



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CHANGES	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE	CHANGES
	31/12/2022	31/12/2021		31/12/2022	31/12/2021	
	RM '000	RM '000	%	RM '000	RM '000	%
Continuing Operations:						
Revenue	6,660	6,677	-0.3%	19,245	23,274	-17%
Cost of sales	(5,865)	(6,036)	3%	(17,701)	(20,652)	14%
Gross profit	795	641	24%	1,544	2,622	-41%
Other income/(expenses)	199	1,380	-86%	1,196	981	22%
Administrative and general expenses	(23,207)	(29,435)	21%	(47,529)	(59,821)	21%
Operating profit/(loss)	(22,213)	(27,414)	19%	(44,789)	(56,218)	20%
Finance costs	(35)	(1,046)	97%	(128)	(1,170)	89%
Share of results of associated & joint venture companies	(1,401)	(3,098)	55%	(3,978)	(4,921)	19%
Profit/(Loss) before taxation	(23,649)	(31,558)	25%	(48,895)	(62,309)	22%
Taxation	2	(33)	106%	(38)	(122)	69%
Profit/(Loss) from continuing operations	(23,647)	(31,591)	25%	(48,933)	(62,431)	22%
Discontinued Operations:						
Profit/(Loss) from discontinued operations	-	-	0%	-	-	0%
Profit/(Loss) for the year	(23,647)	(31,591)	25%	(48,933)	(62,431)	22%
Other comprehensive income:						
Exchange differences on translation of foreign operations	(54)	(220)	75%	(447)	(53)	-743%
Total comprehensive income	(23,701)	(31,811)	25%	(49,380)	(62,484)	21%
PROFIT/(LOSS) ATTRIBUTABLE TO:						
Owners of the parent	(23,647)	(31,591)	25%	(48,933)	(62,431)	22%
Non-controlling interests	-	-	0%	-	-	0%
	(23,647)	(31,591)	25%	(48,933)	(62,431)	22%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	(23,701)	(31,811)	25%	(49,380)	(62,484)	21%
Non-controlling interests	-	-	0%	-	-	0%
	(23,701)	(31,811)	25%	(49,380)	(62,484)	21%
Weighted average number of ordinary shares in issue ('000)	1,601,243	1,068,049		1,601,243	1,068,049	
Earnings per share (sen):						
(a) Basic	(1.48)	(2.96)		(3.06)	(5.85)	
(b) Fully diluted	(1.48)	(2.96)		(3.06)	(5.85)	

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 31 DECEMBER 2022**

	(UNAUDITED) AS AT 31/12/2022 RM '000	(AUDITED) AS AT 31/12/2021 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,781	5,846
Right of use assets	40	83
Software development expenditure	73,058	65,039
Intangible assets	4,453	9,478
Investment in associated & joint venture companies	63,326	66,904
Other investments	12,001	12,000
Lease receivables	-	55
Other receivables	77	-
	<u>157,736</u>	<u>159,404</u>
CURRENT ASSETS		
Inventories	-	8,637
Other investments	3	3
Trade receivables	16,305	19,510
Lease receivables	55	538
Other receivables, deposits and prepayments	10,219	14,106
Tax recoverable	31	83
Fixed deposits with licensed banks	762	748
Cash and bank balances	1,573	6,195
	<u>28,948</u>	<u>49,819</u>
TOTAL ASSETS	<u>186,684</u>	<u>209,223</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 (Continued)**

	(UNAUDITED) AS AT 31/12/2022 RM '000	(AUDITED) AS AT 31/12/2021 RM '000
EQUITY AND LIABILITIES		
Share capital	420,510	392,936
Foreign currency translation reserve	(639)	(192)
Reverse acquisition debit	(36,809)	(36,809)
Warrant reserves	16,715	16,715
Other reserves	(14,846)	(14,846)
Retained earnings	(209,067)	(160,134)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	175,864	197,670
NON-CURRENT LIABILITIES		
Lease Liabilities	-	41
Borrowings	3,404	3,404
	3,404	3,445
CURRENT LIABILITIES		
Trade payables	927	1,220
Other payables and accrued expenses	6,278	6,553
Lease Liabilities	41	42
Borrowings	9	245
Tax payable	161	47
TOTAL CURRENT LIABILITIES	7,416	8,108
TOTAL LIABILITIES	10,820	11,553
	186,684	209,223
Net assets per share attributable to owners of the parent (sen)	10.22	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 31 DECEMBER 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	3,038	-	-	-	-	-	-	3,038	-	3,038
	27,574	-	-	-	-	-	-	27,574	-	27,574
Profit for the year										
- Exchange translation differences for foreign operations	-	(447)	-	-	-	-	(48,933)	(48,933)	-	(48,933)
Total comprehensive income for the year	-	(447)	-	-	-	-	(48,933)	(49,380)	-	(49,380)
Balance as at 31 December 2022	420,510	(639)	(36,809)	-	(14,846)	16,715	(209,067)	175,864	-	175,864



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 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	38,748	-	-	-	-	-	-	38,748	-	38,748
- Exercise of ESOS	31,611	-	-	(1,200)	-	-	-	30,411	-	30,411
	102,359	-	-	(1,200)	-	-	-	101,159	-	101,159
										-
Profit/ (Loss) for the year	-	-	-	-	-	-	(62,430)	(62,430)	-	(62,430)
Other comprehensive income	-	(53)	-	-	-	-	-	(53)	-	(53)
Total comprehensive income for the year	-	(53)	-	-	-	-	(62,430)	(62,483)	-	(62,483)
Balance as at 31 December 2021	392,936	(192)	(36,809)	-	(14,846)	16,715	(160,134)	197,670	-	197,670

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 31 DECEMBER 2022**

	12 MONTHS ENDED 31/12/2022 RM '000	12 MONTHS ENDED 31/12/2021 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(48,895)	(62,309)
Adjustments for:		
Amortisation of software development expenditure	14,581	13,735
Bad debts written-off:		
- trade receivables	41	(180)
Depreciation of property, plant and equipment	860	1,231
Expected credit loss	6,459	2,121
Share-based payment expenses	-	1,474
Impairment losses on receivables		
- other receivables	827	29
Intangible assets written-off	11,890	18,031
Interest income	(449)	(120)
Interest expense	118	140
Property, plant & equipment written off	100	-
Reversal of impairment losses on trade receivables	(227)	-
Share of results of associated & joint venture companies	3,978	4,921
Unrealised (gain)/loss on foreign exchange	(551)	(353)
Operating profit / (loss) before working capital changes	(11,268)	(21,280)
Changes in working capital:		
Net change in current assets	9,280	(3,473)
Net change in current liabilities	(94)	976
Cash used in operations	(2,082)	(23,778)
Interest received	449	120
Tax refund	23	(32)
Tax paid	(15)	(168)
Exchange differences	(383)	276
Net cash used in operating activities	(2,008)	(23,582)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2022 (Continued)**

	12 MONTHS ENDED 31/12/2022 RM '000	12 MONTHS ENDED 31/12/2021 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(3,500)	(7,290)
Purchase of property, plant and equipment	51	(13)
Purchase of software development expenditure	(25,965)	(16,228)
Investment in associated company	(401)	-
Investment in other investment	(1)	(18,000)
Net cash used in investing activities	(29,816)	(41,531)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(125)	(120)
Proceeds from private placement of shares	24,536	38,748
ESOS exercise	3,038	28,937
Fixed deposit pledged with financial institutions	(13)	(11)
Repayment of finance lease liability	58	(141)
Repayment of term loan	(236)	(308)
Net cash from financing activities	27,258	67,105
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,565)	1,992
Effects of exchange rate changes	(56)	(84)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	6,195	4,287
CASH AND CASH EQUIVALENT AT END OF PERIOD	1,573	6,195
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	1,573	6,195
Fixed deposits with licensed banks	762	748
	2,335	6,943
Less: Fixed deposits pledged with licensed banks	(762)	(748)
	1,573	6,195

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 31 DECEMBER 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 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	- 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."

"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 31/12/2022 RM '000	PRECEDING YEAR QUARTER 31/12/2021 RM '000	CURRENT YEAR TO DATE 31/12/2022 RM '000	PRECEDING YEAR TO DATE 31/12/2021 RM '000
Continuing Operations:				
Revenue:				
OmniChannel	1,165	5,015	12,147	19,366
Presto	5,495	1,483	7,098	3,180
Corporate and others	0	179	0	727
	6,660	6,677	19,245	23,274
(Loss)/Profit after taxation:				
OmniChannel	(7,369)	(16,362)	(7,214)	(18,708)
Presto	(13,674)	(10,159)	(32,037)	(30,445)
Corporate and others	(1,203)	(1,971)	(5,704)	(8,357)
	(22,246)	(28,492)	(44,955)	(57,510)
Share of results of associated & joint venture companies:				
OmniChannel	(1,476)	(3,052)	(3,546)	(3,940)
Presto	75	(46)	(432)	(980)
	(23,647)	(31,590)	(48,933)	(62,430)

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) (“JV Company”). The JV Company 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.
- 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) (“JV Company”). The JV Company 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 31/12/2022 RM '000	PRECEDING YEAR TO DATE 31/12/2021 RM '000
Rental of premises received/receivable	150	131
Rendering of services received/receivable	680	1,386
Transaction fees received/receivable	28	37
Transaction fees paid/payable	18	23

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 as well as digital imaging business;
- (ii) 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 RM6.66 million for the current quarter, as compared to corresponding quarter of the preceding year’s RM6.67 million. The segmental comparisons are as follows:

- (i) the OmniChannel segment recorded a lower revenue in the current quarter, which decreased by 76.8% to RM1.17 million from RM5.02 million in the previous corresponding quarter, mainly due to a change in business environment where customers shifted their demand to local media instead of regional media, thus affecting PUC’s regional media and advertising business; and
- (ii) the Presto segment recorded a higher revenue in the current quarter, which increased by 270.5% to RM5.50 million compared with RM1.48 million in the previous corresponding quarter, mainly contributed by sales of software took place in the current quarter however not in the previous corresponding quarter.



B1 Review of performance (Continued)

The Group recorded a lower loss after tax of RM23.37 million in the current quarter compared to a loss after tax of RM31.59 million in the previous corresponding quarter.

The loss in current quarter was mainly due to the following:

- (a) Impairment on goodwill attributable to entities under the Presto segment including Enovax Pte Ltd of RM2.12 million and Presto Credit Sdn Bhd of RM1.32 million. With current business direction of the Group, the business activities under these companies will take extended period to gain significant traction;
- (b) Impairment loss of RM1.20 million on software development costs and RM2.87 million on media contents that are no longer commercially viable;
- (c) Additional expected credit loss of RM6.44 million mainly related to debtors under the OmniChannel segment.

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

- (a) Impairment on goodwill attributable to entities under the OmniChannel segment including Redhot Media Sdn Bhd of RM2.12 million, AllChina.cn Ltd of RM9.23 and RH Media Group Sdn Bhd of RM0.91million, as well as Enovax Pte Ltd ("ENVSG") of RM4.40 million under the Presto segment. These companies are significantly impacted by Covid-19 outbreak and may take extended period to recover;
- (b) Impairment loss of RM1.70 million on software development costs that are no longer commercially viable;
- (c) Additional expected credit loss of RM2.12 million mainly related to debtors under the OmniChannel segment.

PWSB contributed a loss of RM1.24 million in the current quarter compared to a loss of RM3.05 million in the previous corresponding quarter, mainly from lower impairment of receivables that failed to fulfill the contractual obligations occurred in current quarter. Under the Presto segment, there is profit of RM0.07 million in the current quarter compared to a loss of RM0.05 million in the previous corresponding quarter. The profit in the current quarter mainly consists of RM0.04m profit under Presto Mall Sdn Bhd mainly resulted from better cost control in current quarter, as well as RM0.03m profit under Presto Color Sdn Bhd, contributed by higher revenue from software development solutions during the period.

B2 Variation of results against preceding quarter

	CURRENT	PRECEDING	VARIANCE	
	QUARTER	QUARTER		
	31/12/2022	30/9/2022	RM '000	%
	RM '000	RM '000	RM '000	
Revenue	6,660	1,374	5,286	385%
Profit/(Loss) before taxation	(23,649)	(9,665)	(13,984)	145%

The Group recorded a higher revenue in the current quarter compared to the immediate preceding quarter mainly due to sales of software under Presto segment in the current quarter.

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

B3 Prospects

As the global economy is expected to be on post-pandemic recovery mode till beyond year 2022, geopolitical instability, global inflation and recession fears would continue to be the main factors affecting economic growth globally as well as the Malaysian economy. Like other businesses that face significant challenges in restructuring, PUC remains committed to constantly adapting to these challenges and consistently seeking business opportunities to attain a sustainable and profitable position for the Group.



B3 Prospects (Continued)

Moving forward, PUC would spend more focus on Presto business segment, aiming to be a significant player in the loyalty to redemption segment, establishing business partnerships with brands and financial institutions by providing loyalty points redemption as an alternative payment method to consumers, at the same time bringing in user traffics into Presto digital ecosystem. Currently PUC had formed up partnerships including Bonuslink, Rise Advisory (Manulife), and AirAsia in providing the customers the avenue to redeem their loyalty points in Presto digital ecosystem, and this network is expected to continue grow with engaging more partnerships with similar business opportunities. On the other hand, PUC is consistently sourcing wider varieties of products regionally and services locally to be aligned with the growth on its e-commerce platform, aiming to serve the needs of rising customers demand while striving to achieve the level of profitability to sustain the business growth.

PUC under OmniChannel business segment continues focused on developing the digital media business to be aligned with Presto business segment, 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. Utilisation of Presto e-commerce platform for inclusion of media spaces would enable PUC to generate media and advertising revenue with higher margin, while ensuring the clients to reach their target audience effectively.

While the recovery of economy to pre-pandemic levels continues to be challenging in coming FY2023, we remain cautiously optimistic about the outlook of the Group's performance. The Group will continue to tap into opportunities in FY2023 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 31/12/2022 RM '000	PRECEDING YEAR QUARTER 31/12/2021 RM '000	CURRENT YEAR TO DATE 31/12/2022 RM '000	PRECEDING YEAR TO DATE 31/12/2021 RM '000
Provision for previous and current period	(2)	33	38	122
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 17 February 2023, 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	12,608	(2,344)	-5%	48	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
	<u>46,883</u>	<u>46,835</u>	<u>-</u>		<u>48</u>	

B7 Borrowings

The Group's borrowings as at 31 December 2022 were 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 (RM)*	-	3,404	-	9	-	3,413
	<u>-</u>	<u>3,404</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>3,413</u>

* RM - Ringgit Malaysia

B8 Material litigation

On 11th 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 13th July 2021. RHM subsequently commenced garnishee proceedings and winding-up proceedings against the 1st Defendant. The 1st Defendant was wound up on 9th March 2022 and RHM has submitted its proof of debt to the Department of Insolvency.

Vide the 3rd Defendant's solicitors' letter dated 25th April 2022, RHM was informed that the 3rd Defendant has been adjudged bankrupt on 15th 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 31st March 2022.

B8 Material litigation (Continued)

On 23rd July 2022, RHM commenced bankruptcy proceedings against 2nd Defendant. Creditor's Petition has been filed against the 2nd Defendant and the matter is fixed for hearing on 17th January 2023.

On 16th January 2023, 2nd Defendant has made payment of RM866,589.29, as per the amount stated in the bankruptcy notice. RHM had on 17th January 2023 withdrawn the bankruptcy proceeding against the 2nd Defendant.

To-date, RHM had recovered RM1,180,301.70 in relation to the above matter.

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	
	2022	2021	2022	2021
Profit/(Loss) attributable to owners of the parent (RM '000)	(23,647)	(31,591)	(48,933)	(62,431)
Weighted average number of ordinary shares in issue ('000)	1,601,243	1,068,049	1,601,243	1,068,049
Basic earnings per share (sen)	(1.48)	(2.96)	(3.06)	(5.85)

(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	
	2022	2021	2022	2021
Profit/(Loss) attributable to owners of the parent (RM '000)	(23,647)	(31,591)	(48,933)	(62,431)
Weighted average number of ordinary shares in issue ('000)	1,601,243	1,068,049	1,601,243	1,068,049
Diluted earnings per share (sen)	(1.48)	(2.96)	(3.06)	(5.85)



B10 Profit before taxation

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

	CURRENT YEAR QUARTER 31/12/2022 RM '000	PRECEDING YEAR QUARTER 31/12/2021 RM '000	CURRENT YEAR TO DATE 31/12/2022 RM '000	PRECEDING YEAR TO DATE 31/12/2021 RM '000
Interest income	(282)	(73)	(456)	(120)
Bad debts written-off:				
- Trade receivables	41	(293)	41	(180)
Depreciation and amortisation	8,381	6,972	15,441	14,966
Interest expense	67	70	118	140
Reversal of impairment loss on trade receivables	(227)	-	(227)	-
Loss/(Gain) on foreign exchange:				
- Realised	(191)	-	(177)	39
- Unrealised	(134)	(57)	(551)	(353)

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