



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT	PRECEDING	CHANGES	CURRENT	PRECEDING	CHANGES
	YEAR	YEAR		YEAR	YEAR	
	QUARTER	QUARTER	TO DATE	TO DATE		
31/12/2018	31/12/2017	31/12/2018	31/12/2017			
	RM '000	RM '000	%	RM '000	RM '000	%
Revenue	12,256	10,519	17%	52,470	43,032	22%
Cost of sales	(1,541)	(1,955)	-21%	(22,284)	(23,032)	-3%
Gross profit	10,715	8,564	25%	30,186	20,000	51%
Other income	2,089	753	177%	9,506	1,817	423%
Administrative and general expenses	(10,202)	(28,756)	-65%	(35,614)	(40,314)	-12%
Operating profit	2,602	(19,439)	-113%	4,078	(18,497)	-122%
Finance costs	(77)	(117)	-34%	(421)	(495)	-15%
Share of results of associated company	2,076	-	100%	4,878	-	100%
Profit/(Loss) before taxation	4,601	(19,556)	-124%	8,535	(18,992)	-145%
Taxation	(2,024)	(417)	-100%	(2,079)	(323)	-100%
Profit/(Loss) after taxation	2,577	(19,973)	-113%	6,456	(19,315)	-133%
Other comprehensive income:						
Exchange differences on translation of foreign operations	210	62	239%	146	37	295%
Total comprehensive income	2,787	(19,911)	-114%	6,602	(19,278)	-134%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	2,577	(19,963)	-113%	6,440	(19,308)	-133%
Non-controlling interests	-	(10)	-100%	16	(7)	-100%
	2,577	(19,973)	-113%	6,456	(19,315)	-133%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	2,787	(19,901)	-114%	6,586	(19,271)	-134%
Non-controlling interests	-	(10)	-100%	16	(7)	-329%
	2,787	(19,911)	-114%	6,602	(19,278)	-134%
Weighted average number of ordinary shares in issue ('000)	1,636,273	1,204,492		1,636,273	1,089,055	
Earnings per share (sen):						
(a) Basic	0.16	(1.66)		0.39	(1.60)	
(b) Fully diluted	0.12	(1.04)		0.30	(0.99)	

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 31 DECEMBER 2018**

	(UNAUDITED)	(AUDITED)
	AS AT 31/12/2018	AS AT 31/12/2017
	RM '000	RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	19,954	22,149
Software development expenditure	48,996	18,109
Intangible assets	79,545	87,371
Investment in associated companies	93,233	-
Other investments	*	*
Deferred tax assets	982	1,018
Other receivables	912	-
	243,622	128,647
CURRENT ASSETS		
Inventories	-	7,967
Other investments	2	40,589
Trade receivables	30,920	9,993
Other receivables, deposits and prepayments	13,590	6,043
Amount due from holding company	-	3
Tax recoverable	60	40
Fixed deposits with licensed banks	733	710
Cash and bank balances	4,275	6,026
	49,580	71,371
TOTAL ASSETS	293,202	200,018
EQUITY AND LIABILITIES		
Share capital	227,908	154,075
Foreign currency translation reserve	49	(96)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	20,256	20,983
ICULS - equity component	14,442	27,109
Other reserves	(18,387)	(19,013)
Retained earnings	37,734	31,417
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	245,193	177,666
Non-controlling interests	-	(117)
TOTAL EQUITY	245,193	177,549
NON-CURRENT LIABILITIES		
Finance lease liability	-	11
ICULS - liability component	-	1,072
Bank borrowings	4,584	4,743
Deferred tax liabilities	138	-
	4,722	5,826
CURRENT LIABILITIES		
Trade payables	1,764	3,893
Other payables and accrued expenses	37,995	10,514
Finance lease liability	11	6
Bank borrowings	170	547
ICULS - liability component	1,198	1,451
Tax payable	1,953	125
Bank overdraft	196	107
TOTAL CURRENT LIABILITIES	43,287	16,643
TOTAL LIABILITIES	48,009	22,469
	293,202	200,018
Net assets per share attributable to owners of the parent (sen)	12.77	12.67

* 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 FINANCIAL YEAR ENDED 31 DECEMBER 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	25,819	-	-	(12,667)	-	-	-	13,152	-	13,152
- Conversion of Warrants-A	2	-	-	-	3	(3)	-	2	-	2
- Conversion of Warrants-B	3,617	-	-	-	724	(724)	-	3,617	-	3,617
- Private placement	23,595	-	-	-	-	-	-	23,595	-	23,595
- Acquisition of associated company	20,800	-	-	-	-	-	-	20,800	-	20,800
	73,833	-	-	(12,667)	727	(727)	-	61,166	-	61,166
Acquisition of equity interest from non-controlling interest	-	-	-	-	(101)	-	-	(101)	101	-
Effect of adoption of MFRS 9	-	-	-	-	-	-	(123)	(123)	-	(123)
Profit for the year	-	-	-	-	-	-	6,440	6,440	16	6,456
Other comprehensive income	-	145	-	-	-	-	-	145	-	145
Total comprehensive income for the year	-	145	-	-	-	-	6,440	6,585	16	6,601
Balance as at 31 December 2018	227,908	49	(36,809)	14,442	(18,387)	20,256	37,734	245,193	-	245,193



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	21,018	-	-	-	(10,625)	-	-	-	10,393	-	10,393
- Private placement	15,322								15,322		15,322
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	(195)	(195)
	36,340	-	-	-	(10,625)	-	-	-	25,715	(195)	25,520
Transfer pursuant to Companies Act 2016	9,451	(9,451)	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	(19,308)	(19,308)	(7)	(19,315)
Other comprehensive income	-	-	37	-	-	-	-	-	37	-	37
Total comprehensive income for the year	-	-	37	-	-	-	-	(19,308)	(19,271)	(7)	(19,278)
Balance as at 31 December 2017	154,075	-	(96)	(36,809)	27,109	(19,013)	20,983	31,418	177,667	(117)	177,550

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 FINANCIAL YEAR ENDED 31 DECEMBER 2018

	12 MONTHS ENDED 31/12/2018 RM '000	12 MONTHS ENDED 31/12/2017 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,535	(18,992)
Adjustments for:		
Amortisation of software development expenditure	2,747	325
Amortisation of intangible assets	2,371	2,736
Bad debts written-off:		
- trade receivables	1,792	140
- other receivables	-	10
Dividends received from mutual funds	(411)	(1,372)
Depreciation of property, plant and equipment	1,598	1,052
Expected credit loss	110	-
Fair value adjustments on other receivables	101	-
Gain on disposal of property, plant and equipment	-	(72)
Gain on disposal of intangible assets	(4,632)	-
Goodwill written-off	687	-
Government grant income	(181)	(180)
Impairment losses on:		
- trade receivables	437	20,193
- other receivables	-	52
Interest income	(129)	(28)
Interest expense	421	496
Inventories written off	-	1
Loss on disposal of a subsidiary	-	190
Prepayments written off	-	10
Property, plant & equipment written off	-	106
Reversal of impairment losses on:		
- trade receivables	(3,590)	(140)
- other receivables	-	(46)
Share of results of associated companies	(4,878)	-
Unrealised (gain)/loss on foreign exchange	(30)	63
Operating profit before working capital changes	4,948	4,544
Changes in working capital:		
Net change in current assets	(10,985)	3,742
Net change in current liabilities	(2,031)	(5,742)
Cash (used in)/generated from operations	(8,068)	2,544
Interest received	129	28
Tax refund	20	60
Tax paid	(205)	-
Exchange differences	124	38
Net cash (used in)/generated from operating activities	(8,000)	2,670



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Continued)**

	12 MONTHS ENDED 31/12/2018 RM '000	12 MONTHS ENDED 31/12/2017 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from mutual funds	411	1,372
Investment in financial assets at fair value through profit or loss	-	(918)
Purchase of intangible assets	-	(17,110)
Purchase of property, plant and equipment	(2,110)	(6,015)
Purchase of software development expenditure	(34,467)	(2,896)
Proceeds from disposals of investment in financial assets at fair value through profit or loss	40,586	-
Proceeds from disposals of property, plant and equipment	3,541	119
Investment in associated company	(40,000)	-
Net cash inflows on disposal of a subsidiary	-	1,540
Net cash outflows on acquisition of a subsidiary	-	(3,113)
Net cash used in investing activities	(32,039)	(27,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(280)	(259)
Coupon payment for ICULS	(1,146)	(1,647)
Proceeds from private placement of shares	23,595	15,322
Proceeds from conversion of ICULS to shares	12,920	9,927
Proceeds from conversion of Warrants-A	2	-
Proceeds from conversion of Warrants-B	3,617	-
Fixed deposit pledged with financial institutions	(21)	-
Fixed deposit released from pledge	-	192
Repayment of finance lease liability	(6)	(25)
Repayment of term loan	(537)	(379)
Net cash from financing activities	38,143	23,131
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,896)	(1,220)
Effects of exchange rate changes	57	(45)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	5,950	7,215
CASH AND CASH EQUIVALENT AT END OF YEAR	4,111	5,950
Cash and cash equivalents at end of the financial year comprise:		
Cash and bank balances	4,275	6,026
Fixed deposits with licensed banks	733	710
Bank overdraft	(196)	(107)
	4,812	6,629
Less: Fixed deposits pledged with licensed banks	(701)	(679)
	4,111	5,950

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 FINANCIAL ENDED 31 DECEMBER 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 year 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 year, the Company increased its issued and paid up share capital:

- by RM25,818,360 through the issuance of 258,183,596 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 RM3,617,210 through the issuance of 36,172,100 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 RM23,595,230 through the issuance of 159,174,867 new ordinary shares pursuant to several private placements at issue price ranging from RM0.13 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 31/12/2018 RM '000	PRECEDING YEAR QUARTER 31/12/2017 RM '000	CURRENT YEAR TO DATE 31/12/2018 RM '000	PRECEDING YEAR TO DATE 31/12/2017 RM '000
Revenue				
Advertising and media	7,554	8,933	34,574	36,472
Financial services	186	136	740	804
Renewable energy	2,061	275	2,815	1,344
Technology	1,455	1,175	13,342	4,412
Corporate and others	999	-	999	-
	12,256	10,519	52,470	43,032
(Loss)/Profit after taxation				
Advertising and media	6,483	(7,569)	14,802	(2,048)
Financial services	3,239	(6,777)	(2,117)	(7,682)
Renewable energy	(359)	75	(298)	349
Technology	777	(872)	8,847	(1,378)
Corporate and others	(9,639)	(4,832)	(19,656)	(8,556)
	501	(19,973)	1,578	(19,315)
Share of results of associated companies	2,076	-	4,878	-
	2,577	(19,973)	6,456	(19,315)

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.
- (x) The Company had on 31 December 2018 announced that it intends to acquire all the remaining ordinary shares in Pictureworks Holdings Sdn. Bhd. representing 67% equity interest not already owned by it for a total consideration of up to RM167.50 million to be satisfied by a combination of shares and cash.



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 31/12/2018 RM '000	PRECEDING YEAR TO DATE 31/12/2017 RM '000
Rental of premise received/receivable	28	13
Customer service and creative content services received/receivable	999	-
IT consultancy and professional services received/receivable	1,800	-
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 RM52.47 million as compared to preceding year's RM43.03 million. The segmental comparison are as follows:

- (i) Advertising and media segment continue to contribute the major part of the revenue, at 65.9% compared to 84.8% 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 renewable energy segment experienced some downtime in June 2018 and July 2018 arising from damages to some of the cables caused by rodents. This has resulted this business segment not able to achieve its' optimum revenue.
- (iii) The technology segment contributed a significant increase in revenue of RM13.34 million, in part due to the commercialization of some of the technologies sourced from Shenzhen Institute of Advanced Technology.
- (iv) The financial services segment's performance has remained somewhat constant during the periods under review. The Group's electronic wallet was approved by Bank Negara for roll-out to the market at end of August 2018. A soft launch was done in Quarter 4 2018 to introduce the electronic wallet to the market.

Despite the higher revenue achieved, the Group only achieved a modest profit after tax of RM1.58 million compared to RM0.88 million in FY2017, if we exclude share of results of associated companies and the RM20.19 million impairment loss made 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 RM9.51 million compared to RM1.55 million in the preceding year, largely due to sales of media assets and write-back of impairment loss in the current financial year. The Group had conducted a realignment of costs at the financial services segment with the restructuring of operations and segregation of manpower related to Presto social marketing platform and electronic wallet businesses.

The Group's investment in its' associated company, Pictureworks Holdings Sdn. Bhd., contributed profit of RM6.43 million in the year under review. However, this is offset by the loss arising from the Group's investment in Celcom Planet Sdn Bhd of RM1.57 million during the current quarter.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 31/12/2018 RM '000	PRECEDING QUARTER 00/01/1900 RM '000	VARIANCE	
			RM '000	%
Revenue	12,256	8,144	4,112	50%
Profit before taxation	4,601	1,241	3,360	271%

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

- (i) higher revenue contributions from the renewable energy segment in the preceding quarter due to the lower revenue base arising from downtime experienced then; and
- (ii) higher revenue contribution from the Advertising and Media segment as advertising rushes to meet year-end festivities promotions.

The Group's associated companies Pictureworks Holdings Sdn. Bhd. contributed profit of RM3.22 million while Celcom Planet Sdn. Bhd. contributed loss of RM1.16 million in the current quarter.



B3 Prospects

The Group continues to focus on its existing core areas businesses and has been undergoing an internal reorganisation of business activities to combine 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 from PictureWorks Holdings Sdn Bhd;
- 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 on-going transformation of its media and advertising services through the various eCommerce and FinTech platforms that the Group is developing for its Presto brand, its social marketing platform through Cloudbreakr, and cross-marketing collaborations of driving digital advertising expenditure with partners such as Axiata Digital Advertising Sdn. Bhd.

Prospects of the Group's FinTech business remains positive. Presto's presence in the market has been gaining gradual momentum through its collaboration with merchant acquirer, 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. Further, the Group is developing its business collaboration with Yayasan Perkerjaan Malaysia where the Group will provide a platform for its members to gain access to micro loan facilities. This platform will also be integrated with service offerings from its eCommerce business.

On the technology front 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 on artificial intelligence and facial recognition technologies and services, and the Group shall continue to explore further strategic collaborations that will enhance 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. The Group has realized some contributions from the support and collaborative services provided by the Group to 11Street. 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.

On 31 December 2018, the Group announced an acquisition of up to 67% stake in Pictureworks Holdings Sdn. Bhd. which is expected to enhance the Group's earnings and development of prospects for its Omnichannel, e-Commerce and FinTech businesses.

Barring any unforeseen circumstances, 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, and revenue contributions from the eCommerce business is expected to pick up pace in 2019. Overall, results are expected to be satisfactory for the financial year 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 31/12/2018 RM '000	PRECEDING YEAR QUARTER 31/12/2017 RM '000	CURRENT YEAR TO DATE 31/12/2018 RM '000	PRECEDING YEAR TO DATE 31/12/2017 RM '000
Provision for previous and current period	2,024	417	2,079	323
Effective tax rate	44%	-2%	24%	-2%

The effective tax rates of the Group for the current financial quarter is higher than the statutory tax rate of 24% due to under estimation of tax made in the previous quarter. The effective tax rates for prior year is lower than statutory tax rate 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 31 December 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>	<u>-</u>	<u>-</u>	<u>-</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 31 December 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>	<u>-</u>	<u>-</u>	<u>-</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 shares 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 31 December 2018 is as follows:

	Total	Actual	Deviation		Balance
	proceeds	utilisation	RM '000	%	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 31 December 2018 are as follows:

	Long Term		Short Term		Total Borrowings	
	Foreign	RM	Foreign	RM	Foreign	RM
	currency	equivalent	currency	equivalent	currency	equivalent
	'000	'000	'000	'000	'000	'000
<u>Secured</u>						
- Term loan (SGD)**	214	651	-	-	214	651
- Term loan (RM)*	-	3,933	-	170	-	4,103
- Finance lease liability (SGD)**	-	-	4	11	4	11
- Bank overdraft (SGD)**	-	-	65	196	65	196
	214	4,584	69	377	283	4,961

* 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 31 December		Cumulative 12 months ended 31 December	
	2018	2017	2018	2017
Profit attributable to owners of the parent (RM '000)	2,577	(19,963)	6,440	(19,308)
Weighted average number of ordinary shares in issue ('000)	1,636,273	1,204,492	1,636,273	1,204,492
Basic earnings per share (sen)	0.16	(1.66)	0.39	(1.60)

(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	
	2018	2017	2018	2017
Profit attributable to owners of the parent (RM '000)	2,577	(19,963)	6,440	(19,308)
Adjusted for:				
Interest savings on ICULS (RM'000)	4	42	107	196
	2,581	(19,921)	6,547	(19,112)
Weighted average number of ordinary shares in issue ('000)	1,636,273	1,204,492	1,636,273	1,204,492
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)	2,170,028	1,923,493	2,170,028	1,923,493
Diluted earnings per share (sen)	0.12	(1.04)	0.30	(0.99)



B10 Profit before taxation

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

	CURRENT YEAR QUARTER 31/12/2018 RM '000	PRECEDING YEAR QUARTER 31/12/2017 RM '000	CURRENT YEAR TO DATE 31/12/2018 RM '000	PRECEDING YEAR TO DATE 31/12/2017 RM '000
Dividend income from mutual funds	-	(356)	(411)	(1,372)
Expected credit loss	110	-	110	-
Fair value adjustments on other receivables	101	-	101	-
Gain on disposal of intangible assets	-	-	(4,632)	-
Gain on disposal of property, plant and equipment	-	(94)	-	(72)
Goodwill written-off	687	-	687	-
Government grant income	(46)	(45)	(181)	(180)
Interest income	(35)	(22)	(129)	(28)
Bad debts written-off:				
- Trade receivables	-	-	1,792	140
- Other receivables	-	10	-	10
Depreciation and amortisation	1,464	1,155	6,716	4,113
Impairment loss on:				
- Trade receivables	437	20,193	437	20,193
- Other receivables	-	52	-	52
Interest expense	77	118	421	496
Inventories written-off	-	1	-	1
Prepayment written-off	-	10	-	10
Property, plant and equipment written-off	-	106	-	106
Reversal of impairment loss:				
- trade receivables	(1,698)	46	(3,590)	(140)
- other receivables	-	(46)	-	(46)
Loss on disposal of a subsidiary	-	-	-	190
Loss/(Gain) on foreign exchange:				
- Realised	32	238	(81)	283
- Unrealised	(90)	46	(30)	63

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
28 February 2019