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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31-12-20 RM '000	PRECEDING YEAR QUARTER 31-12-19 RM '000	CHANGES %	CURRENT YEAR TO DATE 31-12-20 RM '000	PRECEDING YEAR TO DATE 31-12-19 RM '000	CHANGES %
Continuing Operations:						
Revenue	4,394	2,681	64%	8,601	47,012	-82%
Cost of sales	(3,350)	(3,141)	-7%	(5,684)	(23,788)	76%
Gross profit	1,044	(460)	327%	2,917	23,224	-87%
Other income/(expenses)	1,101	(2,665)	141%	2,118	385	450%
Administrative and general expenses	(51,390)	(56,509)	9%	(72,263)	(79,278)	9%
Operating profit/(loss)	(49,245)	(59,634)	17%	(67,228)	(55,669)	-21%
Finance costs	(1,788)	(2,815)	36%	(2,135)	(3,103)	31%
Share of results of associated company	(7)	804	-101%	(4,181)	2,863	-246%
Profit/(Loss) before taxation	(51,040)	(61,645)	17%	(73,544)	(55,909)	-32%
Taxation	27	(589)	105%	(62)	(668)	91%
Profit/(Loss) from continuing operations	(51,013)	(62,234)	18%	(73,606)	(56,577)	-30%
Discontinued Operations:						
Profit/(Loss) from discontinued operations	-	(2,551)	100%	80	(2,659)	103%
Profit/(lLoss) for the year	(51,013)	(64,785)	21%	(73,526)	(59,236)	-24%
Other comprehensive income:						
Exchange differences on translation of foreign operations	17	(8)	313%	30	(13)	331%
Total comprehensive income	(50,996)	(64,793)	21%	(73,496)	(59,249)	-24%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	(51,013)	(64,785)	21%	(73,526)	(59,236)	-24%
Non-controlling interests	-	-	-	-	-	-
	(51,013)	(64,785)	21%	(73,526)	(59,236)	-24%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	(50,996)	(64,793)	21%	(73,496)	(59,249)	-24%
Non-controlling interests	-	-	-	-	-	-
	(50,996)	(64,793)	21%	(73,496)	(59,249)	-24%
Weighted average number of ordinary shares in issue ('000)	869,470	2,184,277		869,470	2,184,277	
Earnings per share (sen):						
(a) Basic	(5.87)	(2.97)		(8.46)	(2.71)	
(b) Fully diluted	(5.87)	(2.97)		(8.46)	(2.71)	

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 DECEMBER 2020

	(UNAUDITED) AS AT 31/12/2020 RM '000	(AUDITED) AS AT 31/12/2019 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,885	7,895
Right of use assets	39	444
Software development expenditure	58,890	56,361
Intangible assets	24,204	30,384
Investment in associated companies	72,914	96,322
Lease receivables	593	1,060
Other receivables	432	805
	163,957	193,271
CURRENT ASSETS		
Inventories	25,393	25,587
Other investments	3	3
Trade receivables	7,104	21,109
Lease receivables	467	405
Other receivables, deposits and prepayments	920	4,941
Assets included in disposal group held for sale and discontinued operation	-	7,500
Tax recoverable	21	51
Fixed deposits with licensed banks	737	722
Cash and bank balances	4,287	1,876
	38,932	62,194
TOTAL ASSETS	202,889	255,465

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

	(UNAUDITED) AS AT 31/12/2020 RM '000	(AUDITED) AS AT 31/12/2019 RM '000
EQUITY AND LIABILITIES		
Share capital	290,577	265,310
Foreign currency translation reserve	(139)	(169)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	16,715	16,715
ESOS reserves	1,200	-
Other reserves	(14,846)	(14,846)
Retained earnings	(96,610)	(23,084)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	160,088	207,117
NON-CURRENT LIABILITIES		
Lease Liabilities	6,261	81
Borrowings	3,720	3,810
	9,981	3,890
CURRENT LIABILITIES		
Trade payables	1,584	1,233
Other payables and accrued expenses	30,779	41,052
Lease Liabilities	40	378
Amount owing to directors	-	-
Borrowings	237	436
Tax payable	185	1,359
Bank overdraft	(5)	-
TOTAL CURRENT LIABILITIES	32,820	44,458
TOTAL LIABILITIES	42,801	48,349
	202,889	255,465
Net assets per share attributable to owners of the parent (sen)	24.42	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 31 DECEMBER 2020

	Share Capital RM '000	Foreign Currency Translation Reserve RM '000	Reverse Acquisition Debit RM '000	ESOS Reserves 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 2020	**265,310**	**(169)**	**(36,809)**	-	**(14,846)**	**16,715**	**(23,084)**	**207,117**	-	**207,117**
Issuance of ordinary shares										
- Private placement	18,457	-	-	-	-	-	-	18,457	-	18,457
- Issuance of ESOS	-	-	-	2,258	-	-	-	2,258	-	2,258
- Exercise of ESOS	6,810	-	-	(1,058)	-	-	-	5,752	-	5,752
	25,267	-	-	1,200	-	-	-	26,467	-	26,467
Profit for the year	-	-	-	-	-	-	(73,526)	(73,526)	-	(73,526)
Other comprehensive income	-	30	-	-	-	-	-	30	-	30
Total comprehensive income for the year	-	30	-	-	-	-	(73,526)	(73,496)	-	(73,496)
Balance as at 31 December 2020	**290,577**	**(139)**	**(36,809)**	**1,200**	**(14,846)**	**16,715**	**(96,610)**	**160,088**	-	**160,088**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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**
Effect on adoption of MFRS-16	-	-	-	-	-	-	(3)	(3)	-	(3)
Balance as at 1 January 2019 (restated)	**227,908**	**(156)**	**(36,809)**	**14,442**	**(18,388)**	**20,257**	**37,620**	**244,875**	-	**244,875**
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
										-
Profit/ (Loss) for the year	-	-	-	-	-	-	(59,237)	(59,237)	-	(59,237)
Other comprehensive income	-	(13)	-	-	-	-	-	(13)	-	(13)
Total comprehensive income for the year	-	(13)	-	-	-	-	(59,237)	(59,250)	-	(59,250)
Balance as at 31 December 2019	**265,310**	**(169)**	**(36,809)**	-	**(14,846)**	**16,715**	**(23,084)**	**207,117**	-	**207,117**

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 31 DECEMBER 2020

	12 MONTHS ENDED 31-12-20 RM '000	12 MONTHS ENDED 31-12-19 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(73,464)	(58,568)
Adjustments for:		
Amortisation of software development expenditure	7,302	4,467
Amortisation of intangible assets	-	1,293
Deposits written off	-	550
Depreciation of property, plant and equipment	1,362	2,168
Expected credit loss	111	-
ESOS reserves	2,258	-
Fair value adjustments on other receivables	(54)	82
Fair value adjustments on other payables	(1,024)	-
Gain on disposal of property, plant and equipment	1	-
Gain on disposal of software development expenditure	-	
Gain on disposal of intangible assets	-	(101)
Goodwill written-off	-	2,400
Government grant income	-	(2)
Impairment losses on receivables		
- trade receivables	8,435	-
- other receivables	2,583	-
Impairment on property, plant and equipment	-	-
Intangible assets written-off	10,286	45,202
Interest income	(41)	(44)
Interest expense	436	3,103
Inventories written off	2,900	-
Loss on disposal of a subsidiary	252	-
Impairment on investment in associates	19,227	-
Loss on ICULS liability component upon maturity	-	481
Property, plant & equipment written off	9	1
Software development written-off	-	1,905
Reversal of impairment losses on trade receivables	-	(3,341)
Transfer of disposal group held for sale and discountinued operation	748	2,728
Share of results of associated companies	4,181	(2,863)
Unrealised (gain)/loss on foreign exchange	(2)	(16)
Operating profit before working capital changes	(14,493)	(553)
Changes in working capital:		
Net change in current assets	4,975	(4,118)
Net change in current liabilities	(2,558)	(1,676)
Cash used in operations	(12,075)	(6,347)
Interest received	41	44
Tax refund	30	56
Tax paid	(1,237)	(640)
Exchange differences	106	-
Net cash used in operating activities	**(13,135)**	**(6,888)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

	12 MONTHS ENDED 31-12-20 RM '000	12 MONTHS ENDED 31-12-19 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(120)	(71)
Purchase of software development expenditure	(13,937)	(13,738)
Proceeds from disposals of subsidiary	6,505	-
Net cash used in investing activities	**(7,552)**	**(13,809)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(423)	(285)
Coupon payment for ICULS	-	(526)
Proceeds from private placement of shares	18,457	13,677
Proceeds from conversion of ICULS to shares	-	6,013
ESOS exercise	5,752	-
Proceeds from conversion of Warrants-B	-	763
Fixed deposit pledged with financial institutions	(15)	(22)
Repayment of finance lease liability	(276)	-
Repayment of lease liability	-	(360)
Repayment of term loan	(289)	(508)
Net cash from financing activities	**23,206**	**18,752**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**2,519**	**(1,945)**
Effects of exchange rate changes	(103)	(6)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	1,876	4,111
CASH AND CASH EQUIVALENT AT END OF YEAR	**4,292**	**2,160**
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	4,287	2,160
Fixed deposits with licensed banks	737	722
Bank overdraft	5	-
	5,029	2,883
Less: Fixed deposits pledged with licensed banks	(737)	(722)
	4,292	**2,160**

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 30 DECEMBER 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

During the current financial year, the Company had movements on its issued and paid-up share capital, where:
(a) decreased by 1,898,920,843 ordinary shares through undertaking share consolidation exercise of every 5 existing PUC shares into 1 PUC share
(b) increased by RM18,457,373 through issuance of 142,418,000 new ordinary shares pursuant to private placement at the issue price of RM0.1296 per ordinary share
(c) increased by RM6,809,796 through issuance of 38,343,445 new ordinary shares through Employee Share Option Scheme.

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 31-12-20 RM '000	PRECEDING YEAR QUARTER 31-12-19 RM '000	CURRENT YEAR TO DATE 31-12-20 RM '000	PRECEDING YEAR TO DATE 31-12-19 RM '000
Continuing Operations:				
Revenue:				
OmniChannel	3,044	2,053	5,166	37,754
Presto	1,348	621	3,428	9,041
Corporate and others	1	6	7	217
	4,394	**2,681**	**8,601**	**47,012**
(Loss)/Profit after taxation:				
OmniChannel	(33,816)	(51,225)	(34,799)	(28,905)
Presto	(15,746)	(6,549)	(29,634)	(22,085)
Corporate and others	(1,445)	(5,520)	(4,992)	(12,572)
	(51,007)	(63,295)	(69,425)	(63,562)
Share of results of associated companies:				
OmniChannel	(266)	1,416	(3,471)	7,131
Presto	259	(464)	(710)	-
	(51,013)	**(62,343)**	**(73,606)**	**(56,431)**
Discontinued Operations:				
Revenue:				
Corporate and others	-	231	437	979
(Loss)/Profit after taxation:				
Corporate and others	-	(2,453)	80	(2,659)

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 31-12-20 RM '000	PRECEDING YEAR TO DATE 31-12-19 RM '000
Rental of premise received/receivable	213	44
Rendering of services received/receivable	1,436	4,126
Transaction fees received/receivable	69	-
Transaction fees paid/payable	73	-

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 31-12-20 RM '000	PRECEDING YEAR QUARTER 31-12-19 RM '000	CHANGES %	CURRENT YEAR TO DATE 31-12-20 RM '000	PRECEDING YEAR TO DATE 31-12-19 RM '000	CHANGES %
Revenue	-	231	-100%	437	979	-55%
Other income	-	58	-	-	58	-
Administrative and general expenses	-	(489)	-100%	(357)	(968)	-63%
Impairment loss on financial instruments	-	(2,728)		-	(2,728)	-100%
Operating profit/(loss)	-	(2,928)	-100%	80	(2,659)	-103%
Finance costs	-	-	-	-	-	-
Profit/(Loss) before taxation	-	(2,928)	-100%	80	(2,659)	-103%
Taxation	-	-	-	-	-	-
Profit/(Loss) for the year	-	(2,928)	-100%	80	(2,659)	-103%

(b) Asset held for sale

	(UNAUDITED) AS AT 31/12/2020 RM '000	(AUDITED) AS AT 31/12/2019 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) AS AT 31/12/2020 RM '000	(AUDITED) AS AT 31/12/2019 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., the owner and operator of PrestoMall.

While the Group's overall financial performances are still significantly impacted by Covid-19 pandemic situation, the Group had recorded a higher revenue of RM4.39 million for the current quarter, as compared to preceding year's RM2.68 million. The segmental comparisons are as follows:

(i) OmniChannel segment had secured regional advertising revenue on top of local advertising revenue in the current quarter, while preceding year's corresponding quarter had focused only on local advertising revenue, thus this segment achieved higher revenue of RM3.04 million in current quarter compared to RM2.05 million in the previous corresponding quarters.

(ii) The Presto segment's sales has increased by 117% in the current quarter, as current year sales had included outsourcing services rendered by Presto entities to PrestoMall. Such outsourcing service activities were not present during the previous corresponding quarters.

The Group recorded loss after tax of RM51.01 million in the current quarter compared to loss after tax of RM62.23 million in the corresponding quarter in the previous year. The loss in current quarter was mainly due to the following:

(a) Impairment loss of RM19.23 million on investment in associated company PWSB, as its businesses which are closely related to theme park and leisure industry are significantly impacted by Covid-19 outbreak and facing uncertainties on the recovery period.

(b) Impairment on goodwill attributable to Founder Pay Sdn Bhd ("FPYMY") of RM8.32 million and Enovax Pte Ltd ("ENVSG") of RM1.97 million as both FPYMY's point-of-sales terminal leasing and ENVSG's software development businesses are significantly impacted by Covid-19 outbreak and may take extended period to recover.

(c) Provision of doubtful debts of RM10.76 million arose from media and advertising business related clients, in which their settlements had been long overdue and the Group is taking appropriate actions to recover the amounts.

(d) Allowance of obsolete inventory of RM2.90 million arose from regional media and advertising spaces in which it will be expired in less than a year and there are no potential clients to take up the spaces.

The loss in previous year's corresponding quarter were driven by below:

(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

B1 Review of performance (Continued)

PWSB contributed loss of RM0.27 million in the current quarter under review compared to RM1.42 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 profit of RM0.26 million in the current quarter under review, compared to previous corresponding quarter loss of RM0.46 million. The increase is mainly due to the ongoing cost control measures being taken by PMSB.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 31-12-20 RM '000	PRECEDING QUARTER 30-09-20 RM '000	VARIANCE RM '000	VARIANCE %
Revenue	4,394	1,188	3,206	270%
Profit/(Loss) before taxation	(51,040)	(9,677)	(41,363)	427%

The Group recorded a higher revenue in current quarter compared to the immediate preceding quarter mainly due to increase in regional media business activities under Omnichannel segment.

Higher loss before taxation in the current quarter are mainly due to impairment losses and adjustments as mentioned in section B1 above.

B3 Prospects

The impact of Covid-19 pandemic continues to plague the economy on all scales domestically, regionally and globally, and in recent months prove to be even more of a stumbling block in global economic recovery. Number of infected cases in Malaysia reached its peak in February and continues to on a high trend despite the Government's move to impose another movement control order (MCO2.0). That has dampened the economic recovery across all industries in Malaysia.

Whilst vaccines have been distributed and administered in phases, the economic recovery process will likely take longer. Therefore, in the short to medium term, PUC continues to adopt a prudent approach in its expansion plans, and cash preservation remains vital for the company to stay afloat during and post-pandemic.

Apart from the cost cutting measures including group-wide employees rightsizing and salary reduction, PUC also focuses on expanding its footprint in its E-commerce business. The business environment continues to remain opportunistic for PUC given the evident surge in usage of e-wallet and e-commerce. Therefore, the Group has continued to focus on developing its partnerships with leaders from various industries to complement the whole Presto ecosystem, in line with the company's vision to develop a faster, cooler and richer community. Some of the existing and new initiatives focused by PUC this past year are as follows:

- 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. Though delays have been caused by MCO2.0, the relaxed rules have created a window of opportunity for the beta launch trials to be rolled out in several outlets throughout Petaling Jaya;

- Sharp Electronics (Malaysia) Sdn Bhd (SEM) – Through the MOU signed on 9 November 2020, both parties are desirous to collaborate and develop an internet-based integrated lifestyle ecosystem for consumers and businesses using artificial intelligence (AI) and internet-of-things (IOT) technologies. The first phase has been initiated through a software development agreement signed between the parties on 24 December 2020;

B3 Prospects (Continued)

- 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; also all online redemptions for Bonuslink shall be exclusively via Presto since 1 March 2021;

- 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;

- Pan Malaysian Pool Sdn Bhd (PMPSB) (the operator of DaMaCai) – Through the MOU signed on 6 October 2020, both parties are desirous to explore strategic collaboration including introducing Presto Pay as an alternative payment solution to PMPSB for its business;

- Presto Credit – Presto Credit Sdn Bhd, a wholly-owned subsidiary of PUC, is one of the eight companies that has obtained conditional approval from the Ministry of Housing and Local Government (KPKT) to provide online loans. By identifying suitable partners, Presto Credit will focus on growing its financial services business by offering micro-financing facility to consumers and businesses;

- 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;

- COFCO Womai – PrestoMall entered into a MOU with Asia ICM Resources Sdn Bhd ("AIRSB") to form a joint-venture partnership that focuses on cross-border e-commerce trade for business-to-business-to-consumers (B2B2C) between China and ASEAN. AIRSB is the exclusive partner for ASEAN COFCO Womai Internet Investment Co., Ltd. ("WOMAI"), to facilitate and develop all cross-border trades between WOMAI, China Oil and Foodstuffs Corporation ("COFCO") and ASEAN entities. WOMAI is a wholly-owned subsidiary of the China government-owned COFCO and is the first large-scale B2C vertical food ecommerce platform in China, with its position as an e-commerce platform operator for COFCO brands and imported brands by COFCO. AIRSB shall also ensure China Railway International Industrial Investment Holding Co., Limited ("CRI") participates and obtains a stake in the JV Entity, and provide expertise and industry know-how to facilitate logistics of the JV Business;

On the other hand, PUC's OmniChannel business segment continues to see weaker prospects in 2020, as the overall expenditure from the traditional media and advertising sector as well as digital media continues to decline due to economic uncertainty. The Group's traditional advertising business is expected to face increasing challenges and a continued decline in revenue. The conventional media and advertising business landscape as a whole has been constantly evolving even prior to the COVID-19 pandemic due to the changing trends in consumer behaviour amidst the increased adoption of the internet as an advertising medium on computers and mobile devices. The conventional media and advertising business which focuses on newspapers, television, radio etc has been slowly shifted to digital media which focuses on internet, social media and smartphone applications etc. However, the pandemic has further increased the magnitude of this evolving landscape due to the drastic drop in consumer spending which in turn led to reduction in advertisement expenditure by businesses. This impacted negatively on the conventional media and advertising business globally, regionally and domestically.

Accordingly, the Group's OmniChannel Business has to adapt to the change in the business landscape in order to stay relevant. At the same time, the increasing popularity of social media platforms has provided a new opportunity for the media business in terms of content production, content rights ownerships and media delivery avenues. As such, the Group is in the midst of launching a new range of media services that are content oriented by collaborating with content production partners to create, co-own and/or acquire content rights focusing on digital media, in particular social media platforms, which focusing on promoting potential clients' brands and/or products by sponsorship packages through live shows, pre-recorded programme, variety programme etc.. This has begun with the very first

B3 Prospects (Continued)

flag-ship production that PUC has participated in – Phoebe Rush Hour, that has already commenced airing on 8TV and various Internet content channels since 17 January 2021.

These content-oriented media services are expected to generate revenue to the Group via the sale of sponsorship packages to any potential companies from both local and international brands aiming to reach Malaysian consumers by providing a multi-platform marketing service, which is expected to help businesses to reach a wider audience. In addition, PUC also expects to generate revenue via the sale of its own created content as well as the sale of advertisement space in the content created, albeit at an expected slow pace amidst the economic recovery.

The Board believes that based on the speed of overall economic recovery, PUC Group's businesses remains challenging. Despite the positive development of Covid-19 vaccine and several key business initiatives undertaken by the Group, the Board remains cautiously optimistic about the outlook of the Group's performance and is of the view that the improvement of the Group's performance will be seen when the overall economic conditions improve.

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
	31-12-20 RM '000	31-12-19 RM '000	31-12-20 RM '000	31-12-19 RM '000
Provision for previous and current period	(27)	589	62	668
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

a) 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.

b) 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 had 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 (the "30% PP") 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. The 30% PP was completed on 10 August 2020.

c) On 27 October 2020, the Company had varied the utilisation of proceeds raised from 30% PP, where the balance unutilised funds are varied to be used for upgrading of Presto digital platform, staff cost and other administrative and operating expenses.

B6 Status of corporate proposals (Continued)

c) As at 22 February 2021, the status of the utilisation of proceeds arising from the 30% PP and including variation as announced on 27 October 2020 is as follows:

	Proposed utilisation	Actual utilisation	Revised utilisation	Deviation		Balance unutilised
	RM '000	RM '000	RM '000	RM '000	%	RM '000
Upgrading of the Presto digital platform	6,000	4,668	4,668	-	-	-
Marketing of the Presto Digital Platform	6,000	4,032	4,032	-	-	-
Working capital	5,632	8,932	8,932	-	-	-
Estimated expenses for the Proposals	825	825	825	-	-	-
	18,457	18,457	18,457	-	-	-

d) 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. The Company had issued 38,343,445 new ordinary shares on 21 December 2020 and 85,086,065 new ordinary shares on 7 January 2021 under ESOS, which the total representing 20% of the total number of issued shares of PUC.

e) On 25 November 2020, the Company issued a notice of Extraordinary General Meeting ("EGM") to the shareholders which will be conducted on a fully virtual basis on 11 December 2020. The EGM is for the purpose of procuring approval from the shareholders for new issuance of securities of not more than 20% of the total number of issued shares of the Company (excluding treasury shares) under the general mandate. The unutilised 10% general mandate granted by shareholders during the annual general meeting on 30 July 2020 will be revoked. The increase in general mandate limit is one of the additional temporary relief measures granted to listed corporations by Bursa Securities via its letter dated 16 April 2020.

B7 Borrowings

The Group's borrowings as at 31 DECEMBER 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
Secured						
- Term loan (SGD)**	23	70	-	-	23	70
- Term loan (RM)*	-	3,650	-	237	-	3,887
	23	3,720	-	237	23	3,957

* 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	
	2020	2019	2020	2019
Profit attributable to owners of the parent (RM '000)	(51,013)	(64,785)	(73,526)	(59,236)
Weighted average number of ordinary shares in issue ('000)	869,470	2,184,277	869,470	2,184,277
Basic earnings per share (sen)	(5.87)	(2.97)	(8.46)	(2.71)

(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	
	2020	2019	2020	2019
Profit attributable to owners of the parent (RM '000)	(51,013)	(64,785)	(73,526)	(59,236)
Weighted average number of ordinary shares in issue ('000)	869,470	2,184,277	869,470	2,184,277
Diluted earnings per share (sen)	(5.87)	(2.97)	(8.46)	(2.71)

B10 Profit before taxation

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

	CURRENT YEAR QUARTER 31-12-20 RM '000	PRECEDING YEAR QUARTER 31-12-19 RM '000	CURRENT YEAR TO DATE 31-12-20 RM '000	PRECEDING YEAR TO DATE 31-12-19 RM '000
Government grant income	-	(1)	-	(2)
Interest income	(26)	(28)	(41)	(44)
Depreciation and amortisation	3,497	4,990	8,664	7,927
Interest expense	114	2,917	436	3,103
Loss on ICULS liability component upon maturity	-	(0)	-	481
Property, plant and equipment written-off	9	(231)	9	1
Reversal of impairment loss on trade receivables	-	585	-	(3,341)
Loss on disposal of a subsidiary	252	-	252	-
Loss/(Gain) on foreign exchange:	-	-		
- Realised	21	-	(410)	39
- Unrealised	(433)	(64)	(2)	(16)

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
30 March 2021