



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT	PRECEDING	CHANGES	CURRENT	PRECEDING	CHANGES
	YEAR	YEAR		YEAR	YEAR	
	QUARTER	QUARTER	TO DATE	TO DATE		
30/09/2019	30/09/2018	30/09/2019	30/09/2018			
	RM '000	RM '000	%	RM '000	RM '000	%
Revenue	14,581	8,144	79%	45,079	40,214	12%
Cost of sales	(7,374)	(3,909)	89%	(20,647)	(20,743)	0%
Gross profit	7,207	4,235	70%	24,432	19,471	25%
Other income	(504)	6,739	-107%	3,050	7,417	-59%
Administrative and general expenses	(9,171)	(10,720)	-14%	(23,625)	(25,412)	-7%
Operating profit	(2,468)	254	-1072%	3,857	1,476	161%
Finance costs	(67)	(81)	-17%	(288)	(344)	-16%
Share of results of associated company	3,702	1,069	-100%	2,059	2,802	100%
Profit/(Loss) before taxation	1,167	1,242	-6%	5,628	3,934	43%
Taxation	(29)	(36)	-100%	(79)	(55)	-100%
Profit/(Loss) after taxation	1,138	1,206	-6%	5,549	3,879	43%
Other comprehensive income:						
Exchange differences on translation of foreign operations	13	(102)	-113%	(5)	(64)	-92%
Total comprehensive income	1,151	1,104	4%	5,544	3,815	45%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	1,138	1,191	-4%	5,549	3,863	44%
Non-controlling interests	-	15	-100%	-	16	-100%
	1,138	1,206	-6%	5,549	3,879	43%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	1,151	1,089	6%	5,544	3,799	46%
Non-controlling interests	-	15	-100%	-	16	-100%
	1,151	1,104	4%	5,544	3,815	45%
Weighted average number of ordinary shares in issue ('000)	2,135,193	1,485,354		2,135,193	1,485,354	
Earnings per share (sen):						
(a) Basic	0.05	0.08		0.26	0.26	
(b) Fully diluted	0.05	0.06		0.26	0.19	

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 2018 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	(UNAUDITED) AS AT 30/9/2019 RM '000	(AUDITED) AS AT 31/12/2018 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	17,960	19,954
Software development expenditure	55,000	48,996
Intangible assets	78,576	79,545
Investment in associated companies	95,518	93,459
Other investments	*	*
Deferred tax assets	805	891
Other receivables	-	912
	<u>247,859</u>	<u>243,758</u>
CURRENT ASSETS		
Inventories	25,401	-
Other investments	3	2
Trade receivables	21,203	30,820
Finance lease receivables	1,557	-
Other receivables, deposits and prepayments	5,672	14,671
Tax recoverable	47	51
Fixed deposits with licensed banks	701	733
Cash and bank balances	2,072	4,276
	<u>56,656</u>	<u>50,552</u>
TOTAL ASSETS	<u>304,515</u>	<u>294,309</u>

* Denotes amount less than RM1,000.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019 (Continued)

	(UNAUDITED) AS AT 30/9/2019 RM '000	(AUDITED) AS AT 31/12/2018 RM '000
EQUITY AND LIABILITIES		
Share capital	254,641	227,908
Foreign currency translation reserve	(162)	(157)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	16,715	20,257
ICULS - equity component	-	14,442
Other reserves	(14,846)	(18,388)
Retained earnings	41,704	37,623
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	261,243	244,877
NON-CURRENT LIABILITIES		
Finance lease liability	-	5
Bank borrowings	4,305	4,254
Deferred tax liabilities	138	-
	4,443	4,259
CURRENT LIABILITIES		
Trade payables	159	2,133
Other payables and accrued expenses	36,655	39,151
Finance lease liability	6	6
Bank borrowings	57	499
ICULS - liability component	-	1,198
Tax payable	1,952	1,990
Bank overdraft	-	196
TOTAL CURRENT LIABILITIES	38,829	45,174
TOTAL LIABILITIES	43,272	49,433
	304,515	294,309
Net assets per share attributable to owners of the parent (sen)	11.87	12.75

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 2018 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 2019**

	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 2019	227,908	(157)	(36,809)	14,442	(18,388)	20,257	37,623	244,877	-	244,877
Issuance of ordinary shares										
- Conversion of ICULS	22,962	-	-	(14,442)	-	-	(1,468)	7,052	-	7,052
- Conversion of Warrants-B	763	-	-	-	3,542	(3,542)	-	763	-	763
- Private placement	3,008	-	-	-	-	-	-	3,008	-	3,008
	26,733	-	-	(14,442)	3,542	(3,542)	(1,468)	10,823	-	10,823
Profit for the year	-	-	-	-	-	-	5,548	5,548	-	5,548
Other comprehensive income	-	(5)	-	-	-	-	-	(5)	-	(5)
Total comprehensive income for the period	-	(5)	-	-	-	-	5,548	5,543	-	5,543
Balance as at 30 September 2019	254,641	(162)	(36,809)	-	(14,846)	16,715	41,703	261,243	-	261,243



**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 year	-	-	-	-	-	-	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

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 2018 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 2019

	9 MONTHS ENDED 30/09/2019 RM '000	9 MONTHS ENDED 30/09/2018 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,628	3,934
Adjustments for:		
Amortisation of software development expenditure	2,545	1,998
Amortisation of intangible assets	969	2,048
Bad debts written-off:		
- trade receivables	-	1,792
Dividends received from mutual funds	-	(411)
Depreciation of property, plant and equipment	1,542	1,206
Gain on disposal of intangible assets	-	(4,632)
Government grant income	(1)	(135)
Interest income	(16)	(94)
Interest expense	253	344
Loss on ICULS liability component upon maturity	481	-
Reversal of impairment losses on:		
- trade receivables	(3,926)	(1,892)
Share of results of associated companies	(2,059)	(2,802)
Unrealised (gain)/loss on foreign exchange	-	60
Operating profit before working capital changes	5,416	1,416
Changes in working capital:		
Net change in current assets	(3,062)	(21,740)
Net change in current liabilities	(4,472)	(4,869)
Cash used in operations	(2,118)	(25,193)
Interest received	17	94
Tax refund	20	20
Tax paid	(134)	(87)
Exchange differences	39	(90)
Net cash used in operating activities	(2,176)	(25,256)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019 (Continued)**

	9 MONTHS ENDED 30/09/2019 RM '000	9 MONTHS ENDED 30/09/2018 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from mutual funds	-	411
Purchase of property, plant and equipment	-	(1,737)
Purchase of software development expenditure	(8,780)	(4,128)
Proceeds from disposals of investment in financial assets at fair value through profit or loss	-	40,585
Investment in associated company	-	(40,000)
Net cash inflows on disposal of a subsidiary	411	-
Net cash used in investing activities	(8,369)	(4,869)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(189)	(209)
Coupon payment for ICULS	(479)	(1,146)
Proceeds from private placement of shares	3,008	19,022
Proceeds from conversion of ICULS to shares	6,013	7,512
Proceeds from conversion of Warrants-A	-	2
Proceeds from conversion of Warrants-B	763	3,523
Repayment of finance lease liability	(5)	(5)
Repayment of term loan	(392)	(409)
Net cash from financing activities	8,719	28,291
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,826)	(1,834)
Effects of exchange rate changes	(31)	43
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	4,111	5,950
CASH AND CASH EQUIVALENT AT END OF PERIOD	2,255	4,159
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	2,072	4,234
Fixed deposits with licensed banks	701	730
Bank overdraft	-	(125)
	2,773	4,839
Less: Fixed deposits pledged with licensed banks	(701)	(680)
	2,072	4,159

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 2019

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 2018 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 2018.

The adoption of the following MFRS that came into effect on 1 January 2019 did not have any significant impact of the unaudited condensed consolidated financial statements upon their initial application.

MFRS 16	-	Leases
Amendments to MFRS 9	-	Financial Instruments: Prepayment Features with Negative Compensation
Amendments to MFRS 119	-	Employee Benefits: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	-	Investments in Associates and Joint Ventures: Long-term Interest in Associates and Joint Ventures
IC Interpretation 23	-	Uncertainty over Income Tax Treatments

Annual Improvements to MFRSs 2015 - 2017 Cycle

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 2018.

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 other than the effects of Chinese festive holidays during the first financial quarter on the digital imaging business held under the Group's 33% associated company, Pictureworks Holdings Sdn. Bhd.

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:

- (a) by RM22,962,098 through the issuance of 229,620,977 new ordinary shares pursuant to the conversion of RM0.05 nominal value of irredeemable convertible loan stocks ("ICULS") at RM0.05 per ICULS;
- (b) by RM763,076 through the issuance of 7,630,765 new ordinary shares pursuant to the conversion of Warrants-B at exercise price of RM0.10 per ordinary shares; and
- (c) by RM3,008,005 through the issuance of 42,971,500 new ordinary shares pursuant to several private placements at the issue price of RM0.07 per ordinary share.

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 30/09/2019 RM '000	PRECEDING YEAR QUARTER 30/09/2018 RM '000	CURRENT YEAR TO DATE 30/09/2019 RM '000	PRECEDING YEAR TO DATE 30/09/2018 RM '000
Revenue:				
OmniChannel	12,983	3,770	35,902	26,657
E-Commerce	-	-	-	-
FinTech	551	4,143	4,022	12,441
Corporate and others	1,047	231	5,155	1,116
	14,581	8,144	45,079	40,214
(Loss)/Profit after taxation:				
OmniChannel	5,150	4,204	18,668	8,995
E-Commerce	(4)	-	(15)	-
FinTech	(2,243)	774	(3,640)	2,109
Corporate and others	(5,469)	(4,842)	(11,524)	(10,028)
	(2,566)	136	3,489	1,077
Share of results of associated companies:				
OmniChannel	4,532	1,471	5,715	3,204
E-Commerce	(830)	(402)	(3,656)	(402)
	1,137	1,206	5,548	3,879

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 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. The Company had applied to Bursa Securities for an extension of time until 31 May 2019 and subsequent extensions until 30 November 2019 to submit the relevant application pertaining to the proposed acquisition. Bursa Securities had approved the applications for extension.
- (ii) On 26 June 2019, Wealth Pursuit Sdn Bhd, a wholly owned subsidiary, changed its name to Presto Credit Sdn Bhd.
- (iii) The Company had on 16 October 2019 announced that the Group is undertaking an internal reorganisation of group structure to streamline the business divisions of the Group. PUC Ventures Sdn Bhd ("PVNMY"), a wholly owned subsidiary, shall acquire 100% interest in the following wholly owned subsidiaries:
 - a. Enovax Malaysia Sdn Bhd (formerly Greentech Malaysia Founder Sdn Bhd);
 - b. Enovax Pte Ltd;
 - c. Presto Buddy Sdn Bhd;
 - d. Presto Media Sdn Bhd;
 - e. Presto Services Sdn Bhd (formerly Presto Universe Sdn Bhd);
 - f. PUC (Malaysia) Sdn Bhd;
 - g. PUC (Singapore) Sdn Bhd;
 - h. Presto Pay Sdn Bhd (formerly EPP Solution Sdn Bhd);
 - i. Shanghai PUC Network Technology Co. Ltd; and
 - j. Presto Credit Sdn Bhd (formerly Wealth Pursuit Sdn Bhd).

Upon completion of the internal reorganization, PVNMY will be the holding company of all subsidiaries and associates that operate or directly support Presto related businesses. The reorganisation is still on-going as of the date of this report.

- (iv) On 17 October Sdn Bhd, Presto Media Sdn Bhd, a wholly owned subsidiary, changed its name to Presto Travel Sdn Bhd.
- (v) On 11 November 2019, PUC (Singapore) Pte Ltd, a wholly owned subsidiary, changed its name to Presto Ventures Pte Ltd.
- (vi) On 14 November 2019, PUC Ventures Sdn Bhd, a wholly owned subsidiary, changed its name to Presto Universe Sdn Bhd.

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 30/09/2019 RM '000	PRECEDING YEAR TO DATE 30/09/2018 RM '000
Rental of premise received/receivable	28	18
Customer service and creative content services received/receivable	2,575	-
IT consultancy and professional services received/receivable received/receivable	1,500	-
Payroll services	51	-



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

B1 Review of performance

The Group has streamlined its businesses into 3 major segments, namely OmniChannel, E-Commerce and FinTech:

- (i) OmniChannel comprises of the Group's media and advertising businesses as well as the digital imaging business managed under associated company Pictureworks Holdings Sdn. Bhd. ("PHSB");
- (ii) E-Commerce covers the Group's social marketing platform businesses as well as associated company Presto Mall Sdn. Bhd. (formerly known as Celcom Planet Sdn. Bhd.), the owner and operator of PrestoMall (formerly 11Street Malaysia); and
- (iii) FinTech houses the Group's electronic money, payment services and technology businesses.

The Group recorded higher revenue of RM45.08 million as compared to preceding year's RM40.21 million. The segmental comparisons are as follows:

- (i) OmniChannel remains a major revenue contributor at 79.6% compared to 66.3% in the corresponding period. This segment achieved a revenue of RM12.98 million compared to RM3.77 million previously largely due to continued higher sales of out-of-home ("OOH") advertisement spaces. The current focus on OOH advertisement opportunities pushed year-to-date revenue to RM35.90 million compared to RM40.21 million recorded in previous corresponding period;
- (ii) The Group is still working towards integrating PrestoMall (formerly 11Street Malaysia) into the Group's Presto platform. The Group is optimistic that E-Commerce will begin contributing positively to both the top and bottom lines once the integration process with Presto is completed.
- (iii) FinTech contributes RM0.55 million revenue in the current quarter compared to RM4.14 million in the corresponding period. This segment commercialised those technologies sourced from Shenzhen Institute Of Advanced Technology in the preceding year. Nonetheless the FinTech business is currently expanding their technical services as well as working towards the provision of more technical solutions through further research and development enhancements for its own technology capabilities.

The Group recorded a higher profit after tax of RM5.55 million compared to RM3.88 million achieved previously. The higher profit after tax is mainly attributable due to:

- (a) higher sales of out-of-home advertisement spaces recorded by OmniChannel business segment;
- (b) write-back of impairment losses on trade receivables of RM3.93 million as the Group managed to collect from previously impaired trade customers; and
- (c) net positive share of results from associated companies.

In the current financial quarter, the Group incurred operating loss due to:

- (a) lower gross profit margin of 49.4% in current quarter compared to 52.0% achieved in the corresponding quarter;
- (b) foreign exchange loss of RM0.53 mil on some overseas OOH advertisement projects;
- (c) higher corporate expenses related to the Group's corporate exercises; and

The Group's associated company, PHSB, contributed profit of RM4.53 million in the current quarter under review after business returned to normal after the Chinese festive holidays in the first quarter of the year. Year to-date, PHSB contributed profits of RM5.71 million to the Group, representing 78.3% increase compared to the contribution in previous corresponding year. Presto Mall Sdn. Bhd. contributed lower loss of RM0.83 million in the current quarter, bringing the total loss contributed to RM3.66 million for the 9 months of 2019.

B2 Variation of results against preceding quarter

	CURRENT	PRECEDING	VARIANCE	
	QUARTER	QUARTER		
	30/09/2019	30/06/2019	RM '000	%
	RM '000	RM '000	RM '000	%
Revenue	14,581	17,639	(3,058)	-17%
Profit before taxation	1,167	2,664	(1,497)	-56%

The Group recorded a lower revenue in current quarter compared to the immediate preceding quarter due to lower revenue recorded across all business segments.

The Group achieved a lower profit before taxation in the preceding quarter mainly due to:

- (a) lower gross profit margin of 49.4% achieved in current quarter compared to 52.6% achieved in the 2nd quarter;
- (b) loss on foreign exchange of RM0.53 million from some overseas OOH advertisement projects; and
- (c) higher corporate expenses related to the Group's corporate exercise incurred in current quarter.

B3 Prospects

In its Budget 2020 proposals, the Malaysian government announced two key initiatives to further boost Malaysia's digital economy, on the back of the continued expansion of Malaysia's digital economy at RM267.7 billion in 2018, contributing 18.5% to the national economy, according to the Department of Statistics. With increasing economic and government support in the sector, the Board believes that the outlook for PUC Berhad's focus on the development of its digital platforms remains positive.

E-Commerce – In June 2019, the Group rebranded 11Street Malaysia as PrestoMall, and has integrated PrestoMall on to the Group's own proprietary Presto mobile application. This is expected to enhance Presto's role in driving online businesses in Malaysia. Moving forward, the Group will be marketing the combined Presto platform more aggressively to attract more business partners as well as consumer spending at the combined platform.

On 19 September 2019, the Group entered into a memorandum of understanding ("MOU") with Smuzcity Berhad ("SCB") in collaboration to expand Presto online-to-offline strategy. Smuzcity, is assigned by JDLG's logistics innovation lab known as Jingdong Logistics Group X Department (JDX) to conduct the "Jingdong X Unmanned Business" project business development, business negotiation, and business landing work for Malaysia. Both parties agree to form a joint-venture under PUC's Presto O2O initiatives for a Jingdong Unmanned Supermarket Project for the region of South East Asia and shall set-up the first official Jingdong Unmanned Technology enabled store in Quill City Mall, Kuala Lumpur, Malaysia that will display and enable products from China and ASEAN to be displayed and sold via the O2O model.

FinTech – The payment services business is currently being enhanced to include service offerings that will allow the Group to gradually develop a platform as a digital bank. The immediate service offerings that will be launched first, will focus on existing partnerships to create a platform for micro-lending. The Group's technology arm is enhancing its technology capabilities through on-going research and development in artificial intelligent technologies.

On 13 November 2019, the Group entered into a MOU with NetX Digital Limited ("NetX"), a wholly-owned subsidiary of NetX Holdings Berhad to explore collaboration for NetX to invest in Presto's micro-financing platform. Under the proposed strategic partnership, NetX Digital will invest a revolving amount of up to RM50 million for the initiative while PUC's companies will process, issue and disburse approved micro-financing through an application to Presto users/subscribers. This collaboration is expected to provide the principal funds required for Presto's disbursements for its micro-lending business.

The Group's continues with its plans to integrate and combine the service offerings under FinTech and e-Commerce to form a super app, being the Presto digital ecosystem.



B3 Prospects (continued)

OmniChannel – This business segment will continue to be the major revenue contributor to the Group for the current financial year albeit at a slower pace as traditional media and advertising sector faces more challenges in the face of economic uncertainty and competition from digital and Internet media. The Group’s conventional advertising business is expected to face heightened challenges and slow-down in revenue. However, traditional media still captures a lucrative demographic that advertisers are interested in and the Group continues to focus on enhancing its services by combining digital and traditional media as well as online-to-offline marketing to provide solutions to the advertising clients and to increase audience traffic level to online marketplace, PrestoMall, and social marketing platform, Presto mobile app, as well as other forms of innovative media. This in turn would provide the Group with sizeable consumer database that can be used for targeted marketing as well as allowing the Group to become a media owner.

The Group’s 33% stake in PHSB, has overall been contributing positively to the Group’s overall financial performance. A key rationale for the proposed acquisition of the remaining 67% stake in PHSB is premised on the expected continuous positive contributions from its business performance, as well as the prospects for the Group’s growth and expansion of its OmniChannel business – this can be achieved with the hastened integration of PHSB group’s business with the Group’s.

On 5 November 2019, the Group announced its proposed disposal of its entire 100% equity interest in MaxGreen Energy Sdn Bhd (“MG1MY”) for a total consideration of RM7,500,000. MG1MY houses the Group’s investment in the renewable energy sector, namely the 1MW solar photovoltaic plant in Sungai Petani. This is aligned with the Group’s direction to remain focused in digital economy businesses and allow the Group to unlock the value of its low-yielding investment in MG1MY.

During the past 3 years, the Group has undertaken efforts to improve its financial and operational performance by realigning existing operations, acquiring suitable businesses and/or forming partnerships and collaborations to facilitate expansion, and this strategic approach remains a key element for the Group’s growth moving forward.

With the government’s increasing initiatives to stimulate growth of the Malaysian digital economy, the successful growth of the Presto Mobile App is expected to contribute positively to the earnings of the Group. The Group’s ongoing development and growth for its businesses in the e-Commerce and FinTech sectors will require sizeable funding, which the Group will sought through equity, or borrowings from financial institutions. This will bolster the Group’s effort to improve its financial performance.

The Group will continue to rationalize its operations to achieve better synergies between the business segments. Barring any unforeseen circumstances and the impact of the challenges under current economic climate both domestically and globally, the Group expects results for the remainder of the financial year to be satisfactory.

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 30/09/2019 RM ‘000	PRECEDING YEAR QUARTER 30/09/2018 RM ‘000	CURRENT YEAR TO DATE 30/09/2019 RM ‘000	PRECEDING YEAR TO DATE 30/09/2018 RM ‘000
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Provision for previous and current period	29	36	79	55
Effective tax rate	2%	3%	1%	1%

The effective tax rate is lower than statutory tax rate due to certain subsidiaries not subject to taxation.



B6 Status of corporate proposals

On 8 August 2019, the Company had announced a proposed placement of up to ten percent (10%) of the issued and paid-up share capital of the Company equivalent to 215,786,400 new shares. Bursa Malaysia approved the proposed placement on 21 August 2019. As of the date of this report, the Company has placed out 199,011,400 new ordinary shares raising RM12,670,399 of proceeds.

B7 Borrowings

The Group's borrowings as at 30 September 2019 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)**	127	386	-	-	127	386
- Term loan (RM)*	-	3,919	-	57	-	3,976
- Finance lease liability (SGD)**	-	-	2	6	2	6
	<u>127</u>	<u>4,305</u>	<u>2</u>	<u>63</u>	<u>129</u>	<u>4,368</u>

* 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:

	9 months ended 30 September		Cumulative 9 months ended 30 September	
	2019	2018	2019	2018
Profit attributable to owners of the parent (RM '000)	1,137	1,191	5,548	3,863
Weighted average number of ordinary shares in issue ('000)	2,135,193	1,485,354	2,135,193	1,485,354
Basic earnings per share (sen)	0.05	0.08	0.26	0.26

(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:

	9 months ended 30 September		Cumulative 9 months ended 30 September	
	2019	2018	2019	2018
Profit attributable to owners of the parent (RM '000)	1,137	1,191	5,548	3,863
Adjusted for:				
Interest savings on ICULS (RM'000)	8	58	8	58
	1,145	1,249	5,556	3,921
Weighted average number of ordinary shares in issue ('000)	2,135,193	1,485,354	2,135,193	1,485,354
Assuming full conversion of ICULS ('000)	-	262,430	-	262,430
Assuming full exercise of Warrants ('000)	-	346,053	-	346,053
Weighted average number of ordinary shares diluted ('000)	2,135,193	2,093,837	2,135,193	2,093,837
Diluted earnings per share (sen)	0.05	0.06	0.26	0.19



B10 Profit before taxation

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

	CURRENT YEAR QUARTER 30/09/2019 RM '000	PRECEDING YEAR QUARTER 30/09/2018 RM '000	CURRENT YEAR TO DATE 30/09/2019 RM '000	PRECEDING YEAR TO DATE 30/09/2018 RM '000
Dividend income from mutual funds	-	(26)	-	(411)
Gain on disposal of intangible assets	-	(4,632)	-	(4,632)
Government grant income	1	(45)	(1)	(135)
Interest income	(2)	(33)	(16)	(94)
Bad debts written-off:				
- Trade receivables	-	-	-	1,792
Depreciation and amortisation	1,737	2,043	5,056	5,252
Interest expense	57	81	253	344
Loss on ICULS liability component upon maturity	-	-	481	-
Reversal of impairment loss:				
- Trade receivables	-	-	(3,926)	(1,892)
Loss/(Gain) on foreign exchange:				
- Realised	557	-	572	(113)
- Unrealised	35	1	-	60

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
22 November 2019