

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/3/2008 RM('000)	31/3/2007 RM('000)	31/3/2008 RM('000)	31/3/2007 RM('000)
Revenue	5,553	3,891	5,553	3,891
Operating expenses	(5,159)	(3,674)	(5,159)	(3,674)
Other operating income	8	15	8	15
Profit from operations	402	232	402	232
Finance cost	(1)	(18)	(1)	(18)
Profit before taxation	401	214	401	214
Taxation	(58)	-	(58)	-
Profit after taxation	<u>343</u>	<u>214</u>	<u>343</u>	<u>214</u>
Attributable to:				
Equity holders of the parent	343	214	343	214
Earnings Per Share (Sen)				
(a) Basic	0.45	0.28	0.45	0.28
(b) Fully diluted	0.45	0.28	0.45	0.28

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED BALANCE SHEETS

(The figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 31/3/2008 RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/12/2007 RM('000)
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	2,176	2,228
DEVELOPMENT EXPENDITURE	788	862
INTANGIBLE ASSETS	966	943
DEFERRED TAX ASSETS	316	374
CURRENT ASSETS		
<i>Inventories</i>	1,840	2,113
<i>Trade Receivables</i>	3,265	2,569
<i>Other Receivables, Deposits and Prepayments</i>	994	933
<i>Fixed Deposits</i>	250	504
<i>Cash and Bank Balances</i>	2,469	2,089
	8,818	8,208
TOTAL ASSETS	13,064	12,615
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
SHARE CAPITAL	7,550	7,550
RESERVES		
<i>Share Premium</i>	5,577	5,577
<i>Share Based Payment</i>	277	277
<i>Exchange Translation Reserve</i>	55	27
<i>Accumulated Loss</i>	(4,488)	(4,831)
TOTAL EQUITY	8,971	8,600
NON-CURRENT LIABILITIES		
LONG TERM BORROWINGS	-	-
DEFERRED TAX LIABILITIES	149	149
CURRENT LIABILITIES		
<i>Trade Payables</i>	2,051	1,494
<i>Other Payables and Accrued Expenses</i>	1,893	2,323
<i>Tax Liabilities</i>	-	49
TOTAL CURRENT LIABILITIES	3,944	3,866
TOTAL LIABILITIES	4,093	4,015
TOTAL EQUITY AND LIABILITIES	13,064	12,615
Net assets per share attributable to ordinary equity holders of the parent (sen)	11.88	11.39

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital	Non-Distributable Reserve- Share Premium	Non-Distributable Reserve- Share Based Payment	Exchange Translation Reserve	Accumulated Loss	Total
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
3 months period ended 31.03.2008						
Balance as at 1 January 2008	7,550	5,577	277	27	(4,831)	8,600
Exchange translation differences	-	-	-	28	-	28
Net profit for the period (cumulative)	-	-	-	-	343	343
Balance as at 31 Mar 2008	<u>7,550</u>	<u>5,577</u>	<u>277</u>	<u>55</u>	<u>(4,488)</u>	<u>8,971</u>
3 months period ended 31.03.2007						
Balance as at 1 January 2007	7,550	5,577	277	36	(5,085)	8,355
Exchange translation differences	-	-	-	(7)	-	(7)
Net profit for the period (cumulative)	-	-	-	-	214	214
Balance as at 31 Mar 2007	<u>7,550</u>	<u>5,577</u>	<u>277</u>	<u>29</u>	<u>(4,871)</u>	<u>8,562</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(The figures have not been audited)

	3 months ended 31/03/08 RM('000)	3 months ended 31/03/07 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	401	214
Adjustments for:		
Amortisation of intangible assets	128	74
Depreciation of property, plant and equipment	72	66
Interest income	(2)	(9)
Interest expense	1	22
Other non-cash items	(20)	-
Operating profit before working capital changes	<u>580</u>	<u>367</u>
Changes in working capital:		
Net change in current assets	(359)	396
Net change in current liabilities	78	(652)
Cash from operations	<u>299</u>	<u>111</u>
Interest received	2	-
Interest paid	(1)	(22)
Tax paid	(134)	-
Net cash from operating activities	<u>166</u>	<u>89</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(40)	(131)
Net cash used in investing activities	<u>(40)</u>	<u>(131)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	-	(29)
Net cash from financing activities	<u>-</u>	<u>(29)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	126	(71)
EFFECTS OF EXCHANGE RATE CHANGES	-	15
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,593	1,605
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A15)	<u><u>2,719</u></u>	<u><u>1,549</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

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NOTES

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report has been prepared in compliance with FRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 December 2007, except for the adoption of the following revised Financial Reporting Standards (FRSs) and new Interpretations effective for financial periods beginning on or after 1 January 2008:

FRS 107, Cash Flow Statements
FRs 111, Construction Contracts
FRS 112, Income Taxes
FRS 118, Revenue
FRS 120, Accounting for Government Grants and Disclosure of Government Assistance
FRS 129, Financial Reporting in Hyperinflationary Economies
FRS 134, Interim Financial Reporting
FRS 137, Provisions, Contingent Liabilities and Contingent Assets
FRS 139, Financial Instruments: Recognition and Measurement
Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2, Member's Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6, Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7, Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies
IC Interpretation 8, Scope of FRS 2

FRS 111, FRS 120, FRS 129 and the Interpretations listed above are not applicable to the Group. FRS 139, Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

A2 Audit report of preceding annual financial statements

The preceding year's annual audited financial statements were not subject to any qualifications.

A3 Seasonal or cyclical factors

The Group's operations were not subject to any seasonal or cyclical changes.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial year, which have a material effect in the financial quarter under review.

A6 Debt and equity securities

There were no issuance of debt and equity securities for the financial quarter under review.

A7 Dividends paid

There were no dividends paid for the financial quarter under review.

A8 Segment information

	CURRENT YEAR QUARTER 31/3/2008 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2007 RM('000)	CURRENT YEAR TO DATE 31/3/2008 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2007 RM('000)
TURNOVER				
Business Segment				
Biometrics	2,550	1,826	2,550	1,826
Electronics Publishing System and MIS	3,003	2,065	3,003	2,065
	<u>5,553</u>	<u>3,891</u>	<u>5,553</u>	<u>3,891</u>

PROFIT/(LOSS) AFTER TAXATION

Biometrics	273	258	273	258
Electronics Publishing System and MIS	70	(44)	70	(44)
	<u>343</u>	<u>214</u>	<u>343</u>	<u>214</u>

A9 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 in the financial quarter under review.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the financial quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial quarter under review.

A12 Contingent liabilities

There were no contingent liabilities as at the date of this announcement.

A13 Capital commitments

There were no capital commitments as at the date of this announcement.

A14 Significant related party transactions

	Current Quarter ended 31/3/2008 RM('000)	Current Year ended 31/3/2008 RM('000)
Office Rental paid to -- Founder HK Ltd	20	20
Management fee paid to -- Founder HK Ltd	8	8

A15 Cash and cash equivalents

	31/3/2008 RM('000)
Fixed Deposits	250
Cash and bank balances	<u>2,469</u>
	<u>2,719</u>

B ADDITIONAL INFORMATION REQUIRED PURSUANT TO APPENDIX 9B OF THE MESDAQ MARKET LISTING REQUIREMENTS**B1 Review of performance**

For the current financial quarter under review ("Q1 2008"), the Group recorded revenue of RM5,553,461 and profit before taxation ("PBT") of RM401,519 compared with preceding year's corresponding quarter's ("Q1 2007") revenue of RM3,891,565 and PBT of RM213,815. The higher revenue and profitability recorded for Q1 2008 was contributed by the Biometric business of Malaysia operations.

B2 Variation of results against preceding quarter

For Q1 2008 the Group recorded PBT of RM401,519 compared to a loss before taxation of RM316,634 in the preceding quarter ("Q4 2007"). The profit recorded in Q1 2008 was contributed by higher revenue and profitability from the Biometrics business of Malaysia operations.

B3 Prospects

Based on the performance to date, the Board expects the year 2008 to be positive for the Group.

B4 Profit forecast and profit guarantee

The Group neither announced any profit forecast nor profit guarantee during the financial quarter under review.

B5 Taxation

	current quarter 31/03/2008 RM('000)
Deferred taxation	<u>(58)</u>
	<u>(58)</u>

B6 Unquoted investments and properties

There were no purchase or disposal of unquoted investments and properties for the financial quarter under review.

B7 Quoted securities

There were no acquisition or disposal of quoted securities for the financial quarter under review and the financial year to date.

B8 Status of corporate proposals

There were no corporate proposals as at the date of this announcement.

B9 Group's borrowings and debt securities

There were no Group's borrowings and debt securities as at the date of this announcement.

B10 Off-balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

B11 Material litigation

Save for the following, there were no material litigations pending on the date of this announcement:-

Proposed disposal of Myage Software (M) Sdn Bhd (formerly known as Sendi Mutiara On-line Sdn Bhd)

On 26 June 2006, the Group announced that it had entered an agreement to dispose its entire stake in its associated company Myage Software (M) Sdn Bhd (formerly known as Sendi Mutiara On-Line Sdn Bhd). A total number of 499,998 ordinary shares of RM1.00 each is disposed at a disposal consideration of RM342,500.00 which will be settled through nine (9) monthly instalments starting from July 2006 to March 2007. The Group recorded a loss on disposal of RM157,498 in divesting the said associate. The shares transfer was executed on 11 July 2006.

On 23 February 2007, the Group announced that on 16 February 2007, the solicitors of PUC ("Plaintiff") had filed a Writ of Summons against Wong Kok San ("Defendant") for RM287,500.00, including interest, legal charges and other relevant costs ("Amount Claimed"). The Amount Claimed was pursuant to the breach of contract arising from the sale of shares of Myage Software (M) Sdn Bhd in respect of the share sale agreement dated 26 June 2006 ("SSA") entered into between the Plaintiff and the Defendant. Further information on the SSA can be obtained from the announcement made by PUC on 26 June 2006.

On 25 June 2007, the Defendant filed a Defence. Accordingly, PUC filed a reply to Defence on 18 July 2007. On 25 September 2007, the solicitors of PUC had filed an Application for Summary Judgement against the Defendant and the Court has fixed the Hearing on 19 March 2008. On 4 April 2008 PUC's application for Summary Judgement against the Defendant has been allowed with cost. The outlook is fairly good as PUC's claim, which is based on the breach of a written contract on the part of the Defendant is clear and obvious.

B12 Dividends

There were no dividends paid for the financial quarter under review.

B13 Earning per share

a. Basic

The basic earnings per share of the Group is calculated by dividing the net profit for the period by the weighted average number of ordinary shares as follows:-

	3-months ended 31 Mar		Cumulative 3-months ended 31 Mar	
	2008	2007	2008	2007
Net profit (RM)	343,128	213,815	343,128	213,815
Weighted average number of shares in issue	75,504,000	75,504,000	75,504,000	75,504,000
Basic earnings per share (sen)	0.45	0.28	0.45	0.28

b. Diluted

The diluted earnings per share of the Group assuming full conversion of employees' share option scheme option are as follows:-

	3-months ended 31 Mar		Cumulative 3-months ended 31 Mar	
	2008	2007	2008	2007
Net profit (RM)	343,128	213,815	343,128	213,815
Weighted average number of shares in issue	75,504,000	76,461,214	75,504,000	76,461,214
Diluted earnings per share (sen)	0.45	0.28	0.45	0.28

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur

Date: 27 May 2008