

PUC FOUNDER (MSC) BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM('000)	CURRENT YEAR TO DATE 31/12/2015 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM('000)
Revenue	6,312	16,010	27,387	53,429
Cost of sales	<u>(3,027)</u>	<u>(10,753)</u>	<u>(13,720)</u>	<u>(31,062)</u>
Gross profit	3,285	5,257	13,667	22,367
Other income	727	1,544	1,627	10,483
Administrative and general expenses	<u>(3,450)</u>	<u>(3,946)</u>	<u>(12,421)</u>	<u>(22,010)</u>
Operating profit	562	2,855	2,873	10,840
Finance cost	<u>(97)</u>	<u>(468)</u>	<u>(283)</u>	<u>(779)</u>
Profit before taxation	465	2,387	2,590	10,061
Taxation	<u>(97)</u>	<u>(93)</u>	<u>(104)</u>	<u>(223)</u>
Profit after taxation	<u>368</u>	<u>2,294</u>	<u>2,486</u>	<u>9,838</u>
Other comprehensive (loss)/income	<u>(190)</u>	<u>108</u>	<u>185</u>	<u>73</u>
Other comprehensive (loss)/income for the financial year	<u>(190)</u>	<u>108</u>	<u>185</u>	<u>73</u>
Total comprehensive income	<u>178</u>	<u>2,402</u>	<u>2,671</u>	<u>9,911</u>
PROFIT ATTRIBUTABLE TO				
Owners of the parent	184	2,297	2,397	9,849
Non-controlling interests	<u>184</u>	<u>(3)</u>	<u>89</u>	<u>(11)</u>
	<u>368</u>	<u>2,294</u>	<u>2,486</u>	<u>9,838</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	(6)	2,405	2,582	9,922
Non-controlling interests	<u>184</u>	<u>(3)</u>	<u>89</u>	<u>(11)</u>
	<u>178</u>	<u>2,402</u>	<u>2,671</u>	<u>9,911</u>
Weighted average number of ordinary shares in issue ('000)	1,067,324	926,165	1,065,291	904,638
Earnings per share (sen)				
(a) Basic	0.02	0.25	0.22	1.09
(b) Fully diluted	0.02	0.25	0.20	1.05

(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 2014 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 31 DECEMBER 2015

	Unaudited As At 31/12/2015 RM('000)	Audited As At 31/12/2014 RM('000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	16,913	1,318
Software development expenditure	14,949	10,912
Intangible assets	49,942	50,011
Investments in associates	-	-
Other investments	1	1
Deferred tax assets	143	142
Trade receivables	2,310	3,313
	<u>84,258</u>	<u>65,697</u>
CURRENT ASSETS		
Inventories	821	23
Trade receivables	39,379	41,795
Other receivables, deposits and prepayments	6,082	5,672
Tax recoverable	162	39
Amount owing by ultimate holding company	499	587
Fixed deposits with licensed banks	6,340	17,754
Cash and bank balances	6,502	7,198
	<u>59,785</u>	<u>73,068</u>
TOTAL ASSETS	<u>144,043</u>	<u>138,765</u>
EQUITY AND LIABILITIES		
Share capital	106,581	106,233
Share premium	9,343	9,274
Exchange translation reserve	(746)	(931)
Reserve on acquisition	(36,809)	(36,809)
Warrant reserve	16,718	16,718
Convertible Preference Shares	544	544
Other reserves	(15,308)	(15,293)
Retained earnings	47,920	45,523
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	<u>128,243</u>	<u>125,259</u>
Non-controlling interests	187	96
TOTAL EQUITY	<u>128,430</u>	<u>125,355</u>
NON-CURRENT LIABILITIES		
Borrowings	4,475	103
Deferred tax liabilities	8	9
	<u>4,483</u>	<u>112</u>
CURRENT LIABILITIES		
Trade payables	4,074	5,667
Other payables and accrued expenses	6,052	6,554
Amount owing to ultimate holding company	-	189
Borrowings	213	58
Bank overdraft	679	594
Tax payable	112	236
TOTAL CURRENT LIABILITIES	<u>11,130</u>	<u>13,298</u>
TOTAL LIABILITIES	<u>15,613</u>	<u>13,410</u>
TOTAL EQUITY AND LIABILITIES	<u>144,043</u>	<u>138,765</u>
Net assets per share attributable to owners of the parent (sen)	<u>12.03</u>	<u>11.79</u>

* The cost of investments in associates are less than RM1,000.

(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 2014 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 CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

	Share Capital	Share Premium	Preference Shares	Convertible Preference Shares	Exchange Translation Reserve	Reserve on Acquisition	Capital Redemption Reserve	Other Reserves	Warrants Reserves	Retained Earnings	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)	RM('000)	RM('000)	RM('000)
Balance as at 1 January 2015	106,233	9,274	-	544	(931)	(36,809)	-	(15,293)	16,718	45,523	125,259	96	125,355
Issuance of shares via exercise of Employees' Share Option Scheme	348	69	-	-	-	-	-	-	-	-	417	-	417
Arising from Reverse Acquisition Exercise	-	-	-	-	-	-	-	(15)	-	-	(15)	2	(13)
Profit for the year	-	-	-	-	-	-	-	-	-	2,397	2,397	89	2,486
Other comprehensive income	-	-	-	-	185	-	-	-	-	-	185	-	185
Total comprehensive income for the financial year	-	-	-	-	185	-	-	-	-	2,397	2,582	89	2,671
Balance as at 31 December 2015	106,581	9,343	-	544	(746)	(36,809)	-	(15,308)	16,718	47,920	128,243	187	128,430

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	Share Capital	Share Premium	Redeemable Preference Shares	Convertible Preference Shares	Exchange Translation Reserve	Reverse Acquisition Debit	Other Reserves	Warrants Reserves	Retained Earnings	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)	RM('000)	RM('000)
Balance as at 1 January 2014	84,504	10,879	2,250	544	(1,004)	(56,923)	1,350	-	37,099	78,699	(17)	78,682
Reverse acquisition adjustments	-	4,121	-	-	-	20,114	75	-	(1,425)	22,885	-	22,885
Issued of shares during the financial year	21,729	(5,726)	-	-	-	-	-	-	-	16,003	-	16,003
Issuance of warrants	-	-	-	-	-	-	(16,718)	16,718	-	-	-	-
Capital reduction in redeemable convertible preference shares in subsidiary companies	-	-	(2,000)	-	-	-	-	-	-	(2,000)	-	(2,000)
Redemption of redeemable convertible cumulative preference shares in a subsidiary company	-	-	(250)	-	-	-	-	-	-	(250)	-	(250)
Increase in equity interest in a subsidiary company by a non-controlling interest	-	-	-	-	-	-	-	-	-	-	124	124
Profit for the year	-	-	-	-	-	-	-	-	9,849	9,849	(11)	9,838
Other comprehensive income	-	-	-	-	73	-	-	-	-	73	-	73
Total comprehensive income for the financial year	-	-	-	-	73	-	-	-	9,849	9,922	(11)	9,911
Balance as at 31 December 2014	106,233	9,274	-	544	(931)	(36,809)	(15,293)	16,718	45,523	125,259	96	125,355

(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 2014 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 CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

	UNAUDITED 12 MONTHS ENDED 31/12/2015 RM('000)	AUDITED 12 MONTHS ENDED 31/12/2014 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,590	10,061
Adjustments for:		
Amortisation of intangible assets	970	1,047
Depreciation of property, plant and equipment	635	621
Inventories written off	-	1,020
Impairment on trade receivables	2,083	6,513
Gain on disposal of property, plant and equipment	(407)	(1,014)
Loss on unrealised foreign exchange	2	(43)
Interest income	(287)	(285)
Interest expense	283	779
Government grant income	(181)	(179)
Net gain on disposal of a subsidiary	(451)	-
Preference shares capital and related liabilities written off	-	(6,423)
Operating profit before working capital changes	<u>5,237</u>	<u>12,097</u>
Changes in working capital:		
Net change in current assets	331	(952)
Net change in current liabilities	(1,841)	(514)
Cash generated from operations	<u>3,727</u>	<u>10,631</u>
Interest received	287	285
Tax refund	-	2
Tax paid	(349)	(649)
Exchange translation differences	-	65
Net cash from operating activities	<u>3,665</u>	<u>10,334</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,608)	(635)
Proceeds from disposal of property, plant and equipment	28	3,721
Purchase of intangible assets	(5,400)	(8,604)
Increase in equity interest in a subsidiary company by a non-controlling interest	-	124
Disposal of subsidiary, net of cash disposed off	651	-
Net cash used in investing activities	<u>(16,329)</u>	<u>(5,394)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(283)	(779)
Placement on fixed deposits	(31)	(95)
Repayment of finance lease liability	(149)	(56)
Proceeds from issuance of shares under ESOS & Warrants	739	-
Proceeds from issuance of shares under private placements	-	16,002
Net cash from financing activities	<u>276</u>	<u>15,072</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(12,388)	20,012
EFFECTS OF EXCHANGE RATE CHANGES	116	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	22,532	2,520
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>10,260</u>	<u>22,532</u>
Cash & cash equivalents at the end of the financial year comprise:		
Cash and bank balances	6,502	7,198
Fixed deposits with licensed banks	6,340	17,754
Bank overdraft	(679)	(594)
	<u>12,163</u>	<u>24,358</u>
Less: Fixed deposits pledged to licensed banks	<u>(1,903)</u>	<u>(1,826)</u>
	<u>10,260</u>	<u>22,532</u>

(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 2014 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ("FYE")
31 DECEMBER 2015

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 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 audited financial statements of PUC Founder (MSC) Berhad ("PUCF") and its subsidiaries ("Group") for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial report.

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 financial year ended 31 December 2014.

The adoption of the following MFRS that came into effect on 1 January 2015 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendments to MFRS 119 Defined Benefits Plans: Employee Contribution
Annual Improvements to MFRSs 2010 - 2012 Cycle
Annual Improvements to MFRSs 2011 - 2013 Cycle

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 2014.

A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors during the financial period under review.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

Save for the following, 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:-

a) The Group has provided allowance of RM2.1 million for impairment on its trade receivables during the current financial year.

A6 Material changes in estimates

Not applicable as there were no estimates reported by PUCF in the prior financial years.

A7 Debt and equity securities

On 7 October 2015, the Group had announced that all the outstanding Employees' Share Option Scheme ("ESOS") options granted pursuant to the ESOS has been cancelled upon mutual agreement with the respective ESOS option holders.

A8 Dividends

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

A9 Segmental information

The Group's segmental revenue and profit/(loss) after taxation for the financial period under review is as follows:-

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2015 RM('000)	31/12/2014 RM('000)	31/12/2015 RM('000)	31/12/2014 RM('000)
Revenue				
Business Segment				
Biometrics	(222)	4,623	531	15,324
Advertising & Media	5,683	11,232	25,620	37,406
Financial Services	851	155	1,236	699
	<u>6,312</u>	<u>16,010</u>	<u>27,387</u>	<u>53,429</u>
Profit/(loss) after taxation				
Business Segment				
Biometrics	(1,256)	773	(3,650)	1,119
Advertising & Media	1,024	1,829	6,094	10,042
Financial Services	600	(308)	42	(1,323)
	<u>368</u>	<u>2,294</u>	<u>2,486</u>	<u>9,838</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 property, plant and equipment as at the end of the current financial quarter under review.

A12 Material events subsequent to the end of the quarter

The following are the material events subsequent to the current financial quarter under review :-

- (i) On 19 February 2016, the Group has entered into a binding term sheet with Green Forever Energy ("GFE") for the subscription of a total of 3 million non-cumulative redeemable convertible preference shares ("RCPS") of RM 1.00 each in GFE by PUCF in cash. The term sheet sets out the understanding of the parties in relation to the proposed subscription of the RCPS, subject to the terms and conditions in the definitive conditional subscription agreement to be entered into between the parties at a later date.
- (ii) On 18 February 2016, the Group has announced that as at the close of acceptance and payment for the Rights Issue of ICULS with Warrants at 5.00 p.m. on 5 February 2016 ("Closing Date"), the total valid acceptances and excess applications received under the Rights Issue of ICULS with Warrants were RM42,653,286.45 nominal value of the Rights ICULS together with 213,266,257 free Warrants-B. This represents an under-subscription of RM31,953,044.35 nominal value of the Rights ICULS or approximately 42.83% over the total of RM74,606,330.80 nominal value of the Rights ICULS together with 373,031,654 free Warrants-B available for subscription under the Rights Issue of ICULS with Warrants. Notwithstanding the under-subscription for the Rights Issue of ICULS with Warrants, the minimum subscription level of RM28,000,000.00 nominal value of the Rights ICULS for the Rights Issue of ICULS with Warrants had been achieved and the Company will proceed with the Rights Issue of ICULS with Warrants.

The Rights ICULS and Warrants-B are expected to be listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 24 February 2016.

Detailed Subscription rate for the Rights Issue of ICULS with Warrants as follows;

	Number of Rights ICULS	Nominal value of the Rights ICULS RM	% of total issue	Number of free Warrants-B	% of total issue
Total valid acceptances	787,561,201	39,378,060.05	52.78	196,890,125*	52.78
Total valid excess applications	65,504,528	3,275,226.40	4.39	16,376,132	4.39
Total valid acceptances and excess applications	853,065,729	42,653,286.45	57.17	213,266,257	57.17
Total available for subscription	1,492,126,616	74,606,330.80	100.00	373,031,654	100.00
Under-subscription	639,060,887	31,953,044.35	42.83	159,765,397 [#]	42.83
Minimum subscription level	560,000,000	28,000,000.00	37.53	140,000,000	37.53

Notes:

* Rounded after disregarding any fractional entitlements.

[#] Being the remaining Warrants-B after deducting the Warrants-B to be issued together with the ICULS subscribed.

- (iii) On 13 January 2016, the Group announced that PUCF entered into a joint venture and shareholders' agreement with Greentech Malaysia Alliances Sdn Bhd ("GTMA") to subscribe in the equity of PUC Founder Technology Sdn Bhd ("PUCFT or "JV Company") in respect of the Proposed Joint Venture.

A13 Changes in the composition of the Group

- (i) On 10 December 2014, RH Media Group Sdn. Bhd. entered into a conditional sale of shares agreement to dispose of its entire equity interest in Redhot Media International (China) Co Ltd, a wholly-owned subsidiary company of PUCF, for a cash consideration of USD146,790. As at the date of this report, the completion of this agreement is subject to the approval of the Foreign Trade & Economy Commission of The People's Republic of China ("PRC").

Further to the above announcement, the Group has announced that the above disposal has been completed on 31 December 2015 following the approval of the Sale of Shares Agreement by the Foreign Trade & Economy Commission of the PRC.

- (ii) On 24 June 2015, Redhot Media International (Shanghai) Co Ltd, an indirect wholly-owned subsidiary of PUCF, commenced a member's voluntary winding-up in accordance with the laws of the PRC. The winding-up is part of the restructuring and re-alignment of the existing business exercise of PUCF and the voluntary winding-up process is still ongoing as at the date of this report.
- (iii) On 24 June 2015, Redhot Media International (Shanghai) Co Ltd, an indirect wholly-owned subsidiary of PUCF, commenced a member's voluntary winding-up in accordance with the laws of the PRC. The winding-up is part of the restructuring and re-alignment of the existing business exercise of PUCF and the voluntary winding-up process is still ongoing as at the date of this report.
- (iv) On 8 October 2015, the Group has announced that its wholly-owned subsidiary, Face ID Worldwide Sdn Bhd has changed its name to Maxgreen Energy 2 Sdn Bhd with effect on 7 October 2015.
- (v) On 15 October 2015, the Group has announced that its wholly-owned subsidiary, Redhot Media (HK) Limited has changed its name to Founder Energy Global Limited with effect from 13 October 2015.
- (vi) On 15 January 2016, the Group also announced that its subsidiary, PUCT has changed its name to Greentech Malaysia Founder Sdn Bhd with effect from 14 January 2016.

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

Save as disclosed below, there were no other related party transactions for the current financial year under review:-

	CURRENT YEAR TO DATE 31/12/2015 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM('000)
Purchase of the cards named PictureAir	-	2,000
Supply of a GPS-based geographical navigation application programme	1,200	-

B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**B1 Review of performance**

The Group recorded a revenue of RM6.3 million and profit before taxation of RM0.5 million for the current quarter as compared to revenue of RM16.0 million and profit before taxation of RM2.3 million in the preceding year's corresponding period. The lower revenue was mainly due to decreased revenue contribution from the biometric segment. In addition, the Group's financial performance was also affected by economic uncertainties, which include current slower market conditions such as depreciation impact on Ringgit Malaysia and volatility on global oil price.

The Group's decrease in profit before taxation during the current quarter year's as compared to the preceding year's corresponding period was mainly due to the decrease in profit contributions from the biometric and advertising and media segments in the current quarter.

B2 Variation of results against preceding quarter

	CURRENT YEAR QUARTER ENDED 31/12/2015 RM('000)	PRECEDING QUARTER ENDED 30/9/2015 RM('000)	Variance	
			RM('000)	%
Revenue	6,312	5,132	1,180	23%
Profit before taxation	465	573	(108)	-19%

The Group's revenue for the current quarter is RM6.3 million as compared to RM5.1 million in the preceding quarter. The increase of RM1.2 million or 23% in revenue was mainly due to increase in Advertising and Media and Financial Services segment by approximately RM1.0 million and RM0.7 million respectively, due to prevailing economic uncertain and decrease of RM0.5 million from Biometric segment.

The Group's profit before taxation for the current quarter was RM0.4 million as compared to RM0.6 million profit before taxation in the preceding quarter mainly due to decrease in the profit before taxation of its Biometric segment.

B3 Prospects

Given that economic slowdown, the Board had expected some headwind for its media and advertising business, explaining its move to diversify into a sunrise industry which provides recurring income.

However, the Board remains cautiously optimistic on the prospects of the Group's businesses in view that shareholders have approved its diversification into the renewable energy business in order to enhance its revenue stream and increase the Group's resilience to economic factors.

Further the Group has also revived the growth and development of its financial services business units which are expected to contribute positively to its revenue in 2016.

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 31/12/2015 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM('000)	CURRENT YEAR TO DATE 31/12/2015 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM('000)
Income tax				
- Provision for previous and current period	97	93	104	223
Effective tax rate	21%	4%	4%	2%

The effective tax rates of the Group for the current financial quarter and financial period to date were lower than the statutory tax rate of 25%. This was mainly as certain subsidiaries of PUCF, namely EPP Solution Sdn Bhd and RedHot Media Sdn Bhd, have been granted pioneer status and are exempted from taxation, as well as PUCF's subsidiaries established in British Virgin Islands, namely i.e. AllChina.cn Ltd and Red Media Asia Ltd, which 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 report:

As disclosed in A12, on 18 February 2016, the Group has announced that as at the close of acceptance and payment for the Rights Issue of ICULS with Warrants at 5.00 p.m. on 5 February 2016 ("Closing Date"), the total valid acceptances and excess applications received under the Rights Issue of ICULS with Warrants were RM42,653,286.45 nominal value of the Rights ICULS together with 213,266,257 free Warrants-B. This represents an under-subscription of RM31,953,044.35 nominal value of the Rights ICULS or approximately 42.83% over the total of RM74,606,330.80 nominal value of the Rights ICULS together with 373,031,654 free Warrants-B available for subscription under the Rights Issue of ICULS with Warrants. Notwithstanding the under-subscription for the Rights Issue of ICULS with Warrants, the minimum subscription level of RM28,000,000.00 nominal value of the Rights ICULS for the Rights Issue of ICULS with Warrants had been achieved and the Company will proceed with the Rights Issue of ICULS with Warrants.

The Rights ICULS are expected to be listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 24 February 2016.

Private Placements

The Board determined the issue price of the Placement Shares in accordance with market-based principles. As at 19 November 2014, total proceeds of RM16,003,000 has been raised from the Placement Shares via three tranches as stated below:

- i) The issue price of the first tranche of Placement Shares comprising 22,720,000 Placement Shares was fixed at RM0.22 per Placement Share as announced on 19 August 2014, and the first tranche of Placement Shares were listed on 28 August 2014;
- ii) The issue price of the second tranche of Placement Shares comprising 24,878,000 Placement Shares was fixed at RM0.205 per Placement Share as announced on 3 September 2014, and the second tranche of Placement Shares were listed on 11 September 2014;
- iii) The issue price of the final tranche of Placement Shares comprising 36,905,000 Placement Shares was fixed at RM0.16 per Placement Share as announced on 20 October 2014, and the final tranche of Placement Shares were listed on 30 October 2014.

Status of utilisation of proceeds from Private Placement

The status of the utilisation of proceeds arising from the Private Placement as at 5 February 2016 is as follows:-

	Proposed utilisation RM('000)	* Actual Utilisation RM('000)	Deviation		Balance unutilised RM('000)	Expected time frame for utilisation (from the date of completion of Private Placement)
			RM('000)	%		
Investment in new businesses	11,408	8,096	-	-	3,312	within 18 months
Working capital	4,370	2,000	-	-	2,370	within 18 months
Actual expenses in relation to this exercise	225	225	-	-	-	within 1 month
	<u>16,003</u>	<u>10,321</u>	<u>-</u>	<u>-</u>	<u>5,682</u>	

Note: *The details of utilisation have been modified to reflect the actual proceeds received.

B7 Borrowings

The Group's borrowings as at 31 December 2015 are as follows: -

	Short term RM('000)	Long term RM('000)	Total RM('000)
Secured			
Bank overdraft	679	-	679
Finance lease liability	61	42	103
Term Loan	152	4,433	4,585
	<u>892</u>	<u>4,475</u>	<u>5,367</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 earnings per share**

The basic earnings per share of the Group which is calculated by dividing the profit attributable to owners of the parent for the period by the weighted average number of shares is as follows:-

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2015	2014	2015	2014
Profit attributable to owners of the parent (RM'000)	184	2,297	2,397	9,849
Weighted average number of shares in issue ('000)	1,067,324	926,165	1,065,291	904,638
Basic earnings per share (sen)	0.02	0.25	0.22	1.09

b. Diluted earnings per share

The diluted earnings per share of the Group is calculated by dividing the profit attributable to owners of the parent for the period by the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of convertible securities into ordinary shares is as follows:-

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2015	2014	2015	2014
Profit attributable to owners of the parent (RM'000)	184	2,297	2,397	9,849
Weighted average number of ordinary shares per basic earnings per share computation ('000)	1,067,324	926,165	1,065,291	904,638
# Effects of conversion of free warrants ('000)	105,390	2,183	105,390	30,644
Weighted average number of ordinary shares diluted ('000)	1,172,714	928,348	1,170,681	935,282
Diluted earnings per share (sen)	0.02	0.25	0.20	1.05

Note : # The free warrants are assumed to be converted into ordinary shares.

B11 Breakdown of realised and unrealised profit or losses of the Group

	As at 31/12/2015 RM('000)	As at 31/12/2014 RM('000)
Total retained earnings of the Group		
- Realised	51,485	46,476
- Unrealised	135	133
	<u>51,620</u>	<u>46,609</u>
Less: Consolidation adjustments	(3,700)	(1,086)
Total retained earnings as per consolidated accounts	<u>47,920</u>	<u>45,523</u>

B12 Profit for the period

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

	CURRENT YEAR QUARTER 31/12/2015 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM('000)	CURRENT YEAR TO DATE 31/12/2015 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM('000)
Interest expense	97	468	283	779
Interest income	(65)	(229)	(287)	(285)
Depreciation and amortisation	399	194	1,605	1,668
Government grant income	(181)	(179)	(181)	(179)
Impairment on trade receivables	691	1,669	2,083	6,513
Inventories written off	-	1,020	-	1,020
Gain on disposal of property, plant and equipment	(429)	(1,017)	(407)	(1,014)
Net gain on disposal of a subsidiary	(324)	12	(451)	-
Loss /(gain) on unrealised foreign exchange	6	(48)	2	(43)
Preference share capital and related liabilities written off	-	-	-	(6,423)

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur
23 February 2016