

PUC FOUNDER (MSC) BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2015 RM('000)	31/03/2014 RM('000)	31/03/2015 RM('000)	31/03/2014 RM('000)
Revenue	8,699	16,581	8,699	16,581
Cost of sales	(5,156)	(8,820)	(5,156)	(8,820)
Gross profit	3,543	7,761	3,543	7,761
Other income	191	263	191	263
Administrative and general expenses	(2,577)	(4,266)	(2,577)	(4,266)
Operating profit	1,157	3,758	1,157	3,758
Finance cost	(22)	(30)	(22)	(30)
Profit before taxation	1,135	3,728	1,135	3,728
Taxation	-	(92)	-	(92)
Profit after taxation	1,135	3,636	1,135	3,636
Other comprehensive income/(loss)	116	(55)	116	(55)
Other comprehensive income for the financial period	116	(55)	116	(55)
Total comprehensive income	1,251	3,581	1,251	3,581
PROFIT/(LOSS) ATTRIBUTABLE TO				
Owners of the parent	1,171	3,633	1,171	3,633
Non-controlling interests	(36)	3	(36)	3
	1,135	3,636	1,135	3,636
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	1,287	3,578	1,287	3,578
Non-controlling interests	(36)	3	(36)	3
	1,251	3,581	1,251	3,581
Weighted average number of ordinary shares in issue ('000)	1,062,374	845,036	1,062,374	845,036
Earnings per share (Sen)				
(a) Basic	0.11	0.43	0.11	0.43
(b) Fully diluted	0.10	NA	0.10	NA

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Unaudited As At 31/03/15 RM('000)	Audited As At 31/12/14 RM('000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,174	1,318
Software development expenditure	10,681	10,912
Intangible assets	50,011	50,011
Investments in associates	- *	-
Other investments	1	1
Deferred tax assets	143	142
Trade receivables	3,313	3,313
	<u>65,323</u>	<u>65,697</u>
CURRENT ASSETS		
Inventories	21	23
Trade receivables	42,494	41,795
Other receivables, deposits and prepayments	8,268	5,672
Tax recoverable	163	39
Amount owing by ultimate holding company	686	587
Fixed deposits with licensed banks	13,834	17,754
Cash and bank balances	5,540	7,198
	<u>71,006</u>	<u>73,068</u>
TOTAL ASSETS	<u>136,329</u>	<u>138,765</u>
EQUITY AND LIABILITIES		
Share capital	106,320	106,233
Share premium	9,291	9,274
Exchange translation reserve	(816)	(932)
Reserve on acquisition	(36,809)	(36,809)
Warrant reserve	16,718	16,718
Other reserves	(14,747)	(14,747)
Retained profit	46,694	45,523
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	<u>126,651</u>	<u>125,260</u>
Non-controlling interests	60	96
TOTAL EQUITY	<u>126,711</u>	<u>125,356</u>
NON-CURRENT LIABILITIES		
Finance lease liability	103	103
Deferred tax liabilities	9	9
	<u>112</u>	<u>112</u>
CURRENT LIABILITIES		
Trade payables	1,803	5,667
Other payables and accrued expenses	5,388	6,554
Amount owing to ultimate holding company	189	189
Finance lease liability	44	58
Bank overdraft	1,850	594
Tax payable	233	235
TOTAL CURRENT LIABILITIES	<u>9,507</u>	<u>13,297</u>
TOTAL LIABILITIES	<u>9,619</u>	<u>13,409</u>
TOTAL EQUITY AND LIABILITIES	<u>136,329</u>	<u>138,765</u>
Net assets per share attributable to Owners of the parent (sen)	<u>11.91</u>	<u>11.79</u>

* The cost of investments in associates are less than RM1,000.

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	Share Capital	Share Premium	Preference Shares	Exchange Translation Reserve	Reserve on Acquisition	Other Reserves	Warrants Reserves	Retained Profit	Total	Non- controlling Interests	Total Equity
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
Balance as at 1 January 2015	106,233	9,274	-	(932)	(36,809)	(14,747)	16,718	45,523	125,260	96	125,356
Issuance of shares via Warrants (Note A7(ii))	1	-	-	-	-	-	-	-	1	-	1
Issuance of share via Employees' Share Option Scheme (Note A7(i))	86	17	-	-	-	-	-	-	103	-	103
Profit for the period	-	-	-	-	-	-	-	1,171	1,171	(36)	1,135
Other comprehensive income	-	-	-	116	-	-	-	-	116	-	116
Total comprehensive income for the period	-	-	-	116	-	-	-	1,171	1,287	(36)	1,251
Balance as at 31 March 2015	106,320	9,291	-	(816)	(36,809)	(14,747)	16,718	46,694	126,652	60	126,711

FOR THE FIRST QUARTER ENDED 31 MARCH 2014

	Share Capital	Share Premium	Preference Shares	Exchange Translation Reserve	Reserve on Acquisition	Other Reserves	Retained Profit	Total	Non- controlling Interests	Total Equity
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
Balance as at 1 January 2014	84,504	18,833	-	(2)	-	-	(506)	102,829	-	102,829
Arising from Reverse Acquisition Exercise	-	(3,833)	2,795	(1,004)	(36,809)	1,350	37,605	104	(17)	87
Profit for the period	-	-	-	-	-	-	3,633	3,633	3	3,636
Other comprehensive income	-	-	-	(55)	-	-	-	(55)	-	(55)
Total comprehensive income for the period	-	-	-	(55)	-	-	3,633	3,578	3	3,581
Balance as at 31 March 2014	84,504	15,000	2,795	(1,061)	(36,809)	1,350	40,732	106,511	(14)	106,497

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	3 MONTHS ENDED 31/03/2015 RM('000)	3 MONTHS ENDED 31/3/2014 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,135	3,728
Adjustments for:		
Amortisation of intangible assets	244	268
Depreciation of property, plant and equipment	111	177
Impairment on trade receivables	12	13
Loss on disposal of property, plant and equipment	26	3
Loss on unrealised foreign exchange	60	(52)
Interest income	(86)	(8)
Interest expense	22	30
Operating profit before working capital changes	1,524	4,159
Changes in working capital:		
Net change in current assets	(3,304)	(739)
Net change in current liabilities	(5,014)	(3,708)
Cash used in operations	(6,794)	(288)
Interest received	86	8
Tax paid	(133)	(149)
Net cash used in operating activities	(6,841)	(429)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1)	(41)
Proceed from disposal of property, plant and equipment	-	4
Acquisition of subsidiaries, net of cash acquired	-	2,520
Net cash (used in)/ from investing activities	(1)	2,483
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(22)	(30)
Repayment of hire purchase liabilities	(14)	(14)
Proceeds from issuance of shares under ESOS & Warrants (Note A7)	104	-
Net cash from/(used in) financing activities	68	(44)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(6,774)	2,010
EFFECTS OF EXCHANGE RATE CHANGES	(61)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	22,532	5,383
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	15,697	7,393
Cash & cash equivalents at the end of the financial period comprise:		
Cash and bank balances	5,540	8,215
Fixed deposits with licensed banks	13,834	2,754
Bank overdraft	(1,850)	(1,845)
	17,524	9,124
Less: Fixed deposits pledged to licensed banks	(1,827)	(1,731)
	15,697	7,393

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED ("FPE") 31 MARCH 2015

A. EXPLANATORY NOTES

A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of PUCF Founder (MSC) Berhad ("PUCF") and its subsidiaries ("Group") for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial report.

A2 Changes in Accounting Policy

The accounting policies and methods of computation adopted by the Group in these unaudited condensed consolidated financial statements are consistent with those of the annual audited financial statements for the financial year ended 31 December 2014.

The adoption of the following MFRS that came into effect on 1 January 2015 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendments to MFRS 119	Defined Benefits Plans: Employee Contribution
Annual Improvements to MFRSs 2010 - 2012 Cycle	
Annual Improvements to MFRSs 2011 - 2013 Cycle	

A3 Audit report of preceding annual financial statements

There were no audit qualifications to the annual audited financial statements of the Group for the financial year ended 31 December 2014.

A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors during the period under review.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and financial period under review.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial year that had a material effect in the current financial quarter under review.

A7 Debt and equity securities

During the financial period, the issued and paid up share capital was increased from RM106,233,057 to RM106,319,729 by the allotment of 866,719 new ordinary shares of RM0.10 each pertaining to the following:

- (i) exercise of 862,434 share options under the Employees' Share Option Scheme ("ESOS");
- (ii) exercise of 4,285 warrants.

A8 Dividends

There were no dividends declared or paid in the current financial quarter under review.

A9 Segmental information

The Group's segmental revenue and profit/(loss) after taxation for the financial period under review is as follows:-

	CURRENT YEAR QUARTER 31/03/15 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/14 RM('000)	CURRENT YEAR TO DATE 31/03/15 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/03/14 RM('000)
Revenue				
Business Segment				
Biometrics	347	4,781	347	4,781
Advertising & Media	8,177	11,551	8,177	11,551
Financial Services	175	249	175	249
	<u>8,699</u>	<u>16,581</u>	<u>8,699</u>	<u>16,581</u>
Profit/(loss) after taxation				
Business Segment				
Biometrics	(154)	123	(154)	123
Advertising & Media	1,451	3,616	1,451	3,616
Financial Services	(162)	(102)	(162)	(102)
	<u>1,135</u>	<u>3,636</u>	<u>1,135</u>	<u>3,636</u>

A10 Valuation of property, plant and equipment

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

A11 Capital commitments

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

A12 Material events subsequent to the end of the quarter

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

A13 Changes in the composition of the Group

As of the date of this report, the winding-up of RH Marketing (GZ) Ltd was completed on 6 May 2015 which was announced on 12 May 2015.

A14 Contingent liabilities and contingent assets

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

A15 Significant related party transactions

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

	CURRENT YEAR QUARTER 31/03/15 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/14 RM('000)
Purchase of cards named PictureAir	-	2,000
Supply of a GPS-based geographical navigation application programme	1,200	-
	<u>1,200</u>	<u>-</u>

B ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of performance

The Group recorded a total revenue of RM8.7 million and profit before taxation of RM1.1 million for the current period to date as compared to revenue of RM16.6 million and profit before taxation of RM3.7 million in the preceding quarter corresponding period. The lower revenue and profit before taxation is mainly due to lower revenue contribution from biometric division and advertising and media division. Amid the global economic uncertainties, political factors and government policies, which include depreciation of the ringgit. Against this backdrop that the Group had embark on enhancing its revenue streams with the addition of (i) mobile applications technology, (ii) electronic payment services and (iii) renewable energy. On 12 March 2015, our wholly-owned subsidiary, MaxGreen Energy Sdn Bhd has been awarded as a Feed-in-Tariff Approval Holder by the Sustainable Energy Development Authority Malaysia to develop and operate a solar photovoltaic plant with 1 megawatt power capacity to produce electricity to be supplied to Tenaga Nasional Berhad for a period of 21 years. We have successfully capitalised on the opportunity to venture into solar photovoltaic project, which will bring in secured and steady stream of income to the Group for the next two decades.

B2 Variation of results against preceding quarter

	CURRENT YEAR QUARTER 31/03/15 RM('000)	PRECEDING QUARTER ENDED 31/12/14 RM('000)	Variance	
			RM('000)	%
Revenue	8,699	16,010	(7,311)	-46%
Profit before taxation	1,135	2,387	(1,252)	-52%

The Group's revenue for the current quarter is RM8.7 million as compared to RM16.0 million in the preceding quarter. The decrease of RM 7.3 million or 46% in revenue was mainly due to the revenue from biometric division by approximately RM4.3 million and advertising & media division by approximately RM3.0 million.

The Group's profit before taxation for the current quarter is RM1.1 million as compared to RM2.4 million in the preceding quarter mainly due to a decrease in revenue in the current quarter.

B3 Prospects

Following the operational restructuring with the intention of business realignment to achieve greater operational efficiency, the Board is cautiously optimistic about the prospects and the financial performance of the Group for the financial year ending 2015. The renewable energy industry has been seen as a sunrise industry with huge potential. The Board believes the Group is poised for growth with its 1MW megawatt solar photovoltaic project, and going forward, the Group will continue to explore the potential renewable energy business and intend to expand the solar photovoltaic plant with higher capacity.

Meanwhile mobile application development is ongoing, with the first phase of the development of the mobile application namely Founder Qube and Shopinfo completed and beta versions being tested. The Board believes there is potential for e-content and online shopping mobile applications as consumers demand for digital online experiences continue to grow.

With regards to electronic payments services, the Group continues with its research and development of products and services. The Group's wholly-owned subsidiary, EPP Solution Sdn. Bhd was established in 2007 and is one of the Registered Business (Merchant Acquiring Services) listed under Bank Negara Malaysia. The Board believes the Group will be able to capture additional recurring revenue streams in this industry, and capitalize on the increasing opportunities for e-commerce and related services that has caused an increase in demand for e-commerce payment solutions.

B4 Profit forecast or profit guarantee

The Group has not issued or disclosed in any public documents any profit forecast or profit guarantee for the current financial quarter under

B5 Taxation

	CURRENT YEAR QUARTER 31/03/15 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/14 RM('000)	CURRENT YEAR TO DATE 31/03/15 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/03/14 RM('000)
Income tax				
- Provision for current period	-	92	-	92

The effective tax rates of the Group for the current financial quarter under review and financial period to date were lower than the statutory tax rate of 25%. This was mainly due to certain subsidiaries of PUCF, namely EPP Solution Sdn Bhd and RedHot Media Sdn Bhd, who were granted pioneer status and are exempted from taxation, as well as PUCF's subsidiaries established in BVI, namely i.e. AllChina.cn Ltd and Red Media Asia Ltd, who are also not subject to taxation.

B6 Status of corporate proposals

There is no other outstanding corporate proposal which has been announced but not yet completed as at the date of this announcement:

Status of utilisation of proceeds from Private Placement

The Company was listed on the ACE Market of Bursa Securities on 3 April 2002.

The status of the utilisation of proceeds arising from the Private Placement as at 15 May 2015 is as follows:

	Proposed * utilisation RM('000)	Actual Utilisation RM('000)	Balance unutilised RM('000)	Expected time frame for utilisation (from the date of completion of Private Placement)
Investment in new businesses	11,408	1,369	10,039	within 18 months
Working capital	4,370	2,000	2,370	within 18 months
Actual expenses in relation to this exercise	225	225	-	within 1 month
	<u>16,003</u>	<u>3,594</u>	<u>12,409</u>	

* The details of utilisation have been modified to reflect the actual proceeds received.

B7 Borrowings

The Group's borrowings as at 31 March 2015 are as follows: -

	Short term RM('000)	Long term RM('000)	Total RM('000)
Secured			
Bank overdraft	1,850	-	1,850
Finance lease liability	44	103	147
	<u>1,894</u>	<u>103</u>	<u>1,997</u>

B8 Material litigation

The Group does not have any material litigation as at the date of this interim financial report.

B9 Dividends

There were no dividends declared during the current financial quarter under review.

B10 Earnings per share**a. Basic earnings per share**

The basic earnings per share of the Group is calculated by dividing the profit after taxation for the period by the weighted average number of ordinary shares of RM0.10 each in the Company is as follows:-

	3 months ended 31 March		Cumulative 3 months ended 31 March	
	2015	2014	2015	2014
Profit attributable to owners of the parent (RM'000)	1,171	3,633	1,171	3,633
Weighted average number of shares in issue ('000)	1,062,374	845,036	1,062,374	845,036
Basic earnings per share (sen)	<u>0.11</u>	<u>0.43</u>	<u>0.11</u>	<u>0.43</u>

b. Diluted earnings per share

The dilutive earnings per share of the Group is calculated by dividing the profit after taxation for the period by the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of convertible securities into ordinary shares is as follows:-

	3 months ended 31 March		Cumulative 3 months ended 31 March	
	2015	2014	2015	2014
Profit attributable to owners of the parent (RM'000)	1,171	3,633	1,171	3,633
Weighted average number of ordinary shares per basic earnings per share computation ('000)	1,062,374	845,036	1,062,374	845,036
# Effects of conversion of ESOS ('000)	52,326	-	52,326	-
# Effects of conversion of free warrants ('000)	90,331	-	90,331	-
Weighted average number of ordinary shares diluted ('000)	1,205,031	845,036	1,205,031	845,036
Diluted earnings per share (sen)	0.10	0.43	0.10	0.43

The free warrants and ESOS are assumed to have been converted into ordinary shares at issuance.

B11 Breakdown of realised and unrealised profit or losses of the Group

	As at 31/03/15 RM('000)	As at 31/12/14 RM('000)
Total retained profits of the Group		
- Realised	47,646	46,476
- Unrealised	135	134
	47,781	46,610
Less: Consolidation adjustments	(1,087)	(1,087)
Total retained profits as per consolidated accounts	46,694	45,523

B12 Profit for the period

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

	CURRENT YEAR QUARTER 31/03/15 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/03/14 RM('000)	CURRENT YEAR TO DATE 31/03/15 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/03/14 RM('000)
Interest expense	22	30	22	30
Interest income	(86)	(8)	(86)	(8)
Depreciation and amortisation	355	445	355	445
Impairment on trade receivables	12	13	12	13
Loss/(Gain) on unrealised foreign currency exchange	60	(52)	60	(52)
Loss on disposal of property, plant and equipment	26	3	26	3

By Order of the Board

Cindy Lim Seck Wah
Secretary

Kuala Lumpur
29 May 2015