



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 30 JUNE 2022**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT	PRECEDING	CHANGES	CURRENT	PRECEDING	CHANGES
	YEAR	YEAR		YEAR	YEAR	
	QUARTER	QUARTER	TO DATE	TO DATE		
30/6/2022	30/6/2021	30/6/2022	30/6/2021			
	RM '000	RM '000	%	RM '000	RM '000	%
Continuing Operations:						
Revenue	5,758	5,817	-1%	11,211	11,360	-1%
Cost of sales	(5,583)	(5,620)	1%	(10,666)	(9,947)	-7%
Gross profit	175	197	-11%	545	1,413	-61%
Other income/(expenses)	494	(949)	152%	694	(650)	207%
Administrative and general expenses	(8,808)	(11,989)	27%	(16,188)	(18,204)	11%
Operating profit/(loss)	(8,139)	(12,741)	36%	(14,949)	(17,441)	14%
Finance costs	(29)	(42)	31%	(58)	(85)	32%
Share of results of associated company	419	(567)	174%	(574)	(1,263)	55%
Profit/(Loss) before taxation	(7,749)	(13,350)	42%	(15,581)	(18,789)	17%
Taxation	(25)	(29)	14%	(47)	(59)	20%
Profit/(Loss) from continuing operations	(7,774)	(13,379)	42%	(15,628)	(18,848)	17%
Discontinued Operations:						
Profit/(Loss) from discontinued operations	-	-	0%	-	-	0%
Profit/(Loss) for the year	(7,774)	(13,379)	42%	(15,628)	(18,848)	17%
Other comprehensive income:						
Exchange differences on translation of foreign operations	(164)	141	-216%	(223)	78	-386%
Total comprehensive income	(7,938)	(13,238)	40%	(15,851)	(18,770)	16%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	(7,774)	(13,379)	42%	(15,628)	(18,848)	17%
Non-controlling interests	-	-	0%	-	-	0%
	(7,774)	(13,379)	42%	(15,628)	(18,848)	17%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	(7,938)	(13,238)	40%	(15,851)	(18,770)	16%
Non-controlling interests	-	-	0%	-	-	0%
	(7,938)	(13,238)	40%	(15,851)	(18,770)	16%
Weighted average number of ordinary shares in issue ('000)	1,551,879	867,641		1,551,879	867,641	
Earnings per share (sen):						
(a) Basic	(0.50)	(1.54)		(1.01)	(2.17)	
(b) Fully diluted	(0.50)	(1.54)		(1.01)	(2.17)	

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 2021 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	(UNAUDITED) AS AT 30/6/2022 RM '000	(AUDITED) AS AT 31/12/2021 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,358	5,846
Right of use assets	61	83
Software development expenditure	72,355	65,039
Intangible assets	11,909	9,478
Investment in associated companies	66,331	66,904
Other investments	12,000	12,000
Lease receivables	55	55
Other receivables	-	-
	<u>168,069</u>	<u>159,404</u>
CURRENT ASSETS		
Inventories	-	8,637
Other investments	3	3
Trade receivables	23,697	19,510
Lease receivables	278	538
Other receivables, deposits and prepayments	19,096	14,106
Tax recoverable	25	83
Fixed deposits with licensed banks	760	748
Cash and bank balances	4,202	6,195
	<u>48,061</u>	<u>49,819</u>
TOTAL ASSETS	<u>216,130</u>	<u>209,223</u>



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022 (Continued)

	(UNAUDITED) AS AT 30/6/2022 RM '000	(AUDITED) AS AT 31/12/2021 RM '000
EQUITY AND LIABILITIES		
Share capital	417,472	392,936
Foreign currency translation reserve	(415)	(192)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	16,715	16,715
ESOS reserves	-	-
Other reserves	(14,846)	(14,846)
Retained earnings	(175,762)	(160,134)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	206,355	197,670
NON-CURRENT LIABILITIES		
Lease Liabilities	42	41
Borrowings	3,404	3,404
Other payables	-	-
	3,446	3,445
CURRENT LIABILITIES		
Trade payables	916	1,220
Other payables and accrued expenses	5,071	6,553
Lease Liabilities	20	42
Borrowings	123	245
Tax payable	199	47
TOTAL CURRENT LIABILITIES	6,329	8,108
TOTAL LIABILITIES	9,775	11,553
	216,130	209,223
Net assets per share attributable to owners of the parent (sen)	12.70	13.83

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 2021 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2022**

	Share Capital	Foreign Currency Translation Reserve	Reverse Acquisition Debit	ESOS Reserves	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 2022	392,936	(192)	(36,809)	-	(14,846)	16,715	(160,134)	197,670	-	197,670
Issuance of ordinary shares										
- Private placement	24,536	-	-	-	-	-	-	24,536	-	24,536
- Exercise of ESOS	-	-	-	-	-	-	-	-	-	-
	24,536	-	-	-	-	-	-	24,536	-	24,536
Profit for the year	-	-	-	-	-	-	(15,628)	(15,628)	-	(15,628)
- Exchange translation differences for foreign operations	-	(223)	-	-	-	-	-	(223)	-	(223)
Total comprehensive income for the year	-	(223)	-	-	-	-	(15,628)	(15,851)	-	(15,851)
Balance as at 30 June 2022	417,472	(415)	(36,809)	-	(14,846)	16,715	(175,762)	206,355	-	206,355



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2021**

	Share Capital	Foreign Currency Translation Reserve	Reverse Acquisition Debit	ESOS Reserves	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 2021	290,577	(140)	(36,809)	1,200	(14,846)	16,715	(97,703)	158,994	-	158,994
Issuance of ordinary shares										
- Share based settlement	32,000	-	-	-	-	-	-	32,000	-	32,000
- Private placement	16,402	-	-	-	-	-	-	16,402	-	16,402
- Exercise of ESOS	14,388	-	-	274	-	-	-	14,662	-	14,662
	62,790	-	-	274	-	-	-	63,064	-	63,064
										-
Profit/ (Loss) for the year	-	-	-	-	-	-	(18,848)	(18,848)	-	(18,848)
Other comprehensive income	-	78	-	-	-	-	-	78	-	78
Total comprehensive income for the year	-	78	-	-	-	-	(18,848)	(18,770)	-	(18,770)
Balance as at 30 June 2021	353,367	(62)	(36,809)	1,474	(14,846)	16,715	(116,551)	203,288	-	203,288

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 2021 and the accompanying explanatory notes attached to the interim financial statement.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2022**

	6 MONTHS ENDED 30/6/2022 RM '000	6 MONTHS ENDED 30/6/2021 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(15,581)	(18,789)
Adjustments for:		
Amortisation of software development expenditure	6,622	4,477
Bad debts written-off:		
- trade receivables	-	113
Depreciation of property, plant and equipment	413	576
Share-based payment expenses	-	1,474
Interest income	(152)	(60)
Interest expense	48	73
Reversal of impairment losses on trade receivables	(214)	-
Share of results of associated companies	574	1,263
Unrealised (gain)/loss on foreign exchange	(410)	(327)
Operating profit before working capital changes	(8,700)	(11,200)
Changes in working capital:		
Net change in current assets	72	(1,367)
Net change in current liabilities	(1,401)	2,347
Cash used in operations	(10,029)	(10,220)
Interest received	152	60
Tax refund	28	(5)
Tax paid	13	(37)
Exchange differences	(154)	174
Net cash used in operating activities	(9,990)	(10,028)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2022 (Continued)**

	6 MONTHS ENDED 30/6/2022 RM '000	6 MONTHS ENDED 30/6/2021 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(3,500)	(5,020)
Purchase of property, plant and equipment	-	(7)
Purchase of software development expenditure	(12,869)	(9,634)
Investment in other investment	-	(6,000)
Net cash used in investing activities	(16,369)	(20,661)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(56)	(62)
Proceeds from private placement of shares	24,536	16,402
ESOS exercise	-	13,188
Fixed deposit pledged with financial institutions	(11)	-
Repayment of finance lease liability	81	(59)
Repayment of term loan	(122)	(188)
Net cash from financing activities	24,428	29,281
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,931)	(1,409)
Effects of exchange rate changes	(61)	(93)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	6,195	4,287
CASH AND CASH EQUIVALENT AT END OF YEAR	4,202	2,785
 Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	4,202	2,785
Fixed deposits with licensed banks	760	737
	4,962	3,522
Less: Fixed deposits pledged with licensed banks	(760)	(737)
	4,202	2,785

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 2021 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2022

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 2021 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 2021.

The adoption of the following MFRS that came into effect on 1 January 2022 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3	- Reference of the Conceptual Framework
Amendments to MFRS 116	- Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	- Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 – 2020 Cycle	- Amendments to References to the Conceptual Framework in MFRS Standards

A3 Audit report of preceding annual financial statements

The auditors' report on the annual financial statements of the Group for the financial year ended 31 December 2021 was qualified and the details of the qualification are as described below:

(a) Details of the qualified opinion disclosed in the external auditors' report

In our opinion, except for the possible effects of the matter described in the Basis For Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Qualified Opinion

The Group's investment in Pictureworks Holdings Sdn Bhd ("PWHQ") and its subsidiaries ("PW Group"), accounted for by the equity method, is carried at RM34,281,876 on the consolidated statement of financial position as at 31 December 2021 and the Group's share of PW Group's loss after taxation of RM3,940,320 is included in the Group's consolidated statement of profit or loss and other comprehensive income for the financial year then ended. Due to the matters described in Note 8 to the financial statements, we were unable to obtain sufficient appropriate audit evidence on the carrying amount of the Group's investment in PW Group as at 31 December 2021 and the Group's share of PW Group's loss after taxation for the financial year because we were not able to obtain access to the financial information and we are unable to obtain the audit clearance from auditors of PW Group within the audit

A3 Audit report of preceding annual financial statements (Continued)

Basis for Qualified Opinion (Continued)

time period. Consequently, we were unable to determine whether any adjustments might have been found necessary to these balances.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

(b) Excerpt of Note 8 disclosed in the annual financial statements of the Group for the financial year ended 31 December 2021

"The audit of PWHQ for the financial year ended 31 December 2021 has not been completed as of the date of this report due to the lockdown of the Shanghai area by the Government of China preventing the completion of the audit of PWHQ's subsidiary, Pictureworks Shanghai. The net assets of this subsidiary account for 12% of the net assets of PWHQ and 6% of its loss for the financial year ended 31 December 2021."

Subsequently, the audit of PWHQ for the financial year ended 31 December 2021 has been completed with the audit opinion extracted from PWHQ's audited financial statements dated 26 July 2022 as below:

"We have audited the financial statements of PICTUREWORKS HOLDINGS SDN.BHD., which comprise the statement of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. "

The Group will do the needful to ensure that the audited financial statements for PWHQ will be available for consolidation purpose in the future, in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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 was no change in debt and equity structure for the Group during the current financial quarter under review.

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 30/6/2022 RM '000	PRECEDING YEAR QUARTER 30/6/2021 RM '000	CURRENT YEAR TO DATE 30/6/2022 RM '000	PRECEDING YEAR TO DATE 30/6/2021 RM '000
Continuing Operations:				
Revenue:				
OmniChannel	5,282	5,535	10,255	9,691
Presto	477	221	956	1,209
Corporate and others	-	61	-	460
	5,759	5,818	11,211	11,360
(Loss)/Profit after taxation:				
OmniChannel	220	(682)	272	(1,530)
Presto	(6,994)	(8,627)	(12,107)	(11,313)
Corporate and others	(1,418)	(3,502)	(3,219)	(4,742)
	(8,192)	(12,812)	(15,054)	(17,585)
Share of results of associated companies:				
OmniChannel	678	(314)	(128)	(483)
Presto	(259)	(253)	(447)	(779)
	(7,774)	(13,378)	(15,628)	(18,847)

A10 Valuation of property, plant and equipment

The Group has not carried out a valuation on its property, plant and equipment reported in the current financial quarter under review.

A11 Capital commitments

The Group does not have any material capital commitments in respect of property, plant and equipment as at the end of the current financial year under review.

A12 Material events subsequent to the end of the quarter

There were no material events subsequent to the financial quarter under review up to the date of this report which are likely to substantially affect the results of the operations of the Group.

A13 Changes in the composition of the Group

- a) On 21 January 2022, Presto Universe Sdn Bhd ("PRUMY") entered into a joint venture agreement with Cover Touch Sdn Bhd and KH Lim Capital Sdn Bhd to undertake the business through Presto Assure Sdn Bhd (formerly known as Founder Qube Sdn Bhd) ("Presto Assure"). Presto Assure is principally involved in carrying out digital marketing aggregation of insurance service providers focusing on online general insurance and online life insurance products and services.



A13 Changes in the composition of the Group (Continued)

- b) On 26 January 2022, PRUMY entered into a joint venture agreement with Wang Xi and KH Lim Capital Sdn Bhd to undertake the business through Presto Plus Sdn Bhd (formerly known as Presto Buddy Sdn Bhd) ("Presto Plus"). Presto Plus is principally involved in carrying out services for Presto to centralise, aggregate and integrate the services of third-party logistics, delivery and warehousing services into Presto's digital ecosystem, which will then in turn provide these aggregated services to Presto's and its partners' merchants and consumers.
- c) On 25 March 2022, the Group incorporated a new wholly owned subsidiary company in Malaysia, namely Presto Q-Commerce Sdn Bhd ("PRQMY"). The intended principal activity is that of investment holding.

A14 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets for the current financial quarter under review.

A15 Significant related party transactions

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

	CURRENT YEAR TO DATE 30/6/2022 RM '000	PRECEDING YEAR TO DATE 30/6/2021 RM '000
Rental of premises received/receivable	43	65
Rendering of services received/receivable	296	687
Transaction fees received/receivable	10	20
Transaction fees paid/payable	15	7

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:

- OmniChannel comprises of the Group's media and advertising as well as digital imaging business;
- Presto covers the Group's Presto digital ecosystem platform businesses which consist of e-commerce, fintech, online aggregation service, and online content creation businesses.

The Group recorded a lower revenue of RM5.76 million for the current quarter, as compared to corresponding quarter of the preceding year's RM5.82 million. The segmental comparisons are as follows:

- the OmniChannel segment recorded a lower revenue in the current quarter, which decreased by 5% at RM5.28 million compared to RM5.54 million in the previous corresponding quarter, mainly due to a lower revenue in its regional advertising business; and
- the Presto segment recorded a higher revenue in the current quarter, which increased by 116% at RM0.48 million compared to RM0.22 million in the previous corresponding quarter, mainly contributed by higher billings of staff cost outsourced to associate company PMSB.



B1 Review of performance (Continued)

The Group recorded a lower loss after tax of RM7.77 million in the current quarter compared to a loss after tax of RM13.38 million in the previous corresponding quarter, mainly contributed by lower Presto related marketing expenses in the current quarter compared to the previous corresponding quarter, and the absence of one-off expenses arising from ESOS scheme and application of digital banking licence incurred in the previous corresponding quarter.

PWSB contributed a profit of RM0.68 million in the current quarter compared to a loss of RM0.31 million in the previous corresponding quarter, attributed to higher licensing fee received that contributed to higher revenue. Under the Presto segment, PMSB recorded higher loss of RM0.26 million in the current quarter compared to a loss of RM0.19 million in the previous corresponding quarter, mainly due to lower trading revenue in the current quarter.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 30/6/2022 RM '000	PRECEDING QUARTER 31/3/2022 RM '000	VARIANCE	
			RM '000	%
Revenue	5,758	5,453	305	6%
Profit/(Loss) before taxation	(7,749)	(7,832)	83	-1%

The Group recorded a higher revenue in the current quarter compared to the immediate preceding quarter, mainly contributed by higher revenue in the media and advertising business in the current quarter.

The higher revenue also resulted in a lower loss before taxation in the current quarter compared to the immediate preceding quarter.

B3 Prospects

Since the resumption of economic activities and the re-opening of international borders in the early second quarter of 2022, the Malaysian economy has been on a recovery mode. According to a report published by Bank Negara Malaysia, the Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022. The economy is expected to be driven by higher private consumption, to which PUC is putting its effort to expand its current and upcoming business plans.

While traditional media and advertising business continues to be a major component in the OmniChannel business segment, PUC has been focusing on growing the digital media business, by providing digital media and advertising packages to potential companies from both local and international brands that aim to reach a wider audience via the Presto digital ecosystem.

Under the Presto business segment, apart from the continuous effort in growing and expanding the Presto digital ecosystem, PUC has been utilising its technical capabilities in fintech infrastructure to provide technology solutions to businesses based on specific requirements. The technology solutions provided to our clients include mobile and platform development related to Fintech and E-commerce, such as customised loyalty points and integrated e-commerce to last mile fulfilment.

In terms of the Q-commerce (quick commerce) business, PUC continue to expand its offline stores by opening the fourth Presto Mart NearU outlet in Batu Pahat, on top of the current outlets located in SS15 Subang Jaya, SS2 Petaling Jaya and Bukit Indah, Johor Bahru. Presto Mart NearU is a hybrid convenience stores which combine retail mart with e-commerce fulfilment and courier services in a single outlet. Presto Mart NearU targets to open 600 outlets in the next 2 years.

Apart from the above, PUC's focus remains in developing and expanding other Presto related business opportunities, whilst striving to improve and widen the presence of the digital ecosystem for various targeted market segments.



B3 Prospects (Continued)

These include joint ventures in businesses that help strengthen the core of the Presto digital ecosystem, through enhancement of its services, as well as improving community reach and retention. Some of the ongoing effort includes:

- PUC's joint venture company, Presto Color Sdn Bhd (formerly known as Presto Play Sdn Bhd) is collaborating with AFO Radio to promote a Web3.0 economy oriented community known as Colorverse. Presto Color has built a virtual entertainment complex known as "Colorverse Tower" in Decentraland, which provides SocialFi Community Platform for creators and fans to socialise, engage, and be rewarded monetarily for their interactions within the Platform. Through the platform, Colorverse helps to empower the Web3.0 creator economy based on a user-driven design and engagement with Web3.0 technology.
- Joint venture through Presto Assure Sdn Bhd (formerly known as Founder Qube Sdn Bhd) to roll out its online general and life insurance aggregation services; Presto Assure has entered into strategic partnerships with various insurance companies, where Presto Assure would contribute their marketing and promotional effort for boosting the revenue activities related to general and life insurance products.
- Joint venture through Presto Plus Sdn Bhd (formerly known as Presto Buddy Sdn Bhd) to centralise, aggregate and integrate the services of third-party logistics, delivery and warehousing service providers into the Presto digital ecosystem.

While the recovery of economy to pre-pandemic levels continue to be challenging in FY2022, we remain cautiously optimistic about the outlook of the Group's performance. The Group will continue to tap into opportunities in FY2022 and fund its ongoing expansion plans via internally generated funds and / or equity fundraising exercises.

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
30/6/2022	30/6/2021	30/6/2022	30/6/2021
RM '000	RM '000	RM '000	RM '000

Provision for previous and current period	25	29	47	59
Effective tax rate	0%	0%	0%	0%

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

B6 Status of corporate proposals

- On 7 September 2021, the Company had entered into conditional subscription agreements with GPVF Sdn Bhd, Matrix Edge Venture Sdn Bhd and KH Lim Capital Sdn Bhd in relation to the proposed share issuance of up to 375,060,200 new ordinary shares in the Company, representing 30% of the existing total number of issued shares ("Share Issuance Exercise"). The Share Issuance Exercise was approved by the Company's shareholders in an Extraordinary General Meeting held on 20 October 2021.

B6 Status of corporate proposals (Continued)

b) As at 19 August 2022, the status of the utilisation of proceeds arising from the Share Issuance Exercise is as follows:

	Proposed utilisation	Actual utilisation	Deviation		Balance unutilised	Estimated timeframe for utilisation from the completion of the Share Issuance Exercise
	RM '000	RM '000	RM '000	%	RM '000	
Acquisitions and/or investments in suitable and/or complementary businesses and/or assets	15,000	12,428	(2,344)	-5%	228	Within 24 months
Upgrading of the Presto Digital Platform	10,000	10,000	-	-	-	Within 12 months
Marketing of the Presto Digital Platform	5,000	5,000	-	-	-	Within 12 months
Working capital	16,428	18,772	2,344	5%	-	Within 12 months
Estimated expenses for the Share Issuance Exercise	455	455	-	-	-	Immediate
	46,883	46,655	-		228	

B7 Borrowings

The Group's borrowings as at 30 June 2022 were as follows:

	Long Term		Short Term		Total Borrowings	
	Foreign currency '000	RM equivalent '000	Foreign currency '000	RM equivalent '000	Foreign currency '000	RM equivalent '000
<u>Secured</u>						
- Term loan (RM)*	-	3,404	-	123	-	3,527
	-	3,404	-	123	-	3,527

* RM - Ringgit Malaysia

B8 Material litigation

On 11 May 2021, RedHot Media Sdn Bhd ("RHM") filed a suit against Inno Mind Works Sdn Bhd ("1st Defendant"), Yip Chin Hwee ("2nd Defendant"), Dato' Tan Ho ("3rd Defendant") and Teh Kean Thea ("4th Defendant") on a joint and several basis for amongst others, the sum of RM890,659.12 and late payment interest in the sum of RM187,665.65 as sums due and owing under a repayment agreement entered into between RHM and the 1st Defendant.

Judgment in default of appearance was obtained by RHM against the 1st Defendant on 13 July 2021. RHM subsequently commenced garnishee proceedings and winding-up proceedings against the 1st Defendant. The 1st Defendant was wound up on 9 March 2022 and RHM has submitted its proof of debt to the Department of Insolvency.

Vide the 3rd Defendant's solicitors' letter dated 25 April 2022, RHM was informed that the 3rd Defendant has been adjudged bankrupt on 15 February 2022. RHM has submitted its proof of debt with the Department of Insolvency.

RHM had applied for summary judgment against the 2nd and 4th Defendants and the same was granted by the KLHC on 31 March 2022.

B8 Material litigation (Continued)

On 23 July 2022, RHM commenced bankruptcy proceedings against 2nd Defendant and the same is fixed for case management on 18th October 2022.

To-date, RHM had recovered RM313,712.41 in relation to the above matter.

As at 19 August 2022, RHM has no exposure to liabilities save and except for solicitors' fees or costs as may be determined by the Court, if any.

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	
	2022	2021	2022	2021
Profit/(Loss) attributable to owners of the parent (RM '000)	(7,774)	(13,379)	(15,628)	(18,848)
Weighted average number of ordinary shares in issue ('000)	1,551,879	867,641	1,551,879	867,641
Basic earnings per share (sen)	(0.50)	(1.54)	(1.01)	(2.17)

(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	
	2022	2021	2022	2021
Profit/(Loss) attributable to owners of the parent (RM '000)	(7,774)	(13,379)	(15,628)	(18,848)
Weighted average number of ordinary shares in issue ('000)	1,551,879	867,641	1,551,879	867,641
Diluted earnings per share (sen)	(0.50)	(1.54)	(1.01)	(2.17)



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
	30/6/2022 RM '000	30/6/2021 RM '000	30/6/2022 RM '000	30/6/2021 RM '000
Interest income	(119)	(38)	(152)	(60)
Bad debts written-off:				
- Trade receivables	-	-	-	113
Depreciation and amortisation	3,570	2,575	7,035	5,053
Interest expense	29	41	48	73
Reversal of impairment loss on trade receivables	(214)	-	(214)	-
Loss/(Gain) on foreign exchange:				
- Realised	(125)	-	(119)	39
- Unrealised	(184)	(35)	(410)	(327)

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