

# PUC FOUNDER (MSC) BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2014 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2013 RM('000)	CURRENT YEAR TO DATE 30/06/2014 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2013 RM('000)
Revenue	11,707	6,110	28,288	11,521
Cost of sales	(7,003)	(5,353)	(15,823)	(10,169)
Gross profit	4,704	757	12,465	1,352
Other income	953	17	1,216	55
Administrative and general expenses	(4,410)	-	(8,676)	-
Operating profit	1,247	774	5,005	1,407
Finance cost	(31)	-	(61)	-
Profit before taxation	1,216	774	4,944	1,407
Taxation	(127)	(194)	(219)	(353)
Profit after taxation	1,089	580	4,725	1,054
Other comprehensive income	(22)	-	(77)	-
Total comprehensive income	<u>1,067</u>	<u>580</u>	<u>4,648</u>	<u>1,054</u>
<b>PROFIT ATTRIBUTABLE TO</b>				
Owners of the parent	1,102	580	4,735	1,054
Non-controlling interests	(13)	-	(10)	-
	<u>1,089</u>	<u>580</u>	<u>4,725</u>	<u>1,054</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of the parent	1,080	580	4,658	1,054
Non-controlling interests	(13)	-	(10)	-
	<u>1,067</u>	<u>580</u>	<u>4,648</u>	<u>1,054</u>
Weighted average number of ordinary shares in issue ('000)	845,036	95,036	845,036	95,036
Earnings per Share (Sen)				
(a) Basic	0.13	0.61	0.56	1.11
(b) Fully diluted	NA	NA	NA	NA

### Notes:

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Unaudited As At 30-06-14 RM('000)	Audited As At 31-12-13 RM('000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,717	3,310
Intangible assets	2,801	-
Goodwill	50,011	-
Deferred tax assets	108	107
Investments	-	90,000
	<u>56,637</u>	<u>93,417</u>
<b>CURRENT ASSETS</b>		
Inventories	3,635	3,185
Trade receivables	41,405	484
Other receivables, deposits and prepayments	14,012	3,673
Tax recoverable	36	13
Fixed deposits with licensed banks	2,015	1,015
Cash and bank balances	4,967	4,368
	<u>66,070</u>	<u>12,738</u>
<b>TOTAL ASSETS</b>	<u>122,707</u>	<u>106,155</u>
<b>EQUITY AND LIABILITIES</b>		
SHARE CAPITAL	84,504	84,504
RESERVES		
Share premium	15,000	18,833
Other reserve	1,895	-
Reserve on acquisition	(36,809)	-
Preference shares	2,250	-
Exchange translation reserve	(1,083)	(1)
Retained profit/(Accumulated loss)	41,834	(507)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<u>107,591</u>	<u>102,829</u>
Non-controlling Interests	(27)	-
<b>TOTAL EQUITY</b>	<u>107,564</u>	<u>102,829</u>
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase payable	162	-
Redeemable convertible cumulative preference shares	2,898	-
Deferred tax liabilities	306	165
	<u>3,366</u>	<u>165</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,781	64
Other payables and accrued expenses	5,994	2,812
Hire purchase payable	28	-
Bank borrowings	1,868	-
Redeemable convertible cumulative preference shares	841	-
Tax payables	266	286
<b>TOTAL CURRENT LIABILITIES</b>	<u>11,778</u>	<u>3,161</u>
<b>TOTAL LIABILITIES</b>	<u>15,144</u>	<u>3,326</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>122,707</u>	<u>106,155</u>
Net assets per share attributable to Owners of the parent (sen)	<u>12.73</u>	<u>12.17</u>

**Notes:**

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	Share Capital	Share Premium	Preference Shares	Exchange Translation Reserve	Reserve on Acquisition	Other Reserve	Retained Profit/ (Accumulated Loss)	Total	Non- controlling Interests	Total Equity
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
Balance as at 1 January 2014	84,504	18,833	-	(2)	-	-	(506)	102,829	-	102,829
Arising from Reverse Acquisition Exercise	-	(3,833)	2,250	(1,004)	(36,809)	1,895	37,605	104	(17)	87
Profit for the period	-	-	-	-	-	-	4,735	4,735	(10)	4,725
Other comprehensive income	-	-	-	(77)	-	-	-	(77)	-	(77)
Total comprehensive income for the period	-	-	-	(77)	-	-	4,735	4,658	(10)	4,648
Balance as at 30 June 2014	<u>84,504</u>	<u>15,000</u>	<u>2,250</u>	<u>(1,083)</u>	<u>(36,809)</u>	<u>1,895</u>	<u>41,834</u>	<u>107,591</u>	<u>(27)</u>	<u>107,564</u>
Balance as at 1 January 2013	9,504	5,972	-	(1)	-	-	(192)	15,283	-	15,283
Dividend paid	-	-	-	-	-	-	(950)	(950)	-	(950)
Profit for the period	-	-	-	-	-	-	1,054	1,054	-	1,054
Total comprehensive income for the period	-	-	-	-	-	-	1,054	1,054	-	1,054
Balance as at 30 June 2013	<u>9,504</u>	<u>5,972</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(88)</u>	<u>15,387</u>	<u>-</u>	<u>15,387</u>

#### Notes:

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	6 MONTHS ENDED 30/06/2014 RM('000)	6 MONTHS ENDED 30/06/2013 RM('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,944	1,407
Adjustments for:		
Amortisation of intangible assets	536	232
Depreciation of property, plant and equipment	349	252
Inventories written off	-	300
Impairment on trade receivables	18	-
Loss on disposal of property, plant and equipment	3	1
Gain on unrealised forex	(28)	-
Interest income	(32)	(28)
Interest expense	61	-
Operating profit before working capital changes	<u>5,851</u>	<u>2,164</u>
Changes in working capital:		
Net change in current assets	(4,071)	(949)
Net change in current liabilities	(5,919)	-
Cash (used in)/from operations	<u>(4,139)</u>	<u>1,215</u>
Interest received	32	28
Tax paid	(266)	(186)
<b>Net cash (used in)/from operating activities</b>	<u><b>(4,373)</b></u>	<u><b>1,057</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(76)	(335)
Proceed from disposal of property, plant and equipment	3	1
Acquisition of subsidiaries, net of cash acquired	2,520	-
<b>Net cash from/(used in) investing activities</b>	<u><b>2,447</b></u>	<u><b>(334)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(61)	-
Repayment of hire purchase liabilities	(27)	-
Dividend paid to equity holders	-	(950)
<b>Net cash used in financing activities</b>	<u><b>(88)</b></u>	<u><b>(950)</b></u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,014)</b>	<b>(227)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(6)	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	5,383	5,547
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><b>3,364</b></u>	<u><b>5,320</b></u>
<b>Cash &amp; cash equivalents at the end of current quarter financial year comprises:</b>		
Cash and bank balances	4,967	3,573
Fixed deposits with licensed banks	2,015	1,747
Bank overdraft	(1,868)	-
	<u>5,114</u>	<u>5,320</u>
Less: Fixed deposits pledged to licensed banks	(1,750)	-
	<u><b>3,364</b></u>	<u><b>5,320</b></u>

#### Notes:

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

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## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED ("FPE") 30 JUNE 2014

#### 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 Standards ("MFRS") 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the PUCF Founder (MSC) Berhad ("PUCF") and its subsidiaries ("Group") annual audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

The Group has adopted the MFRS framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully coverage Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by International Accounting Standards Board. The transition from the previous FRS to the new MFRS has no impact on the Group's financial performance and cash flows.

The Group has also adopted all the new and revised MFRS and IC Interpretation that are relevant and effective for accounting periods beginning on or after 1 January 2013. The adoption of these new and revised MFRS and IC Interpretation have not resulted in any material impact on the financial statements of the Group.

##### A2 Changes in Accounting Policy

The accounting policies and methods of computation adopted by the Group in these unaudited condensed consolidated financial statements are consistent with those of the annual audited financial statements for the year ended 31 December 2013.

The adoption of the following MFRS, Amendments to MFRS and IC Interpretation that came into effect on 1 January 2014 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendment to MFRS 10	Investment Entity
Amendment to MFRS 12	Investment Entities
Amendment to MFRS 127	Investment Entities
Amendment to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 136	Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets
Amendment to MFRS 139	Financial Instrument – Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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

There were no audit qualifications to the annual audited financial statements of the Group for the financial year ended 31 December 2013.

##### A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

##### 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 for the current financial quarter and financial year-to-date under review.

##### A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial year that had a material effect in the current financial quarter under review.

##### A7 Debt and equity securities

There were no issuance or repayment of debt or equity securities for the current financial quarter under review.

##### A8 Dividends paid

There were no dividends declared or paid in the current financial quarter under review.

**A9 Segmental information**

The segmental revenue and profit after taxation for the financial year-to-date under review as follows:-

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-06-14 RM('000)	30-06-13 RM('000)	30-06-14 RM('000)	30-06-13 RM('000)
<b><u>REVENUE</u></b>				
<b>Business Segment</b>				
Biometrics	3,404	6,110	8,185	11,521
Advertising & Media	8,135	-	19,686	-
Financial Services	168	-	417	-
	<u>11,707</u>	<u>6,110</u>	<u>28,288</u>	<u>11,521</u>
<b><u>PROFIT AFTER TAXATION</u></b>				
<b>Business Segment</b>				
Biometrics	551	580	674	1,054
Advertising & Media	889	-	4,300	-
Financial Services	(351)	-	(249)	-
	<u>1,089</u>	<u>580</u>	<u>4,725</u>	<u>1,054</u>

**A10 Valuation of property, plant and equipment**

The Group has not carried out valuation on its property, plant and equipment reported in the current financial quarter under review.

**A11 Capital commitments**

The Group does not have any material capital commitments in respect of plant and equipment as at the end of the current financial quarter under review.

**A12 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.

**A13 Changes in the composition of the Group**

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

**A14 Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets for the current financial quarter under review.

**A15 Significant related party transactions**

There were no related party transactions during the current financial quarter and financial year-to-date under review.

## B ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

### B1 Review of performance

For the current financial quarter under review ("Q2 2014"), the Group recorded a total revenue of RM11.71 million and profit before taxation ("PBT") of RM1.22 million as compared to the revenue of RM6.11 million and PBT of RM0.77 million reported in the corresponding quarter in the preceding year. The increase in revenue of RM5.60 million was mainly due to consolidation of financial results of the enlarged Group after the completion of acquisition of Red Media Asia Ltd ("RMA") group of companies.

The Group's PBT for the current financial quarter ended 30 June 2014 increased by RM0.45 million or approximately 58% increased as compared to the corresponding quarter in the preceding financial year. Thus, this increase in PBT was in line with the completion of the acquisition of RMA group of companies early January this year.

### B2 Variation of results against preceding quarter

	CURRENT YEAR QUARTER ENDED	AT END OF PRECEDING QUARTER	Variance	
	30-06-14 RM('000)	31-03-14 RM('000)	RM('000)	%
Revenue	11,707	16,581	(4,874)	-29%
Profit before taxation	1,216	3,728	(2,512)	-67%

Total revenue under current quarter review has decreased by RM4.87 million to RM11.71 million as compared to the corresponding quarter in the preceding quarter of RM16.58 million. This was mainly due to contribution from the advertising and media segments as higher advertising expenditure by advertisers was recorded in the corresponding quarter in the preceding year.

The Group recorded a PBT of RM1.22 million in the current financial quarter as compared to the preceding quarter of RM3.73 million. This reduction in PBT was in line with the decrease in revenue.

### B3 Prospects

The Board is optimistic on the prospects of the Group and expects the Group's financial performance to continue to be positive for the remaining months of FYE 2014.

### B4 Profit forecast or profit guarantee

The Group has not issued or disclosed in any public documents any profit forecast or profit guarantee for the current financial quarter under review.

### B5 Taxation

	CURRENT YEAR QUARTER	CURRENT YEAR TO DATE
	30-06-14 RM('000)	30-06-14 RM('000)
<b>Income tax</b>		
- provision for current period	(127)	(219)

The effective tax rates of the Group for the current financial quarter under review and financial year to date were lower than the statutory tax rate of 25%. This was mainly due to certain subsidiaries of PUCF, namely EPP Solution Sdn Bhd and RedHot Media Sdn Bhd, are granted pioneer status and are exempted from taxation, as well as PUCF's subsidiaries established in BVI, namely i.e. AllChina.cn Ltd and Red Media Asia Ltd, are also not subject to taxation.

## B6 Status of corporate proposals

Save as disclosed below, there is no other outstanding corporate proposal which has been announced but not yet completed as at the date of this announcement:

On 10 July 2014, TA Securities Holdings Berhad ("TA Securities") announced on behalf of the Board of Directors of PUCF ("Board") that the Company proposes to undertake the following:

- (i) Proposed private placement of up to 84,503,000 new ordinary shares of RM0.10 each in PUC ("PUC Shares" or "Shares") ("Placement Shares"), representing approximately ten percent (10%) of the issued and paid-up share capital of PUCF (excluding treasury shares, if any) ("Proposed Private Placement");
- (ii) Proposed bonus issue of up to 132,791,321 new PUCF Shares ("Bonus Shares") on the basis of one (1) Bonus Share for every seven (7) existing PUCF Shares held ("Proposed Bonus Issue of Shares"); and
- (iii) Proposed issue of up to 132,791,321 free warrants ("Warrants") on the basis of one (1) Warrant for every seven (7) existing PUCF Shares held ("Proposed Free Warrants Issue").

Bursa Securities had vide its letter dated 13 August 2014 approved the following:

- (i) listing of and quotation for the new Shares to be issued pursuant to the Proposed Private Placement and Proposed Bonus Issue of Shares;
- (ii) admission and listing of and quotation for the Warrants to be issued pursuant to the Proposed Free Warrants Issue; and
- (iii) listing of and quotation for the new Shares to be issued pursuant to the exercise of the Warrants.

On 19 August 2014, TA Securities announced on behalf of the Board that the issue price for the 22,720,000 new Shares pursuant to the Proposed Private Placement was fixed at RM0.22 per Share. The abovementioned Shares have been listed on 28 August 2014.

The Company had on 22 August 2014 issued a circular to the shareholders of PUCF in relation to the Proposed Bonus Issue of Shares and Proposed Free Warrants Issue for the purpose of seeking shareholders' approvals at an extraordinary general meeting to be convened on 8 September 2014.

## B7 Group's borrowings and debt securities

The Group's borrowings as at 30 June 2014 are as follows:-

	RM('000)
<b><u>Short term borrowings</u></b>	
<b>Secured</b>	
Bank overdraft	1,868
Hire purchase payable	28
	<u>1,896</u>
<b><u>Long term borrowings</u></b>	
<b>Secured</b>	
Hire purchase payable	<u>162</u>

## B8 Material litigation

The Group does not have any material litigation as at the date of this interim financial report.

## B9 Dividends

There were no dividends declared during the current financial quarter under review.

## B10 Earnings per share

### a. Basic

The basic earnings per share of the Group is calculated by dividing the profit after taxation for the period by the weighted average number of ordinary shares of RM0.10 each in PUCF ("Shares") as follows:-

	3 months ended 30 June		Cumulative 6 months ended 30 June	
	2014	2013	2014	2013
Profit/loss attributable to owners of the parent (RM'000)	1,102	580	4,735	1,054
Weighted average number of Shares in issue ('000)	845,036	95,036	845,036	95,036
Basic earnings per Share (sen)	0.13	0.61	0.56	1.11

### b. Diluted earning per Share

There is no dilution of share capital for the Group.



**B11 Breakdown of Realized and Unrealized Profit or Losses of the Group**

	AT END OF CURRENT QUARTER 30-06-14 RM('000)	AT END OF PRECEDING QUARTER 31-12-13 RM('000)
Total retained profit/(accumulated loss) and its subsidiaries		
- Realized	43,355	(195)
- Unrealized	(198)	(313)
	<u>43,156</u>	<u>(508)</u>
Less: Consolidation adjustments	(1,322)	-
Total retained profit/(accumulated loss) as per consolidated accounts	<u><u>41,834</u></u>	<u><u>(508)</u></u>

**B12 Profit for the period**

Profit before taxation is arrived after (crediting) / charging:-

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-06-14 RM('000)	30-06-13 RM('000)	30-06-14 RM('000)	30-06-13 RM('000)
Interest expense	31	-	61	-
Interest income	(24)	(13)	(32)	(28)
Depreciation and amortisation	440	240	885	484
Impairment on trade receivables	5	-	18	-
Inventories written off	-	150	-	300
Loss on disposal of property, plant and equipment	-	-	3	1
Gain on unrealised foreign exchange	24	-	(28)	-
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

By Order of the Board

Cindy Lim Seck Wah  
Secretary

Kuala Lumpur