

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2012

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
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM('000)	RM('000)	RM('000)	RM('000)
Revenue	4,293	3,790	4,293	3,790
Operating expenses	(3,745)	(3,309)	(3,745)	(3,309)
Profit from operations	548	481	548	481
Other operating income	12	39	12	39
Profit before taxation	560	520	560	520
Taxation	(141)	(130)	(141)	(130)
Profit for the period	<u>419</u>	<u>390</u>	<u>419</u>	<u>390</u>
Profit attributable to: Equity holders of the parent	<u>419</u>	<u>390</u>	<u>419</u>	<u>390</u>
Earnings Per Share (Sen)				
(a) Basic	0.44	0.45	0.44	0.45
(b) Fully diluted	NA	0.45	NA	0.45

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2012

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
	31/03/2012 RM('000)	31/03/2011 RM('000)	31/03/2012 RM('000)	31/03/2011 RM('000)
Profit for the period	419	390	419	390
Other Comprehensive Income Net of Tax	-	-	-	-
Total comprehensive income for the period	<u>419</u>	<u>390</u>	<u>419</u>	<u>390</u>
Total comprehensive income for the period attributable to: Equity holders of the parent	<u>419</u>	<u>390</u>	<u>419</u>	<u>390</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 2011 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31.03.2012

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 31/03/12 RM('000)	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/12/11 RM('000)
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	2,444	2,191
DEVELOPMENT EXPENDITURE	812	928
DEFERRED TAX ASSETS	84	84
CURRENT ASSETS		
<i>Inventories</i>	2,960	3,115
<i>Trade Receivables</i>	1,631	1,332
<i>Other Receivables, Deposits and Prepayments</i>	2,303	1,709
<i>Short Term Deposits</i>	2,415	2,620
<i>Cash and Bank Balances</i>	3,830	4,664
	13,139	13,440
TOTAL ASSETS	16,479	16,643
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
SHARE CAPITAL	9,504	9,504
RESERVES		
<i>Share Premium</i>	5,972	5,972
<i>Exchange Translation Reserve</i>	(2)	(2)
<i>Accumulated Loss</i>	(203)	(622)
TOTAL EQUITY	15,271	14,852
NON-CURRENT LIABILITIES		
DEFERRED TAX LIABILITIES	325	325
CURRENT LIABILITIES		
<i>Trade Payables</i>	68	305
<i>Other Payables and Accrued Expenses</i>	465	888
<i>Tax Liabilities</i>	350	273
TOTAL CURRENT LIABILITIES	883	1,466
TOTAL LIABILITIES	1,208	1,791
TOTAL EQUITY AND LIABILITIES	16,479	16,643
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.07	15.63

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31.03.2012

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 31.03.2012						
Balance as at 1 January 2012	9,504	5,972	-	(2)	(622)	14,852
Total comprehensive income for the period	-	-	-	-	419	419
Balance as at 31 March 2012	<u>9,504</u>	<u>5,972</u>	<u>-</u>	<u>(2)</u>	<u>(203)</u>	<u>15,271</u>
3 months period ended 31.03.2011						
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>-</u>	<u>(1,763)</u>	<u>12,985</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 2011 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31.03.2012

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(The figures have not been audited)

	3 MONTHS ENDED 31.03.2012 RM('000)	3 MONTHS ENDED 31.03.2011 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	560	520
Adjustments for:		
Amortisation of intangible assets	116	116
Depreciation of property, plant and equipment	102	219
Interest income	2	(6)
Operating profit before working capital changes	780	849
Changes in working capital:		
Net change in current assets	(754)	352
Net change in current liabilities	(645)	(210)
Cash from/(used in) operations	(619)	991
Interest received	(2)	6
Development cost incurred	-	(416)
Tax paid	(63)	(21)
Net cash from/(used in) operating activities	(684)	560
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(355)	(189)
Net cash used in investing activities	(355)	(189)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from ESOS	-	455
Net cash from financing activities	-	455
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,039)	826
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,284	4,575
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A16)	6,245	5,401

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2012

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012

A. EXPLANATORY NOTES

A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS")134 - Interim Financial Reporting and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange") for the ACE Market, and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2011. The accounting policies and methods of computation adopted by the Group in the interim unaudited financial statements are consistent with those adopted for the financial year ended 31 December 2011.

A2 Changes in Accounting Policy

Since the previous audited financial statements as at 31 December 2011 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standard ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board ("IASB"). The following are the newly-issued accounting framework - MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 January 2012:

MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2: Share-based Payment
MFRS 3: Business Combinations
MFRS 5: Non-current Assets Held for Sale and Discontinued Operations
MFRS 7: Financial Instruments: Disc and Discontinued Operations
MFRS 8: Operating Segments
MFRS 101: Presentation of Financial Instruments
MFRS 107: Statement of Cash Flows
MFRS 108: Accounting Policies, Changes in Foreign Exchange Rates - Net Investment in a Foreign Entity
MFRS 110: Events after the Reporting Period
MFRS 112: Income Taxes
MFRS 116: Property, Plant and Equipment
MFRS 118: Revenue Presentation
MFRS 119: Employee Benefits
MFRS 121: The Effects of Changes in Foreign Exchange Rates
MFRS 124: Related Party Disclosures
MFRS 127: Consolidated and Separately Recognized Entities
MFRS 128: Investment in Associates
MFRS 132: Financial Instruments: Presentation
MFRS 133: Earnings Per Share to consequential amendments arising from revised FRS 3
MFRS 134: Interim Financial Reporting
MFRS 136: Impairment of Assets
MFRS 137: Provisions, Contingent Liabilities and Their Interaction (Amendments relating to MFRS 137)
MFRS 138: Intangible Assets (Amendments relating to MFRS 138)
MFRS 139: Financial Instruments: Recognition and Measurement
Improvements to MFRSs

The adoption of the above will have no material impact on the financial statements of the Group.

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 31/03/12 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/11 RM('000)	CURRENT YEAR TO DATE 31/03/12 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/03/11 RM('000)
<u>TURNOVER</u>				
Business Segment				
Biometrics	4,293	3,790	4,293	3,790
<u>PROFIT AFTER TAXATION</u>				
Biometrics	419	390	419	390

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

	31/03/12 RM('000)
Fixed Deposit	2,415
Cash and bank balances	3,830
	<u>6,245</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 2012"), the Group recorded total revenue of RM4,293,343 and profit before taxation ("PBT") of RM559,718 as compared to revenue of RM3,790,254 and PBT of RM520,097 reported in preceding corresponding quarter. The emphasis in continue developing new technology and features as well as branding of biometric segment boosted the revenue and PBT. No revenue were generated from the EPS and MIS division.

B2 Variation of results against preceding quarter

For Q1 2012, the Group reported total revenue of RM4,293,343 and PBT of RM559,718 as compared to revenue and PBT of RM4,194,994 and RM684,223 respectively in the preceding quarter (Q4 2011). The decrease of RM124,505 in PBT were mainly due to currency effect where US Dollar was weaken against Ringgit. This has resulted in loss on foreign exchange.

B3 Prospects

For the year 2012, the Group expects Biometric industry to be more challenging due to the volatility of the global economic. Nevertheless, the Group will continue to develop its technology transformation and branding sector to increase customer satisfisctions and remain competitive in the market.

B4 Taxation

	CURRENT YEAR QUARTER 31/03/12 RM('000)	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/03/12 RM('000)
Company	(1)	(1)
Subsidiary	142	142
	<u>141</u>	<u>141</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

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 PUC ("shares") at an issue price of RM0.10 each.

On 11th November 2011, the Company announced to further extend the conditional period for a further six (6) months from 14 November 2011 until 15 May 2012. The parties to the SSA have also agreed that in the event that the conditions precedent are not fulfilled by 15 May 2012, the conditional period will be extended automatically for another six (6) months from 15 May 2012 up to 14 November 2012.

In addition to the above, the application to the relevant authorities seeking approval for the Proposals which is revised to be made within twelve (12) months from the date of the Announcement would be extended to a further six (6) months from the date of this announcement. Consequently, the estimated timeframe for completion of the Proposals which is revised to be completed in the second half of 2011 would be further extended accordingly to first half of 2012.

The Company has entered into the First Supplemental Sale of Shares Agreement with RMIL in relation to the Proposed Acquisition to vary and amend some of the terms of the SSA, which will be set out in a separate announcement made today. Meanwhile, the Due-D Working team is in the stage of verifying all inputs to be submitted to Bursa Securities, which is scheduled by end of March.

On 9 April 2012, the Company submitted the proposal to Bursa Securities (BS) and Equity Compliance Unit (ECU) of Securities Commission (SC) for approval and notification respectively. Both authorities has revert required further clarification and additional information. The Due-D Team has accordingly responded to the queries.

On 18 May 2012, SC had vide its letter take note of the notification submitted.

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 consideration of RM342,500.00 which will be settled by 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 Judgment against the Defendant and the Court has fixed the Hearing on 19 March 2008. On 4 April 2008 PUC's application for Summary Judgment against the Defendant has been allowed with cost. Draft Order and Judgment had been returned by court later for amendment and approval by Defendant's solicitor. PUC then refilled the Draft Order and Judgment on 22 May 2009. On July 10, 2009, extract of Order and Judgment against Defendant obtained.

As Defendant did not respond to the judgment 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 Judgment 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 the Defendant till the report date. On 19 August 2011, the independent consultant has expressed their withdrawal from this case as no result were delivered since engagement of their service.

A new Solicitor was appointed in November 2011. On 17 January 2012, the fresh Bankruptcy Notice with updated cumulative interest of RM116,323.29 and principal RM287,000.00, totaling RM403,823.29 has been approved by the Shah Alam High Court. Follow from several personal services attended by Lawyer against the Defendant, the Defendant via his solicitor offered an out of court settlement for RM50,000 but was rejected as the amount was particularly low, i.e. only 12% compared with the total sum owing.

Resulted from that, the Creditor Petition has been raised on 16 April 2012 and Hearing been fixed on 5 June 2012.

B12 Dividend Declared

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

B13 Earnings 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	
	2012	2011	2012	2011
Net profit (RM)	418,912	390,073	418,912	390,073
Weighted average number of shares in issue	95,036,250	87,205,261	95,036,250	87,205,261
Basic earnings per share (sen)	0.44	0.45	0.44	0.45

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	
	2012	2011	2012	2011
Net profit (RM)	418,912	390,073	418,912	390,073
Weighted average number of shares in issue	95,036,250	87,205,261	95,036,250	87,205,261
Diluted earnings per share (sen)	NA	0.45	NA	0.45

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

	AT END OF CURRENT QUARTER 31/03/12 RM('000)	AT END OF PRECEDING QUARTER 30/12/11 RM('000)
Total accumulated loss of the Company and its subsidiaries		
- Realised	40	(382)
- Unrealised	(241)	(238)
	<u>(201)</u>	<u>(620)</u>
Add/(Less): Consolidation adjustments	(2)	(2)
Total accumulated loss	<u>(203)</u>	<u>(622)</u>

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur