

# PUC FOUNDER (MSC) BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31.03.2011

## 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
	31/03/2011 RM('000)	31/03/2010 RM('000)	31/03/2011 RM('000)	31/03/2010 RM('000)
Revenue	3,790	3,714	3,790	3,714
Operating expenses	(3,309)	(3,641)	(3,309)	(3,641)
Profit from operations	481	73	481	73
Other operating income	39	27	39	27
Finance cost	-	-	-	-
Profit before taxation	520	100	520	100
Taxation	(130)	(25)	(130)	(25)
Profit for the period	<u>390</u>	<u>75</u>	<u>390</u>	<u>75</u>
Profit attributable to: Equity holders of the parent	<u>390</u>	<u>75</u>	<u>390</u>	<u>75</u>
Earnings Per Share (Sen)				
(a) Basic	1.81	0.10	1.81	0.10
(b) Fully diluted	1.61	NA	1.61	NA

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2010 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
	31/03/2011 RM('000)	31/03/2010 RM('000)	31/03/2011 RM('000)	31/03/2010 RM('000)
Profit for the period	390	75	390	75
Other Comprehensive Income Net of Tax	-	-	-	-
Total comprehensive income for the period	<u>390</u>	<u>75</u>	<u>390</u>	<u>75</u>
Total comprehensive income for the period attributable to: Equity holders of the parent	<u>390</u>	<u>75</u>	<u>390</u>	<u>75</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 2010 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 31.03.2011

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 3/31/2011 RM('000)	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 12/31/2010 RM('000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	2,085	2,115
DEVELOPMENT EXPENDITURE	1,276	977
DEFERRED TAX ASSETS	203	203
<b>CURRENT ASSETS</b>		
<i>Inventories</i>	2,643	2,605
<i>Trade Receivables</i>	807	967
<i>Other Receivables, Deposits and Prepayments</i>	1,728	1,965
<i>Tax Recoverable</i>	27	23
<i>Short Term Deposits</i>	1,800	1,503
<i>Cash and Bank Balances</i>	3,601	3,072
	<b>10,606</b>	<b>10,135</b>
<b>TOTAL ASSETS</b>	<b>14,170</b>	<b>13,430</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
SHARE CAPITAL	8,776	8,321
RESERVES		
<i>Share Premium</i>	5,821	5,726
<i>Share Based Payment</i>	151	246
<i>Accumulated Loss</i>	(1,763)	(2,153)
<b>TOTAL EQUITY</b>	<b>12,985</b>	<b>12,140</b>
<b>NON-CURRENT LIABILITIES</b>		
DEFERRED TAX LIABILITIES	318	318
<b>CURRENT LIABILITIES</b>		
<i>Trade Payables</i>	89	70
<i>Other Payables and Accrued Expenses</i>	465	702
<i>Tax Liabilities</i>	313	200
<b>TOTAL CURRENT LIABILITIES</b>	<b>867</b>	<b>972</b>
<b>TOTAL LIABILITIES</b>	<b>1,185</b>	<b>1,290</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,170</b>	<b>13,430</b>
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.80	14.59

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2010 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 31.03.2011

## 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	Accumulated Loss	Total
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
<b>3 months period ended 31.03.2011</b>					
Balance as at 1 January 2011	8,321	5,726	246	(2,153)	12,140
Employees Share Option Scheme	455	95	(95)		455
Total comprehensive income for the period	-	-	-	390	390
Balance as at 31 March 2011	<u>8,776</u>	<u>5,821</u>	<u>151</u>	<u>(1,763)</u>	<u>12,985</u>
<b>3 months period ended 31.03.2010</b>					
Balance as at 1 January 2010	7,603	5,577	-	(2,916)	10,264
Total comprehensive income for the period	-	-	-	75	75
Balance as at 31 March 2010	<u>7,603</u>	<u>5,577</u>	<u>-</u>	<u>(2,841)</u>	<u>10,339</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 2010 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 31.03.2011 RM('000)	3 MONTHS ENDED 31.03.2010 RM('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	520	100
Adjustments for:		
Amortisation of intangible assets	116	12
Depreciation of property, plant and equipment	219	96
Interest income	(6)	-
Operating profit before working capital changes	849	208
Changes in working capital:		
Net change in current assets	352	(70)
Net change in current liabilities	(210)	(229)
Cash from/(used in) operations	991	(91)
Interest received	6	-
Development cost incurred	(416)	-
Tax paid	(21)	(30)
<b>Net cash from/(used in) operating activities</b>	<b>560</b>	<b>(121)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(189)	(219)
<b>Net cash used in investing activities</b>	<b>(189)</b>	<b>(219)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from ESOS	455	-
<b>Net cash from financing activities</b>	<b>455</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>826</b>	<b>(340)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>4,575</b>	<b>3,653</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> (Note A16)	<b>5,401</b>	<b>3,313</b>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

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## Quarterly report on consolidated results for the 1st quarter ended 31.03.2011

### NOTES

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

##### A. EXPLANATORY NOTES

###### A 1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The quarterly financial report for the period ended 31 March 2011 is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010. The explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

###### A2 Changes in Accounting Policy

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2010, except for in the current period ended 31 March 2011, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Amendments to FRS 2, Share-based Payment
FRS 3	Business Combinations
FRS 5	Amendments to FRS 5, Non-Current Assets Held for Sale and Discontinued Operations
FRS 7	Amendments to FRS 7, Improving Disclosures about Financial Instruments
FRS 121	Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Amendments to FRS 132, Financial Instruments: Presentation
FRS 134	Amendment to FRS 134, Interim Financial Reporting
FRS 138	Amendments to FRS 138, Intangible Assets
FRS 139	Amendments to FRS 139, Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to consequential amendments arising from revised FRS 3)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-Cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguish Financial Liabilities with Equity Instruments

The adoption of the above FRSs, amendments and interpretations are not expected to have any significant impact on the financial statements of the Group.

###### **Standards and Interpretations in issue but not yet effective**

The Group and the Company have not applied the new and revised FRSs and the IC Interpretations which have been issued as at the reporting date by the Malaysian Accounting Standards Board ("MASB") as described hereunder:

		Effective for financial period beginning on or after
FRS 124	Amendment to FRS 124, Related Party Disclosures	1st January 2012
IC Interpretation 15	Agreement for the Construction of Real Estate	1st January 2012

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

###### A3 Audit report of preceding annual financial statements

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

**A4 Seasonal or cyclical factors**

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

**A5 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.

**A6 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.

**A7 Debt and equity securities**

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

**A8 Dividends paid**

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

**A9 Segment information**

	CURRENT YEAR QUARTER 3/31/2011 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 3/31/2010 RM('000)	CURRENT YEAR TO DATE 3/31/2011 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 3/31/2010 RM('000)
<b><u>TURNOVER</u></b>				
<b>Business Segment</b>				
Biometrics	3,631	3,204	3,631	3,204
Electronics Publishing System and MIS	159	510	159	510
	<u>3,790</u>	<u>3,714</u>	<u>3,790</u>	<u>3,714</u>
<b><u>PROFIT AFTER TAXATION</u></b>				
Biometrics	374	130	374	130
Electronics Publishing System and MIS	16	6	16	6
	<u>390</u>	<u>136</u>	<u>390</u>	<u>136</u>
Impairment Loss-Marketable Securities	-	(61)	-	(61)
	<u>390</u>	<u>75</u>	<u>390</u>	<u>75</u>

**A10 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.

**A11 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.

**A12 Changes in the composition of the Group**

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

**A13 Contingent liabilities**

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

**A14 Capital commitments**

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

**A15 Significant related party transactions**

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

**A16 Cash and cash equivalents**

	3/31/2011 RM('000)
Fixed Deposit	1,800
Cash and bank balances	3,601
	<u>5,401</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 ("Q1 2011"), the Group reported revenue of RM3,790,254 and profit before taxation ("PBT") of RM520,097 compared with preceding year's corresponding quarter's ("Q1 2010") revenue of RM3,713,804 and PBT of RM99,883. The improvement in revenue and profit were largely driven by the consistent performance of its Biometric Division since global economy recovery.

**B2 Variation of results against preceding quarter**

For Q1 2011, the Group obtained a better result in its PBT i.e RM520,097, compared with RM455,940 in the preceding quarter ("Q4 2010"). The improvement in profit were largely driven by the consistent performance of its Biometric Division since global economy recovery.

**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 3/31/2011 RM('000)	CUMULATIVE QUARTER CURRENT YEAR TO DATE 3/31/2011 RM('000)
Company	(30)	(30)
Subsidiary	160	160
	130	130

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**

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**

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 13th May 2011, the Company announced on the extension of 'Conditional Period' for a further six month till 14th November 2011.

**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 but unable to locate WKS till the report date.

**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 March		Cumulative 3 months ended 31 March	
	2011	2010	2011	2010
Net profit (RM)	390,073	74,873	390,073	74,873
Weighted average number of shares in issue	21,502,667	76,029,000	21,502,667	76,029,000
Basic earnings/(loss) per share (sen)	1.81	0.10	1.81	0.10

## 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 March		Cumulative 3 months ended 31 March	
	2011	2010	2011	2010
Net profit (RM)	390,073	74,873	390,073	74,873
Weighted average number of shares in issue	24,230,792	76,029,000	24,230,792	76,029,000
Diluted earnings/(loss) per share (sen)	1.61	NA	1.61	NA

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

	<b>AT END OF CURRENT QUARTER 3/31/2011 RM('000)</b>	<b>AT END OF PRECEDING QUARTER 12/31/2010 RM('000)</b>
Realised	(1,623)	(2,027)
Unrealised	(140)	(126)
Total cumulative loss	<u>(1,763)</u>	<u>(2,153)</u>

By Order of the Board

Cindy Lim Seck Wah  
Secretary

Kuala Lumpur