from operating activities</b>	<b>(2,048)</b>	<b>1,275</b>
<b>Cash flows from investing activities</b>		
Investment in quoted shares	-	(2,608)
Acquisition of investment property	-	(546)
Acquisition of property, plant & equipment	(943)	(339)
Acquisition of intangible assets	-	(8)
Proceeds from disposal of property, plant & equipment	-	1,626
<b>Net cash used in investing activities</b>	<b>(943)</b>	<b>(1,875)</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(37)	(7)
Repayment of term loan	(5)	-
Drawdown of term loan	1,600	-
<b>Net Cash from/(used in) financing activities</b>	<b>1,558</b>	<b>(7)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,433)</b>	<b>(607)</b>
Exchange differences on cash and cash equivalents	445	(772)
Cash and cash equivalents at beginning of the period	10,670	12,049
<b>Cash and cash equivalents at the end of the period</b>	<b>9,682</b>	<b>10,670</b>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	9,097	9,986
Cash and bank balances	585	684
	<b>9,682</b>	<b>10,670</b>

This unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and the provisions of the Companies Act, 2016, Interim Financial Reporting and paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements of the Group should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2018. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the charges in the financial position and performance of the Group since the FYE 31 December 2018. The financial statements of the Group for FYE 31 December 2018 are prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies.

**2. Significant Accounting Policies**

The accounting policies adopted in the preparation of this report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2018.

**2.1 Adoption of Standards, Amendments and IC Interpretations**

The accounting policies adopted are consistent with those of previous financial year except for the adoption of the following new and amended MFRSs and IC Interpretation which are effective for accounting period beginning on or after 1 January 2019 :-

IC Interpretation 23, Uncertainty over Income Tax Treatments  
Amendments to MFRS 9, Prepayment Features with Negative Compensation  
Amendments to MFRS 119, Plan Amendment, Curtailment or Settlement  
Amendments to MFRS 128, Long-term interests in Associates and Joint Ventures  
Annual Improvements to MFRSs 2015 - 2017 Cycle:  
- Amendments to MFRS 3  
- Amendments to MFRS 11  
- Amendments to MFRS 112  
- Amendments to MFRS 123  
MFRS 16, Leases

The initial application of the above amendments to MFRSs have no significant impact on the financial statements of the Group other than as disclosed below:

**2.1(a) MFRS 16 Leases**

MFRS 16 replaces the guidance in MFRS 117 Leases, IC interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases -Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 introduces a single, on-balance sheet leases accounting model for lessee.

At the date of initial application, the Group has adopted MFRS 16 using the modified retrospective approach and did not restate the comparative information prior to the date of initial application. The Group had opted to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

The adoption of MFRS 16 does not have any financial impact on the accumulated losses of the Group at the date of initial application.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd)

2.1 Adoption of Standards, Amendments and IC Interpretations (Cont'd)

2.1(a) MFRS 16 Leases (Cont'd)

The adoption of MFRS 16 impacts the Group's statement of financial position and statement of profit or loss as at 30 September 2019 as below:

**Statement of financial position as at 30 September 2019**

	Pre-adoption of MFRS 16 RM'000	Adjustments under MFRS 16 RM'000	Year-to-date Under MFRS 16 RM'000
Right-of-use asset	-	85	85
Lease liabilities	40	85	125
Accumulated losses	(3,195)	(1)	(3,196)

**Statement of profit or loss for the year ended 30 September 2019**

Depreciation of right-of-use asset	-	25	25
Interest expenses	23	1	24
Loss for the period	(3,156)	(1)	(3,157)

2.2 MFRSs, Amendments to MFRS and IC Interpretation Issued But Not Yet Effective

The Group and the Company have not early adopted the following new MFRSs and IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective :-

***Effective for annual periods beginning on or after 1 January 2020***

Amendments to References to the Conceptual Framework in MFRS Standards  
Amendments to MFRS 3, Definition of a Business  
Amendments to MFRS 101, Definition of Material

***Effective for annual periods beginning on or after 1 January 2021***

MFRS 17, Insurance Contracts

***Effective for annual periods beginning on or after a date to be determined by the MASB***

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will apply the above new MFRSs and IC Interpretation and amendments to MFRSs that are applicable 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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**3. Auditors' Report on preceding annual financial statements**

The auditors' reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2018 were not subject to any qualification.

**4. Seasonality or cyclicity**

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

**5. 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.

**6. Changes in estimates**

There was no material change in the estimates used for the preparation of these interim financial statements.

**7. 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.

**8. 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.

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

There was no material events subsequent to the end of the interim period.

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

There was no change in the composition of the Group for the quarter under review.

**11. Contingent assets and contingent liabilities**

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



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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**12. Capital commitments**

Capital commitments contracted but not provided for in the financial statements are as follows:

	As at 30.9.2019 RM'000	As at 31.12.2018 RM'000
Capital expenditure	<u>17</u>	<u>514</u>

**13. Segmental information**

The revenue and loss before taxation of the Group for the current quarter were generated from the following segments:

	Managed Customer Loyalty Services RM'000	Distribution of Health & Beauty Products RM'000	Others RM'000	Consolidated RM'000
<b>Segment Revenue</b>				
Malaysia	162	-	-	162
Indonesia & others	1,149	-	-	1,149
	<u>1,311</u>	<u>-</u>	<u>-</u>	<u>1,311</u>
<b>Segment Loss</b>				
Malaysia	(171)	(4)	(300)	(475)
Indonesia & others	(324)	-	(2)	(326)
	<u>(495)</u>	<u>(4)</u>	<u>(302)</u>	<u>(801)</u>
<b>Segment Assets as per year to date</b>				
Malaysia	4,818	35	11,888	16,741
Indonesia & others	6,467	-	160	6,627
	<u>11,285</u>	<u>35</u>	<u>12,048</u>	<u>23,368</u>
<b>Segment Liabilities as per year to date</b>				
Malaysia	(1,855)	-	(152)	(2,007)
Indonesia & others	(399)	-	-	(399)
	<u>(2,254)</u>	<u>-</u>	<u>(152)</u>	<u>(2,406)</u>

The segment assets and segment liabilities as per year to date by taking into consideration of the non-current assets, current assets, current liabilities and long term liabilities.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**14. Review of performance**

**TABLE 1: FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

	Individual Quarter				Cumulative Quarter			
	Current Quarter 30.9.2019 RM'000	Preceding Year Corresponding Quarter 30.9.2018 RM'000	Changes Amount	Changes %	Current Year To Date 30.9.2019 RM'000	Preceding Year Corresponding Period 30.9.2018 RM'000	Changes Amount	Changes %
Revenue	1,311	1,731	(420)	-24%	3,291	6,810	(3,519)	-52%
Operating loss	(777)	(969)	192	-20%	(3,133)	(3,411)	278	-8%
Loss before taxation	(801)	(969)	168	-17%	(3,157)	(3,411)	254	-7%
Loss after tax for the period	(801)	(969)	168	-17%	(3,157)	(3,411)	254	-7%
Loss for the period attributable to:						-		
Owners of the Company	(801)	(969)	168	-17%	(3,157)	(3,411)	254	-7%
Non-controlling interest	-	-	-	0%	-	-	-	0%

During the quarter ended 30 September 2019, the Group recorded an unaudited revenue of RM1.31 million, as compared to the revenue recorded at RM1.73 million in the corresponding quarter of the preceding year. The Group recorded an after tax loss of RM0.80 million as compared to an after tax loss of RM0.97 million in the corresponding quarter of the preceding year.

The Managed Customer Loyalty Services ("MCLS") segments remained as the major revenue contributor to the Group whereby the segment of MCLS in Indonesia contributed larger portion compared to MCLS business in Malaysia. The revenue of MCLS business in Indonesia recorded at RM1.15 million for the quarter under review which has increased 0.88% as compared to the preceding year corresponding quarter's recorded revenue of RM1.14 million which is rather consistent.

The revenue of the MCLS segment in Indonesia has been declining throughout the year is mainly due to the continuous challenging and increasingly competitive environment to retain existing clients and secure new clients. Furthermore, higher operating expenses has been incurred for the mobile application and e-commerce platform to increase brand awareness in Indonesia.

For the revenue of MCLS business in Malaysia, RM0.16 million is recorded for the quarter under review which has decreased 73% as compared to preceding year corresponding quarter's recorded revenue of RM0.59 million. The revenue of the MCLS business in Malaysia has been declining since the second quarter of year 2019 as our major client has been reducing their orders but the Company's operating expenses remained and higher finance costs has been incurred which lead to continuous after tax losses.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**15. Material Changes in The Loss Before Tax As Compared To the Immediate Preceding Quarter**

**TABLE 2: FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	Individual Quarter			
	Current Quarter 30.9.2019 RM'000	Immediate Preceding Quarter 30.6.2019 RM'000	Changes Amount	Changes %
Revenue	1,311	1,002	309	31%
Operating loss	(777)	(1,385)	608	-44%
Loss before taxation	(801)	(1,385)	584	-42%
Loss after tax for the period	(801)	(1,385)	584	-42%
Loss for the period attributable to:				
Owners of the Company	(801)	(1,385)	584	-42%
Non-controlling interest	-	-	-	0%

The Group recorded a revenue of RM1.31 million in this quarter compared with a revenue of RM1.00 million in the preceding quarter, and an unaudited loss before tax of RM0.80 million, compared with loss before tax of RM1.39 million in the preceding quarter. The decreased in loss before tax was mainly due to a one off realised loss on foreign exchange amounted to RM0.35 million has been recognised during the preceding quarter. An increase in revenue and lower operating expenditure in this quarter also decrease the loss after taxation for this quarter as compared to the immediate preceding quarter.

The Group took all reasonable step in monitoring the costs spending, and also make details feasibility study before decision in investment, in order to minimise risk.

**16. Prospects**

The Group is actively exploring the development of new products and services based on its existing platforms in both local and international markets. The Board is aware that the continuous cut back on corporate spending on loyalty marketing by the Group's clients and changes in customers' preference for loyalty products will continue to pose a major challenge to the Group. Futhermore, the Group has also considered to concentrate on its core business on customer loyalty services by securing more contracts to broaden the revenue base.

Our Indonesia's operation continues to expand its services and offering to our client and exploring a more robust e-platform for our future developments. Our e-commerce platform was launched at the end of second quarter of current year. The version 2 of the platform is to cater for more flexibility and payment mode is scheduled for fourth quarter of 2019. We have also successfully secured a major client as our customer loyalty programme subscriber for year 2020 - 2021.

Malaysia's operations is focusing in upgrading our capability and enhancing our call centre business as well as going into mobile application sphere. We will continue to look for opportunities for both locally and across the region. We will leverage and expand our Indonesia platform and seek opportunity to cross sell.

**17. 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.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

18. Loss before taxation

This is arrived at after charging/(crediting) amongst other, the following items :

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2019 RM'000	Preceding Year Corresponding Quarter 30.9.2018 RM'000	Current Year To Date 30.9.2019 RM'000	Preceding Year Corresponding Period 30.9.2018 RM'000
Amortisation of intangible assets	1	-	2	1
Depreciation of investment property	-	4	-	12
Depreciation of property, plant and equipment	108	74	288	216
Depreciation of right-of-use asset	25	-	25	-
Property, plant and equipment written off	-	-	6	287
Inventories written off	52	-	108	-
Interest expense	21	-	24	-
Interest income	(105)	(32)	(307)	(176)

19. Taxation

	Current Quarter 30.9.2019 RM'000	Current Year To Date 30.9.2019 RM'000
Current provision	-	-

Currently there is no provision for taxation as all subsidiary companies were incurring loss.

20. Status of corporate proposals

There was no corporate proposal, merger and acquisition exercises for the current quarter under review.

21. Group borrowings

	As at 30.9.2019 RM'000	As at 30.9.2018 RM'000
<b>Short-term borrowings - secured:</b>		
Lease liabilities	48	-
Term loan	64	-
	<u>112</u>	<u>-</u>
<b>Long-term borrowings - secured:</b>		
Lease liabilities	77	-
Term loan	1,532	-
	<u>1,609</u>	<u>-</u>
<b>Total borrowings</b>		
Lease liabilities - secured	125	-
Term loan	1,596	-
	<u>1,721</u>	<u>-</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**21. Group borrowings (Cont'd)**

The Group borrowings stated above include borrowing denominated in foreign currency as follows:-

	As at 30.9.2019		As at 30.9.2018	
	IDR'000	RM'000	IDR'000	RM'000
Lease liability - secured				
- Short term	58,352	17	-	-
- Long term	76,650	23	-	-
	<u>135,002</u>	<u>40</u>	<u>-</u>	<u>-</u>

**22. Material litigation**

The Company had, on 20 January 2017, been served with a Writ (Kuala Lumpur High Court Suit No.: WA-22NCC-17-01/2-17) issued by Customer Loyalty Solutions Sdn Bhd (in liquidation) ("the Plaintiff", hereby known as "CLS") claiming that the payment of RM6,524,652 from the Plaintiff to the Company are void or voidable. The Claim has also been filed on two (2) other defendants comprising a current and a former director of the Company to jointly and severally liable to pay the Plaintiff the sum of RM6,524,652. On 7 July 2011, the Plaintiff ceased as subsidiary of the Company.

The matters went for full trial and concluded on 16 January 2019. The Court fixed 20 February 2019 for oral submissions and had fixed 4 March 2019 for further submissions. The Court had on 4 March 2019 heard further submissions by the Defendants and has fixed 10 May 2019 for further clarification/decision and it was then postponed to 30 September 2019 for decision.

On 30 September 2019, the Court had dismissed the Plaintiff's claim against all the Defendants with costs of RM15,000 to each Defendant (subject to allocatur fee of 4%). On 29 October 2019, the Plaintiff had filed a Notice of Appeal against the decision of the Kuala Lumpur High Court and now the Court of appeal has fixed the first case management on 19 December 2019.

The outcome of the legal case cannot be reliably ascertained as at the date of this report pending the Court decision.

**23. Dividend**

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

**24. Procurement of new contract/termination of existing contract**

There was no procurement of new contract or termination of existing contract during the quarter under review.

**25. Fair value on investment**

Included in the other investment is an amount of RM5.72 million which is the fair value of investment in quoted shares that is determined directly by reference to their published market price as at 30 September 2019.

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**26. Basis of calculation of loss per share**

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

	Current Quarter 30.9.2019	Preceding Year Corresponding Quarter 30.9.2018	Current Year To Date 30.9.2019	Preceding Year Corresponding Period 30.9.2018
Net loss attributable to equity holders of the parent for the period (RM'000)	(801)	(969)	(3,157)	(3,411)
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 loss per share (sen)	(0.331)	(0.400)	(1.305)	(1.410)
- 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.*

**27. Significant Related Party Transactions**

There is no significant related party transaction during the financial quarter under review.

**28. Date of Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 November 2019.