

# PUC FOUNDER (MSC) BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31.03.2009

## CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

|                              | INDIVIDUAL QUARTER      |  | CUMULATIVE QUARTER      |   |
|------------------------------|-------------------------|--|-------------------------|---|
|                              | CURRENT YEAR<br>QUARTER | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER | CURRENT YEAR TO<br>DATE | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD |
|                              | 31/3/2009<br>RM('000)   | 31/3/2008<br>RM('000)                      | 31/3/2009<br>RM('000)   | 31/3/2008<br>RM('000)                     |
| Revenue                      | 4,993                   | 5,553                                      | 4,993                   | 5,553                                     |
| Operating expenses           | (4,860)                 | (5,159)                                    | (4,860)                 | (5,159)                                   |
| Other operating income       | 58                      | 8  | 58                      | 8   |
| Profit from operations       | 191                     | 402  | 191                     | 402                                       |
| Finance cost                 | -                       | (1)  | -                       | (1)                                       |
| Profit before taxation       | 191                     | 401  | 191                     | 401                                       |
| Taxation                     | (48)                    | (58)                                       | (48)                    | (58)                                      |
| Profit after taxation        | 143                     | 343  | 143                     | 343                                       |
| Attributable to:             |                         |  |                         |   |
| Equity holders of the parent | 143                     | 343  | 143                     | 343                                       |
| Earnings Per Share (Sen)     |                         |  |                         |   |
| (a) Basic                    | 0.19                    | 0.45                                       | 0.19                    | 0.45                                      |
| (b) Fully diluted            | N/A                     | N/A  | N/A                     | N/A                                       |

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 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<br>CURRENT YEAR<br>QUARTER<br>31/3/2009<br>RM('000) | (AUDITED)<br>AS AT PRECEDING<br>FINANCIAL YEAR END<br>31/12/2008<br>RM('000) |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>NON-CURRENT ASSETS</b>   |  |  |
| PROPERTY, PLANT AND EQUIPMENT   | 2,439  | 2,469  |
| DEVELOPMENT EXPENDITURE   | 445  | 643  |
| INTANGIBLE ASSETS   | 912  | 890  |
| DEFERRED TAX ASSETS   | 146  | 146  |
| INVESTMENTS IN ASSOCIATE  | -  | 10   |
| <b>CURRENT ASSETS</b>   |  |  |
| <i>Inventories</i>  | 3,665  | 3,479  |
| <i>Trade Receivables</i>  | 1,966  | 2,648  |
| <i>Other Receivables, Deposits and Prepayments</i>                                  | 652  | 1,202  |
| <i>Fixed Deposits</i>   | 400  | 601  |
| <i>Cash and Bank Balances</i>   | 2,339  | 1,616  |
|   | 9,022  | 9,546  |
| <b>TOTAL ASSETS</b>   | <b>12,964</b>  | <b>13,704</b>  |
| <b>EQUITY AND LIABILITIES</b>   |  |  |
| <b>CAPITAL AND RESERVES ATTRIBUTABLE TO<br/>EQUITY HOLDERS OF THE COMPANY</b>       |  |  |
| SHARE CAPITAL   | 7,603  | 7,603  |
| RESERVES  |  |  |
| <i>Share Premium</i>  | 5,577  | 5,577  |
| <i>Share Based Payment</i>  | -  | -  |
| <i>Exchange Translation Reserve</i>   | 66   | 57   |
| <i>Accumulated Loss</i>   | (3,568)  | (3,711)  |
| <b>TOTAL EQUITY</b>   | <b>9,678</b>   | <b>9,526</b>   |
| <b>NON-CURRENT LIABILITIES</b>  |  |  |
| DEFERRED TAX LIABILITIES  | 125  | 125  |
| <b>CURRENT LIABILITIES</b>  |  |  |
| <i>Trade Payables</i>   | 1,695  | 1,809  |
| <i>Other Payables and Accrued Expenses</i>  | 1,339  | 2,144  |
| <i>Tax Liabilities</i>  | 127  | 100  |
| <b>TOTAL CURRENT LIABILITIES</b>  | <b>3,161</b>   | <b>4,053</b>   |
| <b>TOTAL LIABILITIES</b>  | <b>3,286</b>   | <b>4,178</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>12,964</b>  | <b>13,704</b>  |
| Net assets per share attributable to<br>ordinary equity holders of the parent (sen) | 12.73  | 12.53  |

(The Condensed Consolidated Balance Sheets should be read in conjunction with  
the Annual Financial Report for the year ended 31 December 2008 and  
the accompanying explanatory notes attached to the interim financial statements)

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Quarterly report on consolidated results for the 1st quarter ended 31.03.2009

## 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)     |
| <b>3 months period ended 31.03.2009</b> |               |   |   |                              |                  |              |
| Balance as at 1 January 2009            | 7,603         | 5,577                                   | -   | 57                           | (3,711)          | 9,526        |
| Exchange translation differences        | -             | -                                       | -   | 9                            | -                | 9            |
| Net profit for the period (cumulative)  | -             | -                                       | -   | -                            | 143              | 143          |
| Balance as at 31 Mar 2009               | <u>7,603</u>  | <u>5,577</u>                            | <u>-</u>                                      | <u>66</u>                    | <u>(3,568)</u>   | <u>9,678</u> |
| <b>3 months period ended 31.03.2008</b> |               |   |   |                              |                  |              |
| 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> |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

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Quarterly report on consolidated results for the 1st quarter ended 31.03.2009

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(The figures have not been audited)

|  | CURRENT YEAR<br>TO DATE<br>RM('000) | CUMULATIVE QUARTER<br>PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>RM('000) |
|--|-------------------------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                                     |   |
| Profit before taxation   | 191                                 | 401   |
| Adjustments for:   |                                     |   |
| Amortisation of intangible assets                                | 121                                 | 128   |
| Depreciation of property, plant and equipment                    | 101                                 | 72  |
| Interest income  | -                                   | (2)   |
| Interest expense   | -                                   | 1   |
| Other non-cash items   | -                                   | (20)  |
| Operating profit before working capital changes                  | <u>413</u>                          | <u>580</u>  |
| Changes in working capital:                                      |                                     |   |
| Net change in current assets                                     | 1,398                               | (359)   |
| Net change in current liabilities                                | (1,203)                             | 78  |
| Cash from operations   | <u>608</u>                          | <u>299</u>  |
| Interest received  | -                                   | 2   |
| Interest paid  | -                                   | (1)   |
| Tax paid   | -                                   | (134)   |
| <b>Net cash from operating activities</b>                        | <u><b>608</b></u>                   | <u><b>166</b></u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                                     |   |
| Purchase of property, plant and equipment                        | (96)                                | (40)  |
| <b>Net cash used in investing activities</b>                     | <u><b>(96)</b></u>                  | <u><b>(40)</b></u>  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                 | <b>512</b>                          | <b>126</b>  |
| <b>EFFECTS OF EXCHANGE RATE CHANGES</b>                          | 9                                   | -   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>      | 2,218                               | 2,593   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> (Note A15) | <u><u><b>2,739</b></u></u>          | <u><u><b>2,719</b></u></u>  |

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

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## Quarterly report on consolidated results for the 1st quarter ended 31.03.2009

### 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 2008.

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 2008.

##### 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<br>QUARTER | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER | CURRENT YEAR TO<br>DATE | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD |
|--|-------------------------|--|-------------------------|---|
|  | 31/3/2009<br>RM('000)   | 31/3/2008<br>RM('000)                      | 31/3/2009<br>RM('000)   | 31/3/2008<br>RM('000)                     |
| <b>TURNOVER</b>  |                         |  |                         |   |
| <b>Business Segment</b>  |                         |  |                         |   |
| Biometrics   | 2,460                   | 2,550                                      | 2,460                   | 2,550                                     |
| Electronics Publishing System ("EPS") and<br>Management Information System ("MIS") | 2,533                   | 3,003                                      | 2,533                   | 3,003                                     |
|  | <u>4,993</u>            | <u>5,553</u>                               | <u>4,993</u>            | <u>5,553</u>                              |
| <b>PROFIT/(LOSS) AFTER TAXATION</b>  |                         |  |                         |   |
| Biometrics   | 399                     | 273  | 399                     | 273                                       |
| EPS and MIS  | (256)                   | 70   | (256)                   | 70  |
|  | <u>143</u>              | <u>343</u>                                 | <u>143</u>              | <u>343</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

On 19 May 2009, the Group had announced that it had disposed its wholly owned subsidiary, Founder GlobalTech Limited ("FGL") to Skylark Global Limited for a total cash consideration of RM95,000.00. The disposal will not have any material effect on the share capital and the substantial shareholders' shareholdings of PUC. Further, it is expected to contribute positively to the earnings per share and net assets per share of PUC for the financial year ending 31 December 2009. The disposal was completed on 19 May 2009.

##### A11 Changes in the composition of the Group

Save for the disposal as disclosed in Section A10 above, 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<br>ended<br>31/3/2009<br>RM('000) | Current Year<br>ended<br>31/3/2009<br>RM('000) |
|---|---|--|
| Office Rental paid to<br>-- Founder HK Ltd  | 20  | 20   |
| Management fee paid to<br>-- Founder HK Ltd | 8   | 8  |

**A15 Cash and cash equivalents**

|                        | 31/3/2009<br>RM('000) |
|------------------------|-----------------------|
| Fixed Deposits         | 400                   |
| Cash and bank balances | 2,339                 |
|                        | <u>2,739</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 2009"), the Group recorded revenue of RM4,992,872 and profit before taxation ("PBT") of RM191,178 compared with preceding year's corresponding quarter's ("Q1 2008") revenue of RM5,553,461 and PBT of RM401,519. The decrease in revenue and profitability recorded for Q1 2009 was mainly due to losses incurred by the EPS & MIS business segment of the Group's Hong Kong operations as a result of the declining market and low profit margin of these products.

**B2 Variation of results against preceding quarter**

For Q1 2009 the Group recorded PBT of RM191,178 compared to PBT of RM45,000 in the preceding quarter ("Q4 2008"). The improved performance was mainly contributed by higher profitability of the Group's Biometric business of its Malaysia operations despite losses recorded by the Group's EPS & MIS division especially from the Group's Hong Kong operations.

**B3 Prospects**

Based on the performance to date and taking into consideration the disposal of the Group's Hong Kong operations vide the disposal of FGL, the Board expects the year 2009 to be positive for the Group.

**B4 Taxation**

|            | CURRENT YEAR<br>QUARTER<br>31/03/2009<br>RM('000) | CUMULATIVE QUARTER<br>CURRENT YEAR TO<br>DATE<br>31/03/2009<br>RM('000) |
|------------|---|---|
| Company    | (44)  | (44)  |
| Subsidiary | 92  | 92  |
|            | <u>48</u>   | <u>48</u>   |

**B5 Profit forecast and profit guarantee**

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

**B6 Unquoted investments and properties**

Save for the disposal of FGL as disclosed in Section A10 above, there were no purchase or disposal of unquoted investments and properties for the financial quarter under review. Based on the audited accounts of the Group and FGL for the financial year ended 31 December 2008, the disposal of FGL is expected to result in a gain on disposal of approximately RM90,000 to the Group for the financial year ending 31 December 2009.

**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 announced but not completed 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. Draft Order and Judgement had been returned by court recently for amendment and approval by Defendant's solicitor. PUC has arranged for refiling of Draft Order and Judgement on 21 May 2009. Execution proceedings may only be proceed with upon extraction of the fair Order and Judgement which is currently still outstanding. The Group has a fair chance to recover the Judgement Sum.

**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 |            |
|--|-----------------------|------------|----------------------------------|------------|
|  | 2009                  | 2008       | 2009                             | 2008       |
| Net profit (RM)                            | 143,384               | 343,128    | 143,384                          | 343,128    |
| Weighted average number of shares in issue | 76,029,000            | 75,504,000 | 76,029,000                       | 75,504,000 |
| Basic earnings per share (sen)             | 0.19                  | 0.45       | 0.19                             | 0.45       |

b. Diluted

The fully diluted earnings per share have not been presented as there is no diluted effect for the share of the Group.

By Order of the Board

Cindy Lim Seck Wah  
Secretary

Kuala Lumpur

Date: 29 May 2009