

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4th quarter ended 31.12.2012

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
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM('000)	RM('000)	RM('000)	RM('000)
Revenue	5,022	4,193	19,291	16,018
Operating expenses	(4,442)	(3,505)	(17,358)	(14,025)
Profit from operations	580	688	1,933	1,993
Other operating income	79	30	141	130
Profit before taxation	659	718	2,074	2,123
Taxation	(274)	(240)	(629)	(593)
Profit for the period	<u>385</u>	<u>478</u>	<u>1,445</u>	<u>1,530</u>
Profit attributable to: Equity holders of the parent	<u>385</u>	<u>478</u>	<u>1,445</u>	<u>1,530</u>
Earnings Per Share (Sen)				
(a) Basic	0.40	0.50	1.52	1.66
(b) Fully diluted	NA	NA	NA	NA

(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)

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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
	31/12/2012 RM('000)	31/12/2011 RM('000)	31/12/2012 RM('000)	31/12/2011 RM('000)
Profit for the period	385	478	1,445	1,530
Other comprehensive income net of tax	1	(2)	1	(2)
Total comprehensive income for the period	<u>386</u>	<u>476</u>	<u>1,446</u>	<u>1,528</u>
Total comprehensive income for the period attributable to: Equity holders of the parent	<u>386</u>	<u>476</u>	<u>1,446</u>	<u>1,528</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)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 31/12/12 RM('000)	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/12/11 RM('000)
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	2,782	2,191
DEVELOPMENT EXPENDITURE	464	928
DEFERRED TAX ASSETS	84	84
CURRENT ASSETS		
<i>Inventories</i>	3,388	3,115
<i>Trade Receivables</i>	1,411	1,332
<i>Other Receivables, Deposits and Prepayments</i>	3,275	1,709
<i>Short Term Deposits</i>	1,920	2,620
<i>Cash and Bank Balances</i>	3,626	4,664
	<u>13,620</u>	<u>13,440</u>
TOTAL ASSETS	<u>16,950</u>	<u>16,643</u>
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>	(1)	(2)
<i>Accumulated Loss</i>	(127)	(622)
TOTAL EQUITY	<u>15,348</u>	<u>14,852</u>
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	325	325
CURRENT LIABILITIES		
<i>Trade Payables</i>	16	305
<i>Other Payables and Accrued Expenses</i>	899	888
<i>Tax Liabilities</i>	362	273
TOTAL CURRENT LIABILITIES	<u>1,277</u>	<u>1,466</u>
TOTAL LIABILITIES	<u>1,602</u>	<u>1,791</u>
TOTAL EQUITY AND LIABILITIES	<u>16,950</u>	<u>16,643</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>16.15</u>	<u>15.63</u>

(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)

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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 31.12.2012						
Balance as at 1 January 2012	9,504	5,972	-	(2)	(622)	14,852
Dividend paid	-	-	-	-	(950)	(950)
Profit for the year	-	-	-	-	1,445	1,445
Other comprehensive income:						
Exchange fluctuation reserve	-	-	-	1	-	1
Total comprehensive income for the year				1	1,445	1,446
Balance as at 31 December 2012	<u>9,504</u>	<u>5,972</u>	<u>-</u>	<u>(1)</u>	<u>(127)</u>	<u>15,348</u>
12 months period ended 31.12.2011						
Balance as at 1 January 2011	8,321	5,726	246	-	(2,152)	12,141
Employees Share Option Scheme	1,183	246	(246)	-	-	1,183
Profit for the year	-	-	-	-	1,530	1,530
Other comprehensive income:						
Exchange fluctuation reserve	-	-	-	(2)	-	(2)
Total comprehensive income for the year				(2)	1,530	1,528
Balance as at 31 December 2011	<u>9,504</u>	<u>5,972</u>	<u>-</u>	<u>(2)</u>	<u>(622)</u>	<u>14,852</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)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(The figures have not been audited)

	12 MONTHS ENDED 31.12.2012 RM('000)	12 MONTHS ENDED 31.12.2011 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,074	2,123
Adjustments for:		
Amortisation of intangible assets	464	464
Depreciation of property, plant and equipment	480	504
Inventories written off	600	136
Bad debts written off	479	2
Interest income	(92)	(36)
Operating profit before working capital changes	4,005	3,193
Changes in working capital:		
Net change in current assets	(3,021)	(756)
Net change in current liabilities	(254)	422
Cash generated from/(used in) operations	730	2,859
Interest received	92	36
Development cost incurred	-	(416)
Tax paid	(540)	(370)
Net cash from/(used in) operating activities	282	2,109
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,071)	(580)
Net cash used in investing activities	(1,071)	(580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders	(950)	-
Proceed from ESOS	-	1,182
Net cash from/(used in) financing activities	(950)	1,182
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,739)	2,711
EFFECTS OF EXCHANGE RATE CHANGES	1	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,284	4,575
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A16)	5,546	7,284

(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)

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Quarterly report on consolidated results for the 4th quarter ended 31.12.2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 December 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 convert 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: Disclosures
MFRS 8: Operating Segments
MFRS 101: Presentation of Financial Statements
MFRS 107: Statement of Cash Flows
MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110: Events after the Reporting Period
MFRS 112: Income Taxes
MFRS 116: Property, Plant and Equipment
MFRS 118: Revenue
MFRS 119: Employee Benefits
MFRS 120: Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121: The Effects of Changes in Foreign Exchange Rates
MFRS 124: Related Party Disclosures
MFRS 127: Consolidated and Separate Financial Statements
MFRS 128: Investment in Associates
MFRS 132: Financial Instruments: Presentation
MFRS 133: Earnings Per Share
MFRS 134: Interim Financial Reporting
MFRS 136: Impairment of Assets
MFRS 137: Provisions, Contingent Liabilities and Contingent Assets
MFRS 138: Intangible Assets
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	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/12	31/12/11	31/12/12	31/12/11
	RM('000)	RM('000)	RM('000)	RM('000)
<u>TURNOVER</u>				
Business Segment				
Biometrics	5,022	4,191	19,291	15,431
Electronics Publishing System and MIS	-	2	-	587
	<u>5,022</u>	<u>4,193</u>	<u>19,291</u>	<u>16,018</u>
<u>PROFIT AFTER TAXATION</u>				
Biometrics	385	478	1,445	1,473
Electronics Publishing System and MIS	-	-	-	57
	<u>385</u>	<u>478</u>	<u>1,445</u>	<u>1,530</u>

The following is an analysis of the Group's turnover by geographical market:

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/12	31/12/11	31/12/12	31/12/11
	RM('000)	RM('000)	RM('000)	RM('000)
1 Malaysia	1,494	970	4,823	3,406
2 Asia (exclude Malaysia)	2,390	2,114	8,970	8,148
3 America	686	687	2,519	2,495
4 Africa	268	273	1,786	1,501
5 Europe	132	75	939	293
6 Oceania	52	74	254	175
	<u>5,022</u>	<u>4,193</u>	<u>19,291</u>	<u>16,018</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

	31/12/12	31/12/11
	RM('000)	RM('000)
Fixed Deposit	1,920	2,620
Cash and bank balances	3,626	4,664
	<u>5,546</u>	<u>7,284</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 2012"), the Group recorded total revenue of RM5,021,874 and profit before taxation ("PBT") of RM659,068 as compared to revenue of RM4,192,795 and PBT of RM718,380 reported in preceding year's corresponding quarter. The improvement in revenue by 20% was mainly derived from the increased demand of biometric products in the domestic and Asian region. However, the PBT were dipped due to bad debt written off in respect of non trade receivable amounting to RM439K, besides increased in overhead such as personnel cost.

B2 Variation of results against preceding quarter

For Q4 2012, the Group reported total revenue of RM5,021,874 and PBT of RM659,068 as compared to revenue and PBT of RM5,162,975 and RM496,267 respectively in the preceding quarter (Q3 2012). The minor decrease in revenue was due to year end office closure for festive season. The improvement in PBT was mainly due to lower of inventories written down and trade fair and advertising against the preceding quarter.

B3 Prospects

For the year 2013, the Group expects Biometric industry to be more challenging due to the volatility of the global economy. Nevertheless, the Group will continue to develop its technology and branding strategy to improve customer satisfactions and remain competitive in the market.

B4 Taxation

	CURRENT YEAR QUARTER 31/12/12 RM('000)	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/12/12 RM('000)
Company	(5)	7
Subsidiary	279	622
	<u>274</u>	<u>629</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 at RM0.10 each in PUC ("Shares")

On 24 February 2012, the Company entered into the First Supplemental SSA with RMIL in relation to the Proposed Acquisition to vary and amend some of the terms of the SSA.

On 9 April 2012, the Company submitted the application to Bursa Securities ("Bursa Securities") and Equity Compliance Unit (ECU) of Securities Commission ("SC") seeking approval and notification for the Proposal. Bursa Securities had on 7 May 2012 raised queries on the proposal.

SC via its letter dated 18 May 2012 took note of the notification submitted.

On 17 August 2012, the Company announced that the expected timeframe for completion of the Proposals has been revised from the first half of 2012 to first quarter of 2013.

The Company had on 14 November 2012 entered into the Second Supplemental Share Sale Agreement ("Second Supplemental SSA") with Resource Holding Management Ltd (formerly known as RMIL) in relation to the Proposed Acquisition. The Second Supplemental SSA is to vary and amend some of the terms of the original SSA such as to revise the Purchase Consideration from RM95,000,000.00 to RM90,000,000.00 and the issue price for the Consideration Shares from RM0.10 to RM0.12. As such the number of Consideration Shares to be issued will be reduced from 950,000,000 to 750,000,000 accordingly. The conditional period also been revised to 13 May 2013 and in the event the conditions precedent are not fulfilled by date mentioned it shall automatically be extended for a further period of six (6) months.

A revised application (to reflect the terms of the Second Supplemental SSA) was submitted to Bursa Securities on 6 December 2012 in substitution of the earlier application made to Bursa Securities on 9 April 2012.

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 23 February 2007 PUC had filed a Writ of Summons against Wong Kok San ("Defendant") for RM287,500.00, including interest, legal charges and other relevant costs 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 ("SSA") dated 26 June 2006 entered into between PUC and the Defendant.

PUC won the case in April 2008. However the Defendant did not respond to the judgment order, thus Bankruptcy Notice has been filed against the Defendant in February 2010 and approved in January 2012.

Resulted from the Hearing of Creditor Petition on 9 July 2012, an Adjudicating Order and Receiving Order has been pronounced and the Defendant is officially declared a bankrupt. Proof of Debt has been obtained from Court and the same been filed to Insolvency Office on 10 December 2012.

B12 Dividend Declared

The Board has declared an interim single tier tax exempted dividend of 10% per ordinary share of RM0.10 each for the financial year ended 31 December 2012 amounting to RM950,362.50 (31 December 2011 = 10%).

The dividend will be payable on 18 April 2013 to shareholders registered in the Record of Depositors at the close of business on 22 March 2013.

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 December		Cumulative 12 months ended 31 December	
	2012	2011	2012	2011
Net profit (RM'000)	384.56	478.27	1,445.67	1,530.56
Weighted average number of shares in issue ('000)	95,036.25	95,036.25	95,036.25	91,974.94
Basic earnings per share (sen)	0.40	0.50	1.52	1.66

b. Diluted

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

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

	AT END OF CURRENT QUARTER 31/12/12 RM('000)	AT END OF PRECEDING QUARTER 30/09/12 RM('000)
Total accumulated loss of the Company and its subsidiaries		
- Realised	115	(270)
- Unrealised	(241)	(241)
	(126)	(511)
Add/(Less): Consolidation adjustments	(1)	(2)
Total accumulated loss	<u>(127)</u>	<u>(513)</u>

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur