

ADVANCE INFORMATION MARKETING BERHAD

(Registration No. 200401006266 (644769-D))

(Incorporated in Malaysia)

FINANCIAL REPORT

UNAUDITED FOR THE 4TH QUARTER

ENDED 31 DECEMBER 2023

ADVANCE INFORMATION MARKETING BERHAD
(Registration No. 200401006266 (644769-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

| | | As at 31.12.2023 | As at 31.12.2022 |
|--|------|----------------------|----------------------|
| | Note | <u>RM'000</u> | <u>RM'000</u> |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 8 | 5,499 | 4,365 |
| Right-of-use assets | | 1,461 | 1,552 |
| Intangible assets | | 93 | 130 |
| Other investments | | 3,155 | 4,137 |
| Deferred tax assets | | 16 | 50 |
| | | <u>10,224</u> | <u>10,234</u> |
| Current Assets | | | |
| Inventories | | 179 | 228 |
| Trade receivables | | 534 | 173 |
| Other receivables, deposits and prepayments | | 244 | 103 |
| Tax recoverable | | 20 | 39 |
| Other investment - money market fund | | 19,816 | 28 |
| Cash and bank balances | | 9,593 | 567 |
| | | <u>30,386</u> | <u>1,138</u> |
| TOTAL ASSETS | | <u><u>40,610</u></u> | <u><u>11,372</u></u> |
| EQUITY | | | |
| Share capital | | 53,511 | 28,052 |
| Reserves | | <u>(23,634)</u> | <u>(19,347)</u> |
| Equity attributable to owners of the Company | | 29,877 | 8,705 |
| Non-controlling interests | | <u>(13)</u> | <u>-</u> |
| TOTAL EQUITY | | <u><u>29,864</u></u> | <u><u>8,705</u></u> |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Employee benefits | | 18 | 172 |
| Borrowing and lease liabilities | 20 | 1,552 | 1,689 |
| Deferred tax liabilities | | 133 | - |
| | | <u>1,703</u> | <u>1,861</u> |
| Current Liabilities | | | |
| Trade payables | | 218 | 198 |
| Other payables and accruals | | 8,155 | 481 |
| Borrowing and lease liabilities | 20 | 670 | 127 |
| Provision for taxation | | - | - |
| | | <u>9,043</u> | <u>806</u> |
| TOTAL LIABILITIES | | <u><u>10,746</u></u> | <u><u>2,667</u></u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>40,610</u></u> | <u><u>11,372</u></u> |
| Net Assets per share (RM) | | 0.0765 | 0.0327 |

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023

| | Note | Individual Quarter | | Cumulative Quarter | |
|---|------|---|--|---|---|
| | | Current Quarter 31.12.2023 RM'000 | Preceding Year Corresponding Quarter 31.12.2022 RM'000 | Current Year To Date 31.12.2023 RM'000 | Preceding Year Corresponding Period 31.12.2022 RM'000 |
| Revenue | | 917 | 374 | 3,529 | 3,438 |
| Cost of sales and services | | (788) | (338) | (3,099) | (3,076) |
| Gross profit | | 129 | 36 | 430 | 362 |
| Other income | | (103) | - | 21 | 74 |
| Administrative and other operating expenses | | (1,649) | (1,894) | (5,080) | (4,721) |
| Operating loss | | (1,623) | (1,858) | (4,629) | (4,285) |
| Finance costs | | (30) | (29) | (119) | (149) |
| Loss before taxation | 18 | (1,653) | (1,887) | (4,748) | (4,434) |
| Taxation | 19 | 4 | (9) | 4 | (9) |
| Loss after tax for the period | | (1,649) | (1,896) | (4,744) | (4,443) |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Remeasurement of defined benefit liability | | 179 | 49 | 179 | 49 |
| Income tax relating to remeasurement of defined benefit liability | | (39) | (11) | (39) | (11) |
| | | 140 | 38 | 140 | 38 |
| <i>Items that are or may be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange translation differences for foreign operations | | 159 | (147) | 88 | (72) |
| Equity instrument measured at fair value through other comprehensive income | | - | 409 | (982) | 655 |
| Revaluation on property, plant and equipment | | (53) | - | 1,199 | - |
| Total other comprehensive income for the year | | 106 | 262 | 305 | 583 |
| Total comprehensive loss for the year | | (1,403) | (1,596) | (4,299) | (3,822) |
| Loss for the year attributable to: | | | | | |
| Owners of the Company | | (1,636) | (1,896) | (4,731) | (4,443) |
| Non-controlling interests | | (13) | - | (13) | - |
| | | (1,649) | (1,896) | (4,744) | (4,443) |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the Company | | (1,390) | (1,596) | (4,286) | (3,822) |
| Non-controlling interests | | (13) | - | (13) | - |
| | | (1,403) | (1,596) | (4,299) | (3,822) |
| Loss per share :- | | | | | |
| - Basic (sen) | 27 | (1.644) | (0.713) | (4.754) | (1.670) |
| - Diluted (sen) | | (0.777) | (0.713) | (2.246) | (1.670) |

This unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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
(Registration No. 200401006266 (644769-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2023

For the year ended 31 December 2023

| | <----- Attributable to owners of the Company -----> | | | | | | | Total RM'000 | Non- Controlling Interest RM'000 | Total Equity RM'000 |
|--|---|------------------------------|----------------------------|----------------------------------|---|------------------------------------|---------------------------------|-----------------|---|---------------------------|
| | Share Capital RM'000 | Warrant Reserve RM'000 | Other reserve RM'000 | Revaluation Reserve RM'000 | Foreign Currency Translation Reserve RM'000 | Fair Value Reserve RM'000 | Accumulated Losses RM'000 | | | |
| Balance as at 1 January 2023 | 28,052 | - | - | - | (797) | (755) | (17,796) | 8,704 | - | 8,704 |
| Loss for the year | - | - | - | - | - | - | (4,731) | (4,731) | (13) | (4,744) |
| Right issue with warrants | - | 14,770 | (14,770) | - | - | - | - | - | - | - |
| Other comprehensive loss for the year | - | - | - | 1,199 | 88 | (982) | 140 | 445 | - | 445 |
| Total comprehensive loss for the year | - | 14,770 | (14,770) | 1,199 | 88 | (982) | (4,591) | (4,286) | (13) | (4,299) |
| Issuance of shares pursuant to private placement | 2,046 | - | - | - | - | - | - | 2,046 | - | 2,046 |
| Issuance of shares pursuant to right issues | 23,413 | - | - | - | - | - | - | 23,413 | - | 23,413 |
| Balance as at 31 December 2023 | <u>53,511</u> | <u>14,770</u> | <u>(14,770)</u> | <u>1,199</u> | <u>(709)</u> | <u>(1,737)</u> | <u>(22,387)</u> | <u>29,877</u> | <u>(13)</u> | <u>29,864</u> |

For the year ended 31 December 2022

| | <----- Attributable to owners of the Company -----> | | | | | | | Total RM'000 | Non- Controlling Interest RM'000 | Total Equity RM'000 |
|---------------------------------------|---|------------------------------|----------------------------|----------------------------------|---|------------------------------------|---------------------------------|-----------------|---|---------------------------|
| | Ordinary Shares RM'000 | Warrant Reserve RM'000 | Other Reserve RM'000 | Revaluation Reserve RM'000 | Foreign Currency Translation Reserve RM'000 | Fair Value Reserve RM'000 | Accumulated Losses RM'000 | | | |
| Balance as at 1 January 2022 | 28,052 | - | - | - | (725) | (1,410) | (13,391) | 12,526 | - | 12,526 |
| Loss for the period | - | - | - | - | - | - | (4,443) | (4,443) | - | (4,443) |
| Other comprehensive loss for the year | - | - | - | - | (71) | 655 | 38 | 622 | - | 622 |
| Total comprehensive loss for the year | - | - | - | - | (71) | 655 | (4,405) | (3,821) | - | (3,821) |
| Balance as at 31 December 2022 | <u>28,052</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(796)</u> | <u>(755)</u> | <u>(17,796)</u> | <u>8,705</u> | <u>-</u> | <u>8,705</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

ADVANCE INFORMATION MARKETING BERHAD
(Registration No. 200401006266 (644769-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2023

| | Current Year To Date 31.12.2023 RM'000 | Preceding Year Corresponding Period 31.12.2022 RM'000 |
|---|---|---|
| Cash flow from operating activities | | |
| Loss before taxation | (4,748) | (4,434) |
| Adjustment for:- | | |
| Depreciation of property, plant and equipment | 213 | 223 |
| Depreciation of right-of-use assets | 163 | 116 |
| Interest expense | 119 | 149 |
| Amortisation of intangible assets | 42 | 41 |
| Defined benefits obligations | 15 | (5) |
| Fair value gain on other investment - money market fund | (15) | (26) |
| Interest income | (5) | (8) |
| Gain on disposal of property, plant and equipment | - | (12) |
| Operating loss before working capital changes | <u>(4,216)</u> | <u>(3,956)</u> |
| Decrease / (Increase) in inventories | 48 | (130) |
| (Increase) / Decrease in receivables | (423) | 751 |
| Decrease / (Increase) in payables | <u>7,695</u> | <u>(54)</u> |
| Cash generated from / (used in) operations | 3,104 | (3,389) |
| Net tax refunded / (paid) | 19 | (18) |
| Interest received | 3 | 8 |
| Interest paid | (119) | (149) |
| Employee benefits paid | - | (36) |
| Net cash generated from / (used in) operating activities | <u>3,007</u> | <u>(3,584)</u> |
| Cash flows from investing activities | | |
| Redemption of other investment - money market fund | 1,029 | 1,000 |
| Placement to other investment - money market fund | (20,800) | - |
| Proceeds from disposal of property, plant and equipment | - | 67 |
| Deposit to acquire property, plant and equipment | (77) | - |
| Acquisition of property, plant and equipment | (13) | (199) |
| Acquisition of intangible assets | - | (73) |
| Net cash (used in) / generated from investing activities | <u>(19,861)</u> | <u>795</u> |
| Cash flows from financing activities | | |
| Proceeds from issuance of shares pursuant to private placement | 2,046 | - |
| Proceeds from issuance of shares pursuant to right issues | 23,413 | - |
| Repayment of term loan | (65) | (667) |
| Repayment of lease liabilities | (62) | (24) |
| Net cash generated from / (used in) financing activities | <u>25,332</u> | <u>(691)</u> |
| Net increase / (decrease) in cash and cash equivalents | 8,478 | (3,480) |
| Exchange differences on cash and cash equivalents | 15 | (28) |
| Cash and cash equivalents at beginning of the year | <u>567</u> | <u>4,075</u> |
| Cash and cash equivalents at the end of the year | <u>9,060</u> | <u>567</u> |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 9,593 | 567 |
| Bank overdraft | (533) | - |
| | <u>9,060</u> | <u>567</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023**

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 Securities").

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 2022. 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 2022. The interim financial statements of the Group for financial year ended ("FYE") 31 December 2023 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 FYE 31 December 2022.

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 2023 :-

MFRS 17, Insurance Contracts
Amendments to MFRS 17, Insurance Contracts
Amendments to MFRS 17, Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101, Disclosure of Accounting Policies
Amendments to MFRS 108, Definition of Accounting Estimates
Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112, International Tax Reform - Pillar Two Model Rules

The initial application of the above-mentioned MFRSs and amendments to MFRSs have no significant impact on the financial statements of the Group and the Company.

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 2024

Amendments to MFRS 16, Lease Liability in a Sale and Leaseback
Amendments to MFRS 101, Non-current Liabilities with Covenants
Amendments to MFRS 101, Classification of Liabilities as Current or Non- Current

Effective date deferred to a date to be announced 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 31 DECEMBER 2023

3. 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 2022 were not subject to any qualification.

4. Seasonality or cyclical

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

The Company had issued and allotted 292,662,513 units of new ordinary shares and 195,108,290 warrants pursuant to the renounceable Right Issue exercise on the basis of 3 right shares for every 1 existing share held as set out in the table below:

| Listing date | Issue price (RM) | Placement shares | Proceeds raised (RM) |
|--------------|------------------|------------------|----------------------|
| 28-Dec-23 | 0.08 | 292,662,513 | 23,413,001 |

Saved as disclosed above, 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

In September 2023, a valuation was performed on the office building of subsidiary by an independent valuer. The property was valued at RM4.5 million with a net revaluation surplus of RM1.199 million.

9. Significant events during the interim period

Renounceable Right Issue ("RI")

On 29 November 2023, the Company had issued the Abridged Prospectus in relation to the renounceable right issue of up to 292,662,627 new ordinary shares in the Company ("Rights Shares") on the basis of 3 Rights Shares for every 1 existing Share at an issue price of RM0.08 per Rights Share, together with up to 195,108,418 free detachable warrants ("Warrants") on the basis of 2 Warrants for every 3 Rights Shares subscribed for ("Rights Issue").

The Rights Issue has been completed with the listing of and quotation for 292,662,513 Rights Shares together with 195,108,290 Warrants on the ACE Market of Bursa Securities on 28 December 2023. Subsequent to this, the Company's total share capital is RM53,510,925, comprising 390,216,722 units of shares.

10. Material events subsequent to the end of the interim period

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

11. Contingent assets and contingent liabilities

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

12. Capital commitments

There were no capital commitments since the last audited Statement of Financial Position as at 31 December 2022.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023

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 | Retail RM'000 | Others RM'000 | Consolidated RM'000 |
|--|--|------------------|------------------|------------------------|
| Segment Revenue | | | | |
| Malaysia | 310 | 133 | - | 443 |
| Indonesia | 474 | - | - | 474 |
| | <u>784</u> | <u>133</u> | <u>-</u> | <u>917</u> |
| Segment Loss | | | | |
| Malaysia | (212) | (605) | (506) | (1,323) |
| Indonesia | (326) | - | - | (326) |
| | <u>(538)</u> | <u>(605)</u> | <u>(506)</u> | <u>(1,649)</u> |
| Segment Assets as per year to date | | | | |
| Malaysia | 5,694 | 769 | 32,458 | 38,921 |
| Indonesia | 1,689 | - | - | 1,689 |
| | <u>7,383</u> | <u>769</u> | <u>32,458</u> | <u>40,610</u> |
| Segment Liabilities as per year to date | | | | |
| Malaysia | (1,717) | (489) | (7,982) | (10,188) |
| Indonesia | (558) | - | - | (558) |
| | <u>(2,275)</u> | <u>(489)</u> | <u>(7,982)</u> | <u>(10,746)</u> |

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023

14. Review of performance

TABLE 1: FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE
FOR THE QUARTER ENDED 31 DECEMBER 2023

| | Individual Quarter | | | | Cumulative Quarter | | | |
|---|---|--|-----------------------------|--------------|---|---|-----------------------------|--------------|
| | Current Quarter 31.12.2023 RM'000 | Preceding Year Corresponding Quarter 31.12.2022 RM'000 | Changes Amount RM'000 | Changes % | Current Year To Date 31.12.2023 RM'000 | Preceding Year Corresponding Period 31.12.2022 RM'000 | Changes Amount RM'000 | Changes % |
| Revenue | 917 | 374 | 543 | 145% | 3,529 | 3,438 | 91 | 3% |
| Operating loss | (1,623) | (1,858) | 235 | -13% | (4,629) | (4,285) | (344) | 8% |
| Loss before taxation | (1,653) | (1,887) | 234 | -12% | (4,748) | (4,434) | (314) | 7% |
| Loss after tax for the period | (1,649) | (1,896) | 247 | -13% | (4,744) | (4,443) | (301) | 7% |
| Loss for the period attributable to: Owners of the Company | (1,636) | (1,896) | 260 | -13% | (4,731) | (4,443) | (288) | 6% |

During the quarter and period ending on December 31, 2023, the Group reported unaudited revenue of RM0.92 million, marking a significant increase from the RM0.37 million recorded in the corresponding quarter of the previous year. Both the Malaysia and Indonesia segments witnessed a notable upswing in revenue by 58% and 169% respectively.

The Managed Customer Loyalty Services ("MCLS") segment emerged as the primary contributor to the Group's revenue, accounting for 85% of the total. Notably, the MCLS segment in Indonesia played a pivotal role, contributing 52% to the MCLS revenue for the reviewed quarter and period. This surge in revenue for the MCLS business in Indonesia, from RM0.18 million to RM0.47 million, can be attributed primarily to an increase in new customers and increase in sales volume.

Simultaneously, the revenue for the MCLS segment in Malaysia experienced a 58% increase compared to the corresponding quarter in the previous year. This growth resulted from an increased sales volume from existing customers and new customers

As for the pharmacy retail segment from the franchise pharmacy business, the reported revenue was significantly higher than the preceding year's quarter. This substantial increase can be explained by the fact that business operations commenced only toward the end of the preceding year quarter.

For the quarter and period ending on December 31, 2023, the Group's unaudited loss before tax was recorded at RM1.65 million, indicating an improvement from the RM1.89 million loss before tax in the same quarter and period of the preceding year. This reduction in the loss before tax is mainly attributed to an enhanced gross profit margin in the MCLS businesses, partially offsetting other operating expenses, with significant contributions from management's cost-saving initiatives leading to this positive outcome.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023

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 31.12.2023 RM'000 | Immediate Preceding Quarter 30.09.2023 RM'000 | Changes Amount RM'000 | Changes % |
| Revenue | 917 | 921 | (4) | 0% |
| Operating loss | (1,623) | (842) | (781) | 93% |
| Loss before taxation | (1,653) | (872) | (781) | 90% |
| Loss after tax for the period | (1,649) | (872) | (777) | 89% |
| Loss for the period attributable to: Owners of the Company | (1,636) | (872) | (777) | 89% |

In this quarter, the Group reported a revenue of RM0.92 million which was consistent with revenue in last quarter of RM0.92 million.

The Group also recorded an unaudited loss before tax of RM1.65 million, showed an increase from RM0.87 million of the preceding quarter. The increase in loss was mainly due to non operating expenses incurred from the completion of the rights issues, amounted to RM500k.

16. Prospects

The 4th quarter results was maintained as the immediate preceding quarter despite challenging headwinds. The anticipated contributions from the pharmacy retail trading business did not materialize as expected further aggravated the overall performance of the Group.

The completion of the Rights Issue exercise at end of 4th quarter hopes to provide the impetus for better growth for 2024 in the enhancement of existing businesses and development of more profitable ventures.

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 31 DECEMBER 2023

18. Loss before taxation

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

| | Individual Quarter | | Cumulative Quarter | |
|--|---|--|---|---|
| | Current Quarter 31.12.2023 RM'000 | Preceding Year Corresponding Quarter 31.12.2022 RM'000 | Current Year To Date 31.12.2023 RM'000 | Preceding Year Corresponding Period 31.12.2022 RM'000 |
| Depreciation of property, plant and equipment | 54 | 39 | 213 | 223 |
| Depreciation of right-of-use assets | 41 | 41 | 163 | 116 |
| Interest expense | 30 | 29 | 119 | 149 |
| Amortisation of intangible assets | 10 | 17 | 42 | 41 |
| Fair value gain on other investment - money market fund | (8) | (9) | (15) | (26) |
| Interest income | (4) | (2) | (5) | (8) |
| Defined employee benefits | - | (5) | - | (5) |
| Gain on disposal of property, plant and equipment | - | - | - | (12) |

19. Taxation

| | Current Quarter 31.12.2023 RM'000 | Current Year To Date 31.12.2023 RM'000 |
|---------------------------------|--|---|
| Deferred tax income / (expense) | 4 | (9) |

Currently there is no provision for taxation as all subsidiaries were incurring losses.

20. Borrowing and lease liabilities

| | As at 31.12.2023 RM'000 | As at 31.12.2022 RM'000 |
|---|-------------------------------|-------------------------------|
| Short-term - secured: | | |
| Term loan (a) | 68 | 65 |
| Lease liabilities (b) | 69 | 62 |
| Bank overdraft (c) | 533 | - |
| | <u>670</u> | <u>127</u> |
| Long-term - secured: | | |
| Term loan (a) | 1,404 | 1,472 |
| Lease liabilities (b) | 148 | 217 |
| | <u>1,552</u> | <u>1,689</u> |
| Total borrowing and lease liabilities - secured: | | |
| Term loan (a) | 1,472 | 1,537 |
| Lease liabilities (b) | 217 | 279 |
| Bank overdraft (c) | 533 | - |
| | <u>2,222</u> | <u>1,816</u> |

(a) The term loan is secured by the following:

- (i) First party legal charge over the freehold land and building of a subsidiary.
- (ii) Corporate guarantee by the Company.

(b) The lease liabilities consist of leasing of leasehold land and building.

(c) The bank overdraft stated was denominated in foreign currency as follows:-

| | As at 31.12.2023 | | As at 31.12.2022 | |
|---------------|---------------------|--------|---------------------|--------|
| | IDR'000 | RM'000 | IDR'000 | RM'000 |
| Bank overdaft | 1,789,621 | 533 | - | - |

The facility was obtained from a licensed bank in October 2023 with a limit of RM596,000 / IDR2,000,000,000. The facility was secured by legal charge over the leasehold building of a subsidiary. As at year end, the unutilised limit was RM63,000 / IDR210,379,000

21. Status of corporate proposals

Multiple Proposals ("Proposals")

On 21 November 2022, the Company announced its intention to undertake the Proposed Share Consolidation, Proposed Rights Issue and Proposed Diversification.

On 18 January 2023, the Company has obtained approval from Bursa Securities for the Proposals. On 3 March 2023, the Company has obtained approval from its shareholders at an extraordinary general meeting for the Proposals.

On 17 March 2023, the consolidation of the Company's existing 292,663,666 ordinary shares ("Shares") into 97,554,209 consolidated Shares has been completed.

On 2 June 2023, the Company submitted an application to Bursa Securities seeking its approval for an extension of time of up to 17 January 2024 for the Company to complete the implementation of the Rights Issue and it was approved on 4 July 2023.

On 29 November 2023, the Company had issued the Abridged Prospectus in relation to the renounceable right issue of up to 292,662,627 new ordinary shares in the Company ("Rights Shares") on the basis of 3 Right Shares for every 1 existing Share at an issue price of RM0.08 per Rights Share, together with up to 195,108,418 free detachable warrants ("Warrants") on the basis of 2 Warrants for every 3 Rights Shares subscribed for ("Rights Issue").

The Rights Issue has been completed with the listing of and quotation for 292,662,513 Rights Shares together with 195,108,290 Warrants on the ACE Market of Bursa Securities on 28 December 2023.

22. Status of Utilisation of Proceeds

(A) Private Placement ("PP")

With the completion of private placement on 21 February 2023, the Company had raised a total proceed of RM2,045,925.

The status of utilisation of proceeds raised as is as follows:

| Details of utilisation | Proposed utilisation RM'000 | Amount utilised RM'000 | Balance unutilised RM'000 | Expected timeframe for utilisation of proceeds (from listing date of the Placement Shares) |
|--|-----------------------------|------------------------|---------------------------|--|
| Working capital | 967 | 967 | - | Within 24 months |
| Upgrade the information technology-related equipment and systems | 1,017 | 47 | 970 | Within 24 months |
| Expenses for the PP | 62 | 62 | - | Immediately |
| Total | 2,046 | 1,076 | 970 | |

(B) Right Issue ("RI")

With the completion of right issue on 28 December 2023, the Company had raised a total proceed of RM23,413,001

The status of utilisation of proceeds raised is as follows:

| Details of utilisation | Proposed utilisation RM'000 | Amount utilised RM'000 | Balance unutilised RM'000 | Expected timeframe for utilisation of proceeds (from listing date of the Rights Shares) |
|--|-----------------------------|------------------------|---------------------------|---|
| Expansion of pharmacy business | 5,220 | - | 5,220 | Within 12 months |
| Working capital of the pharmacy business | 15,979 | 2,411 | 13,568 | Within 24 months |
| Repayment of borrowings | 1,484 | - | 1,484 | Within 3 months |
| Expenses for the RI | 730 | 730 | - | Immediately |
| Total | 23,413 | 3,141 | 20,272 | |

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023**

23. Material litigations

1. Customer Loyalty Solutions Sdn Bhd vs Advance Information Marketing Berhad & 2 others

The Company had, on 20 January 2017, been served with a Writ (Kuala Lumpur High Court Suit No.: WA-22NCC-17-01/2017) 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 included two (2) other defendants i.e. a current and a former director of the Company to be jointly and severally liable to pay the Plaintiff the sum of RM6,524,652. On 7 July 2011, the Plaintiff was no longer a subsidiary of the Company.

The trial was 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 then 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 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 filed a Notice of Appeal against the decision of the Kuala Lumpur High Court. The Court of Appeal had fixed the next case management on 24 May 2021 pending the grounds of judgment from the Kuala Lumpur High Court.

The Court of Appeal had fixed case management dates on 19 December 2019, 27 February 2020, 29 April 2020, 7 July 2020, 3 September 2020, 8 October 2020, 14 December 2020, 25 February 2021, 24 May 2021, 25 August 2021, 30 November 2021, 27 January 2022, 30 March 2022, 31 May 2022, 5 August 2022, 27 December 2022 and 19 January 2023.

On 28 February 2023, the Court informed that the Ground of Judgement was being prepared. On 27 March 2023, the Appellant informed that the Grounds of Judgement had not been obtained.

The Court of Appeal vacated the hearing date on 11 April 2023 and fixed 17 August 2023 for hearing of Appeal. The Court further direct parties to file Written Submissions on or before 19 July 2023 and Written Submission in Reply on or before 2 August 2023.

The Court of Appeal had fixed case management dates on 2 August 2023 and 16 August 2023.

On 16 August 2023 via the Court's EFS system, the Appellant solicitors informed the Court that the Appellant is withdrawing the Appeal. The Appellant solicitors on even date sent the Notice of Discontinuance dated 16 August 2023 ("NOD") for the Respondents' approval. The Company thereafter had duly approved the NOD.

In this regard, the Appeal had been concluded on 16 August 2023.

2. Advance Information Marketing Berhad vs former Executive Director- Chean Meng Hee

The Company had, on 18 May 2023, filed an Originating Summons (Kuala Lumpur High Court Originating Summons No: WA-22NCC-279-05/2023) against the former Executive Director, Chean Meng Hee ("the Defendant") ("Originating Summons") alleging, amongst others, breach of fiduciary duties that resulted in damages amounting to RM2,597,665.71 from the disposal of 24,090,500 units of Treasury shares on 5 October, 2021.

During the case management on 7 June 2023, the solicitors representing the Company informed the Court that the sealed Originating Summons and Affidavit in Support have been served on the Defendant. The Defendant was absent and was not represented. The next case management was fixed on 26 June 2023.

On 26 June 2023, the High Court gave parties directions on filing of affidavits and submissions. The hearing of the matter was fixed on 26 October 2023.

Vide letter dated 17.10.2023, the High Court vacated the hearing on 26 October 2023 and converted the hearing into a case management.

At the case management on 26 October 2023, the hearing of the matter was fixed on 6 February 2024.

On 6 February 2024, the Court has granted the following orders:

- (a) A declaration that the Defendant has breached its fiduciary duties, duty of care and statutory duties to the Plaintiff;
- (b) A declaration that the Defendant has breached the terms of the Directors' Circular Resolution dated 1 October 2021.
- (c) Special damages of RM2,597,665.71;
- (d) Interest at 5% per annum on RM2,597,665.71 from the judgment date to the date of full payment;
- (e) An order that the Defendant indemnify the Plaintiff against any and/or all liability, costs and damages in respect of the breach of the ACE Market Listing Requirements pertaining to the sale of the treasury shares by the Defendant; and
- (f) Costs of RM3,000.00 in favour of the Plaintiff subject to allocatur.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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24. Dividend

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

25. 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.

26. Fair value on investment

Included in the other investment is an amount of RM3.11 million which is the fair value of investment in quoted shares that is determined directly by reference to their published market price as at 31 December 2023.

27. Basis of calculation of loss per share

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

(a) Basic loss per share

| | Current Quarter 31.12.2023 | Preceding Year Corresponding Quarter 31.12.2022 | Current Year To Date 31.12.2023 | Preceding Year Corresponding Period 31.12.2022 |
|---|----------------------------------|--|---------------------------------------|---|
| Net loss attributable to owners of the company (RM'000) | (1,636) | (1,896) | (4,731) | (4,443) |
| Weighted average number of ordinary shares issue ('000) | <u>99,522</u> | <u>266,059</u> | <u>99,522</u> | <u>266,059</u> |
| Basic loss per share (sen) | <u>(1.644)</u> | <u>(0.713)</u> | <u>(4.754)</u> | <u>(1.670)</u> |

The basic loss per ordinary share is calculated by dividing the consolidated net loss attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

(b) Diluted loss per share

| | Current Quarter 31.12.2023 | Preceding Year Corresponding Quarter 31.12.2022 | Current Year To Date 31.12.2023 | Preceding Year Corresponding Period 31.12.2022 |
|---|----------------------------------|--|---------------------------------------|---|
| Net loss attributable to owners of the company (RM'000) | (1,636) | (1,896) | (4,731) | (4,443) |
| Weighted average number of ordinary shares issue ('000) | 99,522 | 266,050 | 99,522 | 266,050 |
| Effect of dilution for the conversion of warrants ('000) | <u>111,115</u> | <u>-</u> | <u>111,115</u> | <u>-</u> |
| Adjusted weighted average number of ordinary shares for the purpose of diluted LPS ('000) | <u>210,637</u> | <u>266,050</u> | <u>210,637</u> | <u>266,050</u> |
| Diluted loss per share (sen) | <u>(0.777)</u> | <u>(0.713)</u> | <u>(2.246)</u> | <u>(1.670)</u> |

The diluted loss per ordinary share is calculated by dividing the consolidated net loss attributable to equity owners of the Company by the weighted average number of ordinary shares including the effects of all dilutive potential ordinary shares.

28. Significant Related Party Transactions

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

29. Date of Authorisation for Issue

This interim financial statements were authorised for issue by the Board of Directors on 22 February 2024.