

Headline	PUC to launch e-money service platform next month		
MediaTitle	The Edge		
Date	27 Nov 2017	Language	English
Circulation	23,635	Readership	70,905
Section	Corporate	Page No	18
ArticleSize	447 cm <sup>2</sup>	Journalist	LIEW JIA TENG
PR Value	RM 23,088		



## PUC to launch e-money service platform next month

BY LIEW JIA TENG

In a move to venture into the e-payment and e-commerce space, PUC Bhd is expected to launch a new electronic money service platform in the middle of next month, followed by an e-money scheme in the first half of next year, according to sources.

"It's going to be Malaysia's first home-grown social marketing platform and e-wallet, bringing a new way to save on shopping and help sellers get more shoppers to boost their brands and sales," a source tells *The Edge*. It is learnt that PUC will introduce the unconventional services to the market in phases next year. All details and the targeted timeline for each phase will be revealed at the mid-December launch.

Another source highlights that e-wallet is a lucrative area of growth in the modern economy and, hence, PUC's scheme will promote customer-to-customer (C2C) payments to shoppers.

"Moving forward, PUC may even promote more financial services to shoppers. It will enable C2C payments based on convenience-centric lifestyle activities such as seamless dining bill-splitting," he says.

PUC is also exploring services that will bridge the gap between shoppers and convenient financial services. However, all these are subject to obtaining the necessary licences from the authorities.

PUC, formerly known as PUC Founder (MSC) Bhd, is an ACE Market-listed information technology solutions provider that is also involved

in renewable energy, media and advertising as well as e-payment processing services.

To recap, in early September, PUC obtained conditional approval as an e-money issuer from Bank Negara Malaysia. The group also has two subsidiaries with moneylending licences.

In a filing with Bursa Malaysia on Sept 7, PUC announced that its wholly-owned subsidiary, EPP Solution Sdn Bhd, had been given approval to issue e-money within a year.

EPP Solution — also a registered business with Bank Negara for merchant acquiring services — will be joining a list of at least 25 non-bank entities that have been given approval to issue e-money via their mobile apps.

Other players include AEON Credit Service (M) Bhd, Alipay Malaysia Sdn Bhd, Axiata Digital eCode Sdn Bhd, ManagePay Services Sdn Bhd, PayPal Pte Ltd, Touch 'n Go Sdn Bhd and XOX Com Sdn Bhd.

Five banks, namely AmBank (M) Bhd, Bank of China (M) Bhd, CIMB Bank Bhd, Malayan Banking Bhd and RHB Bank Bhd, have also received the green light from the central bank to become e-money issuers.

For perspective, there are two types of e-money schemes — the small scheme and the large scheme — which are determined by the purse size and the outstanding e-money liabilities.

PUC said in the Sept 7 announcement that it has obtained approval from Bank Negara to issue e-money under the large scheme, which refers to a maximum purse limit of RM1,500. In comparison, the small scheme only allows a maximum purse limit of RM200.

It is worth noting that PUC recently embarked on a few exclusive collaborations with some start-ups, paving the way for the company to build its e-wallet business.

Last month, PUC announced that its wholly-owned subsidiary, Founder Qube Sdn Bhd (FQ), has signed a memorandum of understanding with Hong Kong-based Advwhere Ltd for a collaboration, where FQ will be appointed with the exclusive right to sell Cloudbreaker digital advertisement placement solutions across Malaysia, Indonesia and Singapore.

PUC is also teaming up with point-of-sale services provider Bersian Technology (M) Sdn Bhd to implement a cross-marketing collaboration.

In June, PUC signed an exclusive partnership agreement with Laputa Ventures Sdn Bhd to use the latter's advertising platform, dubbed Moola, to offer on-vehicle advertising.

### Variation to utilisation of proceeds

While PUC has obtained approval as an e-money issuer and identified its partners, it needs the funds to launch the service.

It has said RM36.45 million had been allocated for the rolling out of the e-money scheme.

Interestingly, the money will be coming from the RM42.65 million raised from a rights issue of irredeemable convertible unsecured loan stocks (ICULS) in February last year. PUC is in the process of obtaining clearance from the relevant regulators to vary the utilisation of the proceeds.

"PUC has submitted its request to Securities Commission Malaysia. Barring any unforeseen

circumstances, the company should be able to call an extraordinary general meeting as early as December to get shareholders' approval," says a source familiar with the company.

To recap, *The Edge* in April reported that PUC had net cash of RM43.3 million, RM42.65 million of which it cannot use for any purpose other than to expand its renewable energy business.

In October 2015, PUC proposed the issuance of ICULS with warrants to raise up to RM83.9 million, but only managed to get RM42.65 million to fund its solar expansion programme.

In February last year, Jack Cheong Chia Chieh, the chief of PUC, died of a sudden illness at the age of 44.

Market observers have pointed out that his brother and successor, Cheong Chia Chou, who was appointed the new managing director last December, is not keen on the renewable energy business that was started by the late Chia Chieh. Instead, he is more interested in developing the company's IT business.

Under the feed-in-tariff programme, PUC currently operates a 1MW capacity solar photovoltaic power plant in Sungai Petani, Kedah. The output will be supplied to Tenaga Nasional Bhd at a fixed rate.

To date, however, PUC has yet to be awarded any new project despite efforts to apply for quota with the Sustainable Energy Development Authority of Malaysia and Energy Commission.

Year to date, shares of PUC have risen 223%. The stock closed at 21 sen last Thursday, giving the company a market capitalisation of RM284 million. ■