

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4th quarter ended 31.12.2013

## 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
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM('000)	RM('000)	RM('000)	RM('000)
Revenue	4,926	5,022	21,131	19,291
Operating expenses	(5,044)	(4,442)	(19,584)	(17,358)
Profit/(Loss) from operations	(118)	580	1,547	1,933
Other operating income	44	81	159	143
Profit/(Loss) before taxation	(74)	661	1,706	2,076
Taxation	(54)	(341)	(500)	(696)
Profit/(Loss) for the period	<u>(128)</u>	<u>320</u>	<u>1,206</u>	<u>1,380</u>
Profit/(Loss) attributable to: Equity holders of the parent	<u>(128)</u>	<u>320</u>	<u>1,206</u>	<u>1,380</u>
Earnings Per Share (Sen)				
(a) Basic	(0.12)	0.34	1.24	1.45
(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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(Incorporated in Malaysia)

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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
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM('000)	RM('000)	RM('000)	RM('000)
Profit/(Loss) for the period	(128)	320	1,206	1,380
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the period	<u>(128)</u>	<u>320</u>	<u>1,206</u>	<u>1,380</u>
Total comprehensive income for the period attributable to: Equity holders of the parent	<u>(128)</u>	<u>320</u>	<u>1,206</u>	<u>1,380</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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(Company No: 451734-A)  
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Quarterly report on consolidated results for the 4th quarter ended 31.12.2013

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER  31/12/13 RM('000)	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END  31/12/12 RM('000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	3,309	2,782
DEVELOPMENT EXPENDITURE	-	464
DEFERRED TAX ASSETS	18	35
INVESTMENTS	90,000	-
<b>CURRENT ASSETS</b>		
<i>Inventories</i>	3,185	3,389
<i>Trade Receivables</i>	481	1,404
<i>Other Receivables, Deposits and Prepayments</i>	4,480	3,336
<i>Short Term Deposits</i>	1,015	1,921
<i>Cash and Bank Balances</i>	4,376	3,626
	<u>13,537</u>	<u>13,676</u>
<b>TOTAL ASSETS</b>	<u>106,864</u>	<u>16,957</u>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
SHARE CAPITAL	84,504	9,504
RESERVES		
<i>Share Premium</i>	20,972	5,972
<i>Exchange Translation Reserve</i>	(1)	(1)
<i>Retained Profit/(Accumulated Loss)</i>	(507)	(192)
<b>TOTAL EQUITY</b>	<u>104,968</u>	<u>15,283</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred Tax Liabilities	331	253
<b>CURRENT LIABILITIES</b>		
<i>Trade Payables</i>	64	58
<i>Other Payables and Accrued Expenses</i>	1,484	911
<i>Tax Liabilities</i>	17	452
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,565</u>	<u>1,421</u>
<b>TOTAL LIABILITIES</b>	1,896	1,674
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>106,864</u>	<u>16,957</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>12.42</u>	<u>16.08</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 2012 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 31.12.2013

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital	Non-Distributable Reserve-Share Premium	Exchange Translation Reserve	Retained Profit/(Accumulated Loss)	Total
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
<b>12 months period ended 31.12.2013</b>					
Balance as at 1 January 2013	9,504	5,972	(1)	(192)	15,283
Issued of new shares under RTO	75,000	15,000			90,000
Dividend paid	-	-	-	(1,521)	(1,521)
Profit for the period	-	-	-	1,206	1,206
Other comprehensive income:					
Exchange fluctuation reserve	-	-	-	-	-
Total comprehensive income for the period			-	1,206	1,206
Balance as at 31 December 2013	<u>84,504</u>	<u>20,972</u>	<u>(1)</u>	<u>(507)</u>	<u>104,968</u>
<b>12 months period ended 31.12.2012</b>					
Balance as at 1 January 2012	9,504	5,972	(1)	(622)	14,853
Dividend paid	-	-	-	(950)	(950)
Profit for the period	-	-	-	1,380	1,380
Other comprehensive income:					
Exchange fluctuation reserve	-	-	-	-	-
Total comprehensive income for the period			-	1,380	1,380
Balance as at 31 December 2012	<u>9,504</u>	<u>5,972</u>	<u>(1)</u>	<u>(192)</u>	<u>15,283</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)

	12 MONTHS ENDED 31.12.2013 RM('000)	12 MONTHS ENDED 31.12.2012 RM('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,706	2,077
Adjustments for:		
Amortisation of intangible assets	464	464
Depreciation of property, plant and equipment	496	480
Inventories written off	950	600
Bad debts written off	-	479
Loss on disposal of property, plant and equipment	1	-
Interest income	(55)	(94)
Operating profit before working capital changes	3,562	4,006
Changes in working capital:		
Net change in current assets	(979)	(3,022)
Net change in current liabilities	590	(254)
Cash generated from/(used in) operations	3,173	730
Interest received	55	94
Tax paid	(839)	(540)
<b>Net cash from/(used in) operating activities</b>	<b>2,389</b>	<b>284</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,025)	(1,071)
Proceed from disposal of property, plant and equipment	1	-
<b>Net cash used in investing activities</b>	<b>(1,024)</b>	<b>(1,071)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to equity holders	(1,521)	(950)
<b>Net cash used in financing activities</b>	<b>(1,521)</b>	<b>(950)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(156)</b>	<b>(1,737)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>5,547</b>	<b>7,284</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> (Note A16)	<b>5,391</b>	<b>5,547</b>

(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)

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

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## Quarterly report on consolidated results for the 4th quarter ended 31.12.2013

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 other than the issuance of ordinary shares as mentioned in Note B8.

##### A8 Dividends paid

During the current quarter ended 31 December 2013, an interim single tier dividend of 6% in respect of the financial year ended 31 December 2013, amounting to RM570,217.50 was paid on 18 October 2013.

**A9 Segment information**

	CURRENT YEAR QUARTER 31/12/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/12 RM('000)	CURRENT YEAR TO DATE 31/12/13 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/12 RM('000)
<b>TURNOVER</b>				
<b>Business Segment</b>				
Biometrics	4,926	5,022	21,131	19,291
<b>PROFIT/(LOSS) AFTER TAXATION</b>				
Biometrics	(128)	320	1,206	1,380

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

	CURRENT YEAR QUARTER 31/12/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/12 RM('000)	CURRENT YEAR TO DATE 31/12/13 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/12 RM('000)
1 Malaysia	1,362	1,494	4,994	4,823
2 Asia (excluding Malaysia)	2,293	2,390	9,427	8,970
3 America	569	686	3,171	2,519
4 Africa	312	268	2,318	1,786
5 Europe	357	132	849	939
6 Oceania	33	52	372	254
	4,926	5,022	21,131	19,291

**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 other than that disclosed in Note B8.

**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 31/12/2013 is as follows:

	RM('000)
Approved and contracted for:	
Purchase of properties	31

**A15 Significant related party transactions**

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

**A16 Cash and cash equivalents**

	CURRENT YEAR QUARTER 31/12/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/12 RM('000)
Fixed Deposit	1,015	1,921
Cash and bank balances	4,376	3,626
	5,391	5,547

**A17 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Profit before tax is arrived at (crediting) / charging:-

	CURRENT YEAR QUARTER 31/12/13 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/12 RM('000)	CURRENT YEAR TO DATE 31/12/13 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/12 RM('000)
Interest income	14	70	55	94
Depreciation and amortisation	237	248	960	944
Provision for and write off of receivables	-	443	-	479
Provision for and write off of inventories	500	113	950	600
(Gain)/Loss on disposal of property, plant and equipment	-	-	1	-
(Gain)/Loss on foreign exchange	(124)	(12)	(373)	(25)

**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 2013"), the Group recorded a total unaudited revenue of RM4,926,215 and loss before taxation ("LBT") of RM74,443 as compared to a revenue of RM5,021,874 and profit before tax ("PBT") of RM319,301 reported in the preceding year's corresponding quarter. The marginal decrease in revenue was mainly lower sales from Asia and the United States of America. The decrease in PBT was mainly due to the markdown of obsolete stock.

For the current financial year under review ("2013"), the Group recorded a total unaudited revenue of RM21,130,585 and PBT of RM1,705,606 as compared to a revenue of RM19,291,046 and PBT of RM2,076,561 reported in the preceding year ("2012"). The increase in revenue was mainly accumulated in the first half of the year. The decrease in PBT was due to the increase in operating costs during the year and the markdown of obsolete stock.

**B2 Variation of results against preceding quarter**

For Q4 2013, the Group reported a total unaudited revenue of RM4,926,215 and LBT of RM74,443 as compared to a revenue and PBT of RM4,683,217 and RM373,099 respectively in the preceding quarter (Q3 2013). However, the marginal increase in revenue was offset by the markdown of obsolete stock resulting in LBT.

**B3 Prospects**

With the completion of the acquisition of Red Media Asia Ltd (RMA) group of companies on 2 January 2014, PUCF principal business will expand to include advertising and media brokerage and consultancy, marketing of financial products and services, and research and development of electronic applications. The Group plans to enhance its businesses through its existing "3 Pillars of Growth", namely e-Content, Business to Consumer and e-Payment by enhancing and revamping its existing platforms and strategic partnerships or joint ventures. The Group plans to leverage on its marketing network in China and Malaysia and also penetrate to other markets in South East Asia. The Group also seeks to identify and diversify into businesses with steady and recurring streams of income to complement its existing core businesses.

**B4 Taxation**

	CURRENT YEAR QUARTER 31/12/13 RM('000)	CURRENT YEAR TO DATE 31/12/13 RM('000)
Company	(275)	(299)
Subsidiary	329	799
	<u>54</u>	<u>500</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 2 January 2014, the Reverse Take Over (RTO) Proposals are deemed completed following the listing of and quotation for 750,000,000 new ordinary shares of RM0.10 each in PUCF on the ACE Market of Bursa Malaysia Securities Berhad on 31 December 2013.

The proforma effect of the acquisition on the Consolidated Statements of Financial Position and Net Assets per Share of the enlarged Group based on reverse acquisition accounting method are as set out below:

<b>PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013</b>	<b>RM('000)</b>
<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
PROPERTY, PLANT AND EQUIPMENT	3,966
DEVELOPMENT EXPENDITURE	3,348
DEFERRED TAX ASSETS	17
GOODWILL	50,815
<b>CURRENT ASSETS</b>	
<i>Inventories</i>	3,326
<i>Trade Receivables</i>	39,890
<i>Other Receivables, Deposits and Prepayments</i>	11,913
<i>Amount owing by holding company</i>	1,185
<i>Short Term Deposits</i>	2,791
<i>Cash and Bank Balances</i>	8,160
	<u>67,265</u>
<b>TOTAL ASSETS</b>	<u><u>125,411</u></u>
<b>EQUITY AND LIABILITIES</b>	
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	
SHARE CAPITAL	84,504
RESERVES	
<i>Share Premium</i>	15,000
<i>Redeemable convertible cumulative preference shares</i>	4,967
<i>Reverse Acquisition Reserves</i>	(34,669)
<i>Exchange Translation Reserve</i>	(4,281)
<i>Retained Profit/(Accumulated Loss)</i>	40,809
	<u>106,330</u>
<i>Minority interest</i>	(293)
<b>TOTAL EQUITY</b>	<u><u>106,037</u></u>
<b>NON-CURRENT LIABILITIES</b>	
Deferred Tax Liabilities	425
Redeemable convertible cumulative preference shares	2,898
Hire Purchase payables	217
	<u>3,540</u>
<b>CURRENT LIABILITIES</b>	
<i>Trade Payables</i>	3,338
<i>Other Payables and Accrued Expenses</i>	9,548
<i>Redeemable convertible cumulative preference shares</i>	1,643
<i>Bank borrowings</i>	1,264
<i>Tax Liabilities</i>	41
<b>TOTAL CURRENT LIABILITIES</b>	<u><u>15,834</u></u>
<b>TOTAL LIABILITIES</b>	19,374
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>125,411</u></u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u><u>12.58</u></u>

**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 were no dividends declared 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 December		Cumulative 12 months ended 31 December	
	2013	2012	2013	2012
Net profit (RM'000)	(128)	320	1,206	1,380
Weighted average number of shares in issue ('000)	103,188	95,036	97,091	95,036
Basic earnings per share (sen)	(0.12)	0.34	1.24	1.45

## 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**

	AS AT 31/12/13 RM('000)	AS AT 31/12/12 RM('000)
Total accumulated loss of the Company and its subsidiaries		
- Realised	(194)	(15)
- Unrealised	(313)	(177)
	<u>(507)</u>	<u>(192)</u>
Add/(Less): Consolidation adjustments	-	-
Total accumulated loss	<u>(507)</u>	<u>(192)</u>

By Order of the Board

Cindy Lim Seck Wah  
Secretary

Kuala Lumpur