PUC BERHAD
Registration No. 199701036234(451734-A)
Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2019 RM '000	PRECEDING YEAR QUARTER 31/12/2018 RM '000	CHANGES %	CURRENT YEAR TO DATE 31/12/2019 RM '000	PRECEDING YEAR TO DATE 31/12/2018 RM '000	CHANGES %
Continuing Operations:						
Revenue	2,701	11,995	-77%	47,032	51,455	-9%
Cost of sales	(3,141)	(2,597)	21%	(23,788)	(23,340)	2%
Gross profit	(440)	9,398	-105%	23,244	28,115	-17%
Other income/(expenses)	(527)	(1,371)	-62%	2,523	6,046	-58%
Administrative and general expenses	(5,876)	(4,282)	37%	(28,645)	(29,065)	-1%
Impairment losses (Note B10)	(3,012)	(437)	590%	(3,012)	(437)	590%
Goodwill written-off (Note B10)	(26,017)	(687)	> 100%	(26,017)	(687)	> 100%
Assets written-off (Note B10)	(23,463)	-	> 100%	(23,463)	-	> 100%
Operating profit/(loss)	(59,335)	2,622	-2363%	(55,370)	3,973	-1494%
Finance costs	(2,815)	(77)	3556%	(3,103)	(421)	637%
Share of results of associated company	958	2,302	-58%	3,017	5,104	-41%
Profit/(Loss) before taxation	(61,192)	4,847	-1363%	(55,456)	8,656	-741%
Taxation	(589)	(2,023)	-71%	(668)	(2,078)	-68%
Profit/(Loss) from continuing operations	(61,781)	2,824	-2288%	(56,124)	6,578	-953%
Discontinued Operations:						
Profit/(Loss) from discontinued operations	(2,551)	(114)	2144%	(2,659)	11	-24253%
Profit/(lLoss) for the year	(64,332)	2,710	-2474%	(58,783)	6,589	-992%
Other comprehensive income:						
Exchange differences on translation of foreign operations	3	4	-25%	(2)	(60)	-97%
Total comprehensive income	(64,329)	2,714	-2470%	(58,785)	6,529	-1000%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	(64,332)	2,710	-2474%	(58,783)	6,573	-994%
Non-controlling interests	-	-	-	-	16	> -100%
	(64,332)	2,710	-2474%	(58,783)	6,589	-992%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	(64,329)	2,714	-2470%	(58,785)	6,513	-1003%
Non-controlling interests	-	-	-	-	16	> -100%
	(64,329)	2,714	-2470%	(58,785)	6,529	-1000%
Weighted average number of ordinary shares in issue ('000)	2,184,277	1,636,087		2,184,277	1,636,087	
Earnings per share (sen):						
(a) Basic	(2.95)	0.17		(2.69)	0.40	
(b) Fully diluted	(2.95)	0.13		(2.69)	0.32	

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 31 DECEMBER 2019

	(UNAUDITED) AS AT 31/12/2019 RM '000	(AUDITED) AS AT 31/12/2018 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8,339	19,954
Software development expenditure	56,654	48,996
Intangible assets	30,385	79,545
Investment in associated companies	96,477	93,459
Other investments	*	*
Deferred tax assets	-	891
Finance lease receivables	1,060	-
Other receivables	-	912
	192,915	243,758
CURRENT ASSETS		
Inventories	25,401	-
Other investments	2	2
Trade receivables	21,497	30,820
Finance lease receivables	405	-
Other receivables, deposits and prepayments	4,107	14,671
Assets held for sale	7,216	-
Tax recoverable	18	51
Fixed deposits with licensed banks	722	733
Cash and bank balances	2,174	4,276
	61,542	50,552
TOTAL ASSETS	254,457	294,309

* Denotes amount less than RM1,000.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 (Continued)

	(UNAUDITED) AS AT 31/12/2019 RM '000	(AUDITED) AS AT 31/12/2018 RM '000
EQUITY AND LIABILITIES		
Share capital	265,310	227,908
Foreign currency translation reserve	(158)	(157)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	16,715	20,258
ICULS - equity component	-	14,442
Other reserves	(14,846)	(18,389)
Retained earnings	(22,631)	37,623
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	207,581	244,876
NON-CURRENT LIABILITIES		
Finance lease liability	81	5
Bank borrowings	4,058	4,254
Deferred tax liabilities	47	-
	4,186	4,259
CURRENT LIABILITIES		
Trade payables	1,264	2,133
Other payables and accrued expenses	39,195	39,152
Finance lease liability	378	6
Bank borrowings	188	499
ICULS - liability component	-	1,198
Tax payable	1,665	1,990
Bank overdraft	-	196
TOTAL CURRENT LIABILITIES	42,690	45,175
TOTAL LIABILITIES	46,876	49,434
	254,457	294,309
Net assets per share attributable to owners of the parent (sen)	8.75	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 YEAR ENDED 31 DECEMBER 2019

	Share Capital RM '000	Foreign Currency Translation Reserve RM '000	Reverse Acquisition Debit RM '000	ICULS -Equity Component RM '000	Other Reserves RM '000	Warrant Reserves RM '000	Retained Earnings RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
Balance as at 1 January 2019	**227,908**	**(157)**	**(36,809)**	**14,442**	**(18,389)**	**20,258**	**37,623**	**244,876**	**-**	**244,876**
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	13,677	-	-	-	-	-	-	13,677	-	13,677
	37,402	-	-	(14,442)	3,542	(3,542)	(1,468)	21,492	-	21,492
Effect of adoption of MFRS 16	-	-	-	-	-	-	(3)	(3)	-	(3)
Profit for the year	-	-	-	-	-	-	(58,783)	(58,783)	-	(58,783)
Other comprehensive income	-	(2)	-	-	-	-	-	(2)	-	(2)
Total comprehensive income for the year	-	(2)	-	-	-	-	(58,783)	(58,785)	-	(58,785)
Balance as at 31 December 2019	**265,310**	**(159)**	**(36,809)**	**-**	**(14,847)**	**16,716**	**(22,631)**	**207,580**	**-**	**207,580**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 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	-	-	-	-	-	-	(367)	(367)	-	(367)
										-
Profit for the year	-	-	-	-	-	-	6,573	6,573	16	6,589
Other comprehensive income	-	(61)	-	-	-	-	-	(61)	-	(61)
Total comprehensive income for the year	-	(61)	-	-	-	-	6,573	6,512	16	6,528
Balance as at 31 December 2018	**227,908**	**(157)**	**(36,809)**	**14,442**	**(18,387)**	**20,256**	**37,623**	**244,876**	**-**	**244,876**

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 YEAR ENDED 31 DECEMBER 2019

	12 MONTHS ENDED 31/12/2019 RM '000	12 MONTHS ENDED 31/12/2018 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(58,115)	8,667
Adjustments for:		
Amortisation of software development expenditure	4,467	2,810
Amortisation of intangible assets	1,293	2,371
Bad debts written-off:		
- trade receivables	-	1,792
Deposits forfeited	-	33
Dividends received from mutual funds	-	(411)
Depreciation of property, plant and equipment	2,168	1,598
Expected credit loss	(9)	110
Fair value adjustments on other receivables	(19)	101
Gain on disposal of intangible assets	-	(4,632)
Goodwill written-off	26,017	687
Government grant income	(1)	(181)
Impairment losses on:		
- trade receivables	-	437
- other receivables	550	-
Impairment on property, plant and equipment	2,462	-
Intangible assets written-off	21,851	-
Interest income	(43)	(129)
Interest expense	286	421
Loss on ICULS liability component upon maturity	481	-
Property, plant & equipment written off	1	-
Software development written-off	1,611	-
Reversal of impairment losses on:		
- trade receivables	(3,331)	(3,590)
Share of results of associated companies	(3,018)	(5,104)
Unrealised (gain)/loss on foreign exchange	(2)	(30)
Operating profit before working capital changes	(3,351)	4,950
Changes in working capital:		
Net change in current assets	(2,685)	(27,600)
Net change in current liabilities	(758)	(750)
Cash used in operations	(6,794)	(23,400)
Interest received	43	129
Tax refund	33	20
Tax paid	(993)	(194)
Exchange differences	43	(81)
Net cash used in operating activities	**(7,668)**	**(23,526)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

	12 MONTHS ENDED 31/12/2019 RM '000	12 MONTHS ENDED 31/12/2018 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from mutual funds	-	411
Purchase of property, plant and equipment	(71)	(3,053)
Purchase of software development expenditure	(13,738)	(23,847)
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	-	9,400
Investment in associated company	-	(40,000)
Net cash used in investing activities	**(13,809)**	**(16,503)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(236)	(280)
Coupon payment for ICULS	(526)	(1,146)
Proceeds from private placement of shares	13,677	23,595
Proceeds from conversion of ICULS to shares	6,838	12,908
Proceeds from conversion of Warrants-A	-	2
Proceeds from conversion of Warrants-B	763	3,617
Fixed deposit pledged with financial institutions	(21)	(21)
Repayment of finance lease liability	(409)	(6)
Repayment of term loan	(508)	(537)
Net cash from financing activities	**19,578**	**38,132**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,900)**	**(1,896)**
Effects of exchange rate changes	(38)	57
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	4,111	5,950
CASH AND CASH EQUIVALENT AT END OF YEAR	**2,174**	**4,111**
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	2,174	4,276
Fixed deposits with licensed banks	722	733
Bank overdraft	-	(196)
	2,896	4,812
Less: Fixed deposits pledged with licensed banks	(722)	(701)
	2,174	**4,111**

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 YEAR ENDED 31 DECEMBER 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 31/12/2019 RM '000	PRECEDING YEAR QUARTER 31/12/2018 RM '000	CURRENT YEAR TO DATE 31/12/2019 RM '000	PRECEDING YEAR TO DATE 31/12/2018 RM '000
Continuing Operations:				
Revenue:				
OmniChannel	2,060	7,363	37,962	34,020
E-Commerce	36	-	36	-
FinTech	513	3,441	4,535	15,882
Corporate and others	92	1,190	4,499	1,553
	2,701	11,995	47,032	51,455
(Loss)/Profit after taxation:				
OmniChannel	(48,668)	6,669	(30,000)	15,664
E-Commerce	8	(7)	(7)	(7)
FinTech	(1,572)	3,584	(5,212)	5,693
Corporate and others	(12,507)	(9,723)	(23,923)	(19,876)
	(62,740)	522	(59,142)	1,474
Share of results of associated companies:				
OmniChannel	1,416	3,466	7,131	6,671
E-Commerce	(458)	(1,164)	(4,113)	(1,567)
	(61,781)	2,824	(56,124)	6,578
Discontinued Operations:				
Revenue:				
Corporate and others	231	261	979	1,015
(Loss)/Profit after taxation:				
Corporate and others	(2,551)	(114)	(2,659)	11

Note: The segregation between continued and discontinued operations is in accordance to MFRS 5 Non-current Assets Held for Disposal and Discontinued Operations.

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 year 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 year under review.

A12 Material events subsequent to the end of the quarter

There were no material events subsequent to the financial year 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) On the 31 December 2018 the Company announced that it intended 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. On 22 November 2019, the Company announced the signing of the supplemental share sales agreement where the purchase consideration was revised to RM142.04 million. An Extraordinary General Meeting of the Company was held on 19 February 2020 whereby the proposal was approved by majority of the eligible shareholders present.

(ii) On 26 June 2019, Wealth Pursuit Sdn Bhd, a wholly owned subsidiary, changed its name to Presto Credit Sdn Bhd.

(iii) On the 16 October 2018 the Company 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 2019, 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 5 November 2019, the Company had announced that it has entered into a sales of shares agreement with Sri Lahat Property to dispose the entire 100% equity interest in Maxgreen Energy Sdn. Bhd. for RM7.50 million. The sale is pending approval from regulators.

(vii) 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 year under review.

A15 Significant related party transactions

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

	CURRENT YEAR TO DATE 31/12/2019 RM '000	PRECEDING YEAR TO DATE 31/12/2018 RM '000
Rental of premise received/receivable	44	28
Customer service and creative content services received/receivable	2,575	999
IT consultancy and professional services received/receivable received/receivable	1,500	1,800
Payroll services	51	-

A16 Discontinued operations

The following notes are prepared in accordance with MFRS 5 Non-current Assets Held for Disposal and Discontinued Operations, arising from the sale of Maxgreen Energy Sdn. Bhd..

(a) Profit from discontinued operations

	CURRENT YEAR QUARTER 31-12-19 RM '000	PRECEDING YEAR QUARTER 31-12-18 RM '000	CHANGES %	CURRENT YEAR TO DATE 31-12-19 RM '000	PRECEDING YEAR TO DATE 31-12-18 RM '000	CHANGES %
Revenue	231	261	-11%	979	1,015	-4%
Other income	58	-	-	58	-	-
Administrative and general expenses	(112)	(375)	-70%	(968)	(1,004)	-4%
Operating profit/(loss)	177	(114)	-256%	69	11	529%
Finance costs	-	-	-	-	-	-
Profit/(Loss) before taxation	177	(114)	-256%	69	11	529%
Taxation	-	-	-	-	-	-
Profit/(Loss) for the year	177	(114)	-256%	69	11	529%
Loss on measurement to fair value on property, plant and equipment	(2,462)	-	> -100%	(2,462)	-	> -100%
Goodwill written-off	(266)	-	> -100%	(266)	-	> -100%
	(2,551)	(114)	2143%	(2,659)	11	-24354%

(b) Asset held for sale

	AS AT 31/12/2019 RM '000	AS AT 31/12/2018 RM '000
Property, plant and equipment	6,787	-
Other receivables, deposits and prepayments	511	-
Other payables and accrued expenses	(83)	-
	7,216	-

(c) Net cash flows of discontinued operations

	AS AT 31/12/2019 RM '000	AS AT 31/12/2018 RM '000
Net cash generated from/(used in) operations	192	(169)
Net cash used in investing activities	-	(1)
Net cash generated from financing activities	-	-
Increase/(Decrease) in cash and cash equivalent	192	(170)

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 a lower revenue of RM47.03 million as compared to preceding year's RM51.46 million. The segmental comparisons are as follows:

(i) OmniChannel remains a major revenue contributor at 79.1% compared to 64.8% in the corresponding period. This segment achieved a revenue of RM37.96 million compared to RM34.02 million previously largely due to continued higher sales of out-of-home ("OOH") advertisement spaces. However, the geopolitical and trade war between China and USA has dampened the Group's pursuit of OOH opportunities in the region, particularly Hong Kong. Consequently, OmniChannel's revenue in the current quarter is only 28.9% of previous corresponding quarter's revenue.
(ii) The Group is continuing working towards integrating PrestoMall (formerly 11Street Malaysia) into the Group's Presto platform. The E-Commerce segment contributed its' maiden revenue of RM0.03 million in current quarter. The Group is optimistic that E-Commerce will contribute positively to both the top and bottom lines once the integration process with Presto is fully completed.
(iii) FinTech contributed RM0.51 million revenue in the current quarter compared to RM3.44 million in the corresponding period. This segment commercialised those technologies sourced from the Shenzhen Institute Of Advanced Technology in the preceding year. The FinTech division is 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 while also working towards enhancing the Group's Presto application.

The Group recorded loss after tax of RM58.78 million for current year compared to RM6.59 million profit after tax achieved previously. The Board of Directors had reviewed the major events and developments that have occurred in the past year which are expected to cause or continue to cause further economic uncertainty to the Group. The current year loss reflects the Board of Directors' prudent stance as well as other factors as follows:

(a) Write-off of goodwill attributable to PUC International (Hong Kong) Ltd of RM23.35 million. This is necessitated by the economic and social unrest in Hong Kong as well as the Covid-19 outbreak, which led to the Group's decision that its Hong Kong subsidiary's business is no longer viable following a thorough and strategic review of the Group's overall traditional media business and the middle to long-term effects brought about by Hong Kong's economic uncertainty;
(b) Impairment loss of RM21.85 million on content and regional license assets arising from the Group's decision to reduce its' involvement in traditional media business especially the media content business that has become increasingly challenging due to competition and market share being increasingly dominated by technologies and services such as NetFlix and Disney+;
(c) Impairment loss of RM1.38 million on software development costs that are no longer commercially viable;
(d) Write-off of goodwill attributable to renewable energy companies of RM2.67 million as the Group is exiting renewable energy business;
(e) Impairment loss of RM2.46 million on the property, plant and equipment belonging to Maxgreen Energy Sdn Bhd that is in disposal process awaiting completion. Such impairment is in accordance with MFRS 5 Non-current Assets Held for Disposal and Discontinued Operations;
(f) Higher depreciation and amortization charges arising from the ramping up of Presto application feature rollout and offerings; and
(g) Lower net positive share of results from associated companies.

The Group's associated company, PHSB, contributed profit of RM1.42 million in the current quarter under review. The lower contribution is due to a higher tax provision made in the current quarter. Year to-date, PHSB contributed profits

B1 Review of performance (continued)

of RM7.13 million to the Group, representing a 6.9% increase compared to the contribution in previous corresponding year. Presto Mall Sdn. Bhd. contributed lower losses of RM0.46 million in the current quarter, bringing the total loss contributed for the year to RM4.11 million. The acquisition of Presto Mall Sdn. Bhd. was completed at end of 3rd quarter of 2018 and hence the Group share about 4 months of their results in 2018.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 31/12/2019 RM '000	PRECEDING QUARTER 30/09/2019 RM '000	VARIANCE RM '000	VARIANCE %
Revenue	2,932	14,581	(11,649)	-80%
Profit before taxation	(63,743)	1,167	(64,910)	-5563%

The Group recorded a lower revenue in current quarter compared to the immediate preceding quarter due to lower revenue recorded across all business segments, except E-Commerce. The factors giving rise to the situation are as explained in paragraph B1 above.

The Group achieved a lower profit before taxation in the preceding quarter mainly due to:
(a) Goodwill write-off of RM26.02 million. The goodwill is those attributable to PUC International (Hong Kong) Ltd and renewable energy business;
(b) Impairment of intangible assets of RM21.85 million. These assets are related to traditional media businesses that the Group has decided to wind down;
(c) Impairment loss on the solar plant amounting to RM2.46 million as the Group had embark the disposal of Maxgreen Energy Sdn Bhd in current quarter of which the process has yet to complete as at end of 2019.

B3 Prospects

Given the sustained initiatives and developments by the Malaysian government and Bank Negara to govern and drive the electronic payments space and e-commerce of Malaysia, the outlook for PUC Berhad's focus on the development of its digital platforms remains positive.

E-Commerce – PrestoMall remains pivotal for the Group's overall digital business strategy, and Presto has been able to forge successful relationships due to its market presence. The Group, together with SmuzCity Berhad, successfully launched the first official Jingdong Unmanned Technology store in a 50,000 square foot venue at Quill City Mall, known as JDX Presto concept store. JDX Presto concept store enables products from China and ASEAN to be displayed and sold via the online-to-offline model, which enhances the overall Presto experience for its users and sellers.

Further, the Group entered into a MOU with Jingdong E-Commerce (Trade) Hong Kong Corporation Limited ("JD") to explore a collaboration in offering cross-border business opportunities between China and Malaysia, and integrate JD.com with PrestoMall. The collaboration is expected to increase the number of products being listed and enhance the e-commerce site by offering increased cross-border products from China in PrestoMall, as well as the opportunity to bring onboard JD's large pool of sellers into the PrestoMall fold.

In addition to the above, the Group entered into a MOU with Bonuskad Loyalty Sdn Bhd ("BLSB") to collaborate on loyalty point issuance and redemption. BLSB, which owns the BonusLink consumer rewards programme, is a joint-venture between Shell Malaysia Trading Sdn Bhd, AmBank (M) Bhd, and Parkson Corporation Sdn Bhd. The BonusLink programme has over 9 million registered members of which over 4 million members are active, and an average of over 55 million worth of BonusLink point redemptions per year. The collaboration will improve the attractiveness of PrestoMall as an e-commerce site by introducing the BonusLink loyalty point issuance programme as well as being BLSB's sole and exclusive channel for BonusLink point redemption by BonusLink members on PrestoMall site. It provides convenience for BonusLink members in the redemption of products and points collection on PrestoMall.

FinTech – The payment services business continues to be enhanced to include service offerings that will allow the Group to gradually develop a platform as a digital bank. Its current micro-lending service, known as Presto Credit, is being operated together with strategic partners, and the Group continues to seek partners that are able to provide

B3 Prospects (continued)

funding for the principal. The Group's technology arm continues to enhance its technology capabilities through on-going research and development in artificial intelligent technologies.

Other efforts to enhance the development of Presto's business include the MOU entered into with Shenzhen Jiedian Technology Co Ltd ("JieDian"), which specializes in providing convenient, quick and easy to use shared portable battery rental services to the mobile device users. JieDian has a substantial market share in city portable battery rental services industry in China. The collaboration focuses on development of portable battery rental business in Malaysia, and will allow PUC to expand the services offerings in the Presto App to its users by providing portable battery rental services, as well as increase the market footprint of Presto App, thus increasing the stickiness of Presto App

The integration of service offerings under FinTech and e-Commerce to form a super app, being the Presto digital ecosystem, is on-going. Strategic partnerships continue to remain an anchor for the development of Presto's business in the current phase.

OmniChannel – prior to the Group being able to monetize its Presto digital ecosystem, OmniChannel business segment will continue to be the major revenue contributor to the Group for year 2020. Overall advertising expenditure continues to decline, as traditional media and advertising sector faces more challenges due to economic uncertainty and competition from digital and Internet media. The Group's conventional advertising business has declined drastically and is expected to continue facing increasing challenges and slow-down in revenue. The Group remains cautious of its traditional media business risks, which is currently sustainable based on short to middle term prospects from existing clientele. However, the Group continues to focus on enhancing its overall advertising and media services by combining digital and traditional media as well as online-to-offline marketing. These new solutions for advertisers shall increase audience traffic level to online marketplace, PrestoMall, and social marketing platform, Presto mobile app. This is expected to provide the Group with a sizeable consumer database that can be used for targeted marketing as well as allowing the Group to become a media owner.

On 19th February 2020, shareholders of PUC Berhad approved the proposed acquisition of the remaining 67% stake in Pictureworks Holdings Sdn. Bhd. ("PHSB"). PHSB group's business presence and reach in the theme parks and attractions industry is expected to continue contributing positively to the Group's business performance, as well as the prospects for the Group's growth of the OmniChannel business with innovative ideas and solutions. Furthermore, the acquisition includes a profit-after-tax guarantee from the promoter of RM21million and RM25million for FYE2019 and FYE2020 respectively.

Since mid-2017, 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.

While the government's sustained position to stimulate growth of the Malaysian digital economy is catalytical for Presto's success 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 source the funds through equity, or borrowings from financial institutions. This remains a key to bolster the Group's effort in improving its financial performance.

Although the Board of Directors has exercised extreme caution and prudence by proceeding with substantial impairments and write-off, the Board of Directors is confident that the Group's performance will remain satisfactory, especially with the profit guarantees resulting from the acquisition of the remaining equity interest in Pictureworks Holdings Sdn. Bhd..

The Group will continue to rationalize its operations to achieve better synergies between the business segments. Under the current economic climate both domestically and globally that has been brought about by the US-China trade war, the Covid-19 virus outbreak and Malaysia political uncertainty the Board remains cautious in its business outlook of the Group in the short to middle term.

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	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31/12/2019 RM '000	31/12/2018 RM '000	31/12/2019 RM '000	31/12/2018 RM '000
Provision for previous and current period	589	2,023	668	2,078
Effective tax rate	-1%	43%	-1%	24%

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 215,786,400 new ordinary shares raising RM13,676,899 of proceeds which has been fully utilized in accordance with the mandate of this exercise.

On 19 November 2019, the Company had announced its intention to undertake a share consolidation exercise of every 5 existing PUC shares into 1 PUC share. Shareholders of the Company approved the proposal at an Extraordinary General Meeting held on 19 February 2020. The share consolidation will be effected on 5 March 2020.

The Company had on 27 November 2019 announced that it proposes to undertake private placement exercise of up to 166,601,000 new ordinary share, representing up to 30% of the total number of issued shares of PUC to independent third party investors to be identified later and at an issue price to be determined later. The proposal was approved by shareholders of the Company at an Extraordinary General Meeting held on 19 February 2020.

B7 Borrowings

The Group's borrowings as at 31 December 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
Secured						
- Term loan (SGD)**	105	319	-	-	105	319
- Term loan (RM)*	-	3,739	-	188	-	3,927
- Finance lease liability (SGD)**	-	-	97	295	97	295
- Finance lease liability (RM)	-	81	-	83	-	164
- Bank overdraft (SGD)**	-	-	-	-	-	-
	105	4,139	97	566	202	4,705

* 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	
	2019	2018	2019	2018
Profit attributable to owners of the parent (RM '000)	(64,332)	2,710	(58,783)	6,573
Weighted average number of ordinary shares in issue ('000)	2,184,277	1,636,087	2,184,277	1,636,087
Basic earnings per share (sen)	(2.95)	0.17	(2.69)	0.40

(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	
	2019	2018	2019	2018
Profit attributable to owners of the parent (RM '000)	(64,332)	2,710	(58,783)	6,573
Adjusted for:				
Interest savings on ICULS (RM'000)	-	107	-	107
	(64,332)	2,817	(58,783)	6,680
Weighted average number of ordinary shares in issue ('000)	2,184,277	1,636,087	2,184,277	1,636,087
Assuming full conversion of ICULS ('000)	-	169,503	-	169,503
Assuming full exercise of Warrants ('000)	-	346,053	-	309,858
Weighted average number of ordinary shares diluted ('000)	2,184,277	2,151,643	2,184,277	2,115,448
Diluted earnings per share (sen)	(2.95)	0.13	(2.69)	0.32

B10 Profit before taxation

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

	CURRENT YEAR QUARTER 31/12/2019 RM '000	PRECEDING YEAR QUARTER 31/12/2018 RM '000	CURRENT YEAR TO DATE 31/12/2019 RM '000	PRECEDING YEAR TO DATE 31/12/2018 RM '000
Dividend income from mutual funds	-	(0)	-	(411)
Expected credit loss	(9)	110	(9)	110
Fair value adjustments on other receivables	(19)	101	(19)	101
Gain on disposal of intangible assets	-	-	-	(4,632)
Gain on disposal of property, plant and equipment	-	-	-	-
Gain on disposal of software development expenditure	-	-	-	-
Goodwill written-off	26,017	687	26,017	687
Government grant income	-	(46)	(1)	(181)
Interest income	(26)	(35)	(43)	(129)
Bad debts written-off:				
- Trade receivables	-	-	-	1,792
- Other receivables	-	-	-	-
Depreciation and amortisation	2,872	1,527	7,928	6,779
Impairment loss on:				
- Trade receivables	-	437	-	437
- Other receivables	550	-	550	-
- Property, plant and equipment	2,462	-	2,462	-
Interest expense	34	77	286	421
Loss on ICULS liability component upon maturity	-	-	481	-
Intangible assets written-off	21,851	-	21,851	-
Property, plant and equipment written-off	-	-	1	-
Software development written-off	1,380	-	1,611	-
Reversal of impairment loss:				
- Trade receivables	595	(1,698)	(3,331)	(3,590)
Loss/(Gain) on foreign exchange:				
- Realised	56	-	628	(113)
- Unrealised	(2)	(90)	(2)	(30)

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 2020