



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CHANGES	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE	CHANGES
	30-06-20	30-06-19		30-06-20	30-06-19	
	RM '000	RM '000	%	RM '000	RM '000	%
<i>Continuing Operations:</i>						
Revenue	1,426	17,402	-92%	3,019	23,933	-90%
Cost of sales	(625)	(8,360)	-93%	(1,628)	(13,273)	-88%
Gross profit	801	9,042	-91%	1,391	16,666	-92%
Other income/(expenses)	357	122	193%	728	3,554	-80%
Administrative and general expenses	(5,216)	(7,139)	-27%	(11,467)	(14,057)	-18%
Operating profit/(loss)	(4,058)	2,025	-300%	(9,348)	6,163	-252%
Finance costs	(11)	(78)	-86%	(340)	(221)	54%
Share of results of associated company	(1,906)	670	-384%	(3,139)	(1,643)	91%
Profit/(Loss) before taxation	(5,975)	2,617	-328%	(12,827)	4,299	-398%
Taxation	(29)	(30)	-3%	(59)	(50)	18%
Profit/(Loss) from continuing operations	(6,004)	2,587	-332%	(12,886)	4,249	-403%
<i>Discontinued Operations:</i>						
Profit/(Loss) from discontinued operations	45	46	-2%	80	162	-51%
Profit/(Loss) for the year	(5,959)	2,633	-326%	(12,806)	4,411	-390%
Other comprehensive income:						
Exchange differences on translation of foreign operations	(105)	(53)	98%	(66)	(18)	267%
Total comprehensive income	(6,064)	2,580	-335%	(12,872)	4,393	-393%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	(5,959)	2,633	-326%	(12,806)	4,411	-390%
Non-controlling interests	-	-	-	-	-	-
	(5,959)	2,633	-326%	(12,806)	4,411	-390%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	(6,064)	2,580	-335%	(12,872)	4,393	-393%
Non-controlling interests	-	-	-	-	-	-
	(6,064)	2,580	-335%	(12,872)	4,393	-393%
Weighted average number of ordinary shares in issue ('000)	474,730	2,116,471		474,730	2,116,471	
Earnings per share (sen):						
(a) Basic	(1.26)	0.12		(2.70)	0.21	
(b) Fully diluted	(1.26)	0.12		(2.70)	0.20	

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 30 JUNE 2020**

	(UNAUDITED) AS AT 30/6/2020 RM '000	(AUDITED) AS AT 31/12/2019 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,311	7,895
Right of use assets	201	444
Software development expenditure	54,341	56,361
Intangible assets	30,384	30,384
Investment in associated companies	93,183	96,322
Lease receivables	1,060	1,060
Other receivables	768	805
	187,248	193,271
CURRENT ASSETS		
Inventories	25,401	25,587
Other investments	3	3
Trade receivables	23,084	21,109
Lease receivables	210	405
Other receivables, deposits and prepayments	4,788	4,941
Assets included in disposal group held for sale and discontinued operation	-	7,500
Tax recoverable	13	51
Fixed deposits with licensed banks	722	722
Cash and bank balances	2,022	1,876
	56,243	62,194
TOTAL ASSETS	243,491	255,465



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020 (Continued)

	(UNAUDITED) AS AT 30/6/2020 RM '000	(AUDITED) AS AT 31/12/2019 RM '000
EQUITY AND LIABILITIES		
Share capital	265,310	265,310
Foreign currency translation reserve	(235)	(169)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	16,715	16,715
Other reserves	(14,846)	(14,846)
Retained earnings	(35,890)	(23,084)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	194,245	207,117
NON-CURRENT LIABILITIES		
Lease Liabilities	-	81
Borrowings	3,919	3,810
	3,919	3,890
CURRENT LIABILITIES		
Trade payables	3,180	1,233
Other payables and accrued expenses	40,930	41,052
Lease Liabilities	214	378
Amount owing to directors	57	-
Borrowings	142	436
Tax payable	804	1,359
TOTAL CURRENT LIABILITIES	45,327	44,458
TOTAL LIABILITIES	49,246	48,349
	243,491	255,465
Net assets per share attributable to owners of the parent (sen)	40.92	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 YEAR ENDED 30 JUNE 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	-	-	-	-	-	-	(12,806)	(12,806)	-	(12,806)
Other comprehensive income	-	(66)	-	-	-	-	-	(66)	-	(66)
Total comprehensive income for the year	-	(66)	-	-	-	-	(12,806)	(12,872)	-	(12,872)
Balance as at 30 June 2020	265,310	(235)	(36,809)	-	(14,846)	16,715	(35,890)	194,245	-	194,245



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 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	-	-	-	-	-	-	4,411	4,411	-	4,411
Other comprehensive income	-	(18)	-	-	-	-	-	(18)	-	(18)
Total comprehensive income for the year	-	(18)	-	-	-	-	4,411	4,393	-	4,393
Balance as at 30 June 2019	251,633	(174)	(36,809)	-	(14,846)	16,715	40,566	257,086	-	257,086

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 YEAR ENDED 30 JUNE 2020**

	6 MONTHS ENDED 30-06-20 RM '000	6 MONTHS ENDED 30-06-19 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(12,747)	4,461
Adjustments for:		
Amortisation of software development expenditure	2,999	1,645
Amortisation of intangible assets	-	646
Depreciation of property, plant and equipment	778	1,028
Government grant income	-	(2)
Interest income	(4)	(14)
Interest expense	331	196
Loss on disposal of a subsidiary	251	-
Loss on ICULS liability component upon maturity	-	481
Property, plant & equipment written off	9	-
Reversal of impairment losses on trade receivables	-	(3,926)
Transfer of disposal group held for sale and discontinued operation	748	-
Share of results of associated companies	3,139	1,643
Unrealised (gain)/loss on foreign exchange	(338)	(35)
Operating profit before working capital changes	<u>(4,834)</u>	<u>6,123</u>
Changes in working capital:		
Net change in current assets	(1,039)	(1,873)
Net change in current liabilities	1,852	(4,010)
Cash used in operations	<u>(4,021)</u>	<u>240</u>
Interest received	4	15
Tax refund	37	20
Tax paid	(615)	(102)
Exchange differences	9	38
Net cash used in operating activities	<u>(4,586)</u>	<u>211</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020 (Continued)**

	6 MONTHS ENDED 30-06-20 RM '000	6 MONTHS ENDED 30-06-19 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(117)	-
Purchase of software development expenditure	(979)	(7,124)
Proceeds from disposals of subsidiary	6,500	-
Net cash used in investing activities	5,404	(7,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(324)	(132)
Coupon payment for ICULS	-	(479)
Proceeds from conversion of ICULS to shares	-	6,013
Proceeds from conversion of Warrants-B	-	763
Repayment of finance lease liability	(100)	(3)
Repayment of term loan	(185)	(279)
Net cash from financing activities	(609)	5,883
NET DECREASE IN CASH AND CASH EQUIVALENTS	209	(1,030)
Effects of exchange rate changes	(64)	(52)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	1,876	4,111
CASH AND CASH EQUIVALENT AT END OF YEAR	2,022	3,029
 Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	2,022	3,029
Fixed deposits with licensed banks	722	701
Bank overdraft	-	-
	2,744	3,730
Less: Fixed deposits pledged with licensed banks	(722)	(701)
	2,022	3,029

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 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 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

During the current financial year, the Company decreased its issued and paid up share capital by 1,898,920,843 through undertaking share consolidation exercise of every 5 existing PUC shares into 1 PUC 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 30-06-20 RM '000	PRECEDING YEAR QUARTER 30-06-19 RM '000	CURRENT YEAR TO DATE 30-06-20 RM '000	PRECEDING YEAR TO DATE 30-06-19 RM '000
<i>Continuing Operations:</i>				
Revenue:				
OmniChannel	631	14,707	1,566	22,843
Presto	793	2,642	1,446	6,918
Corporate and others	1	54	7	178
	1,425	17,402	3,019	29,939
(Loss)/Profit after taxation:				
OmniChannel	(213)	5,959	(5,266)	13,411
Presto	(2,869)	(3,148)	(1,843)	(4,950)
Corporate and others	(1,565)	(893)	(3,187)	(2,568)
	(4,647)	1,918	(10,296)	5,892
Share of results of associated companies:				
OmniChannel	(1,853)	1,920	(2,445)	1,182
Presto	(53)	(1,251)	(694)	(2,826)
	(6,553)	2,587	(13,435)	4,249
<i>Discontinued Operations:</i>				
Revenue:				
Corporate and others	162	236	437	558
(Loss)/Profit after taxation:				
Corporate and others	45	46	80	162

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. ("PWSB") 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. On 16 June 2020, 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 PWSB, 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. ("MG1MY") 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. The disposal is deemed completed on 19 June 2020 and MG1MY has ceased to be a subsidiary of PUC.
- (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 30-06-20 RM '000	PRECEDING YEAR TO DATE 30-06-19 RM '000
Rental of premise received/receivable	136	19
Rendering of services received/receivable	474	4,126
Transaction fees received/receivable	46	-
Transaction fees paid/payable	48	-

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	PRECEDING	CHANGES	CURRENT YEAR	PRECEDING	CHANGES
	QUARTER	YEAR QUARTER		TO DATE	YEAR TO DATE	
	30-06-20	30-06-19	%	30-06-20	30-06-19	%
	RM '000	RM '000		RM '000	RM '000	
Revenue	162	236	-31%	437	558	-22%
Other income	-	-	-	-	-	-
Administrative and general expenses	(117)	(190)	-38%	(357)	(396)	-10%
Operating profit/(loss)	45	46	-3%	80	162	-51%
Finance costs	-	-	-	-	-	-
Profit/(Loss) before taxation	45	46	-3%	80	162	-51%
Taxation	-	-	-	-	-	-
Profit/(Loss) for the year	45	46	-3%	80	162	-51%

(b) Asset held for sale

	(UNAUDITED)	(AUDITED)
	AS AT 30/6/2020	AS AT 31/12/2019
	RM '000	RM '000
Property, plant and equipment	-	5,364
Right-of-use assets	-	1,423
Other receivables, deposits and prepayments	-	512
Cash and bank balances	-	284
Other payables and accrued expenses	-	(83)
	-	7,500

(c) Net cash flows of discontinued operations

	(UNAUDITED)	(AUDITED)
	AS AT 30/6/2020	AS AT 31/12/2019
	RM '000	RM '000
Net cash generated from/(used in) operations	(284)	(192)
Net cash used in investing activities	-	-
Net cash generated from financing activities	-	-
Increase/(Decrease) in cash and cash equivalent	(284)	(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. (“PWSB”);
- (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)

In continuation from previous quarters, the Group’s overall financial performances have been significantly impacted by Covid-19 pandemic situation, and recorded a lower revenue of RM1.43 million as compared to preceding year’s RM17.40 million. The segmental comparisons are as follows:

- (i) OmniChannel segment continued to be affected by Covid-19 pandemic’s significant adverse impact on conventional media and advertising opportunities, this segment achieved lower revenue of RM0.63 million compared to RM14.71 million in the corresponding quarters.
- (ii) The Presto segment has lower sales compared to previous corresponding quarter by 70.0%, in which previous year sales mainly consisted of short-term outsourcing services rendered by the Presto entities to PrestoMall (formerly 11Street Malaysia). With the integration of PrestoMall into the Group’s Presto platform still ongoing, the Group remained 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 RM6.00 million for current quarter compared to RM2.59 million profit after tax achieved previously. While the current quarter loss is mainly driven by lower revenue as mentioned above, the loss under associated companies had also further contributed to the loss in comparing current quarter with previous corresponding quarter. The loss for current quarter had been offset lower administrative and general expenses by 27% comparing to the corresponding period, resulted from ongoing cost control effort of the Group.

PWSB contributed loss of RM1.85 million in the current quarter under review compared to RM1.92 million profit in the previous corresponding quarter, mainly due to the ongoing adverse impact from Covid-19 pandemic situations. On the other hand, Presto Mall Sdn. Bhd (“PMSB”) contributed loss of RM0.05 million in current quarter under review, compared to previous corresponding quarter loss at RM1.25 million. The lower share of loss is mainly due to the ongoing cost control measures being taken by PMSB.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 30-06-20 RM '000	PRECEDING QUARTER 31-03-20 RM '000	VARIANCE	
			RM '000	%
Revenue	1,426	1,593	(167)	-10%
Profit before taxation	(5,930)	(6,817)	887	-13%

The Group recorded a lower revenue in current quarter compared to the immediate preceding quarter mainly due to lower revenue from OmniChannel segment, where the level of business activities had been further worsened by the Covid-19 pandemic situation, including impacts from Movement Control Order (“MCO”).

Loss before taxation in the current quarter had been contributed by lower business activities as mentioned above, coupled with further loss by PWSB which had also being affected significantly by restricted business operations during ongoing pandemic situation.



B3 Prospects

The global impact of the Covid-19 pandemic continues to plague the economy on all scales domestically, regionally and globally. Though governments have started to open up the economy with progressive upliftment of lockdown restrictions, the effects from slowed down consumer and business is still prevalent. Although the outbreak is expected to come under control in most parts of the world by later part of Quarter 4, the self-reinforcing dynamics of a recession will kick in and prolong the slump likely until the end of Quarter 4. 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 continues to remain prudent in its expenditure and expansion plans, and it is also vital to accumulate and preserve cashflow amidst this extremely challenging economic outlook.

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 3 and Quarter 4 of 2020 on developing its partnerships and lay its building blocks for the development of a faster, cooler and richer digital community - the Presto ecosystem. Some of these initiatives include (amongst others) :

- CUSTORY - Strategic partnership with Cuscapi and Hungry to offer a fully digitalized and integrated F&B "order-to-delivery" solution to boost F&B sales. This tripartite partnership banks on the expertise of each partner who are key players in their own sectors. F&B operators will be able attract and retain both dine-in and take-away customers with an integrated solution covering order taking to delivery and everything in between; consumers will enjoy an improved customer experience in a fully digital platform, staying contactless, as per the new normal.
- JDX Presto concept store - displays and sells products from China and ASEAN via the online-to-offline business model;
- JD.com - explores 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;
- Bonuslink - Gift Supply Agreement allowing for convergence of Bonuslink members as PrestoMall users, which will allow for a tremendous traffic increase, thereby potentially increasing transaction volume in PrestoMall;
- BIG Loyalty (AirAsia Group Berhad's loyalty program) - Issuance and Redemption Agreement to participate in BIG Loyalty as a merchant partner for points issuance and as a redemption partner of BIG Loyalty which will make BIG Loyalty program available in Presto App, thus increasing the number of users in Presto App;
- Boost – supply of products and services in Boost's reward catalogue for their members to redeem; and
- PrestoPower - joint-venture with InstPower Co., Ltd. (related company to Anker), and Cheng Lin Holdings Sdn Bhd, 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.

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. Funds raised from the private placement exercise of up to 30% of the enlarged share capital of the Group was announced on 10 August 2020, and is expected to contribute to the on-going development of Presto, and the Group will continue to seek further avenues to raise more funds for quicker expansion of its business by leveraging on the opportunities available to its digital businesses arising from the effects of the pandemic.



B3 Prospects (Continued)

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 continued 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 opportunities 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 1 of 2021, 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 Covid-19 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 30-06-20 RM '000	PRECEDING YEAR QUARTER 30-06-19 RM '000	CURRENT YEAR TO DATE 30-06-20 RM '000	PRECEDING YEAR TO DATE 30-06-19 RM '000
Provision for previous and current period	29	30	59	50
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. On 24 June 2020, the Board has resolved to abort this private placement in view of the termination of acquiring 67% equity interest in PWSB. The Company had then proposed new private placement up to 142,418,000 new ordinary shares in the Company representing 30% of the total number of issued shares of the Company to independent third party investors to be identified later and at an issue price to be determined later. The proceeds from this private placement would be utilised for the purposes of upgrading and marketing of Presto digital platform, as well as working capital. This proposal was approved by shareholders of the Company at an Extraordinary General Meeting held on 30 July 2020.

On 19 June 2020, the Company had proposed employees' share grant scheme of up to 10% of the total number of issued shares of PUC, and employees' share option scheme ("ESOS") of up to 20% of the total number of issued shares of PUC at any point in time for eligible employees of the Company and its non-dormant subsidiaries. This proposal was approved by shareholders of the Company at an Extraordinary General Meeting held on 30 July 2020.

B7 Borrowings

The Group's borrowings as at 30 June 2020 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)**	58	179	-	-	58	179
- Term loan (RM)*	-	3,739	-	142	-	3,881
	<u>58</u>	<u>3,918</u>	<u>-</u>	<u>142</u>	<u>58</u>	<u>4,060</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 30 June		Cumulative 6 months ended 30 June	
	2020	2019	2020	2019
Profit attributable to owners of the parent (RM '000)	(5,959)	2,633	(12,806)	4,411
Weighted average number of ordinary shares in issue ('000)	474,730	2,116,471	474,730	2,116,471
Basic earnings per share (sen)	<u>(1.26)</u>	<u>0.12</u>	<u>(2.70)</u>	<u>0.21</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 30 June		Cumulative 6 months ended 30 June	
	2020	2019	2020	2019
Profit attributable to owners of the parent (RM '000)	(5,959)	2,633	(12,806)	4,411
Adjusted for:				
Interest savings on ICULS (RM'000)	-	48	-	48
	<u>(5,959)</u>	<u>2,681</u>	<u>(12,806)</u>	<u>4,459</u>
Weighted average number of ordinary shares in issue ('000)	474,730	2,116,471	474,730	2,116,471
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>2,249,235</u>	<u>474,730</u>	<u>2,249,235</u>
Diluted earnings per share (sen)	<u>(1.26)</u>	<u>0.12</u>	<u>(2.70)</u>	<u>0.20</u>

B10 Profit before taxation

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

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30-06-20 RM '000	30-06-19 RM '000	30-06-20 RM '000	30-06-19 RM '000
Government grant income	-	-	-	(2)
Interest income	(1)	(1)	(4)	(14)
Depreciation and amortisation	1,911	2,119	3,777	3,319
Interest expense	12	66	331	196
Loss on ICULS liability component upon maturity	-	-	-	481
Property, plant and equipment written-off	9	-	9	-
Reversal of impairment loss on trade receivables	-	-	-	(3,926)
Loss on disposal of a subsidiary	251	-	251	-
Loss/(Gain) on foreign exchange:	-	-	-	-
- Realised	15	-	13	39
- Unrealised	(391)	(48)	(338)	(35)
	<u>(391)</u>	<u>(48)</u>	<u>(338)</u>	<u>(35)</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
25 August 2020