



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT	PRECEDING	CHANGES	CURRENT	PRECEDING	CHANGES
	YEAR	YEAR		YEAR	YEAR	
	QUARTER	QUARTER		TO DATE	TO DATE	
30/09/2018	30/09/2017	%	30/09/2018	30/09/2017	%	
	RM '000	RM '000		RM '000	RM '000	
Revenue	8,144	13,752	-41%	40,214	32,513	24%
Cost of sales	(3,909)	(9,084)	-57%	(20,743)	(21,077)	-2%
Gross profit	4,235	4,668	-9%	19,471	11,436	70%
Other income	4,947	169	2827%	7,417	1,064	597%
Administrative and general expenses	(8,928)	(4,685)	91%	(25,412)	(11,558)	120%
Operating profit	254	152	67%	1,476	942	57%
Finance costs	(81)	(131)	-38%	(344)	(377)	-9%
Share of results of associated company	1,069	-	100%	2,802	-	100%
Profit before taxation	1,242	21	5747%	3,934	565	596%
Taxation	(36)	94	-100%	(55)	94	-100%
Profit after taxation	1,206	115	946%	3,879	659	489%
Other comprehensive income:						
Exchange differences on translation of foreign operations	(102)	(4)	2450%	(64)	(25)	156%
Total comprehensive income	1,104	111	892%	3,815	634	502%
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	1,189	125	849%	3,863	665	481%
Non-controlling interests	17	(10)	-100%	16	(6)	-100%
	1,206	115	946%	3,879	659	489%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	1,087	121	797%	3,799	640	494%
Non-controlling interests	17	(10)	-100%	16	(6)	-367%
	1,104	111	892%	3,815	634	502%
Weighted average number of ordinary shares in issue ('000)	1,564,855	1,156,411		1,564,855	1,089,055	
Earnings per share (sen):						
(a) Basic	0.08	0.01		0.25	0.06	
(b) Fully diluted	0.06	0.01		0.19	0.05	

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 2017 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018**

	(UNAUDITED) AS AT 30/9/2018 RM '000	(AUDITED) AS AT 31/12/2017 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	22,681	22,149
Software development expenditure	20,239	18,109
Intangible assets	80,555	87,371
Investment in associated company	91,157	-
Other investments	*	*
Deferred tax assets	949	1,018
	<u>215,581</u>	<u>128,647</u>
CURRENT ASSETS		
Inventories	-	7,967
Other investments	4	40,589
Trade receivables	34,635	9,993
Other receivables, deposits and prepayments	20,538	6,043
Amount due from holding company	-	3
Tax recoverable	20	40
Fixed deposits with licensed banks	730	710
Cash and bank balances	4,234	6,026
	<u>60,161</u>	<u>71,371</u>
TOTAL ASSETS	<u>275,742</u>	<u>200,018</u>
EQUITY AND LIABILITIES		
Share capital	212,448	154,075
Foreign currency translation reserve	(160)	(96)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	20,275	20,983
ICULS - equity component	19,823	27,109
Other reserves	(18,305)	(19,013)
Retained earnings	35,280	31,417
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	<u>232,552</u>	<u>177,666</u>
Non-controlling interests	(100)	(117)
TOTAL EQUITY	<u>232,452</u>	<u>177,549</u>
NON-CURRENT LIABILITIES		
Finance lease liability	-	11
ICULS - liability component	-	1,072
Bank borrowings	4,714	4,743
Deferred tax liabilities	3	-
	<u>4,717</u>	<u>5,826</u>
CURRENT LIABILITIES		
Trade payables	2,808	3,893
Other payables and accrued expenses	34,154	10,514
Finance lease liability	13	6
Bank borrowings	168	654
ICULS - liability component	1,212	1,451
Tax payable	93	125
Bank overdraft	125	-
TOTAL CURRENT LIABILITIES	<u>38,573</u>	<u>16,643</u>
TOTAL LIABILITIES	<u>43,290</u>	<u>22,469</u>
	<u>275,742</u>	<u>200,018</u>
Net assets per share attributable to owners of the parent (sen)	<u>13.09</u>	<u>12.67</u>

* Denotes amount 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 2017 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

	Share Capital	Foreign Currency Translation Reserve	Reverse Acquisition Debit	ICULS - Equity Component	Other Reserves	Warrant Reserves	Retained Earnings	Total	Non- controlling Interest	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 2018	154,075	(96)	(36,809)	27,109	(19,013)	20,983	31,417	177,666	(117)	177,549
Issuance of ordinary shares										
- Conversion of ICULS	15,025	-	-	(7,286)	-	-	-	7,739	-	7,739
- Conversion of Warrants-A	2	-	-	-	3	(3)	-	2	-	2
- Conversion of Warrants-B	3,523	-	-	-	705	(705)	-	3,523	-	3,523
- Private placement	19,022	-	-	-	-	-	-	19,022	-	19,022
- Acquisition of associated company	20,800	-	-	-	-	-	-	20,800	-	20,800
	58,372	-	-	(7,286)	708	(708)	-	51,086	-	51,086
Profit for the period	-	-	-	-	-	-	3,863	3,863	16	3,879
Other comprehensive income	-	(64)	-	-	-	-	-	(64)	-	(64)
Total comprehensive income for the period	-	(64)	-	-	-	-	3,863	3,799	16	3,815
Balance as at 30 September 2018	212,447	(160)	(36,809)	19,823	(18,305)	20,275	35,280	232,551	(101)	232,450



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Reverse Acquisition Debit	ICULS - Equity Component	Other Reserves	Warrant Reserves	Retained Earnings	Total	Non-controlling Interest	Total Equity
	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 2017	108,284	9,451	(133)	(36,809)	37,734	(19,013)	20,983	50,726	171,223	85	171,308
Issuance of ordinary shares											
- Conversion of ICULS	3,541	-	-	-	(2,222)	-	-	-	1,319	-	1,319
- Private placement	15,322	-	-	-	-	-	-	-	15,322	-	15,322
	18,863	-	-	-	(2,222)	-	-	-	16,641	-	16,641
Transfer pursuant to Companies Act 2016											
	9,451	(9,451)	-	-	-	-	-	-	-	-	-
Profit for the period											
	-	-	-	-	-	-	-	665	665	(6)	659
Other comprehensive income											
	-	-	(25)	-	-	-	-	-	(25)	-	(25)
Total comprehensive income for the period											
	-	-	(25)	-	-	-	-	665	640	(6)	634
Balance as at 30 September 2017	136,598	-	(158)	(36,809)	35,512	(19,013)	20,983	51,391	188,504	79	188,583

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 2017 and the accompanying explanatory notes attached to the interim financial statement.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

	9 MONTHS ENDED 30/09/2018 RM '000	9 MONTHS ENDED 30/09/2017 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,934	565
Adjustments for:		
Amortisation of software development expenditure	1,998	252
Amortisation of intangible assets	2,048	1,945
Bad debts written-off:		
- trade receivables	1,792	-
- other receivables	-	140
Dividends received from mutual funds	(411)	(1,016)
Depreciation of property, plant and equipment	1,206	761
Loss on disposal of property, plant and equipment	-	22
Gain on disposal of intangible assets	(4,632)	
Government grant income	(135)	(135)
Interest income	(94)	(6)
Interest expense	344	378
Loss on disposal of a subsidiary	-	190
Reversal of impairment losses on:		
- trade receivables	(1,892)	-
- other receivables	-	(186)
Share of results of associated company	(2,802)	-
Unrealised loss/(gain) on foreign exchange	60	17
Operating profit before working capital changes	1,416	2,927
Changes in working capital:		
Net change in current assets	(21,740)	(13,517)
Net change in current liabilities	(4,869)	(6,932)
Cash used in operations	(25,193)	(17,522)
Interest received	94	6
Tax refund	20	60
Tax paid	(87)	-
Exchange differences	(90)	-
Net cash used in operating activities	(25,256)	(17,456)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (Continued)**

	9 MONTHS ENDED 30/09/2018 RM '000	9 MONTHS ENDED 30/09/2017 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from mutual funds	411	1,016
Purchase of property, plant and equipment	(1,737)	(228)
Purchase of software development expenditure	(4,128)	-
Proceeds from disposals of investment in financial assets at fair value through profit or loss	40,585	438
Proceeds from disposals of property, plant and equipment	-	2
Investment in associated company	(40,000)	-
Net cash inflows on disposal of a subsidiary	-	85
Net cash outflows on acquisition of a subsidiary	-	(3,083)
Net cash from investing activities	(4,869)	(1,770)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(209)	(181)
Coupon payment for ICULS	(1,146)	(1,647)
Proceeds from private placement of shares	19,022	15,322
Proceeds from conversion of ICULS to shares	10,491	2,494
Proceeds from conversion of Warrants-A	2	-
Proceeds from conversion of Warrants-B	544	-
Fixed deposit released from pledge	-	212
Repayment of finance lease liability	(5)	(20)
Repayment of term loan	(409)	(208)
Net cash from/(used in) financing activities	28,291	15,972
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,834)	(3,254)
Effects of exchange rate changes	43	(39)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	5,950	7,215
CASH AND CASH EQUIVALENT AT END OF PERIOD	4,159	3,922
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	4,234	4,064
Fixed deposits with licensed banks	730	690
Bank overdraft	(125)	(172)
	4,839	4,582
Less: Fixed deposits pledged with licensed banks	(680)	(660)
	4,159	3,922

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 2017 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 Berhad ("PUC") and its subsidiaries ("Group") for the financial year ended 31 December 2017 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 financial statements are consistent with those of the annual audited financial statements for the financial year ended 31 December 2017.

The adoption of the following MFRS that came into effect on 1 January 2018 did not have any significant impact of the unaudited condensed consolidated financial statements upon their initial application.

MFRS 9	-	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	-	Revenue from Contracts with Customers
IC Interpretation 22	-	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 2	-	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	-	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>
Amendments to MFRS 15	-	Clarifications to MFRS 15
Amendments to MFRS 140	-	Transfers of Investment Property

Annual Improvements to MFRSs 2014 - 2016 Cycle:

- Amendments to MFRS 1
- Amendments to MFRS 128

A3 Audit report of preceding annual financial statements

There were no audit qualifications to the annual financial statements of the Group for the financial year ended 31 December 2017.

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

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

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

A7 Debt and equity securities

During the current financial period, the Company increased its issued and paid up share capital:

- by RM15,027,535 through the issuance of 150,275,346 new ordinary shares pursuant to the conversion of RM0.05 nominal value of irredeemable convertible loan stocks ("ICULS") at RM0.05 per ICULS;
- by RM2,314 through the issuance of 23,142 new ordinary shares pursuant to the conversion of Warrants-A at exercise price of RM0.10 per ordinary shares;
- by RM3,253,210 through the issuance of 32,532,100 new ordinary shares pursuant to the conversion of Warrants-B at exercise price of RM0.10 per ordinary shares;
- by RM20,800,000 through the issuance of 64,596,273 new ordinary shares pursuant to the acquisition of Pictureworks Holdings Sdn Bhd;
- by RM19,022,480 through the issuance of 123,999,867 new ordinary shares pursuant to several private placements at issue price ranging from RM0.15 to RM0.1677 per ordinary shares.

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 after taxation for the financial period under review is as follows:

	CURRENT YEAR QUARTER 30/09/2018 RM '000	PRECEDING YEAR QUARTER 30/09/2017 RM '000	CURRENT YEAR TO DATE 30/09/2018 RM '000	PRECEDING YEAR TO DATE 30/09/2017 RM '000
Revenue				
Advertising and media	3,756	10,176	27,019	27,539
Financial services	201	137	554	669
Renewable energy	245	262	754	1,069
Technology	3,942	3,177	11,887	3,236
Corporate and others	-	-	-	-
	8,144	13,752	40,214	32,513
(Loss)/Profit after taxation				
Advertising and media	3,930	2,075	8,318	5,520
Financial services	(1,686)	(341)	(5,356)	(904)
Renewable energy	(28)	(61)	61	274
Technology	2,689	(96)	8,069	(506)
Corporate and others	(4,768)	(1,462)	(10,016)	(3,725)
	137	115	1,076	659
Share of results of associated companies	1,069	-	2,802	-
	1,205	115	3,878	659

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

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

- (i) The Company has on 27 December 2017 announced that it has entered into a conditional share sale agreement for the proposed acquisition of 6,076,081 ordinary shares in Pictureworks Holdings Sdn. Bhd. ("PWHSB"), representing 33% of the total number of issued shares in PWHSB, for a total purchase consideration of RM52.80 million. The exercise was completed on 6 June 2018.
- (ii) On 12 April 2018, the Company incorporated a wholly-owned subsidiary company in Malaysia under the name of PUC Ventures Sdn. Bhd ("PVNMY"). with an initial paid-up share capital of RM1.00 comprising of one (1) ordinary share.
- (iii) The Company has on 19 April 2018 announced that it has entered into a term sheet with Celcom Planet Sdn. Bhd. ("CPSB" or "11Street Malaysia"), Axiata Digital Services Sdn. Bhd. and SK Planet Global Holdings Pte. Ltd., for an investment of up to RM90 million in CPSB for 24% of the equity interest in CPSB and taking over management control of 11Street Malaysia. The Company had subsequently on 12 June 2018 announced that it has entered into a Share Subscription Agreement with CPSB and PVNMY to subscribe only 12.348% equity interest in CPSB for a total cash consideration of RM40 million instead of of subscribing for up to 24% equity interest for a total cash consideration of up to RM90 million. The exercise was completed on 14 September 2018.
- (iv) The Company has on 18 July 2018 incorporated a wholly-owned subsidiary company in Malaysia under the name of Presto Media Sdn. Bhd. With an initial paid-up share capital of RM1.00 comprising of one (1) ordinary share.
- (v) Founder Energy Sdn. Bhd., a wholly owned subsidiary company, changed its name to Peer Consultancy Sdn. Bhd. on 5 September 2018.
- (vi) On 21 September 2018, the Group's wholly owned subsidiary company, EPP Solution Sdn. Bhd., changed its name to Presto Pay Sdn. Bhd.
- (vii) On 5 October 2018, the Company incorporated a wholly-owned subsidiary company in Malaysia under the name of Presto Universe Sdn. Bhd. with an initial paid-up share capital of RM1.00 comprising of one (1) ordinary share.
- (viii) On 8 October 2018, the Company incorporated a wholly-owned subsidiary company in Malaysia under the name of Presto Buddy Sdn. Bhd. with and initial paid-up share capital of RM1.00 comprising of one (1) ordinary share.
- (ix) Presto Universe Sdn. Bhd. changed its name to Presto Services Sdn. Bhd. on 26 October 2018.



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 quarter under review:

	CURRENT YEAR TO DATE 30/09/2018 RM '000	PRECEDING YEAR TO DATE 30/09/2017 RM '000
Rental of premise received/receivable	18	8
Consideration received/receivable on disposal of a subsidiary	-	1,604



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

B1 Review of performance

The Group recorded higher revenue of RM40.21 million as compared to preceding year's RM32.51 million. The segmental comparison are as follows:

- (i) Advertising and media segment continue to contribute the major part of the revenue, at 67.2% compared to 84.7% in the corresponding period. This segment is experiencing a lower revenue largely due to market adjustments to the introduction of Sales and Services Tax.
- (ii) The higher revenue for the renewable energy segment in FY2017 is due to billing adjustments as the solar plant started generating electricity towards Q4 of FY2016. The revenue in FY2018 represents the normalised revenue stream. However, this segment experienced some downtime in June 2018 and July 2018 arising from damages to some of the cables caused by rodents.
- (iii) The technology segment contributed a significant increase in revenue of RM11.89 mil.

Despite the higher revenue achieved, the Group only achieved a modest profit after tax of RM1.08 million compared to RM0.66 million in FY2017. This is largely due to higher staff costs and higher marketing expenses incurred during this period. The Group's headcount increased about 100% in FY2018 compared to FY2017 largely arising from the acquisition of Enovax Pte Ltd and subsequent expansion of the technology team to enhance the Group's technology capabilities. The higher marketing expenses arise from advertising and promotion campaigns undertaken to promote our Presto social marketing platform that was launched at middle of December 2017. The Group also incurred higher consultancy and advisory expenses arising from the various corporate exercises undertaken in the year. The Group recorded other income of RM4.95 million compared to RM0.17 million in the preceding year, largely due to sales of media assets.

The Group's investment in its' associated company, Pictureworks Holdings Sdn. Bhd., contributed profit of RM3.20 million in the period under review. However, this is offset by the loss arising from the Group's investment in Celcom Planet Sdn Bhd of RM0.40 million during the current quarter.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 30/09/2018 RM '000	PRECEDING QUARTER 31/06/2018 RM '000	VARIANCE	
			RM '000	%
Revenue	8,144	16,453	(8,309)	-51%
Profit/(Loss) before taxation	1,242	2,341	(1,099)	-47%

The decrease in revenue in the current quarter compared to the immediate preceding quarter is mainly due to:

- (i) the revenue contributions from the technology segment in the preceding quarter; and
- (ii) lower revenue contribution from the Advertising and Media segment as the general market adjusts itself to the introduction of Sales and Services Tax.

Gross profit margin remained relatively stable at 52.0% compared to 56.3% in preceding quarter. The Group's associated companies Pictureworks Holdings Sdn. Bhd. contributed profit of RM1.47 million while Celcom Planet Sdn. Bhd. contributed loss of RM0.40 million in the current quarter.



B3 Prospects

The Group continues to focus on its existing core areas businesses and will be undergoing an internal reorganisation of business activities to group related business activities with the Group's growing business ventures. The Group's reorganisation will result in categorisation of the business activities as follows:

1) OmniChannel business, will encompass its existing media and advertising business activities, as well as the imaging services business resulting from its acquisition of PictureWorks Holdings Sdn Bhd which was completed in June 2018;

2) FinTech business, will comprise of its existing financial services business activities such as its electronic wallet and payment services, as well as its technology businesses which includes its on-going enterprise software solutions, mobile applications, research and development of advanced technologies in artificial intelligence and Internet-of-Things solutions; and

3) eCommerce business will primarily consist of online marketplace business activities, which includes the Group's own proprietary online-to-offline platform known as Presto Deals, and its joint investment with Axiata group and SK Telecoms group in Celcom Planet Sdn Bhd ("CPSB") which owns one of Malaysia's top 3 largest eCommerce marketplace - 11street.

The OmniChannel business is expected to continue being the largest contributor to the Group's business revenues, albeit at a slower pace amidst the Group's effort to transform its media and advertising services through its social marketing platform through Cloudbreakr, as well as its cross-marketing collaboration of driving digital advertising expenditure with Axiata Digital Advertising Sdn. Bhd..

Prospects of the Group's FinTech business remains positive following the approval by Bank Negara Malaysia on 29 August 2018 for the Group's subsidiary Presto Pay Sdn Bhd to operate its electronic wallet business which was soft-launched in September 2018. Also enhancing the presence of Presto in the market is a collaboration with merchant acquirer known as Revenue Monster Sdn Bhd ("RMSB"), where the Group shall lease payment terminals to RMSB. The payment terminals include features to aggregate multiple payment processing for multiple electronic wallets, and the collaboration will allow Presto to be made available amongst all of RMSB's merchants.

On the technology front of the Group's expansion of its technology capabilities continues with an internal restructuring that formed Enovax Malaysia Sdn Bhd which will house research and development activities based in Malaysia. Research and development continues with Shenzhen Institute of Advanced Technology on artificial intelligence and facial recognition services, and the Group shall continue to explore further strategic collaborations that will contribute to its technology capabilities

The Group shall continue to develop its eCommerce business on both platforms, namely Presto Deals and 11Street. Cross-marketing efforts are on-going to make Presto Deals online-to-offline marketplace available in 11Street. Contributions from other business activities between the Group and 11Street is expected to see fruition in 4th quarter results. Although CPSB has not been profitable historically and is expected to increase contributions of losses for the short-term, its on-going businesses are expected to contribute to the Group's overall long-term objectives of developing a digital lifestyle platform and drive traffic to Presto through mutually beneficial collaborations

The continuous development of Presto is expected to drive revenue growth with a tandem increase in expenditures. The Group expects continuous revenue contributions from its OmniChannel and FinTech business, however significant revenue contributions from its eCommerce business is expected to be realised in 2019.

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 quarter under review.



B5 Taxation

	CURRENT YEAR QUARTER 30/09/2018 RM '000	PRECEDING YEAR QUARTER 30/09/2017 RM '000	CURRENT YEAR TO DATE 30/09/2018 RM '000	PRECEDING YEAR TO DATE 30/09/2017 RM '000
Provision for previous and current period	36	(94)	55	(94)
Effective tax rate	3%	-443%	1%	-17%

The effective tax rates of the Group for the current financial quarter and year-to-date were lower than the statutory tax rate of 24%. This is due to certain subsidiaries, namely EPP Solution Sdn. Bhd., has been granted pioneer status and are exempted from taxation on the pioneer source income, as well as subsidiaries established in British Virgin Islands, namely AllChina.cn Ltd. and Red Media Asia Ltd., which are 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:

(a) Rights issue of ICULS with Warrants and variation of utilisation of part of the proceeds

At the Extraordinary General Meeting held on 29 December 2015, our shareholders approved the Rights Issue of ICULS with Warrants. Subsequently, the Rights Issue of ICULS with Warrants was completed on 24 February 2016 and had raised total gross proceeds of RM42.65 million following the issuance of 853,065,729 ICULS and 213,266,257 Warrants-B.

On 30 August 2017, the Group announced the proposal to vary the utilisation of the remaining proceeds to further expand its technology business, particularly in e-payment and e-commerce, advertising and media as well as related businesses to enable the Group to tap into future growth opportunities within the technology business which provides value creation to the Group.

Approximately RM36.45 million of the ICULS proceeds remain unutilized as of 29 November 2017.

An Extraordinary General Meeting and ICULS Holders' Meeting were convened on 21 December 2017 where our shareholders and the ICULS Holders approved the variation of utilization of the remaining proceeds raised from the issuance of the ICULS.



B6 Status of corporate proposals (Continued)

(a) Rights issue of ICULS with Warrants and variation of utilisation of part of the proceeds (Continued)

Status of utilisation of the remaining proceeds raised from the issuance of the ICULS

The status of the utilisation of the remaining proceeds as at 26 November 2018 is as follows:

	Proposed utilisation	Actual utilisation	Deviation		Balance unutilised	Expected time frame for utilisation
	RM '000	RM '000	RM '000	%	RM '000	
IT hardware infrastructure, software, R&D and maintenance in relation to PUC Mobile App	11,200	11,200	-	-	-	
Sales and marketing	12,850	12,850	-	-	-	
Working capital and expenses for corporate exercises	12,400	12,400	-	-	-	
	<u>36,450</u>	<u>36,450</u>	-	-	-	

(b) Placement of up to ten percent (10%) of the issued and paid-up share capital

On 3 March 2017, the Company has proposed to undertake the proposed placement of up to ten percent (10%) of the issued and paid-up share capital of the Company. Proceeds totalling RM7.60 million were raised under the first tranche of the placement on 6 April 2017 and RM7.72 million were raised under the second tranche of the placement on 28 June 2017.

Status of utilisation of proceeds raised from share placement

The status of the utilisation of proceeds arising from the share placement as at 26 November 2018 is as follows:

	Proposed utilisation	Actual utilisation	Deviation		Balance unutilised	Expected time frame for utilisation
	RM '000	RM '000	RM '000	%	RM '000	
Expansion of technology business	12,968	12,968	-	-	-	
Working capital	2,254	2,254	-	-	-	
Defrayment of expenses in relation to the placement	100	100	-	-	-	
	<u>15,322</u>	<u>15,322</u>	-	-	-	



B6 Status of corporate proposals (Continued)

(c) Placement of up to ten percent (10%) of the issued and paid-up share capital

On 7 June 2018, the Company has proposed to undertake a placement of up to ten percent (10%) of the issued and paid-up share capital of the Company equivalent to 159,174,900 new shares.

The Company has made 159,174,867 new share placement as at 30 October 2018.

Status of utilization of proceeds raised from share placement

The status of the utilization of proceeds arising from the share placement as at 26 November 2018 is as follows:

	Total proceeds	Actual utilisation	Deviation		Balance unutilised
	RM '000	RM '000	RM '000	%	RM '000
Investments	23,045	23,045	-	-	-
Defray expenses in relation to placement of shares	550	550	-	-	-
	23,595	23,595	-	-	-

B7 Borrowings

The Group's borrowings as at 30 September 2018 are as follows:

	Long Term		Short Term		Total Borrowings	
	Foreign currency '000	RM equivalent '000	Foreign currency '000	RM equivalent '000	Foreign currency '000	RM equivalent '000
<u>Secured</u>						
- Term loan (SGD)**	244	738	-	-	244	738
- Term loan (RM)*	-	3,976	-	168	-	4,144
- Finance lease liability (SGD)**	-	-	4	13	4	13
- Bank overdraft (SGD)**	-	-	41	126	41	126
	244	4,714	45	307	289	5,021

* RM - Ringgit Malaysia

** SGD - Singapore Dollar

B8 Material litigation

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

B9 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 30 September		Cumulative 9 months ended 30 September	
	2018	2017	2018	2017
Profit attributable to owners of the parents (RM '000)	1,189	125	3,863	665
Weighted average number of ordinary shares in issue ('000)	1,564,855	1,156,411	1,564,855	1,156,411
Basic earnings per share (sen)	0.08	0.01	0.25	0.06

(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 30 September		Cumulative 9 months ended 30 September	
	2018	2017	2018	2017
Profit attributable to owners of the parents (RM '000)	1,189	125	3,863	665
Adjusted for:				
Interest savings on ICULS (RM'000)	26	42	103	196
	1,215	167	3,966	861
Weighted average number of ordinary shares in issue ('000)	1,564,855	1,156,411	1,564,855	1,156,411
Assuming full conversion of ICULS ('000)	223,457	372,948	223,457	372,948
Assuming full exercise of Warrants ('000)	310,298	346,053	310,298	346,053
Weighted average number of ordinary shares diluted ('000)	2,098,610	1,875,412	2,098,610	1,875,412
Diluted earnings per share (sen)	0.06	0.01	0.19	0.05



B10 Profit before taxation

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

	CURRENT YEAR QUARTER 30/09/2018 RM '000	PRECEDING YEAR QUARTER 30/09/2017 RM '000	CURRENT YEAR TO DATE 30/09/2018 RM '000	PRECEDING YEAR TO DATE 30/09/2017 RM '000
Dividend income from mutual funds	(124)	(675)	(411)	(1,016)
Gain on disposal of intangible assets	(4,632)	-	(4,632)	-
Loss on disposal of property, plant and equipment	-	9	-	22
Government grant income	(90)	(90)	(135)	(135)
Interest income	(74)	-	(94)	(6)
Bad debts written-off	1,792	140	1,792	140
Depreciation and amortisation	3,913	1,982	5,252	2,958
Interest expense	174	253	344	378
Reversal of impairment loss:				
- trade receivables	(1,792)	-	(1,892)	-
- other receivables	-	(140)	-	(186)
Loss on disposal of a subsidiary	-	190	-	190
Loss/(Gain) on foreign exchange:				
- Realised	-	-	(113)	45
- Unrealised	(32)	55	60	17

Save as disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad ACE Market Listing Requirements, Chapter 9, Appendix 9B, are not applicable to the Group.

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur
30 November 2018