



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT	PRECEDING	CHANGES	CURRENT	PRECEDING	CHANGES
	YEAR	YEAR		YEAR	YEAR	
	QUARTER	QUARTER	QUARTER	TO DATE	TO DATE	
31-03-20	31-03-19	31-03-20	31-03-19	31-03-19		
	RM '000	RM '000	%	RM '000	RM '000	%
Continuing Operations:						
Revenue	1,593	12,537	-87%	1,593	12,537	-87%
Cost of sales	(1,003)	(4,913)	-80%	(1,003)	(4,913)	-80%
Gross profit	590	7,624	-92%	590	7,624	-92%
Other income/(expenses)	371	3,432	-89%	371	3,432	-89%
Administrative and general expenses	(6,251)	(6,918)	-10%	(6,251)	(6,918)	-10%
Operating profit/(loss)	(5,290)	4,138	-228%	(5,290)	4,138	-228%
Finance costs	(329)	(143)	130%	(329)	(143)	130%
Share of results of associated company	(1,233)	(2,313)	-47%	(1,233)	(2,313)	-47%
Profit/(Loss) before taxation	(6,852)	1,682	-507%	(6,852)	1,682	-507%
Taxation	(30)	(20)	50%	(30)	(20)	50%
Profit/(Loss) from continuing operations	(6,882)	1,662	-514%	(6,882)	1,662	-514%
Discontinued Operations:						
Profit/(Loss) from discontinued operations	35	116	-70%	35	116	-70%
Profit/(Loss) for the year	(6,847)	1,778	-485%	(6,847)	1,778	-485%
Other comprehensive income:						
Exchange differences on translation of foreign operations	39	35	11%	39	35	11%
Total comprehensive income	(6,808)	1,813	-476%	(6,808)	1,813	-476%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	(6,847)	1,778	-485%	(6,847)	1,778	-485%
Non-controlling interests	-	-	-	-	-	> -100%
	(6,847)	1,778	-485%	(6,847)	1,778	-485%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	(6,808)	1,813	-476%	(6,808)	1,813	-476%
Non-controlling interests	-	-	-	-	-	> -100%
	(6,808)	1,813	-476%	(6,808)	1,813	-476%
Weighted average number of ordinary shares in issue ('000)	474,730	2,074,617		474,730	2,074,617	
Earnings per share (sen):						
(a) Basic	(1.44)	0.09		(1.44)	0.09	
(b) Fully diluted	(1.44)	0.08		(1.44)	0.08	

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	(UNAUDITED) AS AT 31/3/2020 RM '000	(AUDITED) AS AT 31/12/2019 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,627	7,895
Right of use assets	351	444
Software development expenditure	55,505	56,361
Intangible assets	30,384	30,384
Investment in associated companies	95,089	96,322
Lease receivables	1,060	1,060
Other receivables	805	805
	190,821	193,271
CURRENT ASSETS		
Inventories	25,401	25,587
Other investments	2	3
Trade receivables	21,801	21,109
Lease receivables	309	405
Other receivables, deposits and prepayments	4,900	4,941
Assets included in disposal group held for sale and discontinued operation	7,437	7,500
Tax recoverable	10	51
Fixed deposits with licensed banks	722	722
Cash and bank balances	1,732	1,876
	62,314	62,194
TOTAL ASSETS	253,135	255,465



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020 (Continued)

	(UNAUDITED)	(AUDITED)
	AS AT 31/3/2020	AS AT 31/12/2019
	RM '000	RM '000
EQUITY AND LIABILITIES		
Share capital	265,310	265,310
Foreign currency translation reserve	(130)	(169)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	16,715	16,715
Other reserves	(14,846)	(14,846)
Retained earnings	(29,931)	(23,084)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	200,309	207,117
NON-CURRENT LIABILITIES		
Lease Liabilities	-	81
Borrowings	3,987	3,810
	3,987	3,890
CURRENT LIABILITIES		
Trade payables	1,033	1,233
Other payables and accrued expenses	42,815	41,052
Lease Liabilities	366	378
Amount owing to directors	320	-
Borrowings	3,142	436
Tax payable	1,163	1,359
TOTAL CURRENT LIABILITIES	48,839	44,458
TOTAL LIABILITIES	52,826	48,349
	253,135	255,465
Net assets per share attributable to owners of the parent (sen)	42.19	8.73

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	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 2020	265,310	(169)	(36,809)	-	(14,846)	16,715	(23,084)	207,117	-	207,117
Issuance of ordinary shares										
- Conversion of ICULS	-	-	-	-	-	-	-	-	-	-
- Conversion of Warrants-B	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	(6,847)	(6,847)	-	(6,847)
Other comprehensive income	-	39	-	-	-	-	-	39	-	39
Total comprehensive income for the year	-	39	-	-	-	-	(6,847)	(6,808)	-	(6,808)
Balance as at 31 March 2020	265,310	(130)	(36,809)	-	(14,846)	16,715	(29,931)	200,309	-	200,309



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FIRST QUARTER ENDED 31 MARCH 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	(156)	(36,809)	14,442	(18,388)	20,257	37,623	244,878	-	244,878
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
	23,725	-	-	(14,442)	3,542	(3,542)	(1,468)	7,815	-	7,815
										-
Profit for the year	-	-	-	-	-	-	1,777	1,777	-	1,777
Other comprehensive income	-	35	-	-	-	-	-	35	-	35
Total comprehensive income for the year	-	35	-	-	-	-	1,777	1,812	-	1,812
Balance as at 31 March 2019	251,633	(121)	(36,809)	-	(14,846)	16,715	37,932	254,505	-	254,505

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 2019 and the accompanying explanatory notes attached to the interim financial statement.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

	3 MONTHS ENDED 31-03-20 RM '000	3 MONTHS ENDED 31-03-19 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(6,817)	1,798
Adjustments for:		
Amortisation of software development expenditure	1,487	365
Amortisation of intangible assets	-	323
Depreciation of property, plant and equipment	379	512
Government grant income	-	(2)
Interest income	(3)	(13)
Interest expense	319	130
Loss on ICULS liability component upon maturity	-	481
Reversal of impairment losses on trade receivables	-	(3,926)
Transfer to disposal group held for sale and discontinued operation	63	-
Share of results of associated companies	1,233	2,313
Unrealised (gain)/loss on foreign exchange	53	13
Operating profit before working capital changes	<u>(3,286)</u>	<u>1,994</u>
Changes in working capital:		
Net change in current assets	(361)	179
Net change in current liabilities	1,865	(1,603)
Cash used in operations	<u>(1,782)</u>	<u>570</u>
Interest received	3	13
Tax refund	41	20
Tax paid	(226)	(68)
Exchange differences	114	9
Net cash used in operating activities	<u>(1,850)</u>	<u>544</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (Continued)**

	3 MONTHS ENDED 31-03-20 RM '000	3 MONTHS ENDED 31-03-19 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(117)	(1,284)
Purchase of software development expenditure	(630)	(6,047)
Proceeds from disposals of property, plant and equipment	-	1,074
Net cash used in investing activities	(747)	(6,257)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(319)	(67)
Coupon payment for ICULS	-	(479)
Proceeds from conversion of ICULS to shares	-	6,013
Loan from Third Party	3,000	-
Proceeds from conversion of Warrants-B	-	763
Repayment of finance lease liability	3	(2)
Repayment of term loan	(117)	(126)
Net cash from financing activities	2,567	6,102
NET DECREASE IN CASH AND CASH EQUIVALENTS	(30)	390
Effects of exchange rate changes	(114)	21
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	1,876	4,111
CASH AND CASH EQUIVALENT AT END OF YEAR	1,732	4,522
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	1,732	4,686
Fixed deposits with licensed banks	722	701
Bank overdraft	-	(164)
	2,454	5,223
Less: Fixed deposits pledged with licensed banks	(722)	(701)
	1,732	4,522

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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 2019 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 2019.

The adoption of the following MFRS that came into effect on 1 January 2020 did not have any significant impact of the unaudited condensed consolidated financial statements upon their initial application.

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	- Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	- Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	- Definition of Material

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 2019.

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

There were no movement in the Company's issued and paid up share capital during the current financial year.

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 31-03-20 RM '000	PRECEDING YEAR QUARTER 31-03-19 RM '000	CURRENT YEAR TO DATE 31-03-20 RM '000	PRECEDING YEAR TO DATE 31-03-19 RM '000
Continuing Operations:				
Revenue:				
OmniChannel	935	8,136	935	8,136
Presto	652	4,277	652	4,277
Corporate and others	6	124	6	124
	1,593	12,537	1,593	12,537
(Loss)/Profit after taxation:				
OmniChannel	169	7,451	169	7,451
Presto	(4,196)	(1,802)	(4,196)	(1,802)
Corporate and others	(1,622)	(1,674)	(1,622)	(1,674)
	(5,649)	3,975	(5,649)	3,975
Share of results of associated companies:				
OmniChannel	(641)	(738)	(641)	(738)
Presto	(593)	(1,575)	(593)	(1,575)
	(6,882)	1,662	(6,882)	1,662
Discontinued Operations:				
Revenue:				
Corporate and others	275	322	275	322
	275	322	275	322
(Loss)/Profit after taxation:				
Corporate and others	35	116	35	116
	35	116	35	116

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 31 December 2018 the Company announced that it intended to acquire all the remaining ordinary shares in Pictureworks Holdings Sdn. Bhd. ("PHSB") 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. The Board of Directors ("The Board") had reached decision to mutually terminate with the vendors on the supplemental share sales agreement in relation of the acquisition of 67% equity interest in PHSB, after due consideration of the uncertainties surrounding the speed of recovery of the world economy from the Covid-19 pandemic. The Board had also considered in the best interest of the Company not to proceed with the Acquisition during this challenging time, when the accumulation and preservation of the Company's cash flow for PUC's existing business is important.
- (ii) On 5 November 2019, the Company had announced that it has entered into a sales of shares agreement ("SSA") with Sri Lahat Property ("SLP") to dispose the entire 100% equity interest in Maxgreen Energy Sdn. Bhd. for RM7.50 million. On 13 April 2020, the Company had entered into a supplemental SSA with SLP to vary and amend certain arrangement, terms and conditions of the SSA, taken into consideration the global economic outlook which has been negatively impacted by Covid-19. Pursuant to the supplemental SSA, both the Company and SLP have mutually agreed to revise total disposal consideration from RM7.50 million to RM6.50 million, and the reduced balance consider RM5.00 million has been received by the Company on the same day. Currently the disposal process is pending completion due to the movement control order imposed by the Government of Malaysia, resulting in postponement in lodgement of documents with Companies Commission of Malaysia and other authorities.
- (iii) On 8 April 2020, PRUMY, Cheng Lin Holdings Sdn. Bhd. and Instpower Co., Limited have jointly incorporated a company in Malaysia under the name of Presto Power Sdn. Bhd ("PPWMY"). Presto Universe Sdn Bhd ("PRUMY") owned 40% equity interest in PPWMY, and consequently PPWMY became an associate of PRUMY. The incorporation of PPWMY is for the purpose of undertaking power bank leasing and related services project.

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 31-03-20 RM '000	PRECEDING YEAR TO DATE 31-03-19 RM '000
Rental of premise received/receivable	68	9
Rendering of services received/receivable	-	2,437
Transaction fees received/receivable	26	-
Transaction fees paid/payable	28	-

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 31-03-20 RM '000	PRECEDING YEAR QUARTER 31-03-19 RM '000	CHANGES %	CURRENT YEAR TO DATE 31-03-20 RM '000	PRECEDING YEAR TO DATE 31-03-19 RM '000	CHANGES %
Revenue	275	322	-15%	275	322	-15%
Administrative and general expenses	(240)	(206)	16%	(240)	(206)	16%
Operating profit/(loss)	35	116	-70%	35	116	-70%
Finance costs	-	-	-	-	-	-
Profit/(Loss) before taxation	35	116	-70%	35	116	-70%
Taxation	-	-	-	-	-	-
Profit/(Loss) for the year	35	116	-70%	35	116	-70%

(b) Asset held for sale

	(UNAUDITED) AS AT 31/3/2020 RM '000	(AUDITED) AS AT 31/12/2019 RM '000
Property, plant and equipment	5,253	5,364
Right-of-use assets	1,413	1,423
Other receivables, deposits and prepayments	553	512
Cash and bank balances	355	284
Other payables and accrued expenses	(137)	(83)
	7,437	7,500

(c) Net cash flows of discontinued operations

	(UNAUDITED) AS AT 31/3/2020 RM '000	(AUDITED) AS AT 31/12/2019 RM '000
Net cash generated from/(used in) operations	(71)	(192)
Net cash used in investing activities	-	-
Net cash generated from financing activities	-	-
Increase/(Decrease) in cash and cash equivalent	(71)	(192)



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 2 major segments, namely OmniChannel, and Presto:

- (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) Presto covers the Group's Presto platform businesses which consist of e-commerce, electronic money, payment services and technology 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)

The Group's overall financial performances have been significantly impacted by Covid-19 pandemic situation, and thus recorded a lower revenue of RM1.59 million as compared to preceding year's RM12.54 million. The segmental comparisons are as follows:

- (i) OmniChannel remains a major revenue contributor at 58.7% compared to 64.9% in the corresponding period. However, this segment achieved lower revenue of RM0.94 million compared to RM8.13 million previously largely due to lower sales of conventional media and advertising. The Covid-19 pandemic had significantly dampened conventional media and advertising opportunities, resulting in OmniChannel's current quarter revenue to be only 10.2% of the previous corresponding quarter's revenue.
- (ii) The Presto segment has lower sales compared to previous corresponding quarter by 84.6%, in which previous year sales mainly consisted of short-term outsourcing services rendered by the Presto entities to PrestoMall (formerly 11Street Malaysia). Despite the disruptions faced for full-integration of PrestoMall into the Group's Presto platform during Covid-19 outbreak period, the Group is still optimistic that Presto segment will contribute positively to both the top and bottom lines once the integration process is fully completed.

The Group recorded loss after tax of RM6.85 million for current quarter compared to RM1.78 million profit after tax achieved previously. While the current quarter loss is mainly driven by lower revenue as mentioned above, the loss contributed by associated companies are lower comparing current quarter with previous quarter.

PHSB contributed lower loss of RM0.64 million in the current quarter under review compared to RM0.74 million in the previous corresponding quarter. On the other hand, Presto Mall Sdn. Bhd ("PMSB") contributed loss of RM0.59 million in current quarter under review, lower than previous corresponding quarter at RM1.58 million. The lower loss contributions is mainly due to the ongoing cost control measures being taken by PMSB.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 31-03-20 RM '000	PRECEDING QUARTER 31-12-19 RM '000	VARIANCE	
			RM '000	%
Revenue	1,593	2,701	(1,108)	-41%
Profit before taxation	(6,817)	(61,192)	54,375	-89%

The Group recorded a lower revenue in current quarter compared to the immediate preceding quarter mainly due to lower revenue recorded for OmniChannel segment, with factors as explained in paragraph B1 above.

The higher loss before taxation in the preceding quarter was 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;



B2 Variation of results against preceding quarter (Continued)

The higher loss before taxation in the preceding quarter was mainly due to (Continued):

- (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 embarked 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

The global impact of the Covid-19 pandemic cannot be denied, with nearly all countries, communities and industries feeling the effects of this unprecedented development. More than 175 countries and territories have reported cases of COVID-19. To date, cases exceed 8.4million and is growing by day. Governments worldwide have launched unprecedented public-health and economic responses as the virus continues to evolve. Measures have been enforced in most countries around the world, such as social distancing and lockdown. The movement control order has been enforced in stages in Malaysia since March 18, 2020.

As for the economic impact, large-scale quarantines, travel restrictions, and social-distancing measures resulted in a sharp fall in consumer and business spending likely to last until the end of Quarter 3 of FY2020. Although the outbreak is expected to come under control in most parts of the world by later part of Quarter 3, the self-reinforcing dynamics of a recession will kick in and prolong the slump likely until the end of Quarter 3. Consumers will stay home, businesses will lose revenue and lay off workers, and unemployment will rise sharply. Business investment contracts, and corporate bankruptcies will increase, putting significant pressure on the banking and financial system.

In the short to medium term, PUC needs to be prudent in its expenditure and expansion plans, and it is also vital to accumulate and preserve cashflow amidst this extremely challenging economic outlook. As such, one of the measures the Group has taken is to terminate the proposed acquisition of 67% stake in Pictureworks Holdings Sdn. Bhd.

The digital industry is also not spared of the effects. Nevertheless, the inconvenient and challenging scenario has also brought positives. With nationwide lockdowns, there is an increasing shift to digital channels by consumers. E-commerce and digital transformation will be the new normal amidst the Covid-19 pandemic.

As for the Group's overall digital business strategy, PrestoMall remains vital in forging successful relationships with our users due to its presence in the market. In the face of the economic situation, the Group will spend Quarter 2 and Quarter 3 of 2020 on continuously forging partnerships and lay its building blocks for the development of its faster, cooler and richer digital community - the Presto ecosystem. Some of these initiatives include (amongst others) :

- JDX Presto concept store, displays and sells products from China and ASEAN via the online-to-offline business model;
- explore cross-border business opportunities and integrating JD.com with PrestoMall, to enhance the e-commerce site by virtue of offering a wider range of products amongst consumers and sellers between Malaysia and China. Though the MOU lapsed on 11 June 2020 the Group will continue its negotiations with JD.com;
- Gift Supply Agreement with BonusLink allowing for convergence of Bonuslink members as PrestoMall users, which will allow for a tremendous traffic increase, thereby potentially increasing transaction volume in PrestoMall;
- Issuance and Redemption Agreement to participate in BIG Loyalty as a merchant partner for points issuance and as a redemption partner of BIG Loyalty (AirAsia Group Berhad's loyalty program) which will make BIG Loyalty program available in Presto App, thus increasing the number of users in Presto App; and
- Joint-venture with JieDian to develop Malaysian portable battery rental business, thereby enabling PUC to widen its service offerings to its users in the Presto App as well as increase the awareness of our offerings and our footprint in the market.



B3 Prospects (Continued)

There is a growing embracement of digital lifestyle in businesses, hence, due to this fast-growing demand we foresee growth in this segment that our Group will be able to tap into.

PUC's OmniChannel business segment will see weaker prospects in 2020, as the overall expenditure from the traditional media and advertising sector continues to decline due to economic uncertainty as well as digital media. The Group's traditional advertising business is expected to face increasing challenges and a drastic decline in revenue. Despite the fear of the economic impact, businesses and communities have shown more altruistic response in the face of the crisis. Digital media integration will be adopted widely due to customers' expectations in facing the new normal. This will provide a window of opportunity for OmniChannel to capture this new interest.

The Group believes that the economy will only see the commencement of any semblance of normalcy in the Quarter 4 of 2020, and the performance of PUC's businesses is expected to recover alongside these economic signs. Under the current economic challenges, the Group is unable to provide an indication of the profitability for rest of the FY2020 but we will remain cautious of the effects of the Covid19 pandemic going forward.

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
	31-03-20 RM '000	31-03-19 RM '000	31-03-20 RM '000	31-03-19 RM '000
Provision for previous and current period	30	20	30	20
Effective tax rate	0%	1%	0%	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 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 had taken effect on 6 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	RM equivalent	Foreign currency	RM equivalent	Foreign currency	RM equivalent
	'000	'000	'000	'000	'000	'000
<u>Secured</u>						
- Term loan (SGD)**	82	248	-	-	82	248
- Term loan (RM)*	-	3,739	-	3,142	-	6,881
	<u>82</u>	<u>3,987</u>	<u>-</u>	<u>3,142</u>	<u>82</u>	<u>7,129</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:

	3 months ended 31 March		Cumulative 3 months ended 31 March	
	2020	2019	2020	2019
Profit attributable to owners of the parent (RM '000)	(6,847)	1,778	(6,847)	1,778
Weighted average number of ordinary shares in issue ('000)	474,730	2,074,617	474,730	2,074,617
Basic earnings per share (sen)	<u>(1.44)</u>	<u>0.09</u>	<u>(1.44)</u>	<u>0.09</u>



B9 Earnings per share (Continued)

(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 March		Cumulative 3 months ended 31 March	
	2020	2019	2020	2019
Profit attributable to owners of the parent (RM '000)	(6,847)	1,778	(6,847)	1,778
Adjusted for:				
Interest savings on ICULS (RM'000)	-	48	-	48
	<u>(6,847)</u>	<u>1,826</u>	<u>(6,847)</u>	<u>1,826</u>
Weighted average number of ordinary shares in issue ('000)	474,730	2,074,617	474,730	2,074,617
Assuming full conversion of ICULS ('000)	-	-	-	-
Assuming full exercise of Warrants ('000)	-	132,764	-	132,764
Weighted average number of ordinary shares diluted ('000)	<u>474,730</u>	<u>2,207,381</u>	<u>474,730</u>	<u>2,207,381</u>
Diluted earnings per share (sen)	<u>(1.44)</u>	<u>0.08</u>	<u>(1.44)</u>	<u>0.08</u>

B10 Profit before taxation

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

	CURRENT YEAR	PRECEDING	CURRENT YEAR	PRECEDING
	QUARTER	YEAR QUARTER	TO DATE	YEAR TO DATE
	31-03-20	31-03-19	31-03-20	31-03-19
	RM '000	RM '000	RM '000	RM '000
Government grant income	-	(2)	-	(2)
Interest income	(3)	(13)	(3)	(13)
Depreciation and amortisation	1,866	1,200	1,866	1,200
Interest expense	319	130	319	130
Loss on ICULS liability component upon maturity	-	481	-	481
Reversal of impairment loss:				
Reversal of impairment loss on trade receivables	-	(3,926)	-	(3,926)
Loss/(Gain) on foreign exchange:				
- Realised	(2)	39	(2)	39
- Unrealised	53	13	53	13
	<u>53</u>	<u>13</u>	<u>53</u>	<u>13</u>

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
15 June 2020