

Unless otherwise stated, all abbreviations and defined names or expressions contained in this Abridged Prospectus ("AP") are defined in the Definitions section of this AP.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold / transferred all your ordinary shares in PUCF (as defined herein), you should at once hand this AP together with the Notice of Provisional Allotment ("NPA") and the Rights Subscription Form ("RSF") (collectively referred to as the "Documents") to the agent through whom you effected the sale / transfer for onward transmission to the purchaser / transferee. All enquiries concerning the Rights Issue of ICULS with Warrants which is the subject of this AP, should be addressed to our Share Registrar, namely Mega Corporate Services Sdn Bhd, at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail 50250 Kuala Lumpur.

These Documents are only despatched to our Entitled Shareholders who have a registered address in Malaysia in the Record of Depositors or who have provided our Share Registrar with a registered address in Malaysia in writing not later than 5.00 p.m. on 19 January 2016. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue of ICULS with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue of ICULS with Warrants to which this AP relates is only available to persons receiving the Documents electronically or otherwise within Malaysia. No action has been or will be taken to ensure that the Rights Issue of ICULS with Warrants and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of our Entitled Shareholders and / or their renouneece(s) / transferee(s) (if applicable) who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation of all or any part of the Rights ICULS and Warrants to be issued under the Rights Issue of ICULS with Warrants would result in the contravention of any laws of such countries or jurisdictions. Such shareholders should note the additional terms and restrictions as set out in Section 12 of this AP. Neither PUCF, PIVB nor any other advisers to the Rights Issue of ICULS with Warrants shall accept any responsibility or liability in the event that any acceptance or sale / transfer of the provisional allotment of the Rights ICULS with Warrants-B made by the Entitled Shareholders and / or their renouneece(s) / transferee(s) (if applicable) shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and / or their renouneece(s) / transferee(s) (if applicable) are residents.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights ICULS with Warrants-B or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents.

Our shareholders have approved, amongst others, the Rights Issue of ICULS with Warrants at the Extraordinary General Meeting held on 29 December 2015. Bursa Securities had, vide its letter dated 6 November 2015, granted its approval for, the admission of the ICULS and Warrants-B to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for the ICULS, Warrants-B and new PUCF Shares to be issued arising from the conversion of the ICULS and exercise of the Warrants-B on the ACE Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of ICULS with Warrants. Admission of the ICULS and Warrants-B to the Official List of ACE Market of Bursa Securities and the listing of and quotation for the ICULS, Warrants-B and the new PUCF Shares to be issued arising from the conversion of the ICULS and exercise of the Warrants-B on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of ICULS with Warrants.

The official listing of and quotation for the said securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of our Entitled Shareholders and / or their renouneece(s) / transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Directors have seen and approved all the documentation relating to the Rights Issue of ICULS with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 8 OF THIS AP.

PIVB, being our Principal Adviser for the Rights Issue of ICULS with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of ICULS with Warrants.



PUC FOUNDER (MSC) BERHAD
(Company No. 451734-A)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO RM83,901,476.75 NOMINAL VALUE OF THREE (3)-YEAR, 4%, IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AT 100% OF THE NOMINAL VALUE OF RM0.05 EACH ("RIGHTS ICULS") ON THE BASIS OF TWENTY EIGHT (28) RM0.05 NOMINAL VALUE OF RIGHTS ICULS FOR EVERY TWENTY (20) ORDINARY SHARES OF RM0.10 EACH IN PUCF HELD AT 5.00 P.M. ON 19 JANUARY 2016 TOGETHER WITH UP TO 419,507,384 FREE DETACHABLE WARRANTS ("WARRANT(S)-B") ON THE BASIS OF SEVEN (7) WARRANTS-B FOR EVERY TWENTY EIGHT (28) RIGHTS ICULS SUBSCRIBED, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF RM28,000,000.00 NOMINAL VALUE OF THE RIGHTS ICULS AND 140,000,000 WARRANTS-B

Principal Adviser

Trustee



PUBLIC INVESTMENT BANK BERHAD (20027-W)
A Participating Organisation Of Bursa Malaysia Securities Berhad
(Wholly-owned Subsidiary Of Public Bank Berhad)



Pacific Trustees
Berhad
The Trust Company

IMPORTANT RELEVANT DATES AND TIMES

Entitlement date	:	Tuesday, 19 January 2016 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Wednesday, 27 January 2016 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Tuesday, 2 February 2016 at 4.00 p.m.
Acceptance and payment	:	Friday, 5 February 2016 at 5.00 p.m.*
Excess application and payment	:	Friday, 5 February 2016 at 5.00 p.m.*

* or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

This AP is dated 19 January 2016

BURSA SECURITIES HAS APPROVED, THE ADMISSION OF THE ICULS AND WARRANTS-B TO THE OFFICIAL LIST OF THE ACE MARKET OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE RIGHTS ICULS, WARRANTS-B AND THE NEW PUCF SHARES TO BE ISSUED PURSUANT TO THE CONVERSION OF ICULS AND EXERCISE OF THE WARRANTS-B ON THE ACE MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF ICULS WITH WARRANTS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THESE DOCUMENTS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF ICULS WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following words and abbreviations shall apply throughout this AP and shall have the following meanings:

Act	:	Companies Act, 1965, as amended from time to time and all regulations made thereunder and any re-enactment thereof
Announcement of the Corporate Exercises	:	Announcement dated 4 August 2015, in relation to the Rights Issue of ICULS with Warrants and the Diversification
Announcement of the Revised Terms	:	Announcement dated 12 October 2015, in relation to the revision in the terms of the Rights Issue of ICULS with Warrants
AP	:	The abridged prospectus dated 19 January 2016 issued by PUCF in relation to the Rights Issue of ICULS with Warrants
Board	:	Board of Directors of PUCF
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CDS Account(s)	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
CDS	:	A Central Depository System governed under the SICDA
Circular	:	The circular to shareholders of PUCF dated 14 December 2015 in relation to the Corporate Exercises
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and all regulations made thereunder and any re-enactment thereof
Code	:	Malaysian Code on Take-Overs and Mergers, 2010, as amended from time to time and all regulations made thereunder and any re-enactment thereof
Corporate Exercises	:	The Rights Issue of ICULS with Warrants and Diversification, collectively
Deed Poll-A	:	The deed poll that was executed by the Company constituting the Warrants-A and governing the rights of the Warrant-A holders dated 6 November 2014
Deed Poll-B	:	The deed poll that was executed by the Company constituting the Warrants-B and governing the rights of the Warrant-B holders dated 30 December 2015
Director(s)	:	Shall have the same meaning given in Section 2(1) of the CMSA
Diversification	:	Diversification of our Group's existing business to include the provision of energy utility services
Documents	:	AP, NPA and RSF, collectively
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
EGM	:	Extraordinary general meeting
Entitled Shareholder(s)	:	Our Shareholder(s) whose name(s) appear on the Record of Depositors on the Entitlement Date and is entitled to participate in the Rights Issue of ICULS with Warrants
Entitlement Date	:	19 January 2016 at 5.00 p.m., being the date on which the names of the shareholders of PUCF must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue of ICULS with Warrants
EPS	:	Earnings per share

DEFINITIONS (Cont'd)

ESOS Options or Options	:	Our company's employee share option scheme
Excess Rights with Warrants ICULS	:	Rights ICULS with Warrants-B which are not taken up or not validly taken up by our Entitled Shareholders and / or their renounee(s) and / or transferee(s) prior to excess application
FIT	:	Feed-in Tariff
FIA	:	Feed-in Approval
FPE	:	Financial period ended
FYE(s)	:	Financial year(s) ended / ending
ICULS	:	Three (3)-year, 4%, irredeemable convertible unsecured loan stocks
IMR Report	:	Independent Market Research Report on the Energy Utility Industry in Malaysia dated December 2015 prepared by Smith Zander International Sdn Bhd
KeTTHA	:	Ministry of Energy, Green Technology and Water (Kementerian Tenaga, Teknologi Hijau dan Air)
KWh	:	Kilowatt hour
Listing Requirements	:	The ACE Market Listing Requirements of Bursa Securities, as may be amended from time to time
LPD	:	29 December 2015, being the latest practicable date prior to the issuance of this AP
Major Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company, where such person is the largest shareholder of the Company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act
Market Day(s)	:	Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
Maturity Date	:	The date on which the ICULS are to be compulsorily or automatically be converted into new PUCF Shares which the date shall fall on the third (3 rd) anniversary of the date of issue of the ICULS and if such date is not a market day, then on the immediate preceding market day
Maximum Scenario	:	The scenario that assumes all outstanding Warrants-A are exercised prior to or on the Entitlement Date and all Entitled Shareholders subscribe in full for the Rights ICULS
Maximum Subscription Level	:	A maximum subscription level of RM83,901,476.75 nominal value of ICULS pursuant to the Rights Issue of ICULS with Warrants
Minimum Scenario	:	The scenario that assumes all outstanding Warrants-A are not exercised prior to or on the Entitlement Date, RHIL subscribes for RM28,000,000.00 nominal value of the Rights ICULS pursuant to the Undertaking and none of the other Entitled Shareholders subscribes for the Rights ICULS

DEFINITIONS (Cont'd)

Minimum Subscription Level	:	A minimum subscription level of RM28,000,000.00 nominal value of ICULS pursuant to the Rights Issue of ICULS with Warrants, based on the Undertaking
MW	:	Megawatt
NA	:	Net assets
NPA	:	Notice of provisional allotment issued pursuant to the Rights Issue of ICULS with Warrants
Official List	:	A list specifying all securities listed on the ACE Market of Bursa Securities
PAT	:	Profit after taxation
PAC(s)	:	Persons acting in concert with RHIL namely, Cheong Chia Chieh @ Chang Chia Chieh, Datuk Oh Chong Peng, Lee Koh Yung, Liew Peng Chuen @ Liew Ah Choy, Nathaniel Grant David Sherick and Oh Jean-Yin
PDS	:	Private debt securities
PBT	:	Profit before taxation
Principal Adviser or PIVB	:	Public Investment Bank Berhad (20027-W)
Provisional Allotment	:	Rights ICULS with Warrants-B provisionally allotted to our Entitled Shareholders and / or their renounee(s) / transferee(s) (if applicable) pursuant to the Rights Issue of ICULS with Warrants
PUCF or the Company	:	PUC Founder (MSC) Berhad (451734-A)
PUCF Group of our Group	:	PUCF and its subsidiaries, collectively
PUCF Share(s) or Share(s)	:	Ordinary shares of RM0.10 each in PUCF
PV	:	Photovoltaic
RE	:	Renewable energy
RE Quota	:	RE quota for the FIT system granted by SEDA, KeTTHA or any other relevant authorities under the Renewable Energy Act 2011
Record of Depositors	:	A record of depositors provided by Bursa Depository to PUCF under Chapter 24.0 of the Rules of Bursa Depository
REPPA	:	Renewable Energy Power Purchase Agreement
RHIL	:	Redhot Media International Limited (LL 10209), the major shareholder of PUCF
RHML	:	Resource Holding Management Limited (CT-189079), which is the holding company of RHM Ltd and which in turn is the holding company of RHIL
Rights ICULS	:	The Rights ICULS to be issued by our Company pursuant to the Rights Issue of ICULS with Warrants
Rights Issue of ICULS with Warrants	:	The renounceable rights issue of up to RM83,901,476.75 nominal value of ICULS at 100% of the nominal value of RM0.05 each on the basis of twenty eight (28) RM0.05 nominal value of Rights ICULS for every twenty (20) PUCF Share held on the Entitlement Date together with up to 419,507,384 Warrants-B on the basis of seven (7) Warrants-B for every twenty eight (28) Rights ICULS subscribed, based on the Minimum Subscription Level
RM and sen	:	Ringgit Malaysia and sen, respectively

DEFINITIONS (Cont'd)

RMA	:	Red Media Asia Ltd (1482119)
RMB	:	Renminbi
RSF	:	Rights Subscription Form
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
SEDA	:	Sustainable Energy Development Authority, Malaysia
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SC	:	Securities Commission Malaysia
Substantial Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in the company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than five percent (5%) of the aggregate of the nominal amounts of all the voting shares in the company, as defined in Section 69D of the Act.
TERP	:	Theoretical Ex-Rights Price
TNB	:	Tenaga Nasional Berhad (200866-W)
Trust Deed	:	The document constituting the ICULS executed by our Company and the Trustee on 30 December 2015
Trustee	:	Pacific Trustees Berhad (317001-A)
Undertaking	:	The irrevocable written undertaking by RHIL to subscribe for RM28,000,000.00 nominal value of Rights ICULS in order to achieve the Minimum Subscription Level
VWAMP	:	Volume weighted average market price
Warrant(s)-A	:	132,787,036 warrants which were issued by the Company on 6 January 2015 and constituted by the Deed Poll-A
Warrant(s)-B	:	Up to 419,507,384 free new detachable warrants in PUCF to be issued pursuant to the Rights Issue of ICULS with Warrants

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be a reference to Malaysian time, unless otherwise specified.

All references to "our Company" or "PUCF" in this AP are made to PUC Founder (MSC) Berhad and references to "our Group", "the PUCF Group" or "our Group" are to our Company and our subsidiaries, collectively. References to "we", "us", "our" and "ourselves" are to our Company and save where the context otherwise requires, shall include our subsidiaries. All references to "you" in this AP are made to our Entitled Shareholders.

Any discrepancy in the tables between the amount listed and the totals in the AP are due to rounding.

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CORPORATE DIRECTORY



PUC FOUNDER (MSC) BERHAD

(Company No. 451734-A)

(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

Name	Address	Profession	Nationality
Dato' Othman Bin Jusoh (Independent Non-Executive Chairman)	No. 43 Jalan Pakis, Taman Fern Grove, KM 12 Jalan Cheras, 43200 Batu 9 Cheras, Selangor Darul Ehsan, Malaysia	Chairman	Malaysian
Cheong Chia Chieh @ Chang Chia Chieh (Managing Director)	B 33A-08, Suasana Sentral Loft, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia	Managing Director	Malaysian
Tunku Afwida Binti Tunku A. Malek (Independent Non-Executive Director)	No. 7 Jalan TR 9/6, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Company Director	Malaysian
Liew Peng Chuen @ Liew Ah Choy (Independent Non-Executive Director)	66, Jalan USJ 2/5C, UEP Subang Jaya 47600 Subang Jaya, Selangor Darul Ehsan, Malaysia	Company Director	Malaysian
Chow Kah Sung (Independent Non-Executive Director)	12A Jalan USJ 11/2G, 47610 Subang Jaya, Selangor Darul Ehsan, Malaysia	Company Director	Malaysian
Nathaniel Grant David Sherick (Independent Non-Executive Director)	108-20-1 Millennium Tower, Gurney Drive, 10250 Penang, Malaysia	Company Director	British
Cheung Shuen Lung (Non-Independent Non-Executive Director)	Block F, Golden Villa, 6 Castle Peak Road, Sham Tseng, New Territories, Hong Kong Special Administrative Region of the People's Republic of China	Company Director	Chinese

AUDIT COMMITTEE

Name	Designation	Directorship
Nathaniel Grant David Sherick	Chairman	Independent Non-Executive Director
Dato' Othman Bin Jusoh	Member	Independent Non-Executive Chairman
Tunku Afwida Binti Tunku A. Malek	Member	Independent Non-Executive Director
Liew Peng Chuen @ Liew Ah Choy	Member	Independent Non-Executive Director

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CORPORATE DIRECTORY (Cont'd)

REMUNERATION COMMITTEE

Name	Designation	Directorship
Dato' Othman Bin Jusoh	Chairman	Independent Non-Executive Chairman
Liew Peng Chuen @ Liew Ah Choy	Member	Independent Non-Executive Director
Cheong Chia Chieh @ Chang Chia Chieh	Member	Managing Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Liew Peng Chuen @ Liew Ah Choy	Chairman	Independent Non-Executive Director
Dato' Othman Bin Jusoh	Member	Independent Non-Executive Chairman
Tunku Afwida Binti Tunku A. Malek	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Lim Seck Wah (*MAICSA 0799845*)
Tang Chi Hoe (Kevin) (*MAICSA 7045754*)
Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel No: 603-2692 4271
Fax No: 603-2732 5388

REGISTERED OFFICE : Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel No: 603-2692 4271
Fax No: 603-2732 5388

MANAGEMENT OFFICE : Unit C-2-01, Level 2, Capital 3, Oasis Square
No. 2, Jalan PJU 1A/7A, Ara Damansara
PJU 1A, 47301 Petaling Jaya
Selangor Darul Ehsan

Tel No: 603-7651 0188
Fax No: 603-7651 0088
Website: www.founder.com.my
E-mail: ir@founder.my

AUDITORS AND REPORTING ACCOUNTANTS : Messrs. UHY (*AF 1411*)
Suite 11.05, Level 11, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Tel No: 603-2279 3088
Fax No: 603-2279 3099

CORPORATE DIRECTORY (Cont'd)

- DUE DILIGENCE SOLICITORS** : Messrs. Cheang & Ariff
39 Court @ Loke Mansion
No. 273A, Jalan Medan Tuanku
50300 Kuala Lumpur

Tel No: 603-2691 0803
Fax No: 603-2692 8533
- PRINCIPAL BANKERS** : Alliance Bank Malaysia Berhad (88103-W)
Ground & 1st Floor
Jalan SS2/55
47300 Petaling Jaya
Selangor Darul Ehsan

Malayan Banking Berhad (3813-K)
2, Jalan PJU 1A/7A
Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan
- SHARE REGISTRAR AND PAYING AGENT** : Mega Corporate Services Sdn Bhd (187984-H)
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel No: 603-2692 4271
Fax No: 603-2732 5388
- PRINCIPAL ADVISER** : Public Investment Bank Berhad (20027-W)
25th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur

Tel: 03-2166 9382
Fax: 03-2166 9386
- TRUSTEE** : Pacific Trustees Berhad (317001-A)
Unit-A-9-8, 9th Floor, Megan Avenue 1
No. 189, Jalan Tun Razak
Off Persiaran Hampshire
50400 Kuala Lumpur

Tel No: 603-2166 8830
Fax No: 603-2166 3830
- INDEPENDENT MARKET RESEARCHER** : Smith Zander International Sdn Bhd (1058128-V)
Suite 23-3, Level 23, Office Suite, Menara IMK
No. 1 Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur

Tel No: 603-6211 2121.
- STOCK EXCHANGE LISTED AND LISTING SOUGHT** : ACE Market of Bursa Securities



(Company No. 451734-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

19 January 2016

Board of Directors:

Dato' Othman Bin Jusoh (*Independent Non-Executive Chairman*)
Cheong Chia Chieh @ Chang Chia Chieh (*Managing Director*)
Tunku Afwida Binti Tunku A. Malek (*Independent Non-Executive Director*)
Liew Peng Chuen @ Liew Ah Choy (*Independent Non-Executive Director*)
Chow Kah Sung (*Independent Non-Executive Director*)
Nathaniel Grant David Sherick (*Independent Non-Executive Director*)
Cheung Shuen Lung (*Non-Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO RM83,901,476.75 NOMINAL VALUE OF THREE (3)-YEAR, 4%, ICULS AT 100% OF THE NOMINAL VALUE OF RM0.05 EACH ON THE BASIS OF TWENTY EIGHT (28) RM0.05 NOMINAL VALUE OF THE RIGHTS ICULS FOR EVERY TWENTY (20) EXISTING PUCF SHARES HELD AT 5.00 P.M. ON 19 JANUARY 2016 TOGETHER WITH UP TO 419,507,384 WARRANTS-B ON THE BASIS OF SEVEN (7) WARRANTS-B FOR EVERY TWENTY EIGHT (28) RIGHTS ICULS SUBSCRIBED, BASED ON THE MINIMUM SUBSCRIPTION LEVEL

1. INTRODUCTION

Our Board is pleased to inform you that our shareholders had approved the Corporate Exercises, which include amongst others, the Rights Issue of ICULS with Warrants at our Company's EGM held on 29 December 2015. A certified true extract of the resolutions pertaining to the Rights Issue of ICULS with Warrants passed at the said EGM is attached in **Appendix I** of this AP.

On 6 November 2015, PIVB, had on behalf of our Board, announced that Bursa Securities had vide its letter dated 6 November 2015, resolved to approve, the following:

- (i) the admission of the ICULS and the Warrants-B to the Official List; and
- (ii) the listing of and quotation for the ICULS, Warrants-B, and the new PUCF Shares to be issued pursuant to the conversion of the ICULS and the exercise of the Warrants-B on the ACE Market of Bursa Securities.

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The approval granted by Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	PUCF and PIVB must fully comply with the relevant provisions under the ACE Market Listing Requirements of Bursa Securities pertaining to the implementation of the Rights Issue of ICULS with Warrants.	Noted
(b)	PUCF and PIVB to inform Bursa Securities upon the completion of the Rights Issue of ICULS with Warrants.	To be met
(c)	PUCF to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of ICULS with Warrants are completed.	To be met
(d)	PUCF to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICULS and the exercise of the Warrants-B, as at the end of each quarter together with a detailed computation of listing fees payable.	To be met

On 9 December 2015, PIVB, had on behalf of our Board, announced that the SC had vide its letter dated 8 December 2015, which was received on 9 December 2015, approved the issuance of the ICULS pursuant to the Rights Issue of ICULS with Warrants under Section 214(1) of the CMSA.

The approval granted by the SC is subject to the following conditions:

	Conditions Imposed	Status of compliance
(a)	Compliance with the standard conditions and continuing obligations as stipulated in the Guidelines on PDS and Sukuk.	Noted
(b)	Prior to the issuance of the ICULS, PIVB is required to submit a checklist of compliance with the standard conditions and continuing obligations as stipulated in the Guidelines on PDS and Sukuk and any other condition imposed in any other letter issued in connection with the Rights Issue of ICULS with Warrants.	To be met
(c)	The provision under the CMSA, guidelines, notices and circulars issued or administered by the SC are an integral part of SC's approval and must be complied with. PIVB and PUCF are reminded that any contravention or non-compliance with any condition by the SC will be subject to enforcement actions as provided under the CMSA.	Noted

The official listing of and quotation for the ICULS, Warrants-B, and the new PUCF Shares arising from the conversion of the ICULS and the exercise of the Warrants-B will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of our Entitled Shareholders and / or their renouncee(s) / transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Subsequently, on 4 January 2016, PIVB has, on our behalf, announced that the Entitlement Date for the Rights Issue of ICULS with Warrants has been fixed at 5.00 p.m. on 19 January 2016.

No person is authorised to give any information or to make any representation not contained herein in connection with the Rights Issue of ICULS with Warrants, and if given or made, such information or representation must not be relied upon as having been authorised by us or PIVB.

IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE OF ICULS WITH WARRANTS

2.1 Details of the Rights Issue of ICULS with Warrants

In accordance with the terms of the Rights Issue of ICULS with Warrants as approved by the relevant authorities and our shareholders and subject to the terms of the Documents, the Rights Issue of ICULS with Warrants entails a provisional allotment of up to RM83,901,476.75 nominal value of three (3)-year, 4%, ICULS at 100% of the nominal value of RM0.05 each on the basis of twenty eight (28) RM0.05 nominal value of the ICULS for twenty (20) existing PUCF Share held on the Entitlement Date together with up to 419,507,384 Warrants-B on the basis of seven (7) Warrants-B for every twenty eight (28) Rights ICULS subscribed, based on the Minimum Subscription Level.

The Rights Issue of ICULS will be undertaken on the Minimum Subscription Level which was determined by our Board after taking into consideration, amongst others, the minimum level of funds that our Company wishes to raise from the Rights Issue of ICULS with Warrants which will be utilised in the manner as detailed in Section 6 of this AP and the amount of funds to defray estimated expenses relating to the Corporate Exercises.

As an Entitled Shareholder, you will find enclosed with this AP:

- (i) the NPA in respect of the number of Rights ICULS with Warrants-B for which you are entitled to subscribe for under the terms of the Rights Issue of ICULS with Warrants; and
- (ii) the RSF which is to be used for the acceptance of the Rights ICULS with Warrants provisionally allotted to you, and for the applications of any Rights ICULS with Warrants pursuant to the excess Rights ICULS with Warrants application, should you wish to do so.

You can fully or partially subscribe for and / or renounce your entitlement for the Rights ICULS provisionally allotted to you. However, the Rights ICULS with Warrants-B cannot be renounced separately. Should you renounce all of your Rights ICULS entitlements under the Rights Issue of ICULS with Warrants, you shall not be entitled to any of the Warrants-B, and if you accept only part of your Rights ICULS entitlement under the Rights Issue of ICULS with Warrants, you shall be entitled to the Warrants-B in the proportion of your acceptance of the Rights ICULS entitlements.

The Warrants-B will be detached from the Rights ICULS immediately upon issuance and traded separately on Bursa Securities. For the ICULS and Warrants-B to be listed, there must be at least 100 holders holding not less than one (1) board lot each of the respective security.

In addition to taking up your respective entitlement under the Rights Issue of ICULS with Warrants, you may also apply for Excess Rights ICULS with Warrants-B under the Excess Rights ICULS with Warrants-B application. Any Rights ICULS together with Warrants-B which are not validly taken up or are not allotted for any reason whatsoever shall be made available for excess application by our Entitled Shareholders and / or their renounee(s) / transferee(s). It is the intention of our Board to allot the Excess Rights ICULS, if any, in a fair and equitable manner as further set out in Section 12.4 of this AP.

Any fractional entitlement of the Rights ICULS and the Warrants-B under the Rights Issue of ICULS with Warrants will be disregarded and the aggregate of such fractions, if any, shall be dealt with in such manner as the Board shall in its absolute discretion deem fit, expedient and in the best interests of the Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional allotted Rights ICULS with Warrants-B, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICULS with Warrants. You will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights ICULS with Warrants-B into your CDS Account and the RSF to enable you to subscribe for the provisional Rights ICULS with Warrants-B, as well as to apply for the Excess Rights ICULS with Warrants-B if you choose to.

Any dealing in our securities will be subject to, *inter-alia*, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights ICULS with Warrants-B will, upon subscription, be credited directly to the respective CDS Accounts of the successful applicants. No physical loan stock or warrant certificates will be issued but notices will be despatched to the successful applicants.

A notice of allotment will be despatched to the successful applicants within eight (8) Market Days from the last date for acceptance of and payment for the Rights Issue of ICULS with Warrants or such period as may be prescribed by Bursa Securities. The Rights ICULS and Warrants-B will then be quoted on the ACE Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis and justification of arriving at the issue price of the Rights ICULS and the conversion price of the ICULS

The Rights ICULS shall be issued at 100% of the nominal value of RM0.05 each. The Board has fixed the conversion price of the ICULS at RM0.10 for one (1) new PUCF Share after taking into consideration, amongst others, the following:

- (i) par value of PUCF Shares of RM0.10 each;
- (ii) the five (5)-day VWAMP of PUCF Shares up to and including 9 October 2015, being the last practicable date immediately prior to the Announcement of the Revised Terms, of RM0.0992 per PUCF Share; and
- (iii) the quantum of gross proceeds to be raised for the purpose as detailed in Section 6 of this AP.

For illustrative purposes, the conversion price of the ICULS of RM0.10 represents

- (i) a premium of RM0.0005 or approximately 0.50% to the TERP of RM0.0995 per PUCF Share after the Rights Issue of ICULS with Warrants, calculated based on the five (5)-day VWAMP of PUCF Shares up to and including 9 October 2015, being the last practicable date immediately prior to the Announcement of the Revised Terms, of RM0.0992 per PUCF Share; and
- (ii) a premium of RM0.0083 or approximately 8.30% to the TERP of RM0.1083 per PUCF Share after the Rights Issue of ICULS with Warrants, calculated based on the five (5)-day VWAMP of PUCF Shares up to and including the LPD, of RM0.1171 per PUCF Share.

As set out in the terms of the ICULS and based on the conversion price of RM0.10, the ICULS may be converted into new PUCF Shares in the following manner:

- (i) by surrendering such number of RM0.05 nominal value of ICULS equivalent to the conversion price for one (1) new PUCF Share; or
- (ii) by surrendering such number of RM0.05 nominal value of ICULS together with cash payment of RM0.05 such that in aggregate it amounts to the conversion price for one (1) new PUCF Share.

Premised on the terms of the ICULS, the ICULS can be converted into new PUCF Shares anytime from the date of issuance of the ICULS up to its Maturity Date. Any ICULS which are not converted would be mandatorily converted into new PUCF Shares on the Maturity Date.

Any fractional new PUCF Share arising from the mandatory conversion of the ICULS on the Maturity Date will be disregarded and will be dealt with by the Board as it may deem fit and expedient in the best interest of the Company.

2.3 Basis and justification of arriving at the issue price and the exercise price of the Warrants-B

The Warrants-B will be issued at no cost to the shareholders of PUCF who subscribed for the Rights ICULS. The Board has fixed the exercise price of the Warrants-B at RM0.10 for one (1) new PUCF Share after taking into consideration the following:

- (i) par value of PUCF Shares of RM0.10 each;
- (ii) the TERP of RM0.0995 per PUCF Share after the Rights Issue of ICULS with Warrants, calculated based on the five (5)-day VWAMP of PUCF Shares up to and including 9 October 2015, being the last practicable date immediately prior to the Announcement of the Revised Terms, of RM0.0992 of the Rights Issue of ICULS with Warrants;
- (iii) the historical price movement of the PUCF Shares; and
- (iv) the potential future earnings of the PUCF Group.

For illustrative purposes, the exercise price for the Warrants-B of RM0.10 represents

- (i) a premium of RM0.0005 or approximately 0.50% to the TERP of RM0.0995 per PUCF Share after the Rights Issue of ICULS with Warrants, calculated based on the five (5)-day VWAMP of PUCF Shares up to and including 9 October 2015, being the last practicable date immediately prior to the Announcement of the Revised Terms, of RM0.0992 per PUCF Share; and
- (ii) a premium of RM0.0083 or approximately 8.30% to the TERP of RM0.1083 per PUCF Share after the Rights Issue of ICULS with Warrants, calculated based on the five (5)-day VWAMP of PUCF Shares up to and including the LPD, of RM0.1171 per PUCF Share.

The basis for attaching the Warrants-B to the Rights ICULS is to provide our Entitled Shareholders and / or applicants with added incentive to subscribe for the Rights ICULS by enabling them to have a greater participation in the equity of our Company in the future.

2.4 Status of the ICULS and the ranking of the new PUCF Shares arising from the conversion of the ICULS and the exercise of the Warrants-B

The ICULS shall constitute direct, unconditional and unsecured obligations of our Company and subject to the provisions contained in the Trust Deed, must at all times rank *pari passu*, without discrimination, preference or priority between themselves and must rank at least *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of our Company except for those which are preferred by law.

The new PUCF Shares arising from the conversion of the ICULS and the exercise of the Warrants-B shall, upon allotment and issuance, rank *pari passu* in all respects with the existing PUCF Shares, except that they shall not be entitled to any dividends, rights, allotments and / or other distributions that may be declared, made or paid prior to the date of allotment and issuance of such new PUCF Shares.

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2.5 Principal terms of the ICULS

Issuer	:	PUC Founder (MSC) Berhad.
Issue size	:	Up to RM83,901,476.75 nominal value of ICULS
Issue price	:	100% of the nominal value of RM0.05 each.
Form and denomination	:	The ICULS shall be in bearer form in denomination of Ringgit Malaysia Five Cent (RM0.05) and multiples thereof.
Basis of allotment	:	Twenty eight (28) RM0.05 nominal value of ICULS for every twenty (20) existing PUCF Shares held by our Entitled Shareholders on the Entitlement Date.
Tenure	:	Three (3)-years commencing from and including the date of issuance of the ICULS (“ Issue Date ”) and expiring on the date on which the ICULS are to be compulsorily or automatically be converted into new PUCF Shares which the date shall fall on the third (3 rd) anniversary of the date of issue of the ICULS and if such date is not a market day, then on the immediate preceding market day.
Maturity date	:	Subject to the Rules of Bursa Depository, the date immediately preceding the third (3 rd) anniversary of the Issue Date, and if such date is not a Market Day, then on the immediate preceding Market Day.
Coupon rate and payment	:	4% per annum on the nominal value of the ICULS payable on annual basis in arrears.
Conversion rights	:	The ICULS holders may, at any time during the conversion period, exercise the conversion right by serving a conversion notice to the Company at the registrar’s address, eight (8) Market Days prior to the proposed conversion date.

The Company shall upon the receipt of the conversion notice, allot and issue fully paid new PUCF Shares based on the conversion price to the ICULS holders in exchange for and in satisfaction of the nominal value of the ICULS to be converted and in the event that the conversion of the ICULS give rise to fractional entitlements, the ICULS holders shall disregard and waive its rights to any such fractional entitlements. Such ICULS which are received by the Company in exchange of the new PUCF Shares shall be cancelled and cannot be reissued or resold. In this regard, the Company shall instruct the registrar to effect the cancellation of such ICULS on the proposed conversion date.

The number of the new PUCF Shares to be issued by the Company shall be based on the relevant conversion price. Fractions of a new PUCF Shares resulting from such conversion shall be rounded up or down to the nearest whole share provided that in the event that the conversion of the ICULS gives rise to fractional entitlements, the ICULS holders shall disregard and waive its rights to any fractional entitlements.

Conversion price	:	The price which is Ringgit Malaysia Ten Cents (RM0.10) for every one (1) new PUCF Share, or such other price as may be approved by the relevant authorities and subject to adjustment in accordance with the Trust Deed.
Conversion period	:	In respect of the conversion of the ICULS into new PUCF Shares, the period commencing on any Market Day from and including the Issue Date up to and including the Maturity Date during which an ICULS holders shall be at liberty to exercise the conversion rights attached to the ICULS.
Conversion mode	:	<p>In the exercise of the conversion rights for each new ordinary share, the ICULS holders may at his / her option:</p> <p>(a) surrender such number of RM0.05 nominal value of ICULS equivalent to the conversion price for one (1) new PUCF Share; or</p> <p>(b) surrender such number of RM0.05 nominal value of ICULS together with cash payment of RM0.05 such that in aggregate it amount to the conversion price for one (1) new PUCF Share.</p>
Conversion adjustment price	:	The Company shall make the necessary adjustment to the conversion price in the event of any alteration to the share capital of PUCF on or before the Maturity Date, whether by way of rights issues, bonus issues, consolidation of shares, sub-division of shares or capital distribution whether on a reduction of capital or otherwise, in accordance with the provisions of the Trust Deed.
Redeemability	:	The ICULS shall not be redeemable. Unless previously converted into new PUCF Shares by the ICULS holders pursuant to the conversion right or purchased, cancelled or otherwise satisfied by the Company, all outstanding ICULS shall be mandatorily converted by the Company at the applicable conversion price on the Maturity Date.
Purchase or cancellation	:	Notwithstanding that the ICULS are irredeemable, the Company, its subsidiaries or agent acting on behalf of the Company may at any time and from time to time purchase the ICULS at any price in the open market or by private treaty. The ICULS so purchased by the Company or by its subsidiaries or by the agent of the Company will be cancelled and cannot be resold or reissued.
Status of ICULS	:	The ICULS shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank <i>pari passu</i> , without discrimination, preference or priority amongst others themselves and shall rank at least <i>pari passu</i> with all other present and future unsecured and unsubordinated debts and obligations of the Company except those which are mandatorily preferred by law.
ICULS holders' rights to participate in any distribution and / or offer of further securities in the Company	:	An ICULS holder is not entitled to participate in any distribution and / or offer of further securities in the Company until and unless it exercises the conversion right.

- Event of defaults : Event of default shall encompass the following (“**Event of Default**”):
- (a) **Non-payment**: the Company fails to pay any amount due and payable under the ICULS, whether formally demanded or not;
 - (b) **Breach of obligations**: the Company fails to observe or perform its obligations under the ICULS or under any of the Transaction Documents (as defined below) or under any undertaking or arrangement entered into in connection thereof (other than any covenant to pay as set out under Event of Default) and which if capable of remedy, is not remedied within thirty (30) days after the Company becoming aware of such default;
 - (c) **Cross default**: any other indebtedness of the Company becomes due and payable prior to its stated maturity or the security created for any other indebtedness becomes enforceable;
 - (d) **Misrepresentation**: any representation, warranty or statement which is made by the Company under the Transaction Documents is or proves to be incorrect, inaccurate or misleading on or as of the date made or given or deemed made or given;
 - (e) **Illegality, invalidity and unenforceability**: any provision of the Transaction Documents is or becomes, for any reason, invalid, illegal, void or unenforceable which would prevent the Company from or entitle the Company to refrain from performing any of its obligations thereunder;
 - (f) **Winding up**: the Company takes any action or any bona fide proceedings are commenced or other steps taken for:
 - (aa) the Company to be adjudicated or found insolvent;
 - (ab) the winding-up or dissolution of the Company either by an order of a court of competent jurisdiction or by way of voluntary winding-up, save and except to effect a reorganisation of the business of the Company; or
 - (ac) the appointment of a liquidator, trustee, receiver or similar officer over the whole or any part of the Company’s undertakings, assets, rights or revenues, other than a winding-up for the purpose of amalgamation or reconstruction which has been previously approved by the Trustee (on behalf of the ICULS holders) or any order of a court of competent jurisdiction;
 - (ad) anything analogous to any of the events specified in paragraphs (aa), (ab) or (ac) of the above;

- (g) **Scheme of arrangement**: the Company undergoes any scheme of reconstruction, arrangement or compromise pursuant to Section 176 of the Companies Act, 1965 or the same has been instituted against it;
- (h) **Composition**: the Company makes a general assignment or enters into an arrangement or composition with or for the benefit of its creditors in respect of its indebtedness;
- (i) **Cessation of business**: the Company suspends or ceases or threatens to suspend or cease to carry on its business;
- (j) **Judgment passed**: the Company fails to satisfy any judgment passed against it by any court of competent jurisdiction and no appeal against such judgment or an application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;
- (k) **Licence**: any authorisation, licence, approval, permit or which is required for the Company to carry out its business and / or in relation to the Transaction Documents is withheld, withdrawn, revoked, modified, terminated or invalidated or has expired and not renewed or is otherwise not granted or fails to remain in full force and effect which may materially and adversely impair or prejudice the business or operations of the Company or the ability of the Company to perform any of its obligations under the Trust Deed or to comply with the terms and conditions of the ICULS or the Transaction Documents;
- (l) **Repudiation**: the Company repudiates any of the Transaction Documents or the Company does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;
- (m) **Nationalisation**: any of the assets, undertakings, rights or revenues of the Company is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body; or
- (n) **Event or events**: any event or events has or have occurred or a situation exists which could or might, in the reasonable opinion of the Trustee:
 - (aa) materially and adversely affect the Company's ability to perform any of its obligations under the Transaction Documents in accordance with the terms hereof or thereof; or
 - (ab) materially and adversely change or would materially and adversely change the business, assets or condition (financial or otherwise) of the Company.

“**Transaction Documents**” means the Trust Deed and any other documents executed in connection with the ICULS and where the context so requires, references to “**Transaction Document**” shall mean one of them.

Rights of the ICULS :
holders on liquidation

At any time after an Event of Default has been declared pursuant to the Event of Default, the Trustee may, but subject to the event of enforcement disclosed under Paragraph 2(aa)(ii)(b) of the Principal Terms and Conditions, at its discretion, without notice, institute such proceedings as it may think fit against the Company to enforce the provisions of the Trust Deed. If the Trustee commences legal proceedings against the Company for any default by the Company in payment of the ICULS, then any proof against the Company in respect of a specific ICULS holder shall be sufficient evidence that the Company has made the like default against all the other ICULS holders in respect of whose of ICULS are payable.

Modification of the rights :
of ICULS holders

The Trustee may from time to time without the consent or sanction of the ICULS holders make any modifications to the Trust Deed where the modification is to correct a manifest error or omission or to comply with mandatory provisions of the laws of Malaysia and such modification which is in the opinion of the Trustee will not be materially prejudicial to the interests of the ICULS Holders.

Any other modification to the Trust Deed shall be made with the consent or sanction of the ICULS holders pursuant to a special resolution.

Such modification to the Trust Deed may be effected only by deed, executed by the Company and the Trustee and expressed to be supplemental. A memorandum of every such supplemental deed shall be endorsed on the Trust Deed.

Save as otherwise provided in the Trust Deed, a special resolution of the ICULS holder is required to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the holders of the ICULS.

Maximum number of new :
PUCF Shares to be issued
arising from the full
conversion of the ICULS

Based on the conversion price of RM0.10 for one (1) new PUCF Share, the maximum number of new PUCF Shares to be issued is 1,678,029,535.

Ranking of new PUCF :
Shares arising from the
conversion of the ICULS

The new PUCF Shares shall upon allotment and issue, rank *pari passu* in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and / or distributions, which may be declared, made or paid to the shareholders of the Company, the entitlement date of which precedes the date of allotment of the new PUCF Shares arising from the conversion of the ICULS.

Listing	:	Bursa Securities had on 6 November 2015 granted its approval for the admission of the ICULS and Warrants-B to the Official List and the listing and quotation for the ICULS, Warrants-B and the Shares arising from the conversion of the ICULS and exercise of the Warrants-B on the ACE Market of Bursa Securities.
Board lot	:	The ICULS will be issued to Entitled Shareholders and / or their renounees who subscribe to the Rights ICULS in registered form in denomination of RM0.05 each and multiples of one hundred (100) units thereof, and constituted by Trust Deed
Rating	:	The ICULS will not be rated.
Trust Deed	:	The ICULS are constituted by the Trust Deed made between the Company and Trustee, acting for the benefit of the ICULS holders.
Governing law	:	The Trust Deed is governed by, and shall be constructed in accordance with, the laws of Malaysia.

2.6 Principal terms of the Warrants-B

Issuer	:	PUC Founder (MSC) Berhad.
Number of Warrants-B	:	Up to 419,507,384 Warrants-B.
Number of new Shares to be issued upon full exercise of the Warrants-B	:	Up to 419,507,384 new Shares will be issued pursuant to the exercise of up to 419,507,384 Warrants-B on the basis of one (1) new Share for every one (1) Warrant-B exercised.
Form and denomination	:	The free detachable new warrants, which are issued together with the ICULS will be immediately detached upon issue and separately trade and listed on the ACE Market of Bursa Securities. The Warrants-B will be issued in registered form and constituted by Deed Poll-B executed on 30 December 2015 by PUCF.
Issue price	:	The Warrants-B are to be issued at no cost to our Entitled Shareholders pursuant to the Rights Issue of ICULS with Warrants.
Issue date	:	The date of issue of the Warrants-B.
Expiry date	:	The date immediate preceding the third (3 rd) anniversary of the issue date of the Warrants-B, and if such date is not a Market Day, then on the immediate preceding Market Day.
Exercise period	:	Three (3) years commencing from and inclusive of the Issue Date of Warrants-B and ending at 5.00 p.m. (Malaysian time) on the expiry date. Any Warrants-B which have not been exercised by the expiry of the exercise period will lapse and thereafter cease to be valid for any purpose.
Exercise price	:	The exercise price of the Warrants-B is fixed at RM0.10 per Warrant-B, subject to further adjustment (where applicable) in accordance with the provision of the Deed Poll-B.

Exercise rights	:	Each Warrant-B entitles the registered holder to subscribe for one (1) new PUCF Share at the exercise price at any time during the exercise period subject to the provision in the Deed Poll-B.
Mode of exercise	:	The holders of Warrants-B are required to lodge at the Company's registrar an exercise form, as set out in the Deed Poll-B, duly completed and signed, together with payment of the exercise price for the total number PUCF Shares subscribed by banker's draft or cashier's order or money order or postal order issued by a bank or post office in Malaysia.
Board lot	:	The Warrants-B are tradable upon listing on Bursa Securities in board lots of one hundred (100) units or such other number of units as may be prescribed by Bursa Securities.
Rights of Warrants-B	:	The Warrants-B holders are not entitled to any voting right or to participate in any distribution and / or offer of further securities in the Company until and unless such Warrants-B holders exercise their Warrants-B for new Shares.
Ranking of new PUCF Shares to be issued pursuant to the exercise of the Warrants-B	:	The new PUCF Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares save and except that they will not be entitled to any dividends, rights, allotment or other forms of distributions for which the relevant entitlement precedes the date of allotment and issuance of the new Shares arising from the exercise of the Warrants-B.
Adjustments in the exercise price and / or number of Warrants-B	:	Subject to the approval of the relevant authorities (where required) and the provisions of the Deed Poll-B, the exercise price and / or number of Warrants-B held by each holder of the Warrants-B shall from time to time be adjusted, calculated or determined by the Board in consultation with an adviser selected by the Board and certified by auditors in the event of alterations to the share capital, in accordance with the provisions as set out in the Deed Poll-B.
Rights in the event of winding-up, liquidation, compromise and / or arrangement	:	For winding-up, compromise or arrangement (other than a consolidation, amalgamation, merger in which the Company is the continuing corporation) to which the holders of the Warrants-B (or some persons designated by them for such purposes by way of a special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants-B. In any other case, every holder of the Warrants-B shall be entitled to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by such Warrants-B to the extent specified in the exercise forms(s) and be entitled to receive out of the assets of the Company which would be available in liquidation if he had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

Modifications	:	Save as expressly provided in the Deed Poll-B, no modification, amendment or addition may be made to the Deed Poll-B or the Warrant certificate, without the sanction of a special resolution of the holders of the Warrants-B.
Transferability	:	The Warrants-B shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.
Listing	:	The approval from Bursa Securities had been obtained on 6 November 2015 for the admission of the Warrants-B to the Official List of Bursa Securities and for the listing of and quotation for the Warrants-B and the new Shares to be issued pursuant to the exercise of the Warrants-B on the ACE Market of Bursa Securities.
Governing law	:	Laws and regulations of Malaysia.

3. OTHER CORPORATE EXERCISES

Save for the Rights Issue of ICULS with Warrants, there is no other outstanding corporate exercise which has been announced but pending completion as at the LPD.

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5. IMPLICATIONS OF THE CODE

As at the LPD, RHIL and its PACs collectively hold approximately 445,668,402 PUCF Shares representing 41.82% of the issued and paid-up share capital of PUCF respectively.

Premised on the Undertaking and in the event that the other Entitled Shareholders and / or their renounee(s) / transferee(s) do not subscribe for their respective entitlements of Rights ICULS and / or Excess Rights ICULS, the shareholdings of RHIL and its PACs in PUCF could potentially increase upon conversion of its respective holdings of ICULS (assuming conversion with nominal value of RM0.05 ICULS together with cash payment of RM0.05) and exercise of its respective holdings of Warrants-B from 41.82% to 64.88%.

The conversion of the ICULS or exercise of Warrants-B held by RHIL may result in the shareholdings of RHIL and its PACs, direct or indirect, to collectively exceed 2% in any six (6)-month period at any point of time, whereby, pursuant to the Code, RHIL and its PACs would be obliged to extend a mandatory take-over offer for all the remaining PUCF Shares and convertible securities not already owned by RHIL.

However, the actual shareholding of RHIL would depend on amongst others, the timing and eventual holding of its ICULS being converted and Warrants-B being exercised into new PUCF Shares.

In relation to the above, RHIL may make an application to the SC to seek an exemption for RHIL and its PACs under Paragraph 16.1 of PN 9 of the Code from the obligation to extend a mandatory take-over offer for all the remaining PUCF Shares and convertible securities not already owned by them upon the conversion of the ICULS or exercise of Warrants-B. The application will be made at a later date but prior to triggering the mandatory take-over offer obligation.

However, based on collective shareholding of RHIL and its PACs in PUCF, which is above 33% but below 50%, in the event that RHIL and / or its PACs acquire additional PUCF Shares, other than as a result from the conversion of the Rights ICULS to new PUCF Shares which results in the equity interest of RHIL and / or its PACs to increase by more than 2% in any six (6)-month period (“**Creep Rule**”), RHIL and its PACs will be obliged to undertake a mandatory take-over offer.

RHIL and its PACs has been advised of the implications of the Code and the Creep Rule as well as the implications of the individual shareholding of the PACs exceeding 33% in PUCF. RHIL and its PACs have also been informed to observe and comply at all times with the provisions of the Code.

6. UTILISATION OF PROCEEDS

The Rights Issue of ICULS with Warrants is expected to raise gross proceeds of approximately RM28.00 million and RM83.90 million under Minimum Subscription Level and Maximum Subscription Level, respectively, to be utilised in the following manner:

	Notes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Estimated timeframe for utilisation of proceeds from date of receipt
Capital expenditure for construction of solar PV plants	(a)	23,610	74,770	Within twelve (12) to thirty six (36) months
Working capital	(b)	3,390	8,131	Within thirty six (36) months
Defrayment of expenses incurred for the Corporate Exercises	(c)	1,000	1,000	Within six (6) months
Total		28,000	83,901	

(a) Capital expenditure for construction of solar PV plants

The proceeds will be utilised by our Group to construct several solar PV plants ranging from minimum aggregate capacities of 3 MW to maximum aggregate capacities of 9.5 MW (depending on the quantum of proceeds to be raised from the Rights Issue of ICULS with Warrants) with the intention to sell RE to be generated from the solar PV plants, via the RE Quota.

In general, based on the FIT system, successful applicants of the RE Quota would be issued a FIA certificate which states amongst others, the approved RE source, the approved installed capacity of the PV plants to be built, the export capacity allowed, the FIT rate and the approved period for the supply of RE. Subsequent thereto, the applicant would then enter into a REPPA with respective distribution licensee (who are obliged to purchase RE produced by the FIA certificate holders as per the FIT system) to sell the electricity generated from the RE sources at the FIT rate for a period as specified in the FIA certificate.

This intended construction of the solar PV plants and the sale of RE are in conjunction with our Group's intention to diversify its business operations to include the provision of energy utility services.

In the event that all applications for the RE Quota are approved, the intended capital expenditure for the construction of the solar PV plants will be as follows:

Solar PV plants output capacity	Minimum Subscription Level (RM'000)	Maximum Subscription Level (RM'000)	Estimated timeframe for utilisation of proceeds from date of receipt
3 MW	23,610	23,610	Within twelve (12) months
3 MW	-	23,610	Within twenty four (24) months
3.5 MW	-	27,550	Within thirty six (36) months
Total	23,610	74,770	

For clarification, our Group intends to construct three (3) solar PV plants based on the Minimum Subscription Level and up to a total of ten (10) solar PV plants based on the Maximum Subscription Level. The three (3) solar PV plants will consist of three (3) solar PV plants of 1 MW each, while the ten (10) solar PV plants will consist of nine (9) solar PV plants of 1 MW each and one (1) solar PV plant of 0.5 MW in total.

Notwithstanding the above, the actual number of plants to be built and their corresponding size and capacity will be dependent upon the actual funding received pursuant to the Rights Issue of ICULS with Warrants, the actual cost of the hardware for the construction of the solar PV plants, the actual RE Quota applied and the actual RE Quota granted by SEDA, KeTTHA or other relevant authorities. Furthermore, the actual RE Quota to be applied for by the Group may vary depending on our Group's assessment of situation at the point of time of the application.

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The breakdown for the cost of constructing each 1 MW solar PV plant is estimated to be as follows:

	1 MW solar PV plant (RM'000)
Hardware ⁽¹⁾	5,834
Civil works ⁽²⁾	1,590
Goods and services tax ("GST")	446
Total	7,870

Notes:

(1) *The hardware to be used for the construction of the solar PV plants will consist of the following:*

<i>Type of hardware</i>	<i>Unit(s) used per 1 MW solar PV plant</i>
<i>Solar panels</i>	<i>3,077</i>
<i>Inverters</i>	<i>34</i>
<i>Transformers</i>	<i>1</i>
<i>Switchgear</i>	<i>5</i>

(2) *The civil works include, ground works and building structure.*

In the event of any shortfall of funding for the construction of the solar PV plants' aggregate capacities of up to 9.5 MW, our Group shall endeavour to procure the necessary funding through internally generated funds and / or bank borrowings. However, the actual breakdown between internally generated funds and bank borrowings will depend amongst others, the actual funding received from the Rights Issue of ICULS with Warrants, the prevailing interest rates and actual cost of construction of the solar PV plant and as such, cannot be determined at this juncture.

Applications for RE Quota are held at the onset of each year and such applications are to be accompanied with amongst others, evidence of sufficient funding. The opening of each bid is expected to take place on the first (1st) quarter of each year and as such, our Group intends to submit its application for the RE Quota (the capacity of which would be dependent on the amount of proceeds raised) to SEDA, KeTTHA or any other relevant authorities subsequent to the completion of the Rights Issue of ICULS with Warrants, which is expected to be completed in the first (1st) quarter of 2016, as the proceeds raised would provide the evidence of sufficient funding which is required for the RE Quota application. Notwithstanding the above, SEDA had on 30 November 2015 opened the application for the RE Quota for 2016. Accordingly, the Company had on 9 December 2015 submitted a bid for a 1 MW RE Quota. Saved for the above, as at the LPD, the Company has not entered into any bids or apply to any parties in relation to the construction of the intended solar PV plants.

Our Group had on 2 December 2015 entered into an agreement to acquire a piece of land located at the region of Kedah for future potential construction of solar PV plant. The Group will continue to further identify suitable lands within the Kedah and Perak region for which the solar PV plants will be built on. Our Group will take all necessary measures to ensure that suitable lands are identified and lease secured prior to the submission of the RE Quota application.

Upon securing the RE Quota which takes approximately three (3) to four (4) months from the time when our Group submit their application(s). Our Group will subsequently enter into a REPPA with TNB to sell the RE at the indicative FIT rate. Pursuant thereto, our Group will commence the construction of the required solar PV plants. The timeframe of completion for the construction of a solar PV plant is estimated to be around three (3) to six (6) months. Thereafter, our Group will notify TNB to commence its testing and commissioning of the solar PV plants. After commissioning, the solar PV plants may commence generating and selling RE to TNB. As such, the proceeds raised from the Rights Issue of ICULS with Warrants will facilitate such required funding for application of RE Quota.

Premised on the above, our Group expects to complete the construction of the solar PV plant and commence operations in the fourth (4th) quarter of the year that our Group submits their application(s).

Nonetheless, should our Group fail in its bids for the RE Quota in the coming application period, the proceeds shall be deposited in interest bearing accounts with licensed financial institution(s) until the proceeds are to be utilised and the interest arising therefrom shall be used as additional working capital. These proceeds will be allocated to a 'war chest' for future RE Quota applications. Our Group will continue to submit applications for RE Quota for future application period.

Our Group expects that the aggregate 3 MW solar PV plants and 9.5 MW solar PV plants will be able to generate revenues of approximately RM60.29 million and RM191.00 million respectively, based on the indicative tariff rate of RM0.6977/kWh as per the FIT rates provided by SEDA and the effective period of twenty one (21) years.

(b) Working capital

The breakdown of the utilisation of the working capital for the operations of the solar PV plants is as follows:

Description	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Salaries ⁽¹⁾	332	1,089
Land lease ⁽²⁾	118	372
Incidental cost ⁽³⁾	543	1,710
Day-to-day existing business operation ⁽⁴⁾	2,397	4,960
Total	3,390	8,131

Notes:

- (1) Salaries represent the management, project and maintenance staff cost for the solar PV plants.
- (2) The land lease is to be paid to the property owner on which the solar PV plants are built on. Our Group is in the midst of identifying the said land and as such, the exact location, size and lease payments cannot be determined at this juncture.
- (3) The incidental cost includes:

Incidental cost	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Insurance cost	218	673
Consultancy fee	70	200
Inspection and certification cost	50	180
Authorities fee	107	347
General and maintenance provision	98	310
Total	543	1,710

- (4) Day-to-day business operation includes but not limited to payments of trade creditors, personnel cost, professional fees, rental and upkeep of office premise.

For clarification, the proceeds to be utilised for the day-to-day business operations as detailed above will be for the existing business operations of our Group. Working capital for the business operations of the energy utility business has been separately allocated as detailed in Notes 1, 2 and 3 above.

(c) Defrayment of expenses incurred for the Corporate Exercise

The expenses incurred for the Corporate Exercise is in relation to professional fees, fees payable to relevant authorities and other incidental expenses to be incurred in relation to the Corporate Exercises. In the event of any difference arising from the utilisation as set out above, the difference will be adjusted accordingly with the working capital requirement.

Assuming the conversion of the ICULS by surrendering RM0.05 nominal value of the ICULS together with cash payment of RM0.05 such that in aggregate it amounts to RM0.10 for one (1) new PUCF Share, the quantum of proceeds to be received by the Company pursuant to the conversion of the ICULS is expected to be approximately RM28.00 million (based on the Minimum Scenario) and RM83.90 million (based on the Maximum Scenario).

Furthermore, based on the exercise price of RM0.10, the exercise of the Warrants-B is expected to raise approximately RM14.00 million (based on the Minimum Subscription Level) and RM41.95 million (based on the Maximum Subscription Level).

The proceeds arising from the conversion of the ICULS and the exercise of Warrants-B in the future would be utilised for further capital expenditure, investment opportunities and / or working capital of our Group. Nonetheless, the quantum of proceeds arising from the conversion of the ICULS and the exercise of the Warrants-B is dependent upon the mode of conversion of the ICULS into new PUCF Shares, i.e. the portion of cash receivable from the conversion of the ICULS as well as the actual number of Warrants-B exercised.

As at this juncture, the exact details of the utilisation, which includes the breakdown and timeframe for the full utilisation of such proceeds from the conversion of the ICULS and / or exercise of the Warrants-B cannot be determined. However, the Board intends to place such proceeds (if any) to be received in an interest-bearing account with licensed financial institution(s) until the proceeds are to be utilised. If the nature of the transaction requires the shareholders' approval pursuant to the Listing Requirements, the Board will seek the necessary approval from the shareholders accordingly. In addition, relevant announcements will be made, if required under the Listing Requirements.

7. RATIONALE FOR THE RIGHTS ISSUE OF ICULS WITH WARRANTS

After due consideration of various funding options available to the Company, the Board is of the opinion that the Rights Issue of ICULS with Warrants is the most appropriate avenue of fund raising for PUCF for the purposes stated in Section 6 of this AP after taking into consideration of the following:

- (i) enable our Group to raise funds at a reasonable fixed funding cost, thereby reducing our Group's exposure to interest rate fluctuations, which in turn would enable our Group to manage its cash flow more efficiently;
- (ii) enable our Group to strengthen its eventual capital base upon conversion of the ICULS and exercise of the Warrants-B;
- (iii) the ICULS would provide our Entitled Shareholders with an attractive annual coupon rate or yield;
- (iv) the issuance of the ICULS and Warrants-B will not dilute the percentage of shareholding of the existing shareholders of the Company, assuming that all our Entitled Shareholders fully subscribe for their respective entitlements and thereafter fully convert the ICULS and fully exercise the Warrants-B;
- (v) the issuance of the ICULS and Warrants-B does not have an immediate dilutive effect on the EPS of our Group as opposed to the issuance of new PUCF Shares;
- (vi) provide our Entitled Shareholders with an option to further participate in the equity of the Company at a predetermined conversion price during the tenure of the ICULS. Proceeds to be received from the conversion of the ICULS, if any, will provide an additional source of funds to be used for future working capital requirements and business expansion of our Group; and
- (vii) the Warrants-B to be issued pursuant to the Rights Issue of ICULS with Warrants will provide the shareholders of PUCF with an incentive to subscribe for the Rights ICULS with Warrants-B.

8. RISK FACTORS

In addition to the other information contained herein, you should carefully consider the following risk factors (which may not be exhaustive) before making your decision on whether to subscribe for your entitlements to the Rights ICULS with Warrants-B:

8.1 Risks relating to our existing advertising business and industry

8.1.1 Business risks

Our Group is predominantly engaged in advertising and media brokerage and consultancy, sale of fingerprint verification products, information technology solutions provider for electronic publishing system and financial services. Our Group's existing business is subject to certain risks inherent in the industries which it operates, which include but are not limited to the changes in the general economy, business and credit conditions in Malaysia and China and other jurisdiction in which our Group operates or will operate in, the regulations governing the industries in which our Group operates in and changes in advertising requirements, budgets and strategies of the customers. As such, any adverse changes in respect of such factors could potentially result in our Group's advertising and media business to deteriorate.

Our Group seeks to limit the risks which are within its control, by proactively managing the daily operations effectively and efficiently and engaging existing clients to understand the client's needs and requirements. However no assurance can be given that the measures taken will be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact on the performance of our Group.

8.1.2 Competition risk

With the increasing number of players within the advertising industry, the ability of our Group to generate revenue in the advertising industry depends largely upon its ability to address and tailor suitable advertising solutions and media services which meet the request of its clients, predominantly within Malaysia and China. To address the increasing competitive nature of the advertising industry, our Group intends to maintain a good working relationship with its customers by responding effectively and strategically to satisfy their needs and demands and constantly upgrade its services to provide quality and innovative services to its customers.

However no assurance can be given that the measures taken will be sufficient to mitigate the competition risk in the advertising industry and any shortfall therefrom would not have any material adverse impact on the performance of our Group.

8.1.3 Political, economic and regulatory risk

Our Group's financial performance and business prospects will depend on a certain extent, the developments in the economy, political and regulatory front. Amongst the economic, political and regulatory factors are changes in inflation rates, interest rates, war, terrorism activities, riots, expropriations or unfavourable changes in the government's policies.

Our Group will continue to monitor the political, economic and regulatory condition, abiding with all the relevant regulatory conduct and procedures as well as adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors, where required. However, no assurance can be given that the measures taken would be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact to the Company in the future.

8.2 Risks relating to the diversification of our principal activities to include the provision of energy utility services

8.2.1 Business diversification risk

Our Group is predominantly engaged in advertising and media brokerage and consultancy, sale of fingerprint verification products, information technology solutions provider of electronic publishing system and financial services. The diversification of our Group's activities to include the provision of energy utility services would expose our Group to new challenges and risk include, *inter-alia*, inefficiency of operations, availability of financing, change in economic conditions and technical aspects that may arise from the energy utility industry in which our Group has not been exposed to previously.

Our Group seeks to limit this risk by leveraging on the core competencies and experience of key personnel of our Group in the energy utility industry. Our Group will also ensure that proper due diligence are implemented during the planning, construction and delivery of any future projects in order to mitigate these risks. However no assurance can be given that the measures taken will be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact on the performance of our Group.

8.2.2 Failure in obtaining the RE Quota allocation

The proceeds from the Rights Issue of ICULS with Warrants will mainly be used for the construction of solar PV plants with aggregate capacities of up to 9.5 MW as detailed in Section 6 of this AP. However, the construction and development of the solar PV plants will be largely dependent on the ability of our Group in securing the RE Quota allocation.

Our Group seek to comply with all relevant regulatory conduct and procedures in relation to the application for the RE Quota and subsequently the construction and operation of the solar PV plants. Our Group intends to collaborate and / or enter into arrangement with third parties that have secured the RE Quota to design, construct, commission a solar PV plant to sell RE to TNB on behalf of such third party. However, no assurance can be given that the measures taken will be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact on the performance of our Group.

8.2.3 Dependency on key personnel

Our Group's success in the energy utility industry is largely dependent on the abilities, skills, experience, competency and continued efforts of key personnel to be recruited for the Diversification. The loss of any key personnel without timely replacement or the inability of our Group to attract and retain other qualified personnel, could adversely affect the new business operations and hence, its revenue and profitability.

Recognising the importance of the key management, our Group will continuously adopt appropriate approaches to attract and retain key personnel by putting in place human resource strategies which include competitive remuneration packages and a variety of on-going training and development programmes for the key personnel, as well as attract and retain qualified experienced personnel who are essential towards addressing our Group's succession plan to complement the management team. This will in turn help to ensure continuity and competency of the management team. However, no assurance can be given that the measures taken would be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact to the Company in the future.

8.2.4 Reliance on TNB as the sole off-taker for the power produced from our power plants

Independent power producers (“IPPs”) in Peninsular Malaysia rely on TNB to purchase the power generated by their power plants. The proceeds from the Rights Issue of ICULS with Warrants will mainly be used for the construction of solar PV plants with aggregate capacities of up to 9.5 MW as detailed in Section 6 of this AP. Our Group intends to enter into a REPPA(s) with TNB to sell the RE generated from the said solar PV plants.

However, there can be no assurance that TNB will be able to continuously meet its obligations under current and future REPPA(s). TNB’s failure to make payments under current and future REPPA(s) could materially and adversely affect our business, financial condition, results of operations and cash flows.

8.2.5 Competition risk

The energy utility industry comprises numerous competitors, some of whom may have extensive operating experience in the provision of energy utility services, operating of solar PV plants, larger staff force and greater financial resources and operating capabilities. Our Group also faces competition from new market entrants which may hinder our Group’s ability to obtain RE Quota or secure independent solar PV purchase agreements from TNB.

Our Group seeks to limit these risk by continuously sharpen its competitive edge by developing new measures to counter competition including but not limited to, provision of quality services, leveraging on the Group’s personnel’s professional experience and establishing a reputable track record. However no assurance can be given that the measures taken will be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact on the performance of our Group.

8.2.6 Political, economic and regulatory considerations

The financial performance and business prospects of the energy utility segment will depend on a certain extent, the developments in the economy, political and regulatory front in Malaysia. Amongst the economic, political and regulatory factors are changes in inflation rates, interest rates, war, terrorism activities, riots, expropriations or unfavourable changes in the government’s policies on the energy utility industry.

Our Group will continue to monitor the political, economic and regulatory condition as well as adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors, where required. However, no assurance can be given that the measures taken would be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact to the Company in the future.

8.3 Risks relating to the Rights Issue of ICULS with Warrants

8.3.1 Unsecured obligation / repayments risks of the ICULS

The ICULS shall constitute direct, unconditional and unsecured obligations of our Company and subject to the provisions contained in the Trust Deed, must at all times rank *pari passu* without discrimination, preference or priority between themselves and must rank at least *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of our Company except for those which are preferred by law.

Moving forward, there is no assurance that the financial performance of our Group would be favourable to sustain the financial condition of our Group at a satisfactory level to support the value of the ICULS and generate sufficient cash flows to service the annual coupon when due.

In the event of the ICULS becoming payable upon the occurrence of an event of default pursuant to the Trust Deed, the amount which is immediately due and payable by our Company to holders of the ICULS shall be the nominal value of the outstanding ICULS.

Our Company will endeavour to ensure that we will maintain prudent cash flow management and monitor our cash flow position regularly to minimise the event of default. However, there is no assurance that our Company will generate sufficient cash flow to mitigate the coupon payment risk of the ICULS.

8.3.2 Investment risk

The market price of PUCF Shares will be influenced by, amongst other, prevailing market sentiments, volatility of the stock market, the prospects and operating results of our Group and the future outlook of the industries in which our Group operates. The issue price and the conversion price of the Rights ICULS as well as the exercise price of the Warrants-B were arrived at after taking into consideration amongst other, the par value of PUCF Shares, the TERP of PUCF Shares after the Rights Issue of ICULS with Warrants, the historical price movement of PUCF Shares and the potential future earnings of our Group.

The market prices of the ICULS and the Warrants-B, like all listed securities traded on Bursa Securities and being new securities to be issued by our Company, are subject to, *inter-alia*, price discovery by investors, fluctuations in tandem with the overall outlook of the stock market in Malaysia and globally, and will be influenced by, amongst others, the market price, potential payments of dividends and volatility of PUCF Shares, the remaining conversion period of the ICULS and the remaining exercise period of the Warrants-B. There is no assurance that the conversion price of the ICULS and / or the exercise price of the Warrants-B will be in-the-money during the tenure of the conversion period of the ICULS and / or the exercise period of the Warrants-B respectively.

8.3.3 Factors affecting the ICULS and Warrants-B

There is no prior market for the ICULS and Warrants-B, and as such there is no assurance that an active market for the ICULS and Warrants-B will develop upon their listing and quotation on the ACE Market of Bursa Securities, or if developed, that such a market may be sustained or adequately liquid during the tenure of the ICULS and Warrants. Our Board believes that a variety of factors could cause the future market price performance of the ICULS and Warrants-B to fluctuate, including but not limited to trades of substantial amount of the ICULS and Warrants-B on Bursa Securities in the future, fluctuation in the market price of the underlying PUCF Shares, announcement of corporate developments relating to our Group's business and the future financial performance of our Group.

The future price performance of the ICULS and Warrants-B will also depend on various external factors, such as the prospects of industries in which our Group operates, the economic, monetary and political conditions of Malaysia, outlook of interest rates, the investors' sentiments and liquidity in the local stock market as well as the performance of regional and world bourses. Notwithstanding the above, it should be noted that our Group's financial performance is not dependent on the market price performance of the PUCF Shares, the ICULS and / or Warrants-B.

8.3.4 Delay in or failure in the implementation of the Rights Issue of ICULS with Warrants

The Rights Issue of ICULS with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (i) Our Company is unable to meet the public spread requirement for the ICULS i.e. a minimum of one hundred (100) holders of ICULS holding not less than one (1) board lot of RM0.05 nominal value of ICULS each;

- (ii) Our Company is unable to meet the public spread requirement for the Warrants-B i.e. a minimum of one hundred (100) holders of Warrants-B holding not less than one (1) board lot of Warrants-B each; AND
- (iii) Force majeure events or events / circumstances, which are beyond the control of our Group, arising prior to the completion of the Rights Issue of ICULS with Warrants.

In the event of failure in the completion of the Rights Issue of ICULS with Warrants, all subscription monies to be received pursuant to the Rights Issue of ICULS with Warrants will be refunded to our Entitled Shareholders and / or their renounee(s) / transferee(s) (if applicable) who have subscribed for the Rights ICULS without interest.

Notwithstanding the above, the Company will exercise their best endeavor to ensure the successful implementation of the Rights Issue of ICULS with Warrants. However, no assurance can be given that the abovementioned events will not cause a delay in or failure of the Rights Issue of ICULS with Warrants.

8.3.5 Take-over risk

The main security offered pursuant to the Rights Issue of ICULS with Warrants are irredeemable convertible securities. Premise on that matter and the Undertaking, RHIL, being the major shareholder of PUCF has not applied for an application to the SC to seek an exemption for RHIL and its PAC under Paragraph 16.1 of PN9 of the Code from the obligation to extend a mandatory take-over offer for all the remaining PUCF Shares and convertible securities not already owned by them in the event of the triggering the Creep Rule by the conversion of ICULS or exercise of the Warrants-B (“**Proposed Exemption**”).

It is RHIL’s intention to apply for the Proposed Exemption prior to triggering the mandatory take-over offer obligation. However, notwithstanding the above, the Exemption would be dependent on amongst others, the approval of the shareholders of PUCF at an extraordinary general meeting and the approval of all relevant authorities.

In the event that the ICULS held by RHIL and its PAC(s) is converted which resulted in the triggering of the Creep Rule and Proposed Exemption is unsuccessful, RHIL and its PAC(s) would be obliged to extend the said mandatory take-over offer.

RHIL and its PACs has been advised of the implications of the Code and the Creep Rule as well as the implications of the individual shareholding of the PACs exceeding 33% in PUCF. RHIL and its PACs have also been informed to observe and comply at all times with the provisions of the Code. Furthermore, PUCF will take all reasonable steps to ensure that it complies with all relevant rules and regulations in order to obtain approval from the relevant authorities in relation to the Proposed Exemption.

8.3.6 Forward-looking statements

Certain statements in this AP are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on estimations and assumptions made by our Board and although our Board believes these statements and assumptions are reasonable, they are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of forward-looking statements in this AP should not be regarded as representation or warranty by our Company and / or the Principal Adviser that the plans and objectives of our Group will be achieved.

9. FINANCIAL EFFECTS OF THE CORPORATE EXERCISES

The Diversification will not have any effect on the issued and paid-up share capital, substantial shareholder's shareholding, the NA and gearing of our Group. The Diversification is expected to contribute positively to the earnings and EPS in the future.

For illustration purposes, the effects of the Rights Issue of ICULS with Warrants shall be based on the two (2) scenarios:

- | | | |
|-------------------------|---|--|
| Minimum Scenario | : | <ul style="list-style-type: none"> (i) Assuming none of the outstanding Warrants-A are exercised into new PUCF Shares prior to or on the Entitlement Date; (ii) Assuming that the Rights Issue of ICULS with Warrants are implemented based on the Minimum Subscription Level; (iii) RM28,000,000.00 nominal value of three (3)-year, 4%, ICULS issued to the major shareholder pursuant to the Rights Issue of ICULS with Warrants based on the Undertaking are all converted into 280,000,000 new PUCF Shares by surrendering such number of RM0.05 nominal value of ICULS equivalent to the conversion price of RM0.10 for one (1) PUCF Share; and (iv) 140,000,000 Warrants-B issued pursuant to the Rights Issue of ICULS with Warrants are fully exercised into 140,000,000 new PUCF Shares at an exercise price of RM0.10 each. |
| Maximum Scenario | : | <ul style="list-style-type: none"> (i) Assuming all of the 132,787,036 outstanding Warrants-A are exercised into 132,787,036 new PUCF Shares at an exercise price of RM0.10 each prior to or on the Entitlement Date; (ii) Assuming all our Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue of ICULS with Warrants; (iii) RM83,901,476.75 nominal value of ICULS issued pursuant to the Rights Issue of ICULS with Warrants are all converted into 1,678,029,535 new PUCF Shares by surrendering one (1) unit of RM0.05 nominal value of ICULS together with cash payment of RM0.05 such that in aggregate it amount to RM0.10 for one (1) PUCF Share; and (iv) 419,507,384 Warrants-B issued pursuant to the Rights Issue of ICULS with Warrants are all exercised into 419,507,384 new PUCF Shares at an exercise price of RM0.10 each. |

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9.1 Share capital

The proforma effects of the Rights Issue of ICULS with Warrants on the issued and paid-up share capital of the Company are as follows:

Minimum Scenario⁽¹⁾

	No. of PUCF Shares	Par value RM	RM
As at the LPD	1,065,805,489	0.10	106,580,548.90
Upon completion of the Rights Issue of ICULS with Warrants	-	0.10	-
	1,065,805,489	0.10	106,580,548.90
New PUCF Shares to be issued upon full conversion of ICULS	280,000,000	0.10	28,000,000.00
New PUCF Shares to be issued pursuant to full exercise of the Warrants-B	140,000,000	0.10	14,000,000.00
Enlarged issued and paid-up share capital	1,485,805,489	0.10	148,580,548.90

Maximum Scenario⁽²⁾

	No. of PUCF Shares	Par value RM	RM
As at the LPD	1,065,805,489	0.10	106,580,548.90
Assuming full exercise of outstanding Warrants-A	132,787,036	0.10	13,278,703.60
	1,198,592,525	0.10	119,859,252.50
Upon completion of the Rights Issue of ICULS with Warrants	-	0.10	-
	1,198,592,525	0.10	119,859,252.50
New PUCF Shares to be issued upon full conversion of the ICULS	1,678,029,535	0.10	167,802,953.50
New PUCF Shares to be issued pursuant to full exercise of the Warrants-B	419,507,384	0.10	41,950,738.40
Enlarged issued and paid-up share capital	3,296,129,444	0.10	329,612,944.40

Notes:

- (1) Assuming none of the outstanding Warrants-A are exercised into new PUCF Shares prior to or on the Entitlement Date and that the Rights ICULS will be subscribed based on the Minimum Subscription Level.
- (2) Assuming all outstanding Warrants-A are fully exercised into new PUCF Shares prior to or on the Entitlement Date and Entitled Shareholder will subscribe in full for their respective entitlement under the Rights Issue of ICULS with Warrants.

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9.2 Earnings and EPS

The Rights Issue of ICULS with Warrants is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2015 as the Rights Issue of ICULS with Warrants is expected to be completed in the first (1st) quarter of year 2016.

Moving forward, our Group's future earnings would depend on, amongst others, the return generated from the utilisation of the proceeds arising from the Rights Issue of ICULS with Warrants and the proceeds from the exercise of the Warrants-B, if any. As such, the Board expects the Rights Issue of ICULS with Warrants to contribute positively to the future earnings of our Group.

On a standalone basis, the EPS of our Group may be diluted as a result of the increase in the number of PUCF Shares arising from the conversion of the ICULS and / or exercise of the Warrants-B into new PUCF Shares, in the event that the earnings of our Group does not increase in tandem with the increase in the number of PUCF Shares issued. However, the extent of dilution to the EPS is dependent on, amongst others, the actual number of the PUCF Shares to be converted and the future earnings of our Group.

In addition, the coupon payments for the ICULS of 4% per annum, which represents RM1.12 million per annum under the Minimum Scenario or RM3.36 million per annum under the Maximum Scenario will correspondingly lead to a decrease in the earnings and EPS of PUCF.

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9.3 NA and gearing

The proforma effects of the Rights Issue of ICULS with Warrants on the NA and gearing of the PUCF Group based on the latest audited consolidated statement of financial position of PUCF as at 31 December 2014 on the assumption that the Rights Issue of ICULS with Warrants had been effected on that date are as follows:

Minimum Scenario

	Audited as at 31 December 2014 RM	Adjustment for subsequent events ^(b) RM	(I) After the Rights Issue of ICULS with Warrants RM	(II) After (I) and upon full conversion of ICULS RM	(III) After (II) and upon full exercise of Warrants-B RM
Share capital	106,233,057	106,580,549	106,580,549	134,580,549	148,580,549
Convertible preference shares	544,596	544,596	544,596	544,596	544,596
Share premium	9,273,758	9,450,404	8,450,404 ^(a)	8,450,404	8,450,404
Other reserve	(15,293,239)	(15,292,700)	(24,434,700)	(24,434,700)	(15,292,700)
Equity component arising from ICULS	-	-	25,883,192	-	-
Foreign currency translation reserve	(931,505)	(931,505)	(931,505)	(931,505)	(931,505)
Fair value adjustment reserve	528	528	528	528	528
Reverse acquisition debit	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)
Warrant reserve	16,718,427	16,717,888	25,859,888 ^(b)	25,859,888	16,717,888
Retained earnings	45,523,102	45,415,869	45,415,869	45,415,869	45,415,869
Total equity attributable to owners of the parent / NA	125,259,660	125,676,565	150,559,757	152,676,565	166,676,565
Non-controlling interests	95,636	95,636	95,636	95,636	95,636
Total equity	125,355,296	125,772,201	150,655,393	152,772,201	166,772,201
Number of Shares in issue	1,062,330,571	1,065,805,489	1,065,805,489	1,345,805,489	1,485,805,489
NA per share (RM)	0.12	0.12	0.14	0.11	0.11
Total borrowings	755,305	755,305	3,540,579	755,305	755,305
Gearing (times)	0.01	0.01	0.02	*	*

Maximum Scenario

	Audited as at 31 December 2014 RM	Adjustment for subsequent events ⁽¹⁾ RM	(I) After the full exercise of outstanding Warrants-A RM	(II) After (I) and the Rights Issue of ICULS with Warrants RM	(III) After (II) and upon full conversion of ICULS RM	(IV) After (III) and upon full exercise of Warrants-B RM
Share capital	106,233,057	106,580,549	119,859,253	119,859,253	287,662,207	329,612,945
Convertible preference shares	544,596	544,596	544,596	544,596	544,596	544,596
Share premium	9,273,758	9,450,404	9,450,404	8,450,404 ⁽²⁾	8,450,404	8,450,404
Other reserve	(15,293,239)	(15,292,700)	1,425,188	(25,968,644)	(25,968,644)	1,425,188
Equity component arising from ICULS	-	-	-	77,558,500	-	-
Foreign currency translation reserve	(931,505)	(931,505)	(931,505)	(931,505)	(931,505)	(931,505)
Fair value adjustment reserve	528	528	528	528	528	528
Reverse acquisition debit	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)
Warrant reserve	16,718,427	16,717,888	-	27,393,832 ⁽³⁾	27,393,832	-
Retained earnings	45,523,102	45,415,869	45,415,869	45,415,869	45,415,869	45,415,869
Total equity attributable to owners of the parent / NA	125,259,660	125,676,565	138,955,269	215,513,769	305,758,223	347,708,961
Non-controlling interests	95,636	95,636	95,636	95,636	95,636	95,636
Total equity	125,355,296	125,772,201	139,050,905	215,609,405	305,853,859	347,804,597
Number of Shares in issue	1,062,330,571	1,065,805,489	1,198,592,525	1,198,592,525	2,876,622,060	3,296,129,444
NA per share (RM)	0.12	0.12	0.12	0.18	0.11	0.11
Total borrowings	755,305	755,305	755,305	9,101,327	755,305	755,305
Gearing (times)	0.01	0.01	0.01	0.04	*	*

Notes:

* Negligible.

(1) Subsequent events comprised of the following:

(i) After taking into consideration the issuance of 3,470,633 PUCF Shares pursuant to the exercise of 3,470,633 Options at RM0.12 per PUCF Share; and

(ii) After taking into consideration the issuance of 4,285 PUCF Shares pursuant to the exercise of 4,285 Warrants-A at RM0.10 per PUCF Share;

subsequent to 31 December 2014 up to the LPD.

(2) After deducting estimated expenses of RM1.00 million in relation to the Corporate Exercises.

(3) For illustration purpose, the Warrants-B are assumed to have a fair value of RM0.0653 each after taking into account the indicative fair value of Warrants-B derived based on Black-Scholes Option Pricing Model.

10. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

As at the LPD, the main business segment of our Group is in the media and advertising business, which mainly covers media brokerage whereby our Group renders services such as media planning and execution to fulfil its customers' advertising needs through various form of media, e.g. newspapers, magazines, television, radio, billboards and digital media. The media and advertising business of our Group currently focuses on the Malaysian and China markets. As such, we have set out below the overview and outlook of the advertising industry in both Malaysia and China in Sections 10.3 and 10.4 respectively.

In addition, as our Group intends to undertake the Diversification, we have also set out below the overview and outlook of the energy utility industry in Malaysia and the prospects of the PUCF Group in Sections 10.5 and 10.6 respectively.

10.1 Overview and outlook of the Malaysian economy

The Malaysian economy recorded a stronger growth of 6.0% in 2014 (2013: 4.7%), driven primarily by the continued strength of domestic demand and supported by an improvement in external trade performance. Net exports turned around to contribute positively to growth after seven years of negative contribution, as Malaysia benefitted from the recovery in the advanced economies and the sustained demand from the regional economies. While the growth in private domestic demand remained strong, public sector expenditure registered slower growth, consistent with the Government's fiscal consolidation efforts.

Overall, the Malaysian economy is projected to register a steady growth of 4.5% – 5.5% in 2015 (2014: 6.0%), supported mainly by a sustained expansion in domestic demand amid strong domestic fundamentals and a resilient export sector. Domestic demand will continue to anchor growth in 2015, driven by private sector spending. Private consumption is forecasted to record a more moderate growth during the year, after registering five consecutive years of above-average growth rates since the financial crisis in the advanced economies. While household spending is expected to be affected by the implementation of the GST in April and lower earnings in the commodity-related sectors, its impact will, however, be partially offset by Government measures to assist targeted groups, the additional disposable incomes from lower fuel prices and the favourable labour market conditions. Similarly, after three consecutive years of double-digit growth, private investment is expected to moderate due mainly to lower investment in the mining sector following weak global crude oil prices. Nevertheless, private investment growth will be supported by on-going and new investments in the manufacturing and services sectors as firms benefit from the continued global recovery and lower cost of inputs. Public sector spending, in particular public investment, is expected to improve amidst higher spending on fixed assets, particularly by the public enterprises. In 2015, the contribution to growth from the Government is expected to remain modest.

(Source: BNM Annual Report 2014, BNM)

The Malaysian economy recorded a growth of 4.7% in the third quarter of 2015 (2Q 2015: 4.9%), supported mainly by private sector demand. On the supply side, all economic sectors continued to expand during the quarter. On a quarter-on quarter seasonally-adjusted basis, the economy grew by 0.7% (2Q 2015: 1.1%).

The private sector continued to be the key driver of growth during the quarter. Private investment grew by 5.5% (2Q 2015: 3.9%), driven by capital spending in the manufacturing and services sectors. Private consumption expanded at a more moderate rate of 4.1% (2Q 2015: 6.4%) as households continued to adjust to the implementation of the GST. Public investment turned around to record a positive growth due to the improvement in spending on fixed assets by both the Federal Government and public enterprises. Meanwhile, public consumption growth moderated to 3.5% (2Q 2015: 6.8%) following the slower growth in both emoluments and supplies and services expenditure.

On the supply side, all economic sectors continued to expand during the quarter. Growth was led by the construction and manufacturing sectors. Construction sector growth improved due mainly to a faster expansion in the civil engineering and specialised construction activities sub-sectors. Similarly, the manufacturing sector registered higher growth, supported in particular by an improvement in the export oriented industries. The services sector registered lower growth due to a moderation in household spending and slower capital market activity. The mining and agriculture sectors expanded at a slower pace due to a moderation in crude oil and palm oil production, respectively.

Inflation, as measured by the annual change in the Consumer Price Index, increased to 3.0% in the third quarter of 2015 (2Q 2015: 2.2%) largely reflecting the higher inflation in the food and non-alcoholic beverages category amid shortages in supplies arising from adverse weather conditions. The transport category also contributed to the increase in inflation following the higher domestic fuel prices during the quarter.

The trade surplus amounted to RM22.2 billion in the third quarter of 2015 (2Q 2015: RM20.4 billion). Gross exports turned around to register an expansion of 5.5% (2Q 2015: -3.7%), supported mainly by the broad-based expansion in manufactured exports. Meanwhile, gross imports grew by 2.9% (2Q 2015: -5.2%), reflecting an improvement in most major import categories.

The international reserves of BNM amounted to RM415.1 billion (equivalent to USD93.3 billion) as at 30 September 2015. This reserves level has taken into account the quarterly adjustment for foreign exchange revaluation changes.

As at 30 October 2015, the reserves position amounted to RM417.9 billion (equivalent to USD94.0 billion). The international reserves remain ample to facilitate international transactions without disruptions. It is sufficient to finance 8.7 months of retained imports, significantly higher than the three (3)-month international threshold. It is also adequate to meet external obligations with the reserves to short-term external debt coverage of 1.1 times. It is important to note that not all short term external debt pose an immediate claim on reserves given the external assets and export earnings of borrowers.

(Source: Quarterly Bulletin Third (3rd) Quarter 2015, BNM)

In addition, the Malaysian economy is expected to remain steady in 2016, with real gross domestic product growth between 4% - 5% led by domestic demand. Private sector expenditure will remain the main driver of growth with private consumption and investment expected to grow by 6.4% and 6.7% respectively. Meanwhile, Government expenditure is forecast to expand, albeit at a moderate pace, in line with efforts to strength the fiscal position. On the supply side, growth is expected to be broad-based, with all the sectors registering positive growth. Malaysia's external position is forecast to remain positive supported by better prospects for global growth and trade.

(Source: Malaysian Economic Report 2015/2016, Ministry of Finance Malaysia)

10.2 Overview and outlook of the China economy

China's economic growth moderated to 6.9% (Q2 2015 :7.0%) supported by resilient growth of the services sector and consumption activity. This was despite a contraction in exports, sluggish property investment as well as a slowdown in industrial output. To support economic activity, the People's Bank of China reduced its one (1)-year lending rate and one (1)-year deposit rate twice in August and October by a total of 50 basis points to 4.35% and 1.50% respectively.

(Source: Quarter Update on the Malaysian Economy – 3rd Quarter 2015, Ministry of Finance Malaysia)

Growth in China is expected to decline to 6.8% this year and 6.3% in 2016. Previous excesses in real estate, credit, and investment continue to unwind, with a further moderation in the growth rates of investment, especially that in residential real estate. The forecast assumes that policy action will be consistent with reducing vulnerabilities from recent rapid credit and investment growth and hence not aim at fully offsetting the underlying moderation in activity. Ongoing implementation of structural reforms and lower oil and other commodity prices are expected to expand consumer-oriented activities, partly buffering the slowdown.

(Source: World Economic Outlook October 2015 – Adjusting to Lower Commodity Prices, International Monetary Fund)

10.3 Overview and outlook of the advertising industry in Malaysia

Malaysia advertising expenditure (“ADEX”) rose 5% to RM14.1 billion in 2014 from RM13.4 billion in 2013. The growth was partially due to World Cup related promotional campaigns and generally positive market sentiment, especially in the first half of the year.

In terms of market share, television (“TV”) recorded the highest share of 61.3% (2013: 60.3%), followed by newspapers (2014: 33.1%; 2013: 34.1%) and radio (2014: 3.3%, 2013: 3.5%). Advertisers spent RM8.6 billion on TV advertising in 2014, compared with RM8.1 billion in 2013.

Moving forward, for Malaysia to remain competitive as a nation, there is a need to focus on several key areas for development. Service providers need to continue their investment in infrastructure deployment and provision of quality services. Both mobile and fixed broadband services vis-à-vis 4 generation long term evolution and the upcoming high speed broadband phase 2 are essential to fulfil demand for higher broadband speed.

Subsequently, wide communications coverage by both mobile and fixed services serve in paving a solid foundation to drive digital lifestyle and businesses towards a digital economy. The ready access to infrastructure and enhanced connectivity services can be further leveraged by the development of local content industry. That is, by cultivating and nurturing development in mobile apps, games, data analytics, mobile health and others. It is opportune to nurture ecosystems and collaborations in content and applications, which are building blocks for enhanced or new revenue streams for communications and media industry. Hence, this contributes to increase the nation’s GNI towards a developed nation status.

(Source: Industry Performance Report 2014, Malaysian Communications and Multimedia Commission)

Year-to-date ADEX for the period of January to September 2015 dipped to RM10.2 billion compared to the RM10.4 billion registered for the same period in 2014. The decrease in ADEX in 2015 is largely due to the implementation of the GST, the weakening Ringgit currency and falling fuel prices. Malaysia’s ADEX is expected to remain conservative for the remainder of 2015 and 2016.

While Malaysia’s ADEX is forecast to contract in the short term by 5.0% in 2015 compared to 2014, the longer term growth prospects are positive as ADEX is anticipated to grow and register a compound annual growth rate (“CAGR”) of 4.0% between 2014 and 2019. While traditional non-digital media such as newspaper and TV will continue to dominate overall ADEX during this period, growth will be largely concentrated in the digital media platform where internet advertising is forecast to register a strong CAGR of 12.7% between 2014 and 2019.

Digital media is increasingly becoming a popular advertising platform due to its affordability, accessibility and change in consumer habits. This increase in popularity is expected to result in growth in ADEX for digital media platforms, especially as the Government continues to further improve Internet penetration rates.

(Source: Smith Zander International Sdn Bhd)

10.4 Overview and outlook of the advertising industry in China

Based on the Twelfth Five-Year Plan for the Development of Advertising Industry which was released by the State Administration for Industry & Commerce of the People's Republic of China in June 2012 China's advertising turnover is expected to increase at an annual rate of 12% for the period between 2011 and 2015. In addition, in 2015, more large-backbone advertising companies with annual advertising revenue of over RMB 5 billion would emerge. It is also stated that the country expects 50 advertising companies with annual advertising turnover of more than RMB1 billion and in excess of 100 advertising companies with annual advertising turnover of over RMB100 million will emerge in accordance to the plan.

As of April 2012, China had issued the licenses for the first batch of nine (9) national advertisement industry parks namely, Beijing National Advertising Industrial Park, Shanghai Advertisement Industry Park, Nanjing Advertisement Industry Park, Qingdao Advertisement Industry Park, Guangdong Advertisement Industry Park, etc.. Further thereto, based on the plan, it is expected at least 15 national advertisement industry parks will be constructed by 2015.

(Source: The management of PUCF)

China is the second largest advertising market globally behind the United States. Despite the devaluation of the RMB, fluctuation in the financial markets and falling commodity prices that have impacted China's economy, ADEX is forecast to register modest year-on-year growth rates of 6.0% and 6.5% in 2015 and 2016 respectively. China is projected to account for approximately 15.4% of the global advertising market in 2015.

By media platform, digital media is expected to witness the strongest year-on-year growth rate of 28.5% in 2015, driven by increased mobile spending as digital media becomes increasingly ingrained in consumers' lives and behaviours. While TV is forecast to continue accounting for the largest share of media platform in 2015, a modest year-on-year growth rate of 2.6% is anticipated for this media platform.

While digital media is relatively new in China compared to traditional media platforms such as newspapers and TV, there continues to be a notable shift in ADEX to digital media. This will bode well for internet advertising which is forecast to register an impressive CAGR of 15.1% between 2014 and 2019.

China has among the largest advanced fixed and mobile broadband networks globally where the deployment of these technologies have historically been largely focused in urban areas in the past. Under the nation's national broadband plan, Broadband China that was launched in 2013, all major urban areas are targeted to have access to 50 megabits per second ("Mbps") fibre to the home/building services by 2020, and rural households are targeted to have access to services of at least 12 Mbps. This will bode well for digital media, as improved accessibility and connectivity to the internet have the potential to spur advertising spending in this media platform.

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To further develop the advertising industry in China, the construction of industrial parks was encouraged under the Twelfth Five-Year Plan for the Development of Advertising Industry. To date, several advertisement industrial parks have been constructed and / or have been announced, which among others, include the following:

- Beijing National Advertising Industrial Park;
- Changsha Advertising Industrial Park;
- China Media Park;
- Guangdong Advertisement Industry Park;
- Hangzhou Canal National Advertising Industry Park;
- Kunming National Advertising Cultural Industrial Park;
- Liangjiang Advertising Industrial Park;
- Nanjing Advertisement Industry Park;
- Qingdao Advertisement Industry Park;
- Shaanxi National Advertising Industry Park;
- Shanghai Advertisement Industry Park;
- Tianjin Binhai Advertising Industrial Park; and
- Yantai Advertising Creative Industrial Park.

(Source: Smith Zander International Sdn Bhd)

10.5 Overview and outlook of the energy utility industry in Malaysia

The energy utility industry comprises electricity generation, transmission and distribution activities. The energy utility industry is also known as the electricity supply industry. Utility companies, IPPs and Small Renewable Energy Power (“SREP”) producers generate electricity from a number of energy sources to be ultimately sold to consumers via utility companies. Electricity is generated in power plants / stations from various energy sources such as coal, natural gas, hydro, geothermal and solar power. These power plants house equipment such as boilers, turbines and generators, which are critical equipment in the process of electricity generation.

Both public and private players participate in the electricity supply industry in Malaysia. The Government participates in this industry via utility companies which are TNB in Peninsular Malaysia, Sabah Electricity Sdn Bhd (“SESB”) in Sabah and Sarawak State Government-owned Sarawak Energy Berhad (“SEB”) in Sarawak. The Government’s golden share ownership gives it veto power in major decisions of TNB and the SESB in Sabah. In Sarawak, the power generation, transmission and distribution are under the control of SEB via Syarikat SESCO Bhd (“SESCO”). The Government of Malaysia’s interest in this industry is driven by its need to safeguard welfare across economic groups and ensure the population has access to affordable electricity.

TNB is an integrated utility company with its core business in power generation, transmission and distribution. TNB also manages and operates the National Power Grid, granting it monopoly power over electricity transmission activities in Peninsular Malaysia. Private sector participation in power generation began in 1992 through the appointment of IPPs. Sources of fuel for energy generation comprise both non-renewable and renewable resources where:

(i) Non-renewable

Energy generated from resources that can be extracted from the earth and are finite in nature. These resources primarily comprise hydrocarbon resources such as oil, gas and coal. These resources are used as combustion fuel for power plants that convert their potential energy into heat and steam that is then used to generate electricity through the use of turbines and generators. Energy harnessed from these fuel sources have been the primary driver of industry and global growth in the past and continues to be a key pillar of the global energy strategy in the immediate to medium term as the world remains heavily reliant on these fuel sources in the absence of suitable alternatives on that scale. Non-renewable resources include, but are not limited to, oil, gas and coal.

(ii) Renewable energy

Renewable energy refers to energy that is generated from natural resources such as sunlight, wind, rain, tides and geothermal heat which are naturally replenished. Renewable energy technologies include solar power, wind power, hydro, biomass and biofuels. Rapid depletion of fossil fuel reserves as well as climate change has driven the further development of renewable energy sources which are widely available, untapped, and environmentally friendly. The various forms of renewable energy include, but are not limited to, solar, wind, hydro, biogas, biomass, geothermal and others.

Malaysia has a good mix of energy resources that comprise renewable and non-renewable sources. Malaysia's non-renewable fossil fuel sources are oil, natural gas and coal, while its renewable energy sources include biomass, solar and hydro. While Malaysia is a net energy exporter, concerns about energy security, fluctuations in crude oil pricing and climate change are driving significant changes in how energy and electricity specifically, is generated, transmitted and consumed in Malaysia. Thus, renewable energy resources are becoming attractive for sustainable energy development in Malaysia as these renewable sources of energy are abundant in Malaysia, with the significant ones being hydropower, solar and biomass.

Energy supply in Malaysia, as measured by total installed capacity for non-renewable and renewable energy, increased from 24,831 MW in 2010 to 30,644 MW in 2013 at a CAGR of 7.26%. Growth in energy supply is directly impacted by growth in demand for electricity. For the period between 2010 and 2013, electricity demand in Malaysia, as measured by sales of electricity, grew from 99,485 GWh to 116,104 GWh at a CAGR of 5.28%. Smith Zander International Sdn Bhd projects electricity demand in Malaysia to increase from 116,104 GWh in 2013 to 145,500 GWh in 2017 at a CAGR of 5.80% on the back of economic growth and greater usage of electrical and electronic products.

Total installed capacity for renewable energy is a measure of total supply of renewable energy power. Total installed capacity for commissioned renewable energy installations under the FIT mechanism increased from 100.71 MW in 2012 to 292.52 MW in 2014 at an impressive CAGR of 70.43%. Over the same period, total installed capacity for commissioned solar PV installations increased from 31.55 MW to 203.18 MW at a staggering CAGR of 153.77%. The contribution of commissioned solar PV installations over total commissioned renewable energy installations in the country has more than doubled from 31.33% in 2012 to 69.46% in 2014, indicating a rise the potential of solar power as a key renewable power source in Malaysia.

Renewable energy was announced as the fifth fuel in the 8th Malaysia Plan ("MP"), and subsequently in the 10th MP, it was targeted that renewable energy shall contribute to 5.5% of Malaysia's total electricity generated by 2015. The Renewable Energy Act 2011 (Act 725) was ratified to promote investments in renewable energy, as well as provide a structured approach via the FIT mechanism to encourage individuals and companies to actively participate in supplying renewable energy to Malaysia's national electricity grid.

The FIT mechanism also provides for a captive demand market for renewable energy in that feed-in approval holders (communities, individuals and companies) have guaranteed access to the national electricity grid whereby power utility firms are legally obliged to accept all electricity generated by feed-in approval holders at a contractually fixed FIT rate for an effective period. Feed-in approval holders (individuals and companies) of solar PV are guaranteed access to Malaysia's national electricity grid for a period of twenty one (21) years at FIT rates that are higher than FIT rates offered for biogas, biomass and small hydropower.

The annual power generation for commissioned solar PV installations increased from 4.71 GWh in 2012 to 178.33 GWh in 2014 at a CAGR of 515.32%. Comparatively, annual power generation for other commissioned renewable energy installations comprising of biomass, biogas and small hydropower increased from 137.74 GWh to 346.71 GWh over the same period at a CAGR of 58.65%. Annual power generation for commissioned solar PV installations is a measure of total demand for solar power.

In terms of contribution to total annual power generation for commissioned renewable energy installations, the annual power generation for commissioned solar PV installations has risen from 3.31% in 2012 to 33.97% in 2014, in tandem with the increase in commissioned solar PV installations, marking the significance and increasing prospects in actual demand for solar power as a renewable energy.

Anticipating greater demand for electricity following the Government's target to achieve the status of high income nation by 2020, a total of over 9,000 MW of installed capacity comprising renewable and non-renewable energy sources is expected to become operational between 2015 and 2020. Under the FIT mechanism, a total of 485.04 MW of renewable energy capacity is expected to become operational by 2018, where solar PV comprises 61.84 MW (12.75% of total renewable energy power generation plants in progress). Plants in progress refers to installations that have been granted with feed-in approvals under the FIT mechanism but have yet to achieve the FIT commencement date.

(Source: IMR Report)

10.6 Prospects of our Group

The utilisation of the proceeds to be derived from the Minimum Subscription Level pursuant to the Rights Issue of ICULS with Warrants to construct solar PV plants to generate capacities of 3 MW is part of the Group's action plan in achieving its ultimate objective of expanding its solar PV plant's aggregate capacity to up to 50 MW. PUCF expects to secure more projects and / or contracts in future to supply renewable energy to TNB in the long run on the premise that the applications for the additional RE Quota is successful and / or collaboration with successful applicants of the RE Quota. Moving forward, the Group intends to establish itself not only as an energy provider in the solar industry but in the renewable energy industry as a whole.

The management of PUCF believes that the renewable energy business will not only bring positive growth but at the same time offer long term recurrent income streams to the Group during the concession periods. It also serves as the Group's contribution to the sustainability of the environment.

Based on the foregoing and outlook of the energy utility industry set out in Section 10.5 above, PUCF Group envisages that the prospects of the renewable energy industry to be favourable.

(Source: The management of PUCF)

11. WORKING CAPITAL, BORROWINGS, MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

11.1 Working capital

Our Board is of the opinion that after taking into account our Group's cash in hand, banking facilities available and the proceeds to be raised from the Rights Issue of ICULS with Warrants, our Group will have sufficient working capital for a period of twelve (12)-months from the date of issue of this AP.

11.2 Borrowings

As at the LPD, our Group's total borrowings are as follows:

	Short term (RM'000)	Long term (RM'000)	Total (RM'000)
Bank overdraft	541	-	541
Finance lease liability	107	4,584	4,691
	<u>648</u>	<u>4,584</u>	<u>5,232</u>

All outstanding borrowings are interest-bearing and are denominated in RM. As at the LPD, our Group does not have any foreign currency borrowings.

There has been no default on payments of either interest and / or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof, immediately preceding the LPD.

11.3 Material commitments and contingent liabilities

Saved as disclosed below, there are no material commitments for capital expenditure approved and contracted or known to be contracted by our Group which may have material effect on the results or financial position of our Group as at the LPD.

	Group RM'000
Balance of the purchase consideration for the acquisition of land ^(a)	1,524

Note:

(a) Being the balance purchase consideration to be paid pursuant to the acquisition of land and will be funded by our Group's internally generated funds and / or bank borrowings.

Save as disclosed below, there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material effect on the results or the financial position of our Group.

	RM'000
Corporate guarantee granted by PUCF to its subsidiaries	4,584

12. INSTRUCTION FOR ACCEPTANCE, PAYMENT, SALE / TRANSFER AND EXCESS APPLICATION

As you are an Entitled Shareholder on the Entitlement Date for the Rights Issue of ICULS with Warrants, your CDS Account(s) will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for under the terms and conditions of the Rights Issue of ICULS with Warrants. You will find enclosed with this AP, the NPA notifying you of the crediting of such number of Provisional Allotment into your CDS Account(s) and the RSF to enable you to subscribe for such Rights ICULS with Warrants that you have been provisionally allotted, as well as apply for the Excess Rights ICULS with Warrants-B if you wish to do so.

The Provisional Allotment is renounceable in full or in part and as such, you may fully or partially renounce your rights entitlements to the Rights ICULS with Warrants-B

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF, AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR PART OF YOUR RIGHTS ENTITLEMENTS ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND / OR YOUR RENOUNCEE(S) / TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY. IN ACCORDANCE WITH THE REQUIREMENTS OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotment will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and / or your renounee(s) / transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

12.1 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Allotment must be made on the RSF enclosed together with this AP and must be completed in accordance with the notes and instructions contained in the RSF. At the absolute discretion of our Board, we may not accept acceptances which do not strictly conform to the terms of this AP or the RSF or the notes and instructions printed in these documents.

If you wish to accept all or part of your entitlement to the Provisional Allotment, please complete Part I and Part III of the RSF in accordance with the notes and instructions contained in the RSF. You must despatch by ORDINARY POST, COURIER or DELIVERED BY HAND the completed and signed RSF together with the relevant payment in the official envelope provided (at your own risk) to our Share Registrar at the following address:

Mega Corporate Services Sdn Bhd (187984 H)
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

Tel: 03-2692 4271
Fax: 03-2732 5388

and should not arrive later than **5.00 p.m. on Friday, 5 February 2016**, being the last date and time for acceptance and payment, or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any reason require another copy of the RSF, you and / or your renounee(s) / transferee(s) (if applicable) may obtain additional copies from your stockbrokers, our Share Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

You must use one (1) RSF for the acceptance of the Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF must be used for the acceptance of the Provisional Allotment standing to the credit of more than one (1) CDS Account. If successful, the Rights ICULS and Warrants-B subscribed by you will be credited into the respective CDS Accounts where the Provisional Allotment is standing to the credit.

A reply envelope is enclosed with this AP. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

Any fractional entitlement of the Rights ICULS and the Warrants-B under the Rights Issue of ICULS with Warrants will be disregarded and shall be dealt with in such manner or on such terms as our Board shall in its absolute discretion deem fit, expedient and in the best interest of our Company.

You and / or your renounee(s) / transferee(s) (if applicable) should take note that a trading board lot for the Rights ICULS and Warrants-B will comprise 100 Rights ICULS and 100 Warrants-B each respectively. Successful applicants of the Rights ICULS will be given free attached Warrants-B on the basis of one (1) Warrant-B for every four (4) Rights ICULS successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is one (1) Rights ICULS, the subscription or acceptance of which, however, will not be entitled for any free Warrants-B. Fractions of a Rights ICULS and / or Warrants-B which may arise from the manner as our Board shall in its absolute discretion deem fit, expedient and in the best interests of our Company. Should you wish to secure one (1) free Warrant-B from the subscription of your entitlement, the minimum number of Rights ICULS with Warrants-B to be subscribed is four (4) Rights ICULS.

Each completed RSF must be accompanied by remittance in RM for the full amount payable in the form of banker's draft(s) or cashier's order(s) or money order(s) or postal order(s) drawn on a bank or post office in Malaysia and should be made payable to "PUC FOUNDER (MSC) BERHAD - RIGHTS ICULS ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side(s) with your name, contact number and address in block letter together with your CDS Account number.

The payment must be made in the exact amount. Any application accompanied by excess or insufficient payment or payment in the manner other than stated in this AP may be rejected at the absolute discretion of our Board. Cheques or any other modes of payment will be rejected. Details of remittance must be filled in the appropriate boxes provided in the RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR SUBSCRIPTION MONIES IN RESPECT OF THE RIGHTS ISSUE OF ICULS WITH WARRANTS. NOTICES OF ALLOTMENT WILL BE DESPATCHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT THEIR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY. YOUR APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE SUBSCRIPTION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED TO YOU WITHOUT INTEREST VIA CHEQUE AND SHALL BE DESPATCHED TO YOU AT YOUR OWN RISK, BY ORDINARY POST TO YOUR REGISTERED ADDRESS IN MALAYSIA AS STATED IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY OR TO THE ADDRESS IN MALAYSIA WHICH WAS PROVIDED BY YOU TO THE SHARE REGISTRAR FOR THE RECEIPT OF THE DOCUMENTS WITHIN FIFTEEN (15) MARKET DAYS AFTER THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENT

If the acceptance and payment for the Provisional Allotment are not received by our Share Registrar by 5.00 p.m. on Friday, 5 February 2016 or such later date and time as may be determined and announced by our Board, your and / or your renounee(s)' / transferee(s)' (if applicable) provisional entitlement under the Rights Issue of ICULS with Warrants will be deemed to have been declined and will be cancelled.

Such Provisional Rights ICULS not taken up will be allotted to applicants for the Excess Rights ICULS in the manner as set out in Section 12.4 of this AP.

12.2 Procedures for part acceptance

You can accept part of your Provisional Allotment. The minimum number of securities that can be subscribed for or accepted is one (1) Rights ICULS, the subscription or acceptance of which, however, will not be entitled for any free Warrants-B. Should you wish to secure one (1) free Warrant-B from the subscription of your entitlement, the minimum number of Rights ICULS with Warrants-B to be subscribed is four (4) Rights ICULS.

If you wish to accept part of your Provisional Allotment, please complete Parts I and II of the RSF by specifying the number of Rights ICULS with Warrants-B to which you are accepting, and deliver the completed and signed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in Section 12.1 of this AP.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

12.3 Procedures for sale / transfer of the Provisional Allotment

The Provisional Allotment are renounceable. If you wish to sell or transfer all or part of your Provisional Allotment to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account(s). To sell or transfer all or part of your entitlement to the Provisional Allotment, you may sell such entitlement in the open market or transfer such provisional allotments to such person(s) as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Allotment, you and / or your renounee(s) / transferee(s) (if applicable) need not deliver the RSF or any document to the stockbroker. **You are however advised to read and adhere to the RSF and the notes and instructions contained in the RSF as well as ensure that there is sufficient Provisional Allotment standing to the credit of your CDS Account(s) before selling or transferring.**

Renounee(s) / transferee(s) of the Provisional Allotment may obtain a copy of this AP and the RSF from their stockbrokers, our Share Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

If you have sold or transferred only part of the Provisional Allotment, you may still accept the balance of the Provisional Allotment by using the procedures described in Section 12.1 of this AP.

If you sell or transfer all or part of your Provisional Allotment, you will automatically be selling or transferring your entitlement to all or part of the Provisional Allotment.

12.4 Procedures for Excess Rights ICULS with Warrants-B application

If you and / or your renounee(s) / transferee(s) (if applicable) wish to apply for Excess Rights ICULS with Warrants-B in excess of your entitlement, you should complete Part II of the RSF (in addition to both Parts I and III) and forward it, together with a **separate remittance** for the full amount payable in respect of the Excess Rights ICULS with Warrants-B applied for to our Share Registrar not later than 5.00 p.m. on Friday, 5 February 2016, being the last date and time for acceptance and payment or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

Payment for the Excess Rights ICULS with Warrants-B applied for should be made in the same manner as described in Section 12.1 of this AP, with remittance in the form of banker's draft(s) or cashier's order(s) or money order(s) or postal order(s) drawn on a bank or post office in Malaysia and crossed "ACCOUNT PAYEE ONLY" and made payable to "PUC FOUNDER (MSC) BERHAD - EXCESS RIGHTS ICULS ACCOUNT" for the Excess Rights ICULS with Warrants-B and endorsed on the reverse side(s) with your name, contact number and address in block letter with you CDS Account number.

The payment must be made in the exact amount. Any application accompanied by excess or insufficient payment or payment in the manner other than stated in this AP may be rejected at the absolute discretion of our Board. Cheques or any other mode(s) of payment not prescribed herein will be rejected. Details of remittance must be filled in the appropriate boxes provided in the RSF.

Our Board reserves the right to allot the Excess Rights ICULS with Warrants-B, if any, applied for under Part II of the RSF on a fair and equitable basis as they deem fit and expedient in the best interest of our Company. Our Board reserves the right to accept any Excess Rights ICULS with Warrants-B application, in full or in part, without assigning any reason thereto.

The basis of allotment of the Excess Rights ICULS with Warrants-B are as follows:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, after the occurrence of (i) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights ICULS with Warrants-B on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, after the occurrence of (i) and (ii) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights ICULS with Warrants-B on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights ICULS with Warrants-B application; and
- (iv) lastly, after the occurrence of (i), (ii) and (iii) above, for allocation to the renounee(s) / transferee(s) who have applied for the Excess Rights ICULS with Warrants-B on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights ICULS with Warrants-B application.

Nevertheless, our Board reserves the rights to allot any Excess Rights ICULS with Warrants-B, if any, applied for under Part II of the RSF on a fair and equitable basis as they deems fit, expedient and in the best interest of the Company subject always to allocation being made on a fair and equitable basis.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR SUBSCRIPTION MONIES IN RESPECT OF THE EXCESS RIGHTS ICULS WITH WARRANTS-B. NOTICES OF ALLOTMENT WILL BE DESPATCHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT THEIR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS ICULS WITH WARRANTS-B, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY. YOUR APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE THE SUBSCRIPTION OF EXCESS RIGHTS ICULS WITH WARRANTS-B APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE SUBSCRIPTION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED TO YOU WITHOUT INTEREST VIA CHEQUE AND SHALL BE DESPATCHED TO YOU AT YOUR OWN RISK, BY ORDINARY POST TO YOUR REGISTERED ADDRESS IN MALAYSIA AS STATED IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY OR TO THE ADDRESS IN MALAYSIA WHICH WAS PROVIDED BY YOU TO THE SHARE REGISTRAR FOR THE RECEIPT OF THE DOCUMENTS WITHIN FIFTEEN (15) MARKET DAYS AFTER THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS ICULS WITH WARRANTS-B.

12.5 Procedures to be followed by renounee(s) / transferee(s)

A renounee / transferee who wishes to apply for the Provisional Allotment or the Excess Rights ICULS with Warrants-B may obtain a copy of this AP and the RSF from their stockbrokers, our Share Registrar for the Rights Issue of ICULS with Warrants, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

The procedures and payment for the acceptance of the Provisional Allotment and the Excess Rights ICULS with Warrants-B by the renounee(s) / transferee(s) are the same as those applicable to you as described in Section 12.1 and 12.4 of this AP.

RENOUNEES / TRANSFEREES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

12.6 Form of issuance

Bursa Securities has already prescribed our Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Allotment are prescribed securities and as such, all dealings in the Provisional Allotment will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights ICULS with Warrants-B.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share certificates will be issued. The Rights ICULS with Warrants-B will be credited directly into your CDS Account(s) and the notice of allotment will be despatched by ordinary post at your address shown in the Record of Depositors of Bursa Depository at your own risk within eight (8) Market Days from the last date for acceptance and payment for the Rights ICULS with Warrants-B.

If you have multiple CDS Accounts into which the Provisional Allotment have been credited, you cannot use a single RSF for acceptance of all these Provisional Allotment. Separate RSF must be used for separate CDS Accounts. If successful, the Rights ICULS with Warrants-B subscribed by you will be credited into the respective CDS Accounts where the Provisional Allotment is standing to the credit.

12.6.1 Subscription for the Rights ICULS with Warrants-B by an Entitled Shareholder

Your subscription for the Provisional Allotment shall mean that you consent to receive such Rights ICULS with Warrants-B as prescribed or deposited securities which will be credited directly into your CDS Account(s). Hence, the Rights ICULS with Warrants-B will be credited directly into your CDS Account(s) upon allotment and issue.

12.6.2 Subscription for the Rights ICULS with Warrants-B by renounee(s) / transferee(s)

If you intend to subscribe for the Provisional Allotment, you must state your CDS Account number in the RSF whereupon the Rights ICULS with Warrants-B will be credited directly as prescribed securities into your CDS Account(s) upon allotment and issue.

12.6.3 Subscription for the Excess Rights ICULS with Warrants-B by an Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable)

If you are successful in applying for the Excess Rights ICULS with Warrants-B, such Rights ICULS with Warrants-B will be credited directly as prescribed securities into your CDS Account(s) upon allotment and issuance. The allocation of the Excess Rights ICULS with Warrants-B will be made on a fair and equitable basis as set out in Section 12.4 of this AP.

12.7 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any foreign jurisdiction, and the Rights Issue of ICULS with Warrants will not be made or offered in any foreign jurisdiction. The Documents will not be sent to shareholders without an address in Malaysia.

Foreign Entitled Shareholders and / or their renouncee(s) / transferee(s) (if applicable) may accept or renounce (as the case may be) all or part of their entitlements and exercise any other rights in respect of the Rights Issue of ICULS with Warrants only to the extent that it would be lawful to do so. Foreign Entitled Shareholders and / or their renouncee(s) / transferee(s) (if applicable), shall be solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subjected to.

PIVB, our Company, our Board, our officers and other experts shall not accept any responsibility or liability in the event that any acceptance and / or renunciation made by any foreign Entitled Shareholders and / or their renouncee(s) / transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such foreign jurisdiction.

Further, foreign Entitled Shareholders and / or their renouncee(s) / transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in the foreign jurisdictions and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and / or their renouncee(s) / transferee(s) (if applicable) for any issue, transfer or any other taxes or other requisite payments as such person may be required to pay. They will have no claims whatsoever against PIVB, our Company, our Board, our officers and other experts in respect of their rights or entitlements under the Rights Issue of ICULS with Warrants.

Such foreign Entitled Shareholders and / or their renouncee(s) / transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of ICULS with Warrants.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any foreign jurisdiction. If the Documents are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he or she must not seek to accept the offer unless he or she has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the Rights ICULS with Warrants-B from any such application by foreign Entitled Shareholder and / or his renouncee(s) / transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights ICULS with Warrants-B as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia or other jurisdictions.

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By signing any of the forms accompanying this AP, the foreign Entitled Shareholders and / or their renounee(s) / transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) PIVB, our Company, our Board, our officers and other experts that:

- (i) we would not, by acting on the acceptance and / or renunciation in connection with the Rights Issue of ICULS with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) is or may be subjected to;
- (ii) the foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) has complied with the laws to which the foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) is or may be subjected to in connection with the acceptance and / or renunciation;
- (iii) the foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) is not a nominee or agent of a person in respect of whom we would, by acting on the acceptance and / or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subjected to;
- (iv) the foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) is aware that the Rights ICULS with Warrants-B can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) has received a copy of this AP and has had access to such financial and other information and has been afforded the opportunity to ask such questions to the representatives of our Company and receive answers thereto as the foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) deems necessary in connection with the foreign Entitled Shareholder's and / or his renounee's / transferee's (if applicable) decision to subscribe for or purchase the Rights ICULS with Warrants-B; and
- (vi) the foreign Entitled Shareholder and / or his renounee(s) / transferee(s) (if applicable) has sufficient knowledge and experience in financial business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights ICULS with Warrants-B, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights ICULS with Warrants-B.

13. TERMS AND CONDITIONS

The issuance of the Rights ICULS with Warrants-B under the Rights Issue of ICULS with Warrants is governed by the terms and conditions as set out in the Documents.

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14. ADDITIONAL INFORMATION

You are requested to refer to the attached appendices for additional information.

Yours faithfully,
for and on behalf of the Board of Directors of
PUC FOUNDER (MSC) BERHAD

A handwritten signature in black ink, appearing to be 'Cheong Chia Chieh', written in a cursive style.

Cheong Chia Chieh @ Chang Chia Chieh
Managing Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE OF ICULS WITH WARRANTS PASSED AT OUR EGM ON 29 DECEMBER 2015

PUC FOUNDER (MSC) BERHAD

(Company No: 451734 A)

(Incorporated in Malaysia)

EXTRACT of the Minutes of the Extraordinary General Meeting (“EGM”) of the Company duly held at Greens 3, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Off Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 December 2015.

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO RM83,901,476.75 NOMINAL VALUE OF THREE (3)-YEAR, 4%, IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”) AT 100% OF THE NOMINAL VALUE OF RM0.05 EACH (“RIGHTS ICULS”) ON THE BASIS OF TWENTY EIGHT (28) RM0.05 NOMINAL VALUE OF RIGHTS ICULS FOR EVERY TWENTY (20) EXISTING ORDINARY SHARES OF RM0.10 EACH IN PUCF (“PUCF SHARE(S)”) HELD BY THE ENTITLED SHAREHOLDERS OF PUCF ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) TOGETHER WITH UP TO 419,507,384 FREE NEW DETACHABLE WARRANTS (“WARRANT(S)-B”) ON THE BASIS OF SEVEN (7) WARRANTS-B FOR EVERY TWENTY EIGHT (28) RIGHTS ICULS SUBSCRIBED (“PROPOSED RIGHTS ISSUE OF ICULS WITH WARRANTS”)

RESOLVED:-

THAT subject to the passing of Ordinary Resolution 2 and all approvals being obtained from the relevant regulatory authorities including the Securities Commission Malaysia for the approval for the issuance of the ICULS, the approval-in-principle of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), approval be and is hereby given for the Board to:

- (i) Provisionally allot and issue by way of renounceable rights issue of up to RM83,901,476.75 nominal value of ICULS at 100% of the nominal value of RM0.05 each on the basis of twenty eight (28) RM0.05 nominal value of Rights ICULS for every twenty (20) PUCF Shares held by the entitled shareholders of the Company, on an Entitlement Date to be determined later together with up to 419,507,384 Warrants-B on the basis of seven (7) Warrants-B for every twenty eight (28) Rights ICULS subscribed for;
- (ii) Enter into and execute the trust deed to be executed by the Company and the trustee appointed by PUCF constituting the ICULS (“**Trust Deed**”) and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed;
- (iii) Enter into and execute the deed poll to be executed by the Company constituting Warrants-B (“**Deed Poll-B**”) and to do all acts, deed and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll-B;
- (iv) Create and issue the ICULS at the conversion price of RM0.10 for every one (1) new PUCF Share (or such price adjusted in accordance with the Trust Deed) and Warrants-B at the exercise price of RM0.10 for every one (1) new PUCF Share (or such price adjusted in accordance with the Deed Poll-B), based on the indicative principal terms of the ICULS and the Warrants-B as set out in Appendix I and Appendix II of the circular to shareholders of the Company dated 14 December 2015 (“**Circular**”) respectively and the terms and conditions of the Trust Deed as well as the terms and conditions of the Deed Poll-B; and

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE OF ICULS WITH WARRANTS PASSED AT OUR EGM ON 29 DECEMBER 2015 (Cont'd)

PUC FOUNDER (MSC) BERHAD

(Company No: 451734 A)

(Incorporated in Malaysia)

EXTRACT of the Minutes of the Extraordinary General Meeting ("EGM") of the Company duly held at Greens 3, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Off Persiaran Tropicana 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 December 2015.

- (v) Allot and issue the new PUCF Shares arising from the conversion of the ICULS (including further ICULS arising from any adjustments under the provisions of the Trust Deed) and from the exercise of the Warrants-B (including further Warrants-B arising from any adjustments under the provisions of the Deed Poll-B, if any);

THAT any fractional entitlements under the Proposed Rights Issue of ICULS with Warrants will be disregarded and shall be dealt with in such manner as the Board shall in its absolute discretion deem fit, expedient and in the best interests of the Company;

THAT the proceeds of the Proposed Rights Issue of ICULS with Warrants be utilised for the purposes as set out in Section 2.1.6 of the Circular, and the Board be and is hereby authorised to revise the manner and purpose of the utilisation of proceeds as it may deem fit, expedient and in the best interest of the Company subject to the approval of any relevant authorities (where required);

THAT the new PUCF Shares arising from the conversion of the ICULS and exercise of Warrants-B will, upon allotment and issue, rank *pari passu* in all respects with the then existing PUCF Shares, save and except that such PUCF Shares shall not be entitled to any dividends, rights, allotments and / or any other forms of distribution which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of such new PUCF Shares arising from the conversion of the ICULS and the exercise of the Warrants-B;

AND THAT any one Director of PUCF be and is hereby authorised to sign and execute all documents, do all things and act as may be required to give effect to the Proposed Rights Issue of ICULS with Warrants with full power to assess to any conditions, variation, modification and / or amendment in any manner as may be required by any relevant authorities, and to deal with all matters relating thereto and to take all such steps and do all such steps and things in any manner as he may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of ICULS with Warrants.

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF PUCF AND ITS SUBSIDIARIES TO INCLUDE THE PROVISION OF ENERGY UTILITY SERVICES ("PROPOSED DIVERSIFICATION")

RESOLVED:-

THAT subject to the approvals being obtained from the relevant authorities (if any), approval be and is hereby given to the Company for the Proposed Diversification.

AND THAT subject to the approval of all relevant authorities (if any), the Directors of the Company be and are hereby authorised to implement the Proposed Diversification AND **THAT** the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary to give full effect to the aforesaid Proposed Diversification with full power to assent to any conditions, modifications, variations and / or amendments as may be required by the relevant authorities.

**CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE OF
ICULS WITH WARRANTS PASSED AT OUR EGM ON 29 DECEMBER 2015 (Cont'd)**

PUC FOUNDER (MSC) BERHAD

(Company No: 451734 A)

(Incorporated in Malaysia)

EXTRACT of the Minutes of the Extraordinary General Meeting ("EGM") of the Company duly held at Greens 3, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Off Persiaran Tropicana 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 December 2015.

We hereby certify the above to be the true extract of the Minutes of the EGM.

Chairman

:



DATO' OTHMAN BIN
JUSOH

Secretary

:



LIM SECK WAH
MAICSA NO. 0799845

Dated : 29 December 2015

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

PUCF was incorporated in Malaysia under the Act as a private limited company under the name of PUC Founder (MSC) Sdn Bhd on 3 November 1997. PUCF was converted into a public limited company and changed its name to PUC Founder (MSC) Berhad on 30 November 2000 and listed on the ACE Market of Bursa Malaysia (previously known as MESDAQ Market of Bursa Securities) on 8 April 2002.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding whilst its subsidiaries are principally engaged in advertising and media brokerage and consultancy, fingerprint verification products, information technology solutions provider of electronic publishing system, financial services and energy utilities services.

3. SHARE CAPITAL

The authorised and issued and paid-up share capital of our Company as at the LPD is as follows:

Type	No. of Shares	Par value (RM)	Amount (RM)
Authorised	5,000,000,000	0.10	500,000,000.00
Issued and paid-up	1,065,805,489	0.10	106,580,548.90

The changes in the authorised share capital as well as the issued and paid-up share capital of our Company for the past three (3) years up to the LPD are as follows:

Authorised share capital

Date	Cumulative no. of authorised shares	Par value (RM)	Total created (RM)	Cumulative authorised share capital (RM)
As at 30 December 2012	100,000,000	0.10	-	10,000,000.00
6 December 2013	5,000,000,000	0.10	400,000,000.00	500,000,000.00

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INFORMATION ON OUR COMPANY (Cont'd)

Issued and paid-up share capital

Date of allotment	No. of PUCF Shares allotted	Par value (RM)	Type of issue / Consideration	Cumulative issued and paid-up share capital (RM)
As at 30 December 2012	-	0.10	-	9,503,625.00
30 December 2013	750,000,000	0.10	Issued pursuant to corporate exercise of acquisition at RM0.10 per PUCF Share	84,503,625.00
25 August 2014	22,720,000	0.10	Issued pursuant to the private placement at RM0.10 per placement share	86,775,625.00
9 September 2014	24,878,000	0.10	Issued pursuant to the private placement at RM0.10 per placement share	89,263,425.00
20 October 2014	36,905,000	0.10	Issued pursuant to the private placement at RM0.10 per placement share	92,953,925.00
26 December 2014	132,791,321	0.10	Issued pursuant to the bonus issue	106,233,057.10
18 February 2015	4,285	0.10	Issued pursuant to the exercise of Warrants-A at RM0.10 per warrant	106,233,485.60
5 March 2015	380,000	0.10	Issued pursuant to the exercise of ESOS Options at RM0.12 per Option	106,271,485.60
20 March 2015	482,434	0.10	Issued pursuant to the exercise of ESOS Options at RM0.12 per Option	106,319,729.00
5 May 2015	2,500,000	0.10	Issued pursuant to the exercise of ESOS Options at RM0.12 per Option	106,569,729.00
29 June 2015	56,533	0.10	Issued pursuant to the exercise of ESOS Options at RM0.12 per Option	106,575,382.30
2 July 2015	51,666	0.10	Issued pursuant to the exercise of ESOS Options at RM0.12 per Option	106,580,548.90

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INFORMATION ON OUR COMPANY (Cont'd)

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Minimum Scenario

	As at the LPD				(I) After the Rights Issue of ICULS with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
RHIL	443,168,402	41.58	-	-	443,168,402	41.58	-	-
RHM Ltd	-	-	443,168,402 ⁽¹⁾	41.58	-	-	443,168,402 ⁽¹⁾	41.58
RHML	-	-	443,168,402 ⁽²⁾	41.58	-	-	443,168,402 ⁽²⁾	41.58
Cheong Chia Chieh @ Chang Chia Chieh	-	-	443,168,402 ⁽³⁾	41.58	-	-	443,168,402 ⁽³⁾	41.58

	(II) After (I) and upon full conversion of ICULS				(III) After (II) and upon full exercise of Warrants-B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
RHIL	723,168,402	53.73	-	-	863,168,402	58.09	-	-
RHM Ltd	-	-	723,168,402 ⁽¹⁾	53.73	-	-	863,168,402 ⁽¹⁾	58.09
RHML	-	-	723,168,402 ⁽²⁾	53.73	-	-	863,168,402 ⁽²⁾	58.09
Cheong Chia Chieh @ Chang Chia Chieh	-	-	723,168,402 ⁽³⁾	53.73	-	-	863,168,402 ⁽³⁾	58.09

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

	As at the LPD				(I) After the full exercise of outstanding Warrants-A			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
RHIL	443,168,402	41.58	-	-	479,384,242	40.00	-	-
RHM Ltd	-	-	443,168,402 ⁽¹⁾	41.58	-	-	479,384,242 ⁽¹⁾	40.00
RHML	-	-	443,168,402 ⁽²⁾	41.58	-	-	479,384,242 ⁽²⁾	40.00
Cheong Chia Chieh @ Chang Chia Chieh	-	-	443,168,402 ⁽³⁾	41.58	-	-	479,384,242 ⁽³⁾	40.00

	(II) After (I) and the Rights Issue of ICULS with Warrants				(III) After (II) and upon full conversion of ICULS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
RHIL	479,384,242	40.00	-	-	1,150,522,180	40.00	-	-
RHM Ltd	-	-	479,384,242 ⁽¹⁾	40.00	-	-	1,150,522,180 ⁽¹⁾	40.00
RHML	-	-	479,384,242 ⁽²⁾	40.00	-	-	1,150,522,180 ⁽²⁾	40.00
Cheong Chia Chieh @ Chang Chia Chieh	-	-	479,384,242 ⁽³⁾	40.00	-	-	1,150,522,180 ⁽³⁾	40.00

	(IV) After (III) and upon full exercise of Warrants-B			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
RHIL	1,318,306,664	40.00	-	-
RHM Ltd	-	-	1,318,306,664 ⁽¹⁾	40.00
RHML	-	-	1,318,306,664 ⁽²⁾	40.00
Cheong Chia Chieh @ Chang Chia Chieh	-	-	1,318,306,664 ⁽³⁾	40.00

Notes:

- (1) Deemed interest by virtue of being the holding company of RHIL.
(2) Deemed interest by virtue of being the holding company of RHM Ltd.
(3) Deemed interest by virtue of his substantial shareholdings in RHML, which is the holding company of RHM Ltd and which in turn is the holding company of RHIL.

INFORMATION ON OUR COMPANY (Cont'd)
5. PARTICULARS OF DIRECTORS
5.1 Details of Directors

The particulars of our Directors as at the LPD are as follows:

Name	Age	Profession	Designation	Nationality	Address
Dato' Othman Bin Jusoh	67	Company Director	Independent Non-Executive Chairman	Malaysian	No. 43 Jalan Pakis, Taman Fern Grove, KM 12 Jalan Cheras, 43200 Batu 9 Cheras, Selangor Darul Ehsan, Malaysia
Cheong Chia Chieh @ Chang Chia Chieh	44	Managing Director	Managing Director	Malaysian	B 33A-08, Suasana Sentral Loft, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia
Tunku Afwida Binti Tunku A. Malek	50	Company Director	Independent Non-Executive Director	Malaysian	No. 7 Jalan TR 9/6, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Liew Peng Chuen @ Liew Ah Choy	67	Company Director	Independent Non-Executive Director	Malaysian	66, Jalan USJ 2/5C, UEP Subang Jaya, 47600 Subang Jaya, Selangor Darul Ehsan, Malaysia
Chow Kah Sung	49	Company Director	Independent Non-Executive Director	Malaysian	12A Jalan USJ 11/2G, 47610 Subang Jaya, Selangor Darul Ehsan, Malaysia
Nathaniel Grant David Sherick	72	Company Director	Independent Non-Executive Director	British	108-20-1 Millennium Tower, Gurney Drive, 10250 Penang, Malaysia
Cheung Shuen Lung	59	Company Director	Non-Independent Non-Executive Director	Chinese	Block F, Golden Villa, 6 Castle Peak Road, Sham Tseng, New Territories, Hong Kong Special Administrative Region of the People's Republic of China

INFORMATION ON OUR COMPANY (Cont'd)

5.2 Details of Directors' shareholdings

Our Directors' shareholdings as at the LPD and the proforma effects of the Rights Issue of ICULS with Warrants are set out below.

Minimum Scenario

	As at the LPD [#]				(I) After the Rights Issue of ICULS with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Othman Bin Jusoh Cheong Chia Chieh @ Chang Chia Chieh Tunku Afwida Binti Tunku A. Malek Liew Peng Chuen @ Liew Ah Choy Chow Kah Sung Nathaniel Grant David Sherick Cheung Shuen Lung	- - - 2,500,000 - - 5,091,428	- - - 0.23 - - 0.48	- 443,168,402 - - - - -	- 41.58 - - - - -	- - - 2,500,000 - - 5,091,428	- - - 0.23 - - 0.48	- 443,168,402 - - - - -	- 41.58 - - - - -
	(II) After full conversion of the ICULS ^(a)				(III) After full exercise of the Warrants-B ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Othman Bin Jusoh Cheong Chia Chieh @ Chang Chia Chieh Tunku Afwida Binti Tunku A. Malek Liew Peng Chuen @ Liew Ah Choy Chow Kah Sung Nathaniel Grant David Sherick Cheung Shuen Lung	- - - 2,500,000 - - 5,091,428	- - - 0.19 - - 0.38	- 723,168,402 - - - - -	- 53.73 - - - - -	- - - 2,500,000 - - 5,091,428	- - - 0.17 - - 0.34	- 863,168,402 - - - - -	- 58.09 - - - - -

Notes:

Based on Register of Directors' Shareholdings.

(a) Assuming that RM28,000,000.00 nominal value of the ICULS are issued pursuant to the Undertaking and all ICULS are converted into 280,000,000 new PUCF Shares by surrendering such number of RM0.05 nominal value of ICULS equivalent to the conversion price of RM0.10 for one (1) new PUCF Share under the Minimum Scenario.

(b) Assuming that 140,000,000 nominal value of the Warrants-B issued pursuant to the Undertaking and all Warrants-B are exercised into 140,000,000W PUCF Shares.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

	As at the LPD#				(I) After the full exercise of Warrants-A				(II) After the Rights Issue of ICULS with Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	% ^(a)	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Othman Bin Jusoh Cheong Chia Chieh @ Chang Chia Chieh Tunku Afwida Binti Tunku A. Malek Liew Peng Chuen @ Liew Ah Choy Chow Kah Sung Nathaniel Grant David Sherick Cheung Shuen Lung	-	-	443,168,402	41.58	-	-	479,384,242	40.00	-	-	479,384,242	40.00
	2,500,000	0.23	-	-	2,500,000	0.21	-	-	2,500,000	0.21	-	-
	5,091,428	0.48	-	-	5,091,428	0.42	-	-	5,091,428	0.42	-	-
	(III) After the full conversion of the ICULS				(IV) After the full exercise of the Warrants-B							
	Direct		Indirect		Direct		Indirect					
	No. of Shares	%	No. of Shares	% ^(a)	No. of Shares	% ^(b)	No. of Shares	%				
Dato' Othman Bin Jusoh Cheong Chia Chieh @ Chang Chia Chieh Tunku Afwida Binti Tunku A. Malek Liew Peng Chuen @ Liew Ah Choy Chow Kah Sung Nathaniel Grant David Sherick Cheung Shuen Lung	-	-	1,150,522,180	40.00	-	-	1,318,306,664	40.00				
	6,000,000	0.21	-	-	6,875,000	0.21	-	-				
	7,127,999	0.42	-	-	8,909,998	0.42	-	-				

Notes:

Based on Register of Directors' Shareholdings.

(a) Assuming that RM83,901,476.75 nominal value of the ICULS are issued pursuant to the Undertaking and all ICULS are converted into 1,678,029,535 new PUCF Shares by surrendering one (1) unit of RM0.05 nominal value of ICULS together with cash payment of RM0.05 such that in aggregate it amount to RM0.10 one (1) new PUCF Share under the Maximum Scenario.

(b) Assuming that all 419,507,384 Warrants-B issued are exercised into 419,507,384 new PUCF Shares under the Maximum Scenario.

INFORMATION ON OUR COMPANY (Cont'd)
6. SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our Company's subsidiaries as at the LPD are as follows:

Name of company	Date / Place of incorporation	Issued and paid-up share capital	Effective ownership interest (%)	Principal activities
PUC Founder Technology Sdn Bhd	24 January 2003 / Malaysia	RM10.00	100	Information technology solutions provider of electronic publishing system and management information system to Chinese Language publishing industry
MaxGreen Energy 2 Sdn Bhd (<i>formerly known as Face ID Worldwide Sdn Bhd</i>)	7 August 2009 / Malaysia	RM50,000.00	100	Carry on development and / or operation of power generation from renewable energy, solar and other renewable energy projects
Founder Pay Sdn Bhd	10 October 2000 / Malaysia	RM2,000,000.00	100	Money lending business
RMA	16 May 2008 / British Virgin Islands	USD8,269,818.00	100	Investment holding
EPP Solution Sdn Bhd	15 November 2007 / Malaysia	RM300,000.00	100	Provision of payment solutions to customers, trading and merchandising of goods
RedHot Media Sdn Bhd	9 March 2004 / Malaysia	RM5,100,000.00	100	Advertising agency which principally involved in advertisement, media content distributions and trading, information and data management, research and development of electronic advertising services, and other advertising services through portals, branding and creative services, public relations, public affairs and events

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INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date / Place of incorporation	Issued and paid-up share capital	Effective ownership interest (%)	Principal activities
Ausscar Technology Sdn Bhd	23 September 2015 / Malaysia	RM2.00	100	(a) To carry on business as software and application designers, developers, programmers, consultant and all IT related research and development for financial planning services, to facilitate online trading, internet and web based application services; (b) E-merchant, e-commerce, traders, suppliers, dealers in all kinds of software development project; and (c) Investment company
MaxGreen Energy Sdn Bhd	6 November 2008 / Malaysia	RM2,742,802.00	100	Investment holding and carry on development and / or operation of power generation from renewable energy, solar and other renewable energy projects
Founder Qube Sdn Bhd	18 August 2014 / Malaysia	RM2.00	100	E-content, e-commerce and e-merchant business, and end-to-end media and advertising solutions
Held through Red Media Asia Ltd				
RH Media Group Sdn Bhd	6 November 2004 / Malaysia	RM6,218,539.00	100	Investment holding
Held through RH Media Group Sdn Bhd				
AllChina.cn Ltd	14 March 2008 / British Virgin Island	USD390,000.00	100	Provision of advertisement and media services
Founder Energy Global Limited (formerly known as RedHot Media (HK) Ltd)	19 November 2008 / Hong Kong	USD1,000,000.00	100	Investment holding, renewable energy products, advertising and media activities
RedHot Media International (China) Limited ^(a)	22 September 2008 / China	USD146,790.06	100	Designing, making, releasing and being an agency of all kinds of advertisements; organising culture and art exchange; providing meeting services and interpretation services; planning corporate image and buying arts and crafts by wholesale

INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date / Place of incorporation	Issued and paid-up share capital	Effective ownership interest (%)	Principal activities
RedHot Media International (Shanghai) Limited ^(b)	24 September 2009 / China	USD100,000.00	100	Designing, making, releasing and being an agency of all kinds of advertisements; planning corporate image
Subsidiary of Founder Energy Global Limited Founder Energy Sdn Bhd	27 December 2006 / Malaysia	RM12,630,431.00	100	Carry on development and / or operation of power generation from renewable energy, solar and other renewable energy projects
Subsidiaries of Maxgreen Energy Sdn Bhd (formerly known as Ausscar Group Sdn Bhd) Wealth Pursuit Sdn Bhd	6 May 2005 / Malaysia	RM2,000,002.00	100	Agency of insurance, selling of software solution related to financial products, trading of financial products and provision of training of the software
Oscar Wealth Advisory Sdn Bhd	14 June 2004 / Malaysia	RM514,000.00	70	Provision of financial planning and advisory services, and related training, event management and other support services

Notes:

- (a) The Company had fully disposed off its entire equity interest in RedHot Media International (China) Limited. The disposal was completed on 31 December 2015 following the approval of the sale and share agreement by the Foreign Trade & Economy Commission of the People's Republic of China.
- (b) The Company had commenced a members' voluntary winding up in accordance with the Law in People's Republic of China following the approval granted by Shanghai Municipal Commission of Commerce in relation to the Winding-Up via its letter dated 16 June 2015, which was received by PUCF on 24 June 2015.

As at the LPD, the Company does not have any associate company.

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INFORMATION ON OUR COMPANY (Cont'd)

7. PROFIT AND DIVIDEND RECORD

The following table summarises the audited consolidated financial results of our Group for the past three (3) FYEs 2012 to 2014 and the unaudited consolidated financial results of our Group for the nine (9)-month FPE 30 September 2015:

	Audited FYE 31 December			Unaudited FPE 30 September
	2012 RM'000	(*restated) 2013 RM'000	2014 RM'000	2015 RM'000
Revenue	19,291	49,106	53,429	21,075
Gross profit	8,803	19,239	22,367	10,382
Other income	180	1,417	10,483	900
EBITDA	3,020	12,570	12,509	3,516
Less: Depreciation & amortisation	(944)	(1,069)	(1,669)	(1,206)
Less: Finance costs	-	(548)	(779)	(186)
PBT	2,076	10,953	10,061	2,124
Less: Taxation	(696)	(64)	(223)	(7)
PAT	1,380	10,889	9,838	2,117
Less: Non-controlling interests	-	71	11	95
Profit attributable to equity holders of our Company	1,380	10,960	9,849	2,212
Gross profit margin (%)	45.63	39.18	41.86	49.26
PBT margin (%)	10.76	22.30	18.83	10.08
PAT margin (%)	7.15	22.17	18.41	10.05
Weighted average number of ordinary shares in issue ('000)	95,036	750,000	904,638	1,065,060
Basic EPS (sen) [#]	1.45	1.46	1.09	0.21
Adjusted weighted average number of ordinary shares in issue (Diluted) ('000)	95,036	750,000	935,282	1,168,801
Diluted EPS (sen)	1.45	1.46	1.05	0.19
Gross dividend per share (sen)	1.00	0.08	-	-

Notes:

Computed by dividing the profit attributable to equity holders of our Company from continuing operations by the weighted average number of ordinary shares in issue.

* The figures for FYE 31 December 2013 are prepared and restated based on reverse acquisition method, thus the financial information for the FYE 31 December 2013 are presented based on RMA and its subsidiaries figures.

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INFORMATION ON OUR COMPANY (Cont'd)

Commentaries on the past financial performance of PUCF:FYE 31 December 2012

For the FYE 31 December 2012, our Group recorded a total revenue of RM19.29 million and a PAT of RM1.38 million. The revenue increase by approximately RM3.27 million as compared to the FYE 31 December 2011 of RM16.02 million. The improved result was achieved solely through its biometrics sector that recorded a 20% increase in the sales volume as compared to the preceding year.

However, the improvement in the revenue did not reflect a mirrored jump in profit due to escalation of overheads such as personnel costs, inventories written off and uncollectable debts being written off. As such, the PAT has decreased by 9.80% from RM1.53 million to RM1.38 million.

FYE 31 December 2013

For the FYE 31 December 2013, our Group recorded a total restated revenue of RM49.11 million and PAT of RM10.89 million, which represents 154.55% increase in revenue and 689.06% increase in PAT as compared to those of the preceding year. The higher revenue and PAT is mainly due to consolidation of the financial results after the completion of the acquisition of RMA and its subsidiaries (“**RMA Group**”) on 2 January 2014.

The results of our Group were mainly contributed solely by advertising and media business activities in the reverse acquisition process and all comparative financial information were derived from RMA Group.

Pursuant to the acquisition of RMA Group, the media and advertising business segment is expected to become the major revenue contributor of our Group.

FYE 31 December 2014

For the FYE 31 December 2014, our Group recorded a total revenue of RM53.43 million and PAT of RM9.84 million, which represents 8.80% increase in revenue and 9.65% slightly decrease in PAT as compared to those of the preceding year. The increase in the revenue was mainly contributed by advertising and media business while the decrease in PAT was due to higher company tax expenses incurred by the subsidiaries. Nonetheless, the advertising and media segment remains our Group's major revenue contributor as the segment contributed 70.01% of our Group's revenue.

Unaudited nine (9)-month FPE 30 September 2015

Revenues for the unaudited nine (9)-month FPE 30 September 2015 declined by RM16.41 million compared to the preceding year's corresponding quarter due mainly to lower contribution from biometric division and advertising and media division recorded in the quarter.

Our Group had also recorded a PAT of RM2.12 million due to the reduction in revenue mentioned above as well as increase in administrative expenses as compared to preceding year's corresponding quarter. In addition, our Group's financial performance was also affected by global economic uncertainties, political factors and government policies, which include depreciation of the Ringgit Malaysia.

INFORMATION ON OUR COMPANY (Cont'd)

8. SHARE PRICES

The monthly highest and lowest prices of the PUCF Shares as traded on Bursa Securities for the past twelve (12)-months up to and including the LPD from January 2015 to December 2015 are set out in the table below:

	High (RM)	Low (RM)
<u>2015</u>		
January	0.150	0.120
February	0.150	0.125
March	0.180	0.140
April	0.180	0.145
May	0.155	0.125
June	0.150	0.120
July	0.135	0.120
August	0.130	0.075
September	0.090	0.080
October	0.125	0.080
November	0.140	0.115
December	0.130	0.110

The last transacted price on 3 August 2015, being the last practicable day immediately to the Announcement of the Corporate Exercises, was RM0.125 per PUCF Share.

The last transacted price on 9 October 2015, being the last practicable day immediately prior to the Announcement of Revised Terms, was RM0.10 per PUCF Share.

The last transacted price on 29 December 2015, being the LPD, was RM0.125 per PUCF Share.

The last transacted price on 14 January 2016, being the last Market Day prior to the ex-date for the Rights Issue of ICULS with Warrants, was RM0.095 per PUCF Share.

(Source: Bloomberg)

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PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



Date: 6 January 2016

The Board of Directors
PUC Founder (MSC) Berhad
 Level 15-2, Bangunan Faber Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur

UHY (AF1411)
Chartered Accountants
 Suite 11.05, Level 11
 The Gardens South Tower
 Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur

Phone +60 3 2279 3088
 Fax +60 3 2279 3099
 Email uhykl@uhy.com.my
 Web www.uhy.com.my

Dear Sir/Madam,

PUC FOUNDER (MSC) BERHAD (“PUCF” OR “COMPANY”)
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

We have completed our assurance engagement to report on the compilation of Proforma Consolidated Statement of Financial Position of PUCF and its subsidiaries (“**PUCF Group**” or “**Group**”) as at 31 December 2014, together with the accompanying notes thereon for which the Board of Directors of the Company are solely responsible, as set out in the accompanying statements (which we have stamped for the purpose of identification).

The Proforma Consolidated Statement of Financial Position are prepared for illustrative purposes only and for the inclusion in the Abridged Prospectus to the shareholders of PUCF (“**Abridged Prospectus**”) in connection with the following corporate exercises:

- (i) renounceable rights issue of up to RM83,901,476.75 nominal value of three (3)-year, 4%, irredeemable convertible unsecured loan stocks (“**ICULS**”) at 100% of the nominal value of RM0.05 each (“**Rights ICULS**”) on the basis of twenty eight (28) RM0.05 nominal value of the Rights ICULS for every twenty (20) existing ordinary shares of RM0.10 each in PUCF (“**PUCF Share(s)**” or “**Share(s)**”) held on the entitlement date (“**Entitlement Date**”) together with up to 419,507,384 free new detachable warrants (“**Warrants-B**”) on the basis of seven (7) Warrants-B for every twenty eight (28) Rights ICULS subscribed, based on a minimum subscription level of RM28,000,000.00 nominal value of Rights ICULS together with 140,000,000 Warrants-B (“**Rights Issue of ICULS with Warrants**”); and
- (ii) diversification of the existing business of PUCF Group to include the provision of energy utility services (“**Diversification**”).

(Collectively referred to as the “**Corporate Exercises**”)

The Proforma Consolidated Statement of Financial Position have been compiled by the Directors of the Company (“**Directors**”) to illustrate the impact of the Rights Issue of ICULS with Warrants on the Consolidated Statement of Financial Position of the PUCF Group as at 31 December 2014 had the Rights Issue of ICULS with Warrants been effected on that date, set out in Appendix A and the notes set out in the accompanying Notes 6 to 14 to the Proforma Consolidated Statement of Financial Position in this letter.

As part of this process, information about the financial position has been extracted by the Directors from the audited financial statements of the Group for the financial year ended 31 December 2014, on which has been published.

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PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



- 2 -

The Directors' Responsibility for the Proforma Consolidated Statement of Financial Position

The Directors are responsible for compiling the Proforma Consolidated Statement of Financial Position on the basis set out in the accompanying notes thereto.

Our Responsibilities

Our responsibility is to express an opinion about whether the Proforma Consolidated Statement of Financial Position have been compiled, in all material respects, by the Directors on the basis set out in the accompanying notes thereto.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE"), ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus* issued by International Auditing and Assurance Standards Board and adopted by Malaysian Institute of Accountants. This standard requires us to comply with the ethical requirements and plan and perform procedures to obtain reasonable assurance on whether the Directors have compiled, in all material respects, the Proforma Consolidated Statement of Financial Position on the basis as set out in the accompanying notes thereto.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Consolidated Statement of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Proforma Consolidated Statement of Financial Position.

The purpose of Proforma Consolidated Statement of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Proforma Consolidated Statement of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of Proforma Consolidated Statement of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence on whether:

- The related proforma adjustments give appropriate effect to those criteria; and
- The Proforma Consolidated Statement of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Proforma Consolidated Statement of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Proforma Consolidated Statement of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

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PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



- 3 -

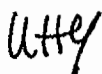
Opinion

In our opinion:

- (i) the Proforma Consolidated Statement of Financial Position as at 31 December 2014, which have been prepared by the Directors, have been properly prepared on the basis stated in the accompanying Note 1 in Appendix A to the Proforma Consolidated Statement of Financial Position using financial statements prepared in accordance with Malaysian Financial Reporting Standards and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Company unless otherwise stated; and
- (ii) each material adjustments made to the information used in the preparation of the Proforma Consolidated Statement of Financial Position are appropriate for the purpose of preparing the Proforma Consolidated Statement of Financial Position.

Other Matters

This letter has been prepared solely for the purpose of inclusion in the Abridged Prospectus in connection with the Corporate Exercises. As such, this letter should not be used for any purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

**UHY**

Firm Number: AF 1411

Chartered Accountants

**NG WEE TEIK**

Approved Number: 1817/12/16 (J)

Chartered Accountant

KUALA LUMPUR

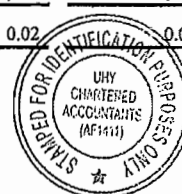
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

PUC Founder (MSC) Berhad ("PUCF")

Proforma Consolidated Statement of Financial Position as at 31 December 2014

The Proforma Consolidated Statement of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the proforma consolidated statements of financial position of the PUCF Group as at 31 December 2014 and also based on the assumptions that the following events had been effected on that date.

Minimum Scenario		PUCF Group Level 31 December 2014 RM	Adjustment for Subsequent Events RM	Proforma I After the Rights Issue of ICULS with Warrants RM	Proforma II Upon Full Conversion of ICULS RM	Proforma III Upon Full Exercise of Warrants-B RM
	Note					
NON-CURRENT ASSETS						
Property, plant and equipment	6	1,317,936	1,317,936	24,927,936	24,927,936	24,927,936
Software development expenditure		10,912,210	10,912,210	10,912,210	10,912,210	10,912,210
Intangible assets		50,011,069	50,011,069	50,011,069	50,011,069	50,011,069
Other investment		674	674	674	674	674
Deferred tax assets	7	142,425	142,425	810,891	142,425	142,425
Trade receivables		3,313,154	3,313,154	3,313,154	3,313,154	3,313,154
		<u>65,697,468</u>	<u>65,697,468</u>	<u>89,975,934</u>	<u>89,307,468</u>	<u>89,307,468</u>
CURRENT ASSETS						
Inventories		23,127	23,127	23,127	23,127	23,127
Trade and other receivables		47,467,196	47,467,196	47,467,196	47,467,196	47,467,196
Amount owing by ultimate holding company		397,582	397,582	397,582	397,582	397,582
Tax recoverable		38,621	38,621	38,621	38,621	38,621
Fixed deposits with licensed banks		17,754,043	17,754,043	17,754,043	17,754,043	17,754,043
Cash and bank balances	8	7,198,412	7,615,317	11,005,317	11,005,317	25,005,317
		<u>72,878,981</u>	<u>73,295,886</u>	<u>76,685,886</u>	<u>76,685,886</u>	<u>90,685,886</u>
TOTAL ASSETS		<u>138,576,449</u>	<u>138,993,354</u>	<u>166,661,820</u>	<u>165,993,354</u>	<u>179,993,354</u>
EQUITY						
Share capital	9	106,233,057	106,580,549	106,580,549	134,580,549	148,580,549
Convertible preference shares		544,596	544,596	544,596	544,596	544,596
Share premium	10	9,273,758	9,450,404	8,450,404	8,450,404	8,450,404
Other reserve	11	(15,293,239)	(15,292,700)	(24,434,700)	(24,434,700)	(15,292,700)
Foreign currency translation reserve		(931,505)	(931,505)	(931,505)	(931,505)	(931,505)
Fair value adjustment reserve		528	528	528	528	528
Reverse acquisition debit		(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)
Warrant reserve	12	16,718,427	16,717,888	25,859,888	25,859,888	16,717,888
Estimated equity component arising from the ICULS	13	-	-	25,883,192	-	-
Retained earnings	14	45,523,102	45,415,869	45,415,869	45,415,869	45,415,869
Equity attributable to owners of the parent		125,259,660	125,676,565	150,559,757	152,676,565	166,676,565
Non-controlling interests		95,636	95,636	95,636	95,636	95,636
TOTAL EQUITY		<u>125,355,296</u>	<u>125,772,201</u>	<u>150,655,393</u>	<u>152,772,201</u>	<u>166,772,201</u>
NON-CURRENT LIABILITIES						
Estimated liabilities component arising from the ICULS	13	-	-	841,472	-	-
Finance lease liability		103,135	103,135	103,135	103,135	103,135
Deferred tax liabilities		8,817	8,817	8,817	8,817	8,817
		<u>111,952</u>	<u>111,952</u>	<u>953,424</u>	<u>111,952</u>	<u>111,952</u>
CURRENT LIABILITIES						
Trade and other payables		12,221,519	12,221,519	12,221,519	12,221,519	12,221,519
Finance lease liability		58,302	58,302	58,302	58,302	58,302
Bank overdraft		593,868	593,868	593,868	593,868	593,868
Estimated liabilities component arising from the ICULS	13	-	-	1,943,802	-	-
Tax payables		235,512	235,512	235,512	235,512	235,512
		<u>13,109,201</u>	<u>13,109,201</u>	<u>15,053,003</u>	<u>13,109,201</u>	<u>13,109,201</u>
TOTAL EQUITY AND LIABILITIES		<u>138,576,449</u>	<u>138,993,354</u>	<u>166,661,820</u>	<u>165,993,354</u>	<u>179,993,354</u>
Number of shares @ RM0.10 per share		1,062,330,571	1,065,805,489	1,065,805,489	1,345,805,489	1,485,805,489
Net assets ("NA")		125,355,296	125,772,201	150,655,393	152,772,201	166,772,201
NA per share (RM)		0.12	0.12	0.14	0.11	0.11
Borrowings		755,305	755,305	3,540,579	755,305	755,305
Gearing (times)		0.01	0.01	0.02	0.00	0.00

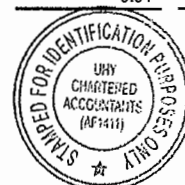


PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

PUC Founder (MSC) Berhad ("PUCF")
Proforma Consolidated Statement of Financial Position as at 31 December 2014

The Proforma Consolidated Statement of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the proforma consolidated statement of financial position of the PUCF Group as at 31 December 2014 and also based on the assumptions that the following events had been effected on that date.

Maximum Scenario		PUCF Group Level 31 December 2014	Adjustment for Subsequent Events	Proforma I After Full Exercise of Outstanding Warrants-A	Proforma II After the Rights Issue of ICULS with Warrants	Proforma III Upon Full Conversion of ICULS	Proforma IV Upon Full Exercise of Warrants-B
Note	RM	RM	RM	RM	RM	RM	RM
NON-CURRENT ASSETS							
	Property, plant and equipment	1,317,936	1,317,936	1,317,936	76,087,936	76,087,936	76,087,936
	Software development expenditure	10,912,210	10,912,210	10,912,210	10,912,210	10,912,210	10,912,210
	Intangible assets	50,011,069	50,011,069	50,011,069	50,011,069	50,011,069	50,011,069
	Other investment	674	674	674	674	674	674
	Deferred tax assets	142,425	142,425	142,425	2,145,470	142,425	142,425
	Trade receivables	3,313,154	3,313,154	3,313,154	3,313,154	3,313,154	3,313,154
		<u>65,697,468</u>	<u>65,697,468</u>	<u>65,697,468</u>	<u>142,470,513</u>	<u>140,467,468</u>	<u>140,467,468</u>
CURRENT ASSETS							
	Inventories	23,127	23,127	23,127	23,127	23,127	23,127
	Trade and other receivables	47,467,196	47,467,196	47,467,196	47,467,196	47,467,196	47,467,196
	Amount owing by ultimate holding company	397,582	397,582	397,582	397,582	397,582	397,582
	Tax recoverable	38,621	38,621	38,621	38,621	38,621	38,621
	Fixed deposits with licensed banks	17,754,043	17,754,043	17,754,043	17,754,043	17,754,043	17,754,043
	Cash and bank balances	7,198,412	7,615,317	20,894,021	29,025,498	112,926,975	154,877,713
		<u>72,878,981</u>	<u>73,295,886</u>	<u>86,574,590</u>	<u>94,706,067</u>	<u>178,607,544</u>	<u>220,558,282</u>
	TOTAL ASSETS	<u>138,576,449</u>	<u>138,993,354</u>	<u>152,272,058</u>	<u>237,176,580</u>	<u>319,075,012</u>	<u>361,025,750</u>
EQUITY							
	Share capital	106,233,057	106,580,549	119,859,253	119,859,253	287,662,207	329,612,945
	Convertible preference shares	544,596	544,596	544,596	544,596	544,596	544,596
	Share premium	9,273,758	9,450,404	9,450,404	8,450,404	8,450,404	8,450,404
	Other reserve	(15,293,239)	(15,292,700)	1,425,188	(25,968,644)	(25,968,644)	1,425,188
	Foreign currency translation reserve	(931,505)	(931,505)	(931,505)	(931,505)	(931,505)	(931,505)
	Fair value adjustment reserve	528	528	528	528	528	528
	Reverse acquisition debit	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)	(36,809,064)
	Warrant reserve	16,718,427	16,717,888	-	27,393,832	27,393,832	-
	Estimated equity component arising from the ICULS	-	-	-	77,558,500	-	-
	Retained earnings	45,523,102	45,415,869	45,415,869	45,415,869	45,415,869	45,415,869
	Equity attributable to owners of the parent	125,259,660	125,676,565	138,955,269	215,513,769	305,758,223	347,708,961
	Non-controlling interests	95,636	95,636	95,636	95,636	95,636	95,636
	TOTAL EQUITY	<u>125,355,296</u>	<u>125,772,201</u>	<u>139,050,905</u>	<u>215,609,405</u>	<u>305,853,859</u>	<u>347,804,597</u>
NON-CURRENT LIABILITIES							
	Estimated liabilities component arising from the ICULS	-	-	-	2,521,457	-	-
	Finance lease liability	103,135	103,135	103,135	103,135	103,135	103,135
	Deferred tax liabilities	8,817	8,817	8,817	8,817	8,817	8,817
		<u>111,952</u>	<u>111,952</u>	<u>111,952</u>	<u>2,633,409</u>	<u>111,952</u>	<u>111,952</u>
CURRENT LIABILITIES							
	Trade and other payables	12,221,519	12,221,519	12,221,519	12,221,519	12,221,519	12,221,519
	Finance lease liability	58,302	58,302	58,302	58,302	58,302	58,302
	Bank overdraft	593,868	593,868	593,868	593,868	593,868	593,868
	Estimated liabilities component arising from the ICULS	-	-	-	5,824,565	-	-
	Tax payables	235,512	235,512	235,512	235,512	235,512	235,512
		<u>13,109,201</u>	<u>13,109,201</u>	<u>13,109,201</u>	<u>18,933,766</u>	<u>13,109,201</u>	<u>13,109,201</u>
	TOTAL EQUITY AND LIABILITIES	<u>138,576,449</u>	<u>138,993,354</u>	<u>152,272,058</u>	<u>237,176,580</u>	<u>319,075,012</u>	<u>361,025,750</u>
	Number of shares @ RM0.10 per share	1,062,330,571	1,065,805,489	1,198,592,525	1,198,592,525	2,876,622,060	3,296,129,444
	Net assets ("NA")	125,355,296	125,772,201	139,050,905	215,609,405	305,853,859	347,804,597
	NA per share (RM)	0.12	0.12	0.12	0.18	0.11	0.11
	Borrowings	755,305	755,305	755,305	9,101,327	755,305	755,305
	Gearing (times)	0.01	0.01	0.01	0.04	0.00	0.00



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

**PUC FOUNDER (MSC) BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2014**

1. Basis of Preparation

The Proforma Consolidated Statement of Financial Position of PUCF Group as at 31 December 2014 of which the Directors of PUCF Group are solely responsible, has been prepared for illustration purposes only, to show the effects on the audited Consolidated Statement of Financial Position of PUCF Group had the Rights Issue of ICULS with Warrants been effected on that date, and should be read in conjunction with the notes accompanying thereto.

The Proforma Consolidated Statement of Financial Position of PUCF Group as at 31 December 2014 has been prepared based on the audited Consolidated Statement of Financial Position of PUCF Group as at 31 December 2014.

The Proforma Consolidated Statement of Financial Position of PUCF Group has been prepared in a manner consistent with both the format of the financial statements and the accounting policies of PUCF as disclosed in the PUCF's audited consolidated financial statements for the financial year ended 31 December 2014, which have been prepared by the Directors in accordance with the Malaysian Financial Reporting Standards in Malaysia.

Pursuant to the Rights Issue of ICULS with Warrants, the fair value of the ICULS is derived as follows:

(i) Valuation of ICULS

ICULS is segregated into equity and liability components. The following fair value of the liability component of the ICULS is arrived at by discounting the annually coupon payments over the tenure of three (3) years at a discount rate of 10.00%, being the weighted average cost of capital of PUCF.

	Minimum Scenario RM	Maximum Scenario RM
Liability components of ICULS	2,785,274.23	8,346,022.18



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

**PUC FOUNDER (MSC) BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2014 (CONT'D)**

1. Basis of Preparation (Cont'd)

(i) Valuation of ICULS (Cont'd)

The fair value of the ICULS - equity components is determined based on the proceeds from the issuance of ICULS, net of ICULS liability components and the deferred tax asset arising from the temporary differences of the ICULS - liability component.

	Minimum Scenario RM	Maximum Scenario RM
Proceeds from ICULS	28,000,000.00	83,901,476.75
Deferred tax asset arising from the temporary difference of the ICULS - liability component, computed based on 24%	<u>668,465.82</u>	<u>2,003,045.32</u>
	28,668,465.82	85,904,522.07
Less: ICULS – liability portion	<u>(2,785,274.23)</u>	<u>(8,346,022.18)</u>
ICULS – equity portion	<u>25,883,191.59</u>	<u>77,558,499.89</u>

2. Adjustment for Subsequent Events

The Proforma Consolidated Statement of Financial Position of the Group has been prepared assuming the following subsequent events are incorporated as at 31 December 2014:-

- (i) After taking into consideration the issuance of 3,470,633 PUCF Shares pursuant to the exercise of 3,470,633 employees' share options under the Employees' Share Option Scheme of PUCF at RM0.12 per PUCF Share; and
- (ii) After taking into consideration the issuance of 4,285 PUCF Shares pursuant to the exercise of 4,285 warrants, issued on 6 January 2015 ("Warrants-A") at RM0.10 per PUCF Share.

PUCF has an issued and paid-up share capital of RM106,580,548.90 comprising of 1,065,805,489 PUCF Shares and 132,787,036 outstanding Warrants-A that are exercisable into 132,787,036 new PUCF Shares at an exercise price of RM0.10 per new PUCF Share.



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3. Corporate Exercises

The Proforma Consolidated Statement of Financial Position of the Group has been prepared assuming the Rights Issue of ICULS with Warrants are effected as at 31 December 2014.

The Proforma Consolidated Statement of Financial Position of PUCF are presented into two (2) scenarios as follows:

- Minimum Scenario** :
- (i) Assuming none of the outstanding Warrants-A are exercised into new PUCF Shares prior to or on the Entitlement Date;
 - (ii) Assuming that the Rights Issue of ICULS with Warrants are implemented based on the Minimum Subscription Level (as defined in Section 4 of this letter);
 - (iii) RM28,000,000.00 nominal value of three (3)-year, 4%, ICULS issued to the major shareholder pursuant to the Rights Issue of ICULS with Warrants based on the undertaking are all converted into 280,000,000 new PUCF Shares by surrendering such number of RM0.05 nominal value of ICULS equivalent to the conversion price of RM0.10 for one (1) new PUCF Share; and
 - (iv) 140,000,000 Warrants-B issued pursuant to the Rights Issue of ICULS with Warrants are fully exercised into 140,000,000 new PUCF Shares at an exercise price of RM0.10 each.
- Maximum Scenario** :
- (i) Assuming all of the 132,787,036 outstanding Warrants-A are exercised into 132,787,036 new PUCF Shares at an exercise price of RM0.10 each prior to or on the Entitlement Date;
 - (ii) Assuming all the entitled shareholders subscribe in full for their respective entitlements under the Rights Issue of ICULS with Warrants;
 - (iii) RM83,901,476.75 nominal value of ICULS issued pursuant to the Rights Issue of ICULS with Warrants are all converted into 1,678,029,535 new PUCF Shares by surrendering one (1) unit of RM0.05 nominal value of ICULS together with cash payment of RM0.05 such that in aggregate it amounts to RM0.10 for one (1) PUCF Share; and
 - (iv) 419,507,384 Warrants-B issued pursuant to the Rights Issue of ICULS with Warrants are all exercised into 419,507,384 new PUCF Shares at an exercise price of RM0.10 each.



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4. Minimum Subscription Level Scenario

The Proforma Consolidated Statement of Financial Position are based on the assumption that Rights Issue of ICULS with Warrants would be undertaken at a minimum subscription level to raise minimum gross proceeds of RM28.00 million via the issuance of up to RM28,000,000.00 nominal value of ICULS at 100% of its nominal value together with 140,000,000 Warrants-B ("**Minimum Subscription Level**") and none of the outstanding 132,787,036 Warrants-A as at 29 December 2015 are exercised prior to the Entitlement Date.

4.1 Proforma I - Rights Issue of ICULS with Warrants and utilisation of proceeds

Proforma I incorporates the effect of the Rights Issue of ICULS with Warrants would be undertaken at a Minimum Subscription Level.

The fair value of each Warrant is assumed to be **RM0.0653** based on the Black-Scholes Option Pricing Model extracted from Bloomberg. The actual quantum of Warrant Reserve will only be determined upon issuance of the Warrants. As such, the actual quantum may differ from the indicative fair value of Warrants.

The proceeds arising from the Rights Issue of ICULS with Warrants amounting to RM28.00 million under the Minimum Subscription Level are proposed to be utilised as follows:

	Notes	Minimum Subscription Level (RM'000)	Estimated timeframe for utilisation of proceeds from date of receipt
Capital expenditure for construction of solar photovoltaic ("PV") plants	(a)	23,610	Within twelve (12) months
Working capital	(b)	3,390	Within thirty six (36) months
Defrayment of expenses incurred for the Corporate Exercises	(c)	1,000	Within six (6) months
Total		28,000	

Notes:

(a) Capital expenditure for construction of solar PV plant

The proceeds will be utilised by the Group to construct several solar PV plants at a minimum aggregate capacities of 3 Megawatt ("MW") with the intention to sell renewable energy ("RE") to be generated from the solar PV plants, via the Feed-in-Tariff ("FIT") system granted by the Sustainable Energy Development Authority ("SEDA"), Kementerian Tenaga, Teknologi Hijau dan Air ("KeTTHA") and/or other relevant authorities pursuant to the Renewable Energy Act 2011 ("RE Quota").

In general, based on the FIT system, successful applicants of the RE Quota would be issued a FIA certificate which states amongst others, the approved RE source, the approved installed capacity of the power plants to be built, the export capacity allowed, the FIT rate and the approved period for the supply of RE. Subsequent thereto, the applicant would then enter into a Renewable Energy Power Purchase Agreement ("REPPA") with respective distribution licensee (who are obliged to purchase RE produced by the FIA certificate holders as per the FIT system) to sell the electricity generated from RE sources at the FIT rate for a period as specified in the FIA certificate.



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4.1 Proforma I - Rights Issue of ICULS with Warrants and utilisation of proceeds (Cont'd)

Notes: (Cont'd)

(a) Capital expenditure for construction of solar PV plant (Cont'd)

This intended construction of the solar PV plant and the sale of RE are in conjunction with the Group's intention to diversify its business operations to include the provision of energy utility services.

In the event that all application for the RE Quota are approved, the intended capital expenditure for the construction of the solar PV plants will be as follows:

<i>Solar PV plants output capacity</i>	<i>Minimum Subscription Level (RM'000)</i>	<i>Estimated timeframe for utilisation of proceeds from date of receipt</i>
<i>3 MW</i>	<i>23,610</i>	<i>Within twelve (12) months</i>
Total	23,610	

For clarification, the Group intends to construct three (3) solar PV plants based on the Minimum Subscription Level. The three (3) solar PV plants will consist of three (3) solar PV plants of 1 MW each.

Notwithstanding the above, the actual number of plants to be built and their corresponding size and capacity will be dependent upon the actual funding received pursuant to the Rights Issue of ICULS with Warrants, the actual cost of the hardware for the construction of the solar PV plants, the actual RE Quota applied and the actual RE Quota granted by SEDA, KeTTHA or other relevant authorities. Furthermore, the actual RE Quota to be applied for by the Group may vary depending on the Group's assessment of situation at the point of time of the application.

The breakdown for the cost of constructing each 1 MW solar PV plant is estimated to be as follows:

	<i>1 MW solar PV plant (RM'000)</i>
<i>Hardware ⁽¹⁾</i>	<i>5,834</i>
<i>Civil works ⁽²⁾</i>	<i>1,590</i>
<i>Goods and services tax</i>	<i>446</i>
Total	7,870

Notes:

(1) *The hardware to be used for the construction of the solar PV plants will consist of the following:*

<i>Type of hardware</i>	<i>Unit(s) used per 1 MW solar PV plant</i>
<i>Solar panels</i>	<i>3,077</i>
<i>Inverters</i>	<i>34</i>
<i>Transformer</i>	<i>1</i>
<i>Switchgears</i>	<i>5</i>

(2) *The civil works include, ground works and building structure.*



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4.1 Proforma I - Rights Issue of ICULS with Warrants and utilisation of proceeds (Cont'd)

Notes: (Cont'd)

(a) Capital expenditure for construction of solar PV plant (Cont'd)

Applications for RE Quota are held at the onset of each year and such applications are to be accompanied with amongst others, e.g. evidence of sufficient funding. The opening of each bid is expected to take place on the first (1st) quarter of each year and as such, the Group intends to submit its application for the RE Quota (the capacity of which would be dependent on the amount of proceeds raised) to SEDA, KeTTHA or any other relevant authorities subsequent to the completion of the Rights Issue of ICULS with Warrants, which is expected to be completed in the first (1st) quarter of 2016, as the proceeds raised would provide the evidence of sufficient funding which is required for the RE Quota application. Notwithstanding the above, SEDA had on 30 November 2015 opened the application for the RE Quota for 2016. Accordingly, the Company had on 9 December 2015 submitted a bid for a 1 MW RE Quota. Saved for the above, as at the LPD, the Company has not entered into any bids or apply to any parties in relation to the construction of the intended solar PV plants.

The Group had on 2 December 2015 entered into an agreement to acquire a piece of land located at the region of Kedah for potential construction of solar PV plant. The Group will continue to further identify suitable lands within the Kedah and Perak region for which the solar PV plants will be built on. The Group will take all necessary measures to ensure that suitable lands are identified and lease secured prior to the submission of the RE Quota application.

Upon securing the RE Quota which takes approximately three (3) to four (4) months from the time when the Group submit their application(s). The Group will subsequently enter into a REPPA with TNB to sell the RE at the FIT rate. Pursuant thereto, the Group will commence the construction of the required solar PV plants. The timeframe of completion for the construction of a solar PV plant is estimated to be around three (3) to six (6) months. Thereafter, the Group will notify TNB to commence its testing and commissioning of the solar PV plants. After commissioning, the solar PV plants may commence generating and selling RE to TNB. As such, the proceeds raised from the Rights Issue of ICULS with Warrants will facilitate such required funding for application of RE Quota.

Premised on the above, the Group expects to complete the construction of the solar PV plant and commence operations in the fourth (4th) quarter of the year that the Group submit their application(s).

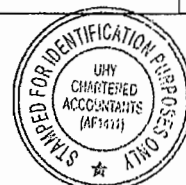
Nonetheless, should the Group fail in its bids for the RE Quota in the coming application period, the proceeds shall be deposited in interest bearing accounts with licensed financial institution(s) until the proceeds are to be utilised and the interest arising therefrom shall be used as additional working capital. These proceeds will be allocated to a 'war chest' for future RE Quota applications. The Group will continue to submit applications for RE Quota for future application period.

The Group expects that the aggregate 3 MW solar PV plants will be able to generate revenues of approximately RM60.29 million, based on the tariff rate of RM0.6977/kWh as per the FIT rates provided by SEDA and the effective period of twenty one (21) years.

(b) Working capital

The breakdown of the utilisation of the working capital for the operations of the solar PV plants is as follows:

<i>Description</i>	<i>(RM'000)</i>
<i>Salaries⁽¹⁾</i>	<i>332</i>
<i>Land lease⁽²⁾</i>	<i>118</i>
<i>Incidental cost⁽³⁾</i>	<i>543</i>
<i>Day-to-day business operation⁽⁴⁾</i>	<i>2,397</i>
Total	3,390



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4.1 Proforma I - Rights Issue of ICULS with Warrants and utilisation of proceeds (Cont'd)

Notes: (Cont'd)

(b) Working capital (Cont'd)

Notes:

- (1) *Salaries represent the management, project and maintenance staff cost for the solar PV plants.*
- (2) *The land lease is to be paid to the property owner on which the solar PV plants are built on. The Group is in the midst of identifying the said land and as such, the exact location, size and lease payments cannot be determined at this juncture.*
- (3) *The incidental cost includes:*

<i>Incidental cost</i>	<i>(RM'000)</i>
<i>Insurance cost</i>	<i>218</i>
<i>Consultancy fee</i>	<i>70</i>
<i>Inspection and certification cost</i>	<i>50</i>
<i>Authorities fee</i>	<i>107</i>
<i>General and maintenance provision</i>	<i>98</i>
<i>Total</i>	<i>543</i>

- (4) *Day-to-day business operation includes but not limited to payments of trade creditors, personnel cost, professional fees, rental and upkeep of office premise.*

For clarification, the proceeds to be utilised for the day-to-day business operations as detailed above will be for the existing business operations of the Group. Working capital for the business operations of the energy utility business has been separately allocated as detailed in Notes 1, 2 and 3 above.

(c) Defrayment of expenses incurred for the Corporate Exercises

The expenses incurred for the Corporate Exercises is in relation to professional fees, fees payable to relevant authorities and other incidental expenses to be incurred in relation to the Corporate Exercises. In the event of any difference arising from the utilisation as set out above, the difference will be adjusted accordingly with the working capital requirement.

4.2 Proforma II - After Proforma I and upon full conversion of ICULS

Proforma II incorporates the effect of proforma I and full conversion of the ICULS issued into new PUCF Shares by surrendering such number of RM0.05 nominal value of ICULS equivalent to the conversion price of RM0.10 for one (1) new PUCF Share and the quantum of proceeds to be received by the Company pursuant to the conversion of the ICULS is expected to be RM28.00 million.

4.3 Proforma III - After Proforma II and upon full exercise of the Warrants-B

Proforma III incorporates the effect of proforma II and full exercise of Warrants-B at an exercise price of RM0.10 each.



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5. Maximum Subscription Level Scenario

The Proforma Consolidated Statement of Financial Position are based on the assumption of all of the outstanding 132,787,036 Warrants-A as at 29 December 2015 are exercised prior to the Entitlement Date.

5.1 Proforma I - Proposed full exercise of outstanding Warrants-A

Proforma I incorporates the effect of full exercise of the 132,787,036 outstanding Warrants-A into 132,787,036 new PUCF Shares at an exercise price of RM0.10 each prior to or on the Entitlement Date.

5.2 Proforma II - After Proforma I and Rights Issue of ICULS with Warrants and utilisation of proceeds

Proforma II incorporates the effect of proforma I and Rights Issue of ICULS with Warrants would entail an issuance of up to RM83,901,476.75 nominal value of ICULS at 100% of its nominal value together with 419,507,384 Warrants-B.

The fair value of each Warrant is assumed to be **RM0.0653** based on the Black-Scholes Option Pricing Model extracted from Bloomberg. The actual quantum of Warrant Reserve will only be determined upon issuance of the Warrants. As such, the actual quantum may differ from the indicative fair value of Warrants.

The proceeds arising from the Rights Issue of ICULS with Warrants amounting to RM83.90 million under the Maximum Subscription Level are proposed to be utilised as follows:

	Notes	Maximum Subscription Level (RM'000)	Estimated timeframe for utilisation of proceeds from date of receipt
Capital expenditure for construction of solar PV plants	(a)	74,770	Within twelve (12) to thirty six (36) months
Working capital	(b)	8,131	Within thirty six (36) months
Defrayment of expenses incurred for the Corporate Exercises	(c)	1,000	Within six (6) months
Total		83,901	



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5.2 Proforma II - After Proforma I and Rights Issue of ICULS with Warrants and utilisation of proceeds (Cont'd)

Notes:

(a) Capital expenditure for construction of solar PV plant

The proceeds will be utilised by the Group to construct several solar PV plants at maximum aggregate capacities of 9.5 MW (depending on the quantum of proceeds to be raised from the Rights Issue of ICULS with Warrants) with the intention to sell RE to be generated from the solar PV plants, via the RE Quota.

In general, based on the FIT system, successful applicants of the RE Quota would be issued a FIA certificate which states amongst others, the approved RE source, the approved installed capacity of the power plants to be built, the export capacity allowed, the FIT rate and the approved period for the supply of RE. Subsequent thereto, the applicant would then enter into a REPPA with respective distribution licensee (who are obliged to purchase RE produced by the FIA certificate holders as per the FIT system) to sell the electricity generated from RE sources at the FIT rate for a period as specified in the FIA certificate.

This intended construction of the solar PV plant and the sale of RE are in conjunction with the Group's intention to diversify its business operations to include the provision of energy utility services.

In the event that all application for the RE Quota are approved, the intended capital expenditure for the construction of the solar PV plants will be as follows:

<i>Solar PV plants output capacity</i>	<i>Maximum Subscription Level (RM'000)</i>	<i>Estimated timeframe for utilisation of proceeds from date of receipt</i>
<i>3 MW</i>	<i>23,610</i>	<i>Within twelve (12) months</i>
<i>3 MW</i>	<i>23,610</i>	<i>Within twenty four (24) months</i>
<i>3.5 MW</i>	<i>27,550</i>	<i>Within thirty six (36) months</i>
<i>Total</i>	<i>74,770</i>	

For clarification, the Group intends to construct up to a total of ten (10) solar PV plants based on the Maximum Subscription Level. The ten (10) solar PV plants will consist of nine (9) solar PV plants of 1 MW each and one (1) solar PV plant of 0.5 MW in total.

Notwithstanding the above, the actual number of plants to be built and their corresponding size and capacity will be dependent upon the actual funding received pursuant to the Rights Issue of ICULS with Warrants, the actual cost of the hardware for the construction of the solar PV plants, the actual RE Quota applied and the actual RE Quota granted by SEDA, KeTTHA or other relevant authorities. Furthermore, the actual RE Quota to be applied for by the Group may vary depending on the Group's assessment of situation at the point of time of the application.

The breakdown for the cost of constructing each 1 MW solar PV plant is estimated to be as follows:

	<i>1 MW solar PV plant (RM'000)</i>
<i>Hardware ⁽¹⁾</i>	<i>5,834</i>
<i>Civil works ⁽²⁾</i>	<i>1,590</i>
<i>Goods and services tax</i>	<i>446</i>
<i>Total</i>	<i>7,870</i>



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5.2 Proforma II - After Proforma I and Rights Issue of ICULS with Warrants and utilisation of proceeds (Cont'd)

Notes: (Cont'd)

(a) Capital expenditure for construction of solar PV plant (Cont'd)

Notes:

- (1) *The hardware to be used for the construction of the solar PV plants will consist of the following:*

<i>Type of hardware</i>	<i>Unit(s) used per 1 MW solar PV plant</i>
<i>Solar panels</i>	<i>3,077</i>
<i>Inverters</i>	<i>34</i>
<i>Transformer</i>	<i>1</i>
<i>Switchgears</i>	<i>5</i>

- (2) *The civil works include, ground works and building structure.*

In the event of any shortfall of funding for the construction of the solar PV plants' aggregate capacities of up to 9.5 MW, the Group shall endeavour to procure the necessary funding through internally generated funds and / or bank borrowings. However, the actual breakdown between internally generated funds and bank borrowings will depend amongst others, the actual funding received from the Rights Issue of ICULS with Warrants, the prevailing interest rates and actual cost of construction of the solar PV plant and as such, cannot be determined at this juncture.

Applications for RE Quota are held at the onset of each year and such applications are to be accompanied with amongst others, e.g. evidence of sufficient funding. The opening of each bid is expected to take place on the first (1st) quarter of each year and as such, the Group intends to submit its application for the RE Quota (the capacity of which would be dependent on the amount of proceeds raised) to SEDA, KeTTHA or any other relevant authorities subsequent to the completion of the Rights Issue of ICULS with Warrants, which is expected to be completed in the first (1st) quarter of 2016, as the proceeds raised would provide the evidence of sufficient funding which is required for the RE Quota application. Notwithstanding the above, SEDA had on 30 November 2015 opened the application for the RE Quota for 2016. Accordingly, the Company had on 9 December 2015 submitted a bid for a 1 MW RE Quota. Saved for the above, as at the LPD, the Company has not entered into any bids or apply to any parties in relation to the construction of the intended solar PV plants.

The Group had on 2 December 2015 entered into an agreement to acquire a piece of land located at the region of Kedah for potential construction of solar PV plant. The Group will continue to further identify suitable lands within the Kedah and Perak region for which the solar PV plants will be built on. The Group will take all necessary measures to ensure that suitable lands are identified and lease secured prior to the submission of the RE Quota application.

Upon securing the RE Quota which takes approximately three (3) to four (4) months from the time when the Group submit their application(s). The Group will subsequently enter into a REPPA with TNB to sell the RE at the FIT rate. Pursuant thereto, the Group will commence the construction of the required solar PV plants. The timeframe of completion for the construction of a solar PV plant is estimated to be around three (3) to six (6) months. Thereafter, the Group will notify TNB to commence its testing and commissioning of the solar PV plants. After commissioning, the solar PV plants may commence generating and selling RE to TNB. As such, the proceeds raised from the Rights Issue of ICULS with Warrants will facilitate such required funding for application of RE Quota.

Premised on the above, the Group expects to complete the construction of the solar PV plant and commence operations in the fourth (4th) quarter of the year that the Group submit their application(s).



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5.2 Proforma II - After Proforma I and Rights Issue of ICULS with Warrants and utilisation of proceeds (Cont'd)

Notes: (Cont'd)

(a) Capital expenditure for construction of solar PV plant (Cont'd)

Notes: (Cont'd)

Nonetheless, should the Group fail in its bids for the RE Quota in the coming application period, the proceeds shall be deposited in interest bearing accounts with licensed financial institution(s) until the proceeds are to be utilised and the interest arising therefrom shall be used as additional working capital. These proceeds will be allocated to a 'war chest' for future RE Quota applications. The Group will continue to submit applications for RE Quota for future application period.

The Group expects that the aggregate 9.5 MW solar PV plants will be able to generate revenues of approximately RM191.00 million, based on the tariff rate of RM0.6977/kWh as per the FIT rates provided by SEDA and the effective period of twenty one (21) years.

(b) Working capital

The breakdown of the utilisation of the working capital for the operations of the solar PV plants is as follows:

Description	(RM'000)
Salaries ⁽¹⁾	1,089
Land lease ⁽²⁾	372
Incidental cost ⁽³⁾	1,710
Day-to-day business operation ⁽⁴⁾	4,960
Total	8,131

Notes:

(1) Salaries represent the management, project and maintenance staff cost for the solar PV plants.

(2) The land lease is to be paid to the property owner on which the solar PV plants are built on. The Group is in the midst of identifying the said land and as such, the exact location, size and lease payments cannot be determined at this juncture.

(3) The incidental cost includes:

Incidental cost	(RM'000)
Insurance cost	673
Consultancy fee	200
Inspection and certification cost	180
Authorities fee	347
General and maintenance provision	310
Total	1,710

(4) Day-to-day business operation includes but not limited to payment of trade creditors, personnel cost, professional fees, rental and upkeep of office premise.

For clarification, the proceeds to be utilised for the day-to-day business operations as detailed above will be for the existing business operations of the Group. Working capital for the business operations of the energy utility business has been separately allocated as detailed in Notes 1, 2 and 3 above.



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5.2 Proforma II - After Proforma I and Rights Issue of ICULS with Warrants and utilisation of proceeds (Cont'd)

Notes: (Cont'd)

(c) Defrayment of expenses incurred for the Corporate Exercises

The expenses incurred for the Corporate Exercises is in relation to professional fees, fees payable to relevant authorities and other incidental expenses to be incurred in relation to the Corporate Exercises. In the event of any difference arising from the utilisation as set out above, the difference will be adjusted accordingly with the working capital requirement.

5.3 Proforma III- After Proforma II and upon full conversion of ICULS

Proforma III incorporates the effect of proforma II and full conversion of the ICULS issued into new PUCF Shares by surrendering one (1) unit of RM0.05 nominal value of the ICULS together with cash payment of RM0.05 such that in aggregate it amount to RM0.10 for one (1) new PUCF Share. The quantum of proceeds to be received by the Company pursuant to the conversion of the ICULS is expected to be approximately RM83.90 million.

5.4 Proforma IV- After Proforma III and upon full exercise of the Warrants-B

Proforma IV incorporates the effect of proforma III and the full exercise of Warrants-B at an exercise price of RM0.10 each.



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6. Property, plant and equipment

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	1,317,936	1,317,936
Rights Issues of ICULS with Warrants and utilisation of proceeds	<u>23,610,000</u>	<u>74,770,000</u>
As per Proforma I, II, and III/ As per Proforma II, III and IV	<u>24,927,936</u>	<u>76,087,936</u>

7. Deferred tax assets

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	142,425	142,425
Rights Issues of ICULS with Warrants and utilisation of proceeds	<u>668,466</u>	<u>2,003,045</u>
As per Proforma I/As per Proforma II	810,891	2,145,470
Upon full conversion of ICULS	<u>(668,466)</u>	<u>(2,003,045)</u>
As per Proforma II and III/As per Proforma III and IV	<u>142,425</u>	<u>142,425</u>



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

**PUC FOUNDER (MSC) BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2014 (CONT'D)**

8. Cash and bank balances

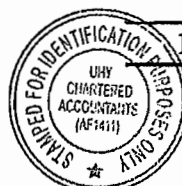
	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	7,198,412	7,198,412
Adjustment for Subsequent Events	416,905	416,905
As per Subsequent Events	7,615,317	7,615,317
Upon full exercise of outstanding Warrants-A	-	13,278,704
As per Subsequent Events/As per Proforma I	7,615,317	20,894,021
Rights Issues of ICULS with Warrants and utilisation of proceeds *	3,390,000	8,131,477
As per Proforma I/As per Proforma II	11,005,317	29,025,498
Upon full conversion of ICULS	-	83,901,477
As per Proforma II/As per Proforma III	11,005,317	112,926,975
Upon full conversion of Warrants-B	14,000,000	41,950,738
As per Proforma III/As per Proforma IV	25,005,317	154,877,713

Note:

* For illustration purposes, the proceeds for working capital is included in cash and bank balances when received.

9. Share capital

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	106,233,057	106,233,057
Adjustment for Subsequent Events	347,492	347,492
As per Subsequent Events	106,580,549	106,580,549
Upon full exercise of outstanding Warrants-A	-	13,278,704
As per Subsequent Events, Proforma I/ As per Proforma I and II	106,580,549	119,859,253
Upon full conversion of ICULS	28,000,000	167,802,954
As per Proforma II/As per Proforma III	134,580,549	287,662,207
Upon full conversion of Warrants-B	14,000,000	41,950,738
As per Proforma III/As per Proforma IV	148,580,549	329,612,945



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

**PUC FOUNDER (MSC) BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2014 (CONT'D)**

10. Share premium

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	9,273,758	9,273,758
Adjustment for Subsequent Events	<u>176,646</u>	<u>176,646</u>
As per Subsequent Events/As per subsequent events, Proforma I	9,450,404	9,450,404
Rights Issues of ICULS with Warrants and utilisation of proceeds	<u>(1,000,000)</u>	<u>(1,000,000)</u>
As per Proforma I, II and III/ As per Proforma II, III and IV	<u>8,450,404</u>	<u>8,450,404</u>

11. Other reserve

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	(15,293,239)	(15,293,239)
Adjustment for Subsequent Events	<u>539</u>	<u>539</u>
As per Subsequent Events	(15,292,700)	(15,292,700)
Upon full exercise of outstanding Warrant-A	<u>-</u>	<u>16,717,888</u>
As per Subsequent Events/As per Proforma I	(15,292,700)	1,425,188
Rights Issues of ICULS with Warrants and utilisation of proceeds	<u>(9,142,000)</u>	<u>(27,393,832)</u>
As per Proforma I and II/As per Proforma II and III	(24,434,700)	(25,968,644)
Upon full conversion of Warrant-B	<u>9,142,000</u>	<u>27,393,832</u>
As per Proforma III/As per Proforma IV	<u>(15,292,700)</u>	<u>1,425,188</u>



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

**PUC FOUNDER (MSC) BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2014 (CONT'D)**

12. Warrant reserve

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	16,718,427	16,718,427
Adjustment for Subsequent Events	(539)	(539)
As per Subsequent Events	16,717,888	16,717,888
Upon full exercise of outstanding Warrants-A	-	(16,717,888)
As per Subsequent Events/As per Proforma I Rights Issues of ICULS with Warrants and utilisation of proceeds	16,717,888	-
As per Proforma I and II/As per Proforma II and III	9,142,000	27,393,832
	25,859,888	27,393,832
Upon full conversion of Warrants-B	(9,142,000)	(27,393,832)
As per Proforma III/As per Proforma IV	16,717,888	-



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

**PUC FOUNDER (MSC) BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2014 (CONT'D)**

13. Estimated equity and liabilities component arising from the Rights Issue of ICULS with Warrants

	Equity Component RM	Non-current Liabilities Component RM	Current Liabilities Component RM
<i><u>Minimum Scenario</u></i>			
As at 31 December 2014	-	-	-
Rights Issues of ICULS with Warrants and utilisation of proceeds	25,883,192	841,472	1,943,802
As per Proforma I	25,883,192	841,472	1,943,802
Upon full conversion of ICULS	(25,883,192)	(841,472)	(1,943,802)
As per Proforma II and III	-	-	-
<i><u>Maximum Scenario</u></i>			
As at 31 December 2014	-	-	-
Rights Issues of ICULS with Warrants and utilisation of proceeds	77,558,500	2,521,457	5,824,565
As per Proforma II	77,558,500	2,521,457	5,824,565
Upon full conversion of ICULS	(77,558,500)	(2,521,457)	(5,824,565)
As per Proforma III and IV	-	-	-

14. Retained earnings

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2014	45,523,102	45,523,102
Adjustment for Subsequent Events	(107,233)	(107,233)
As per Subsequent Events, Proforma I, II and III/ As per Subsequent Events, Proforma I, II, III and IV	45,415,869	45,415,869

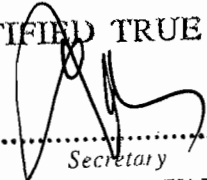


AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON



CERTIFIED TRUE COPY


PUC FOUNDER (MSC) BERHAD
(Company No.: 451734-A)
(Incorporated in Malaysia)


Secretary
LIM SECK WAH
MAICSA NO. 0799845

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2014

These audited financial statements of the Company with ~~Qualified~~ ^{Unqualified} Auditors' Report for the financial year ended ~~.....~~ ^{31/12/2014} were tabled at the ~~Adjourned Annual General Meeting~~ Annual General Meeting held on ~~.....~~ ^{11/6/2015}


Secretary

LIM SECK WAH
MAICSA MEMBERSHIP
NO: 0799845

Registered office:
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Principal place of business:
Unit C-2-01, Level 2
Capital 3, Oasis Square
No. 2, Jalan PJU 1A/7A
Ara Damansara, PJU 1A
47301 Petaling Jaya
Selangor Darul Ehsan

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)**REPORT AND FINANCIAL STATEMENTS****31 DECEMBER 2014****INDEX**

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

- 1 -

PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

Principal Activities

The principal activity of the Company is that of investment holding. The Group is primarily engaged in advertising and media brokerage and consultancy, fingerprint verification products, information technology solutions provider of electronic publishing system and financial services.

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	Company RM
Net profit/(loss) for the financial year	<u>9,838,107</u>	<u>(768,903)</u>
Attributable to:		
Owners of the parent	9,849,300	
Non-controlling interests	<u>(11,193)</u>	
	<u>9,838,107</u>	

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

- 2 -

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of Shares and Debentures

During the current financial year, the Company increased its issued and paid-up share capital from 845,036,250 to 1,062,330,571 through the issuance of 217,294,321 new ordinary shares of RM0.10 each as follows:

- (i) 84,503,000 ordinary shares of RM0.10 each ("Placement Share(s)"), via three private placement tranches:
 - (a) first tranche of Private Placement comprising 22,720,000 Placement Shares at an issue price fixed at RM0.22 per Placement Share, which were listed on 28 August 2014;
 - (b) second tranche of Private Placement comprising 24,878,000 Placement Shares at an issue price fixed at RM0.205 per Placement Share, which were listed on 11 September 2014; and
 - (c) final tranche of Private Placement comprising 36,905,000 Placement Shares at an issue price fixed at RM0.16 per Placement Share, which were listed on 30 October 2014.
- (ii) bonus issue with free warrants of 132,791,321 new ordinary shares respectively of RM0.10 in the Company ("Shares") on the basis of one (1) bonus share and one (1) warrant issue for every seven (7) existing Shares.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Warrants

The warrants were constituted under the Deed Poll dated 6 November 2014 as disclosed in Note 22(f) to the financial statements.

As at 31 December 2014, the total numbers of warrants that remain unexercised were 132,791,321.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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Directors

The Directors in office since the date of the last report are as follows:

Dato' Othman Bin Jusoh	
Tunku Afwida Binti Tunku A. Malek	
Cheong Chia Chieh @ Chang Chia Chieh	
Liew Peng Chuan @ Liew Ah Choy	
Professor Wei Xin	
Nathaniel Grant David Sherick	(appointed on 12.06.2014)
Chow Kah Sung	(appointed on 01.03.2014)
Teh Hon Seng	(resigned on 23.05.2014)
Cheung Shuen Lung	(retired on 12.06.2014)

Directors' Interests

The interests and deemed interests in the shares of the Company or its related corporations (other than wholly owned subsidiary companies) by the Directors in office at the end of the financial year according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			
	At 01.01.2014	Acquired	Sold	At 31.12.2014
Interests in the Company				
<i>Direct interest</i>				
Professor Wei Xin	250,000	35,714	-	285,714
<i>Indirect interest</i>				
* Cheong Chia Chieh				
@ Chang Chia Chieh	527,939,106	73,247,296	15,218,000	585,968,402

* Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of his substantial shareholdings in Resource Holding Management Limited.

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other Statutory Information

- (a) Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts write off bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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Other Statutory Information (Cont'd)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in the notes to the financial statements; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Significant Events

The significant events are disclosed in Note 38 to the financial statements.

Subsequent Events

The subsequent events are disclosed in Note 39 to the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (*Cont'd*)

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Auditors

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 April 2015.



DATO' OTHMAN BIN JUSOH



CHEONG CHIA CHIEH
@ CHANG CHIA CHIEH

KUALA LUMPUR

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)**STATEMENT BY DIRECTORS**
Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 12 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 42 to the financial statements on page 116 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 April 2015.



DATO' OTHMAN BIN JUSOH

CHEONG CHIA CHIEH
@ CHANG CHIA CHIEH

KUALA LUMPUR

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

I, CHO MEE LIN, being the Officer primarily responsible for the financial management of PUC FOUNDER (MSC) BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 12 to 116 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at KUALA LUMPUR in the)
state of Federal Territory on 28 April 2015)



CHO MEE LIN

Before me,



No. 50, Jalan Hang Lekiu
50100 Kuala Lumpur

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (*Cont'd*)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PUC FOUNDER (MSC) BERHAD**

(Company No.: 451734-A)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of PUC Founder (MSC) Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of 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 a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 115.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (*Cont'd*)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PUC FOUNDER (MSC) BERHAD (CONT'D)**

(Company No.: 451734-A)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following :

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 42 on page 116 is solely disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PUC FOUNDER (MSC) BERHAD (CONT'D)**

(Company No.: 451734-A)

(Incorporated in Malaysia)

Other Matters

- (1) This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
- (2) The financial statements of PUC Founder (MSC) Berhad for the financial year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 April 2014.

A handwritten signature in black ink, appearing to be 'UHY'.

UHY

Firm Number: AF 1411

Chartered Accountants

A handwritten signature in black ink, appearing to be 'Ng Wee Teik'.

NG WEE TEIK

Approved Number: 1817/12/16 (J)

Chartered Accountant

KUALA LUMPUR

28 April 2015

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM	2013 RM (Restated)	2014 RM	2013 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	1,317,936	656,267	713,685	797,022
Software development expenditure	5	10,912,210	3,347,660	-	-
Investment in subsidiary companies	6	-	-	93,576,077	1,020,011
Investment in associate companies	7	-	1	-	-
Intangible assets	8	50,011,069	38,605,355	-	-
Other investments	9	674	136	10	90,000,000
Deferred tax assets	10	142,425	-	-	36,657
Trade receivables	11	3,313,154	-	-	-
		<u>65,697,468</u>	<u>42,609,419</u>	<u>94,289,772</u>	<u>91,853,690</u>
Current Assets					
Inventories	12	23,127	944,062	-	-
Trade receivables	11	41,794,906	37,264,568	-	3,426
Other receivables	13	5,672,290	7,466,479	291,256	59,932
Amount owing by ultimate holding company	14	586,582	1,989,796	678,820	-
Amount owing by subsidiary companies	15	-	-	7,443,851	8,981,368
Amount owing by related companies	16	-	-	26,478,681	-
Tax recoverable		38,621	8,654	12,258	13,407
Fixed deposits with licensed banks	17	17,754,043	1,731,620	-	326,304
Cash and bank balances	18	7,198,412	3,783,350	1,236,508	963,323
		<u>73,067,981</u>	<u>53,188,529</u>	<u>36,141,374</u>	<u>10,347,760</u>
Total Assets		<u>138,765,449</u>	<u>95,797,948</u>	<u>130,431,146</u>	<u>102,201,450</u>

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)**

	Note	Group		Company	
		2014 RM	2013 RM (Restated)	2014 RM	2013 RM
EQUITY					
Share capital	19	106,233,057	84,503,625	106,233,057	84,503,625
Redeemable Convertible Cumulative Preference Shares	20	-	2,250,000	-	-
Convertible Preference Shares	21	544,596	544,596	-	-
Reserves	22	18,482,007	(8,598,237)	9,498,470	15,993,615
Total equity attributable to owners of the parent		125,259,660	78,699,984	115,731,527	100,497,240
Non-controlling interests		95,636	(17,171)	-	-
Total equity		125,355,296	78,682,813	115,731,527	100,497,240
LIABILITIES					
Non-Current Liabilities					
Redeemable Convertible Preference Shares	20	-	2,898,126	-	-
Finance lease liability	23	103,135	161,436	-	-
Deferred tax liabilities	10	8,817	141,100	-	-
		111,952	3,200,662	-	-
Current Liabilities					
Trade payables	24	5,666,996	3,272,509	-	-
Other payables	25	6,554,523	7,667,102	224,189	1,704,210
Amount owing to ultimate holding company	14	189,000	-	-	-
Amount owing to subsidiary companies	15	-	-	14,475,430	-
Redeemable Convertible Preference Shares	20	-	1,643,228	-	-
Finance lease liability	23	58,302	55,620	-	-
Bank overdraft	26	593,868	1,263,648	-	-
Tax payable		235,512	12,366	-	-
		13,298,201	13,914,473	14,699,619	1,704,210
Total Liabilities		13,410,153	17,115,135	14,699,619	1,704,210
Total Equity and Liabilities		138,765,449	95,797,948	130,431,146	102,201,450

The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	Group		Company	
		2014 RM	2013 RM (Restated)	2014 RM	2013 RM
Revenue	27	53,428,857	49,106,225	-	260,807
Cost of sales		(31,062,355)	(29,867,088)	-	-
Gross profit		22,366,502	19,239,137	-	260,807
Other income		10,483,349	1,416,590	2,661,380	3,377,995
Administrative and selling expenses		(21,975,612)	(8,531,665)	(3,393,626)	(2,411,547)
Other expenses		(34,526)	(622,747)	-	(452,170)
Finance costs	28	(778,892)	(547,958)	-	-
Profit before taxation	29	10,060,821	10,953,357	(732,246)	775,085
Taxation	30	(222,714)	(64,433)	(36,657)	225,169
Net profit for the financial year		9,838,107	10,888,924	(768,903)	1,000,254

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

Note	Group		Company	
	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Available-for-sale financial assets				
- current year gain	528	-	-	-
- Exchange translation differences for foreign operations	72,463	5,632	-	-
Total other comprehensive income for the financial year	72,991	5,632	-	-
Total comprehensive income for the financial year	9,911,098	10,894,556	(768,903)	1,000,254
Net profit for the financial year attributable to:				
Owners of the Company	9,849,300	10,960,241	(768,903)	1,000,254
Non-controlling interests	(11,193)	(71,317)	-	-
	9,838,107	10,888,924	(768,903)	1,000,254
Total comprehensive income for the financial year attributable to:				
Owners of the Company	9,922,291	10,965,873	(768,903)	1,000,254
Non-controlling interests	(11,193)	(71,317)	-	-
	9,911,098	10,894,556	(768,903)	1,000,254
Earnings per share attributable to owners of the Company				
Basic (sen)	31(a)	1.09	1.46	
Diluted (sen)	31(b)	1.05	1.46	

The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)
STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Group	Attributable to Owner of the Legal Parent											
	Foreign						Total					
	Share Capital	Redeemable Preference Shares	CPS	Share Premium	Other Reserve	Currency Translation Reserve	Fair Value Adjustment Reserve	Reverse Acquisition Debit	Retained Earnings	Attributable to Owners of the Parent	Non-Controlling Interests	Total Equity
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2013	27,580,820	2,250,000	544,596	10,879,497	1,350,044	(1,009,600)	-	-	26,138,754	67,734,111	358,411	68,092,522
Reverse acquisition adjustments	56,922,805	-	-	-	-	-	(56,922,805)	-	-	-	-	-
At 1 January 2013 (restated)	84,503,625	2,250,000	544,596	10,879,497	1,350,044	(1,009,600)	-	(56,922,805)	26,138,754	67,734,111	358,411	68,092,522
Net profit for the financial year	-	-	-	-	-	-	-	-	10,960,241	10,960,241	(71,317)	10,888,924
Other comprehensive income for the financial year	-	-	-	-	-	5,632	-	-	-	5,632	-	5,632
Total comprehensive income for the financial year	-	-	-	-	-	5,632	-	-	10,960,241	10,965,873	(71,317)	10,894,556
Strike off of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(304,265)	(304,265)
At 31 December 2013	84,503,625	2,250,000	544,596	10,879,497	1,350,044	(1,003,968)	-	(56,922,805)	37,098,995	78,699,984	(17,171)	78,682,813

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

	Attributable to Owner of the Legal Parent													
	Foreign										Total			
	Share Capital RM	Redeemable Preference Shares RM	CPS RM	Share Premium RM	Other Reserve RM	Currency Translation Reserve RM	Fair Value Adjustment Reserve RM	Reverse Acquisition Debit RM	Warrants Reserve RM	Retained Earnings RM	Attributable to Owners of the Parent RM	Non-Controlling Interests RM	Total Equity RM	
Group														
2014														
At 1 January 2014	84,503,625	2,250,000	544,596	10,879,497	1,350,044	(1,003,968)	-	(56,922,805)	-	37,098,995	78,699,984	(17,171)	78,682,813	
Reverse acquisition adjustments	-	-	-	4,120,503	75,144	-	-	20,113,741	-	(1,425,193)	22,884,195	-	22,884,195	
Net profit for the financial year	-	-	-	-	-	-	-	-	9,849,300	9,849,300	9,849,300	(11,193)	9,838,107	
Other comprehensive income for the financial year	-	-	-	-	-	72,463	528	-	-	-	72,991	-	72,991	
Total comprehensive income for the financial year	-	-	-	-	-	72,463	528	-	9,849,300	9,922,291	9,922,291	(11,193)	9,911,098	
Increase in equity interests in a subsidiary company by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	124,000	124,000	
Transaction with owners														
Issued of shares during the financial year (Note 19)	21,729,432	-	-	(5,726,242)	-	-	-	-	-	-	16,003,190	-	16,003,190	
Issued of warrants [Note 22(i)]	-	-	-	-	(16,718,427)	-	-	-	16,718,427	-	-	-	-	
Cancellation of RCPS	-	(2,000,000)	-	-	-	-	-	-	-	(2,000,000)	-	-	(2,000,000)	
Redemption of RCCPS	-	(250,000)	-	-	-	-	-	-	-	(250,000)	-	-	(250,000)	
Total transaction with owners	21,729,432	(2,250,000)	-	(5,726,242)	(16,718,427)	-	-	-	16,718,427	-	13,753,190	-	13,753,190	
At 31 December 2014	106,233,057	-	544,596	9,273,738	(15,293,239)	(931,505)	528	(36,809,064)	45,523,102	123,259,660	95,636	-	123,355,296	

The accompanying notes form an integral part of the financial statements.

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

Company	Note	Non-Distributable		Accumulated Losses RM	Total Equity RM
		Share Capital RM	Share Premium RM		
At 1 January 2013		9,503,625	5,972,432	(2,318,813)	13,157,244
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	1,000,254	1,000,254
Transaction with owners:					
Issued of shares during the financial year	19	75,000,000	15,000,000	-	90,000,000
Share issuance expenses		-	(2,139,677)	-	(2,139,677)
Dividends paid	32	-	-	(1,520,581)	(1,520,581)
Total transactions with owners		75,000,000	12,860,323	(1,520,581)	86,339,742
At 31 December 2013		84,503,625	18,832,755	(2,839,140)	100,497,240
At 1 January 2014		84,503,625	18,832,755	(2,839,140)	100,497,240
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	(768,903)	(768,903)
Transaction with owners:					
Issued of shares during the financial year					
- Private placement	19	8,450,300	7,552,890	-	16,003,190
- Bonus issue	19	13,279,132	(13,279,132)	-	-
Total transactions with owners		21,729,432	(5,726,242)	-	16,003,190
At 31 December 2014		106,233,057	13,106,513	(3,608,043)	115,731,527

The accompanying notes form an integral part of the financial statements.

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	10,060,821	10,953,357	(732,246)	775,085
Adjustments for:				
Amortisation of software development expenditure	1,046,989	897,801	-	464,010
Bad debts written off				
- trade receivables	619,714	247,339	-	-
- other receivables	5,000	2,000	-	-
Depreciation of property, plant and equipment	621,929	171,618	231,682	250,550
Impairment on trade receivables	5,888,320	731,266	-	-
(Gain)/Loss on disposal of property, plant and equipment	(1,014,777)	2,167	-	853
Inventories written off	1,020,325	920,324	-	-
Software development expenditure written off	-	1	-	-
Interest expenses	778,892	547,958	-	-
(Gain)/Loss on foreign exchange				
- unrealised	(43,319)	187,818	-	-
Waiver of debts	-	44,526	-	-
Dividend income	(60)	(80)	-	(1,854,985)
Gain on strike of of a subsidiary company	-	(608,147)	-	-
Gain on cancellation of RCPS	(2,000,000)	-	-	-
Gain on redemption on RCCPS	(4,422,932)	-	-	-
Government grant income	(178,996)	-	-	-
Interest income	(284,866)	(52,528)	(5,323)	(33,031)
Reversal of impairment on trade receivables	-	(131,815)	-	-
Waiver of debts by a creditor	-	(524,250)	-	-
Operating profit/(loss) before working capital changes	<u>12,097,040</u>	<u>13,389,355</u>	<u>(505,887)</u>	<u>(397,518)</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Group		Company	
	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
Changes in working capital				
Inventories	3,085,478	5,681,447	-	-
Trade receivables	(13,867,471)	(11,104,457)	3,426	25,443
Other receivables	9,830,355	(898,915)	(231,324)	758,373
Trade payables	2,330,947	(2,053,118)	-	-
Other payables	(4,437,631)	745,965	(1,480,020)	1,378,860
Amount owing by/to ultimate holding company	1,592,214	(2,136,386)	(678,820)	-
Amount owing by/to subsidiary companies	-	-	1,537,517	(504,370)
Amount owing by related companies	-	-	(12,003,251)	-
	<u>(1,466,108)</u>	<u>(9,765,464)</u>	<u>(12,852,472)</u>	<u>1,658,306</u>
Cash generated from/(used in) operations	10,630,932	3,623,891	(13,358,359)	1,260,788
Interest received	284,866	52,528	5,323	33,031
Interest paid	(778,892)	(132,890)	-	-
Tax refund	1,769	24,683	16,149	18,000
Tax paid	(649,583)	(56,404)	(15,000)	(155,074)
Exchange translation differences	64,642	20,428	-	-
	<u>(1,077,198)</u>	<u>(91,655)</u>	<u>6,472</u>	<u>(104,043)</u>
Net cash from/(used in) operating activities	<u>9,553,734</u>	<u>3,532,236</u>	<u>(13,351,887)</u>	<u>1,156,745</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

	Group		Company	
	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
Cash Flows From Investing Activities				
Acquisition of a subsidiary company [Note 6(e)]	-	-	(2,556,067)	-
Addition of software development expenditure	(8,604,000)	(431,960)	-	-
Capital contribution from non-controlling interests	124,000	-	-	-
Deferred consideration paid	-	(4,114,080)	-	-
Dividend received	60	80	-	1,854,985
Excess of goodwill payment refunded by vendor	-	100,000	-	-
Net cash inflows on strike off of a subsidiary company	-	306,091	-	-
Purchase of property, plant and equipment [Note 4(a)]	(635,127)	(113,288)	(148,345)	(466,997)
Purchase of other investment	(10)	-	(10)	-
Proceeds from disposal of investment in associate companies	1	-	-	-
Proceeds from disposal of property, plant and equipment	3,675,839	186,379	-	1,144,643
Proceeds from government grant [Note 25(b)]	45,125	857,375	-	-
Net cash (used in)/from investing activities	<u>(5,394,112)</u>	<u>(3,209,403)</u>	<u>(2,704,422)</u>	<u>2,532,631</u>
Cash Flows From Financing Activities				
Dividend paid (Note 32)	-	-	-	(1,520,581)
Increase in fixed deposits pledged	(95,020)	(35,228)	-	-
Payment for shares issue expenses	-	-	-	(2,139,677)
Proceeds from issue of shares [Note 19, 22(a)]	16,003,190	-	16,003,190	-
Repayment of finance lease liability	(55,619)	(12,944)	-	-
Net cash from/(used in) financing activities	<u>15,852,551</u>	<u>(48,172)</u>	<u>16,003,190</u>	<u>(3,660,258)</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
		(Restated)		
Net increase/(decrease) in				
cash and cash equivalents	20,012,173	274,661	(53,119)	29,118
Effect of exchange rate changes	72	-	-	-
Cash and cash equivalents at				
beginning of the financial year	<u>2,519,702</u>	<u>2,245,041</u>	<u>1,289,627</u>	<u>1,260,509</u>
Cash and cash equivalents at the				
end of the financial year	<u>22,531,947</u>	<u>2,519,702</u>	<u>1,236,508</u>	<u>1,289,627</u>
Cash and cash equivalents at the				
end of the financial year comprises:				
Fixed deposits with licensed banks	17,754,043	1,731,620	-	326,304
Cash and bank balances	7,198,412	3,783,350	1,236,508	963,323
Bank overdraft	<u>(593,868)</u>	<u>(1,263,648)</u>	<u>-</u>	<u>-</u>
	24,358,587	4,251,322	1,236,508	1,289,627
Less: Fixed deposits pledged with				
licensed banks (Note 17)	<u>(1,826,640)</u>	<u>(1,731,620)</u>	<u>-</u>	<u>-</u>
	<u>22,531,947</u>	<u>2,519,702</u>	<u>1,236,508</u>	<u>1,289,627</u>

The accompanying notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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PUC FOUNDER (MSC) BERHAD
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS****1. Corporate Information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The register office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal place of business of the Company is located at Unit C-2-01, Level 2, Capital 3, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is that of investment holding. The Group is primarily engaged in advertising and media brokerage and consultancy, fingerprint verification products, information technology solutions provider of electronic publishing system and financial services.

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. Basis of Preparation**(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards and IC Interpretation

During the financial year, the Group and the Company have adopted the following applicable amendments to MFRSs and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 10,	Investment Entities
MFRS 12 and MFRS 127	
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of above amendments to MFRSs and IC Interpretation did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

	Effective dates for financial periods beginning on or after
Amendments to MFRS 119	1 July 2014
Defined Benefits Plans: Employee Contributions	
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
MFRS 14	1 January 2016
Regulatory Deferral Accounts	
Amendments to MFRS 11	1 January 2016
Accounting for Acquisitions of Interests in Joint Operations	
Amendments to MFRS 116 and MFRS 138	1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation	
Amendments to MFRS 127	1 January 2016
Equity Method in Separate Financial Statements	
Amendments to MFRS 10 and MFRS 128	1 January 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 DECEMBER 2014
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective (Cont'd)**

		Effective dates for financial periods beginning on or after
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

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2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective (Cont'd)**

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Group is in the process of assessing the impact of this Standard.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values have been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

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2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty (Cont'd)**Useful lives of property, plant and equipment (Note 4)

The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Development costs

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits.

The carrying amount at the end of reporting period for product development expenditure is disclosed in Note 5.

Impairment of investment in subsidiary companies

The Company has recognised impairment loss in respect of its investments in subsidiary companies. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units to which the investments in subsidiary companies belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the end of reporting period for investments in subsidiary companies is disclosed in Note 6.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment assessment of goodwill is disclosed in Note 8.

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2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions (Cont'd)**Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the end of the reporting period for loans and receivables are disclosed in Notes 11, 13, 14, 15 and 16 respectively.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 10.

Income taxes

Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 30.

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group, for matters in the ordinary course of business.

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2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions (Cont'd)**Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 36(d) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basic of consolidation**(i) Subsidiary companies**

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business Combination - Reverse Acquisition

As disclosed in Note 6, the Company completed the acquisition of the entire equity interest in Red Media Asia Ltd ("RMA") via the issuance of 750,000,000 ordinary shares of RM0.10 each in the Company at an issue price of RM0.12 each.

Upon completion of the acquisition, the Company became the legal parent of RMA. Due to the relative values of RMA and the Company, the owners of RMA became the majority shareholders in the Company, and controlling about 62.48% of the issued and paid up share capital of the Company at the date of acquisition. Furthermore, the former owners dominate the management of the combined entity. Accordingly the substance of the business combination is that RMA acquired the Company in a reverse acquisition.

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3. Significant Accounting Policies**(a) Basic of consolidation (Cont'd)**

The acquisition of RMA is accounted for using the reverse acquisition method of accounting in accordance with MFRS 3: *Business Combination*.

MFRS 3 requires that the consolidated financial statements be issued under the name of the legal parent (herein called "accounting acquiree" or "the Company"), but described in the notes as a continuation of the financial statements of the legal subsidiary (herein called "accounting acquirer" or "RMA"), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of accounting acquiree. Therefore, the financial statements of the Group represent the continuation of the financial statements of RMA except for its capital structure.

The following accounting treatment has been applied in the consolidated financial statements in respect of the reverse acquisition:

- (i) the assets and liabilities of the accounting acquirer, RMA, are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- (ii) the retained earnings and other equity balances of the Group immediately before the business combination, and the results for the year ended 31 December 2013 are those of RMA Group;
- (iii) the equity structure, however, reflects the equity structure of the Company, including the equity instruments issued to effect the business combination; and
- (iv) comparative financial information presented are those of RMA Group, for the financial year ended 31 December 2013.

Business Combination - Acquisition Method

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

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3. Significant Accounting Policies (Cont'd)**(a) Basic of consolidation (Cont'd)****(i) Subsidiary companies (Cont'd)**

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(g)(i).

(ii) Change in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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3. Significant Accounting Policies (Cont'd)**(a) Basic of consolidation (Cont'd)****(iii) Disposal of subsidiary companies**

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired. The policy of recognition and measurement of impairment losses is in accordance with Note 3(g)(i).

(b) Foreign currency translation**(i) Foreign currency transactions and balances**

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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3. Significant Accounting Policies (Cont'd)**(b) Foreign currency translation (Cont'd)****(i) Foreign currency transactions and balances (Cont'd)**

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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3. Significant Accounting Policies (Cont'd)**(c) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy of recognition and measurement of impairment losses is in accordance with Note 3(g)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

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3. Significant Accounting Policies (Cont'd)**(c) Property, plant and equipment (Cont'd)****(iii) Depreciation**

Depreciation of property, plant and equipment is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Capital work-in-progress is not depreciated until it ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	50 years
Computers	5 years
Office equipment	10 years
Furniture and fittings	10 years
Moulds, plant and machinery	3 - 10 years
Renovation	5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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