

PUC FOUNDER (MSC) BERHAD

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

Quarterly report on consolidated results for the 4th quarter ended 31.12.2010

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
	31/12/2010 RM('000)	31/12/2009 RM('000)	31/12/2010 RM('000)	31/12/2009 RM('000)
Revenue	3,552	2,609	15,615	13,915
Operating expenses	(3,142)	(3,101)	(14,602)	(13,335)
Profit/(Loss) from operations	410	(492)	1,013	580
Other operating income	46	561	93	615
Finance cost	-	-	-	-
Profit before taxation	456	69	1,106	1,195
Taxation	(111)	(269)	(273)	(400)
Profit/(Loss) for the period	<u>345</u>	<u>(200)</u>	<u>833</u>	<u>795</u>
Profit/(Loss) attributable to: Equity holders of the parent	<u>345</u>	<u>(200)</u>	<u>833</u>	<u>795</u>
Earnings/(Loss) Per Share (Sen)				
(a) Basic	0.41	(0.26)	1.06	1.05
(b) Fully diluted	0.41	NA	1.03	NA

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(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
	31/12/2010 RM('000)	31/12/2009 RM('000)	31/12/2010 RM('000)	31/12/2009 RM('000)
Profit/(Loss) for the period	345	(200)	833	795
Other Comprehensive Loss: Currency translation arising from consolidation	-	-	-	(57)
Total comprehensive income/(loss) for the period	<u>345</u>	<u>(200)</u>	<u>833</u>	<u>738</u>
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent	<u>345</u>	<u>(200)</u>	<u>833</u>	<u>738</u>

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 12/31/2010 RM('000)	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 12/31/2009 RM('000)
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	2,115	2,207
DEVELOPMENT EXPENDITURE	977	16
DEFERRED TAX ASSETS	114	114
CURRENT ASSETS		
<i>Inventories</i>	2,606	2,649
<i>Trade Receivables</i>	979	1,125
<i>Other Receivables, Deposits and Prepayments</i>	1,881	1,215
<i>Marketable Securities</i>	-	550
<i>Short Term Deposits</i>	-	200
<i>Cash and Bank Balances</i>	4,547	3,453
	10,013	9,192
TOTAL ASSETS	13,219	11,529
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
SHARE CAPITAL	8,321	7,603
RESERVES		
<i>Share Premium</i>	5,726	5,577
<i>Share Based Payment</i>	246	-
<i>Accumulated Loss</i>	(2,083)	(2,916)
TOTAL EQUITY	12,210	10,264
NON-CURRENT LIABILITIES		
DEFERRED TAX LIABILITIES	98	98
CURRENT LIABILITIES		
<i>Trade Payables</i>	70	413
<i>Other Payables and Accrued Expenses</i>	661	458
<i>Tax Liabilities</i>	180	296
TOTAL CURRENT LIABILITIES	911	1,167
TOTAL LIABILITIES	1,009	1,265
TOTAL EQUITY AND LIABILITIES	13,219	11,529
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.67	13.50

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2009 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)
12 months period ended 31.12.2010						
Balance as at 1 January 2010	7,603	5,577	-	-	(2,916)	10,264
Employees Share Option Scheme	718	149	246			1,113
Total comprehensive income for the period	-	-	-	-	833	833
Balance as at 31 December 2010	<u>8,321</u>	<u>5,726</u>	<u>246</u>	<u>-</u>	<u>(2,083)</u>	<u>12,210</u>
12 months period ended 31.12.2009						
Balance as at 1 January 2009	7,603	5,577	-	57	(3,711)	9,526
Total comprehensive income for the period	-	-	-	(57)	795	738
Balance as at 31 December 2009	<u>7,603</u>	<u>5,577</u>	<u>-</u>	<u>-</u>	<u>(2,916)</u>	<u>10,264</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2009 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)

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,106	1,195
Adjustments for:		
Amortisation of intangible assets	16	222
Depreciation of property, plant and equipment	402	357
Allowance for obsolete inventories	154	39
Provision for Bad Debts	108	30
Gain on disposal of subsidiary	-	(46)
Loss on disposal of property, plant and equipment	12	2
Interest income	(7)	(10)
Other non-cash items	395	-
Operating profit before working capital changes	2,186	1,789
Changes in working capital:		
Net change in current assets	(193)	456
Net change in current liabilities	(136)	(14)
Cash from/(used in) operations	1,857	2,231
Interest received	7	10
Tax paid	(389)	(195)
Net cash from/(used in) operating activities	1,475	2,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(323)	(168)
Research and development cost	(977)	3
Proceed from disposal of property, plant and equipment	1	-
Disposal of subsidiary, net of cash disposed off	-	(395)
Net cash used in investing activities	(1,299)	(560)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from ESOS	718	-
Net cash from financing activities	718	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	894	1,486
EFFECTS OF EXCHANGE RATE CHANGES	-	(50)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,653	2,217
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A15)	4,547	3,653

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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Quarterly report on consolidated results for the 4th quarter ended 31.12.2010

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 ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009.

A2 Changes in Accounting Policy

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 2009 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), IC Interpretations and Amendments as at 1st January 2010:

		Effective for financial period beginning on or after
FRS 1 and FRS 127	Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1st January 2010
FRS 2	Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations	1st January 2010
FRS 4	Insurance Contracts	1st January 2010
FRS 7	Financial Instruments: Disclosures Amendments to FRS 7, Financial Instruments: Disclosures	1st January 2010
FRS 101	Presentation of Financial Statements (revised 2009)	1st January 2010
FRS 123	Borrowing Costs	1st January 2010
FRS 132	Amendments to FRS 132, Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation	1st January 2010
FRS 139	Financial Instruments: Recognition and Measurement Amendments to FRS 139, Financial Instruments: Recognition and Measurement	1st January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives Amendment to IC Interpretation 9, Reassessment of Embedded Derivatives	1st January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1st January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1st January 2010
IC Interpretation 13	Customer Loyalty Programmes	1st January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1st January 2010

The adoption of the above FRSs, amendments and interpretations did not result in any significant impact on the presentation of the financial statements 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 12/31/2010 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 12/31/2009 RM('000)	CURRENT YEAR TO DATE 12/31/2010 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 12/31/2009 RM('000)
<u>TURNOVER</u>				
Business Segment				
Biometrics	3,523	2,608	13,517	10,690
Electronics Publishing System and MIS	29	1	2,098	3,225
	<u>3,552</u>	<u>2,609</u>	<u>15,615</u>	<u>13,915</u>
<u>PROFIT AFTER TAXATION</u>				
Biometrics	314	(200)	1,075	598
Electronics Publishing System and MIS	3	0	167	197
	<u>317</u>	<u>(200)</u>	<u>1,242</u>	<u>795</u>
ESOS Expenses	-	-	(395)	-
Impairment Gain/(Loss)-Marketable Securities	28	-	(14)	-
	<u>345</u>	<u>(200)</u>	<u>833</u>	<u>795</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

There were no related party transactions as at the date of this announcement.

A15 Cash and cash equivalents

	12/31/2010
	RM('000)
Cash and bank balances	<u>4,547</u>

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

For the current financial quarter under review ("Q4 2010"), the Group recorded revenue of RM3,551,681 and profit before taxation ("PBT") of RM455,940 compared with preceding year's corresponding quarter's ("Q4 2009") revenue of RM2,609,198 and PBT of RM69,093. The increase in revenue recorded for Q4 2010 was mainly contributed by Biometric Division. The improved profit for current financial quarter was due to steady performance of Biometric Division.

B2 Variation of results against preceding quarter

For Q4 2010 the Group recorded PBT of RM455,940 compared to PBT of RM457,553 in the preceding quarter ("Q3 2010"). The constant result were due to steady performance of Biometric Division.

B3 Prospects

Based on the performance to date, the Board expects the year 2011 to be positive for the Group.

B4 Taxation

	CURRENT YEAR QUARTER 12/31/2010 RM('000)	CUMULATIVE QUARTER CURRENT YEAR TO DATE 12/31/2010 RM('000)
Company	0	0
Subsidiary	111	273
	<u>111</u>	<u>273</u>

The effective tax rate of the Group for the current quarter approximate its statutory tax rate of 25%.

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

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

B7 Quoted securities

During the current financial quarter, the Group recorded a loss of RM13,603 arising from disposal of Marketable Securities.

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

B8 Status of corporate proposals

On 16 November 2010, the Company had entered into a conditional Share Sale Agreement ("SSA") with Redhot Media International Limited ("RMIL") for the acquisition of the entire equity interest in Red Media Asia Limited ("RMA") comprising a total of 8,269,818 ordinary shares of USD1.00 each for a total consideration of RM95.0 million to be satisfied via the issuance of 950,000,000 new ordinary shares of RM0.10 each in PUCF ("shares") at an issue price of RM0.10 each.

On 14 January 2011, the Company announced that application to the relevant authorities seeking approval for the Proposals to be revised from 3 to 6 month.

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 later for amendment and approval by Defendant's solicitor. PUC then refiled the Draft Order and Judgement on 22 May 2009. On July 10, 2009, extract of Order and Judgement against Defendant obtained.

As Defendant did not respond on the judgement order, a Bankruptcy Notice with late interest cumulated till 10 February 2010 had been sent to him via registered post. However the delivery failed and returned as 'unclaimed'. Later, a 'Letter of Appointment' was delivered to request Judgement Debtor to turn up on 7 May 2010 to accept the Notice. The attempt was unsuccessful too as there was no occupant at that premise. Substituted service was then applied to the Shah Alam Court but was requested to issue a fresh notice prior to application. The fresh Bankruptcy Notice approved by Court has failed to reach Defendant too. An independent consultant has been appointed to carry out the task in more aggressive way.

B12 Dividends

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

B13 Earnings/(loss) 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 December		Cumulative 12 months ended 31 December	
	2010	2009	2010	2009
Net profit (RM)	345,183	(199,580)	832,685	794,784
Weighted average number of shares in issue	83,212,250	76,029,000	78,423,417	76,029,000
Basic earnings/(loss) per share (sen)	0.41	(0.26)	1.06	1.05

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 December		Cumulative 12 months ended 31 December	
	2010	2009	2010	2009
Net profit (RM)	345,183	(199,580)	832,685	794,784
Weighted average number of shares in issue	84,912,962	76,029,000	81,031,517	76,029,000
Diluted earnings/(loss) per share	0.41	NA	1.03	NA

(sen)

B14 Breakdown of Realised and Unrealised Profit or Losses of the Group

	AT END OF CURRENT QUARTER 12/31/2010 RM('000)	At end of preceding quarter30 9/30/2010 RM('000)
Realised loss	(2,099)	(2,444)
Unrealised profit	16	16
Total retained loss	<u>(2,083)</u>	<u>(2,428)</u>

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur