

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2013

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
	31/03/2013 RM('000)	31/03/2012 RM('000)	31/03/2013 RM('000)	31/03/2012 RM('000)
Revenue	5,411	4,293	5,411	4,293
Operating expenses	(4,816)	(3,745)	(4,816)	(3,745)
Profit from operations	595	548	595	548
Other operating income	37	12	37	12
Profit before taxation	632	560	632	560
Taxation	(158)	(141)	(158)	(141)
Profit for the period	<u>474</u>	<u>419</u>	<u>474</u>	<u>419</u>
Profit attributable to: Equity holders of the parent	<u>474</u>	<u>419</u>	<u>474</u>	<u>419</u>
Earnings Per Share (Sen)				
(a) Basic	0.50	0.44	0.50	0.44
(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 2012 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
	31/03/2013 RM('000)	31/03/2012 RM('000)	31/03/2013 RM('000)	31/03/2012 RM('000)
Profit for the period	474	419	474	419
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the period	<u>474</u>	<u>419</u>	<u>474</u>	<u>419</u>
Total comprehensive income for the period attributable to: Equity holders of the parent	<u>474</u>	<u>419</u>	<u>474</u>	<u>419</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 2012 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 31/03/13 RM('000)	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/12/12 RM('000)
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	2,888	2,782
DEVELOPMENT EXPENDITURE	348	464
DEFERRED TAX ASSETS	35	35
CURRENT ASSETS		
<i>Inventories</i>	3,301	3,389
<i>Trade Receivables</i>	2,135	1,404
<i>Other Receivables, Deposits and Prepayments</i>	3,261	3,336
<i>Short Term Deposits</i>	1,934	1,921
<i>Cash and Bank Balances</i>	3,228	3,626
	13,859	13,676
TOTAL ASSETS	17,130	16,957
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)	(1)
<i>Retained Profit/(Accumulated Loss)</i>	282	(192)
TOTAL EQUITY	15,757	15,283
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	253	253
CURRENT LIABILITIES		
<i>Trade Payables</i>	33	58
<i>Other Payables and Accrued Expenses</i>	588	911
<i>Tax Liabilities</i>	499	452
TOTAL CURRENT LIABILITIES	1,120	1,421
TOTAL LIABILITIES	1,373	1,674
TOTAL EQUITY AND LIABILITIES	17,130	16,957
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.58	16.08

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2012 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	Retained Profit/(Accumulated Loss)	Total
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
3 months period ended 31.03.2013						
Balance as at 1 January 2013	9,504	5,972	-	(1)	(192)	15,283
Dividend paid	-	-	-	-	-	-
Profit for the year	-	-	-	-	474	474
Other comprehensive income:						
Exchange fluctuation reserve	-	-	-	-	-	-
Total comprehensive income for the year				-	474	474
Balance as at 31 March 2013	<u>9,504</u>	<u>5,972</u>	<u>-</u>	<u>(1)</u>	<u>282</u>	<u>15,757</u>
3 months period ended 31.03.2012						
Balance as at 1 January 2012	9,504	5,972	-	(2)	(622)	14,852
Employees Share Option Scheme	-	-	-	-	-	-
Profit for the year	-	-	-	-	419	419
Other comprehensive income:						
Exchange fluctuation reserve	-	-	-	-	-	-
Total comprehensive income for the year				-	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>

(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 2012 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 31.03.2013 RM('000)	3 MONTHS ENDED 31.03.2012 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	632	560
Adjustments for:		
Amortisation of intangible assets	116	116
Depreciation of property, plant and equipment	128	102
Inventories written off	150	-
Interest income	(15)	2
Operating profit before working capital changes	1,011	780
Changes in working capital:		
Net change in current assets	(730)	(754)
Net change in current liabilities	(336)	(645)
Cash generated from/(used in) operations	(55)	(619)
Interest received	15	(2)
Tax paid	(111)	(63)
Net cash from/(used in) operating activities	(151)	(684)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(234)	(355)
Net cash used in investing activities	(234)	(355)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(385)	(1,039)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,547	7,284
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A16)	5,162	6,245

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2012 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 31.03.2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

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 2012. 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 2012.

A2 Changes in Accounting Policy

Since the previous audited financial statements as at 31 December 2012 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 2013. 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 2013:

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

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 31/03/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/12 RM('000)	CURRENT YEAR TO DATE 31/03/13 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/03/12 RM('000)
TURNOVER				
Business Segment				
Biometrics	5,411	4,293	5,411	4,293
PROFIT AFTER TAXATION				
Biometrics	474	419	474	419

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

	CURRENT YEAR QUARTER 31/03/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/12 RM('000)	CURRENT YEAR TO DATE 31/03/13 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/03/12 RM('000)
1 Malaysia	1,232	1,189	1,232	1,189
2 Asia (exclude Malaysia)	2,626	1,888	2,626	1,888
3 America	597	596	597	596
4 Africa	562	373	562	373
5 Europe	229	185	229	185
6 Oceania	165	63	165	63
	5,411	4,293	5,411	4,293

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 for the financial quarter under review.

A14 Capital commitments

The amount of commitments for capital expenditure as at 31/03/2013 is as follows:

	RM('000)
Approved and contracted for:	
Purchase of properties	198,635

A15 Significant related party transactions

Significant related party transactions are as follows:

Management fee receivable from the following subsidiaries:

	CURRENT YEAR QUARTER 31/03/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/12 RM('000)
- Face ID Worldwide Sdn. Bhd.	15	15
- Fingertec Worldwide Sdn. Bhd.	570	570
- PUC Founder Technology Sdn. Bhd.	9	9

Dividend receivable from the following subsidiaries:

- Face ID Worldwide Sdn. Bhd.	-	186
- Fingertec Worldwide Sdn. Bhd.	-	1,137
- PUC Founder Technology Sdn. Bhd.	-	111

A16 Cash and cash equivalents

	CURRENT YEAR QUARTER 31/03/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/12 RM('000)
Fixed Deposit	1,934	2,415
Cash and bank balances	3,228	3,830
	<u>5,162</u>	<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 2013"), the Group recorded a total revenue of RM5,410,893 and profit before taxation ("PBT") of RM632,384 as compared to revenue of RM4,293,343 and PBT of RM559,718 reported in the preceding year's corresponding quarter. The improvement in both revenue and PBT by approx. 26% and 13% respectively were primarily driven by the continuous and strong support of existing and new customers especially from the Asia and Africa region.

B2 Variation of results against preceding quarter

For Q1 2013, the Group reported a total revenue of RM5,410,893 and PBT of RM632,384 as compared to revenue and PBT of RM5,021,874 and RM659,068 respectively in the preceding quarter (Q4 2012). The improvement in revenue was attributable to intensive involvement in the international trade fair, whereas the minor decline in PBT was caused by the higher marketing and human costs required following the increase in sales demand.

B3 Prospects

Moving forward, the Group will continue with its on-going research and development in information technology and branding sectors to enhance product quality and remain market competitiveness. While the prolonged instability in the global economy continue to challenge the Group's performance, the Board remains optimistic of achieving a favorable set of results in 2013, barring any unforeseen circumstances.

B4 Taxation

	CURRENT YEAR QUARTER 31/03/13 RM('000)	CURRENT YEAR TO DATE 31/03/13 RM('000)
Company	4	4
Subsidiary	154	154
	<u>158</u>	<u>158</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.

On 22 April 2013, Bursa Securities resolved to approve the Proposed Acquisition and the listing and quotation for 750,000,000 new ordinary shares in PUC to be issued pursuant to the Proposed Acquisition subject to the conditions further set out in the Company's announcement dated 24 April 2013.

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

There were no material litigations pending on the date of this announcement.

B12 Dividend Declared

There was no dividend proposed for the 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	
	2013	2012	2013	2012
Net profit (RM'000)	474.29	418.91	474.29	418.91
Weighted average number of shares in issue ('000)	95,036.25	95,036.25	95,036.25	95,036.25
Basic earnings per share (sen)	0.50	0.44	0.50	0.44

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 31/03/13 RM('000)	AT END OF PRECEDING QUARTER 31/12/12 RM('000)
Total accumulated loss of the Company and its subsidiaries		
- Realised	500	(15)
- Unrealised	(218)	(177)
	282	(192)
Add/(Less): Consolidation adjustments	-	-
Total accumulated loss	282	(192)

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur