PUC BERHAD (“**PUC**” or the “**Company**”)
[Registration No. 199701036234 (451734-A)]

PROPOSED DISPOSAL OF 13.76% EQUITY INTEREST IN PICTUREWORKS INTERNATIONAL HOLDINGS LIMITED TO MACOS LIMITED

---

1. INTRODUCTION

The Board of Directors of PUC (“**the Board**”) wishes to announce that PUC (the **“Vendor**”) had on 31 December 2025 entered into a Share Sale Agreement (“**SSA**” or the “**Agreement**”) to dispose of 3,038,040 ordinary shares, representing 13.76% equity interest in Pictureworks International Holdings Limited (“**PIHL**”) (“**Sale Shares**”) to MacOS Limited (the **“Purchaser**”) for a total sale consideration of RM30,000,000, to be satisfied entirely in cash, subject to the terms and conditions contained in the SSA (“**Proposed Disposal**”).

Upon completion of the Proposed Disposal, PUC’s equity interest in PIHL will be reduced from 27.53% to approximately 13.76%, and PIHL will thereafter be accounted for as an investment of PUC.

The Proposed Disposal represents a partial divestment of the Company’s investment in PIHL.

The Vendor and the Purchaser shall hereinafter be collectively referred to as the “**Parties**” and individually referred to as a “**Party**”.

The Company is making this announcement following the completion of the Proposed Disposal and the finalisation of the arrangements necessary to effect the transfer of the Sale Shares. Following the execution of the SSA, additional time was required to coordinate between the parties and to address certain administrative and cross-border requirements, including the implementation of the agreed transfer structure, prior to the Proposed Disposal being capable of being effected in full.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on PIHL

PIHL is a company incorporated in Cayman Islands on 20 April 2023, having its registered address at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands.

PIHL is an investment holding company which holds, directly and indirectly, the entire equity interest in the Pictureworks group of companies (“**Pictureworks Group**”).

PIHL directly holds 100% equity interest in the following entities:-
(a) Pictureworks International Investments Limited
(b) Pictureworks (Macau) Limited
(c) Pictureworks (Hong Kong) Limited
(d) Pictureworks (Beijing) Limited
(e) Pictureworks Holdings Sdn. Bhd.

Through Pictureworks Holdings Sdn. Bhd., PIHL indirectly holds 100% equity interest in:-
(i) Pictureworks (M) Sdn. Bhd.
(ii) Pictureworks Pte. Ltd.
(iii) Pictureworks (Shanghai) Limited

The Pictureworks Group is principally engaged in the provision of AI-powered digital imaging solutions customised for theme parks, attractions and the tourism industry, including photography, imaging technology platforms, and related digital services.

As of the date of this announcement:-

(i) The directors of PIHL are Cheong Chia Chou, Tse Fuk Yan, and Poon Yiu Wai;

(ii) The issued capital of PIHL is USD22,071 comprising of 22,071,201 ordinary shares.

(iii) The shareholders of PIHL are as below:-

Name of Shareholders	**Total of Shares**
Amori Management Pte Ltd	1,136,692
PUC	6,076,081
Cheong Chia Chou	7,773,472
Beauty World Holdings Pte Ltd	1,135,341
Robinhood Capital Sdn Bhd	1,141,489
Superb Go Sdn Bhd	3,682,475
Ng Chin Tong	1,125,651

2.2 **Financial Information of PIHL**

Based on the latest audited financial statements of PIHL for the financial year ended 31 December 2024:-

	RM
Revenue	17,625,417
Net Loss	8,306,837
Net Liability	12,303,917

2.3 **Information on the Purchaser**

The Purchaser is a company incorporated under the Labuan Companies Act 1990 on 15 April 2022 having its registered address at Unit Level 3(J), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, Federal Territory of Labuan, 87000 Malaysia.

The principal activity of the Purchaser is investment holding.

The sole director and sole shareholder of the Purchaser is Chu Boon Tiong.

[the remaining space of this page is intentionally left blank]

2.4 **Salient terms of the SSA**

The salient terms of the SSA include, among others, the following:-

(a) Sale Consideration

The total sale consideration for the Sale Shares is RM30,000,000 ("**Sale Consideration**"), to be satisfied entirely in cash.

(b) Completion

Pursuant to the terms of the SSA, the Proposed Disposal is deemed completed upon the execution of the SSA by the Parties and receipt of the full Sale Consideration by the Vendor ("**Completion Date**").

The full Sale Consideration was received by the Company on 31 December 2025, which accordingly constitutes the Completion Date.

With effect from the Completion Date:-

(i) the Purchaser shall be deemed to have acquired full ownership of the Sale Shares together with all rights and obligations attached thereto;

(ii) the Vendor shall cease to have any further rights, interests, liabilities or obligations in respect of the Sale Shares; and

(iii) the Parties shall cause all necessary documents to be submitted for the purpose of updating the register of members of PIHL.

Notwithstanding the above, the transfer of legal title to the Sale Shares to the Purchaser (or its nominee) will be effected in due course in accordance with the terms of the SSA and applicable requirements.

(c) Event of Default

In the event of a breach of the SSA by any Party, the non-defaulting Party shall be entitled to exercise such rights and remedies as set out in the SSA, including but not limited to the right to seek damages and/or specific performance.

2.5 **Date and Original Cost of Investment**

The date and the original cost of investment by PUC in PIHL is as follows:-

Date	Cost of Investment (RM)
20 December 2017	52,800,000

[the remaining space of this page is intentionally left blank]

2.6 **Estimated gain arising from the Proposed Disposal**

The estimated gain on the Proposed Disposal is as below:-

	RM
Sale Consideration	30,000,000
(Less) Carrying amount of investment disposed as at 31 December 2025	24,177,521
Estimated gain	5,822,479

2.7 **Liabilities to be Assumed**

There are no liabilities, including contingent liabilities and guarantees, to be assumed by PUC pursuant to the Proposed Disposal.

2.8 **Cash Company / GN3 Status**

The Proposed Disposal is not expected to result in PUC becoming:-

(a) a cash company pursuant to Rule 8.03 and Guidance Note 2 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad; or

(b) an affected listed issuer pursuant to Rule 8.03A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Guidance Note 3 thereof.

3. BASIS AND JUSTIFICATION FOR ARRIVING AT THE SALE CONSIDERATION

The total Sale Consideration of RM30,000,000 for the Sale Shares was arrived at after taking into consideration, inter alia, the following:-

(a) the implied valuation of PIHL derived from the indicative pricing of approximately USD4.00 per share in connection with PIHL's proposed NASDAQ listing, after taking into account appropriate discounts for illiquidity, marketability constraints and execution risk associated with the timing and completion of the proposed listing exercise;

(b) the financial condition and performance of Pictureworks Group, including its history of recurring losses, negative cash flows and going concern uncertainties, which impact the realisable value of the investment;

(c) the fair value assessment of PUC's remaining 13.76% equity interest in PIHL of approximately RM30.7 million as at 31 December 2025, as determined by the Company based on a market-based valuation approach incorporating appropriate adjustments for illiquidity and probability of successful listing;

(d) the absence of a ready market for the shares and the inherent uncertainty in timing and ability to monetise the investment; and

(e) prevailing market conditions and the Company's strategic objective to unlock value and enhance liquidity, while allowing redeployment of financial resources.

The Board, after having considered all relevant factors, is of the opinion that the consideration is fair and reasonable and in the best interest of the Company.

4. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL

The Proposed Disposal forms part of the Company's ongoing efforts to optimise its investment portfolio and enhance capital efficiency.

After taking into consideration the financial condition and performance of Pictureworks Group, the Board is of the view that the Proposed Disposal represents an opportunity for the Company to realise part of its investment in PIHL.

The Proposed Disposal will enable the Company to unlock value from a non-core investment, improve liquidity and redeploy resources towards its core businesses and future opportunities.

Notwithstanding the Proposed Disposal, the Company will retain an equity interest in PIHL and continue to participate in any potential upside.

5. UTILISATION OF PROCEEDS

The gross proceeds of RM30,000,000 arising from the Proposed Disposal are intended to be utilised primarily for repayment of the PUC's and its group of subsidiaries' ("**Group**") outstanding borrowings and the balance for working capital requirements and strategic investments within the Group's core businesses, in the following manner:-

Purpose	Amount (RM)	Timeframe
Working capital requirements of PUC and its group of subsidiaries (collectively, "**Group**")	12,517,874	Within 12 months
Repayment of borrowings	17,282,126 (1)	Within 12 months
Estimated expenses relating to the Proposed Disposal	200,000	Immediate
TOTAL	30,000,000	-

Note:-

(1) The amount allocated for repayment of borrowings represents the Group's estimated outstanding borrowings as at the date of announcement, comprising primarily term loan facilities obtained from licensed financial institutions and other financing obligations of the Group. As at the date of the announcement, the Group's borrowings proposed to be repaid are as follows:-

Facility	Outstanding Amount (RM)	Proposed Repayment (RM)
Term Loans (I) obtained from a licensed bank for the purchase of a freehold building	2,707,964	2,707,964
Term Loans (II)	3,881,162	3,881,162
Redeemable Preference Shares	10,693,000	10,693,000
	17,282,126	17,282,126

The actual utilisation of proceeds may vary depending on the operational requirements of the Group at the relevant time.

6. RISKS OF THE TRANSACTION

The Board does not expect any material risks arising from the Proposed Disposal. Nevertheless, the following risk factors have been identified:-

(a) **Residual Investment Risk** – Following the Proposed Disposal, the Company will retain an equity interest in PIHL. The value of this remaining investment is subject to market conditions, business performance of Pictureworks Group and uncertainties surrounding its future plans, including the timing and success of any potential corporate exercises.

(b) **Opportunity Cost** – The Company may forego potential future gains that could arise from the disposal of the Sale Shares if the value of PIHL increases in the future.

Notwithstanding the above, the Board is of the view that the identified risks are manageable and do not outweigh the benefits of the Proposed Disposal.

7. EFFECTS OF THE PROPOSED DISPOSAL

7.1 Share Capital and Substantial Shareholders' Shareholding

The Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' direct and/or indirect shareholdings of PUC as the transaction does not involve any issuance of new shares.

7.2 Net Assets ("NA") and Gearing

The pro forma effects of the Proposed Disposal on the consolidated NA and gearing of PUC based on the latest audited financial statements for the financial year ended 30 June 2024 are as follows:-

	Audited as at 30 June 2024	**After Proposed Disposal** (1)
Share Capital (RM'000)	444,213	444,213
NA (RM'000)	128,205	128,211
NA per share (RM)	0.06	0.06
Borrowings (RM'000)	7,616	0 (2)
Gearing (times)	0.06	N/A

Notes:-

(1) After accounting for the following:-

- (i) issuance of 111,112,000 Placement Shares at an issue price of RM0.0540 each which were subsequently listed on 3 July 2024 pursuant to the private placement exercise previously undertaken by the Company which involved the issuance of 246,778,000 new shares (representing 10% of the then existing total number of issued Shares before the private placement), raised a total of RM12.56 million and was completed on 4 December 2024 ("**Private Placement 2024**");
- (ii) issuance of 45,455,000 shares at an issue price of RM0.0550 each which were subsequently listed on 12 July 2024 pursuant to the Private Placement 2024;
- (iii) issuance of 22,222,222 shares at an issue price of RM0.0450 each which were subsequently listed on 3 September 2024 pursuant to the Private Placement 2024;
- (iv) issuance of 64,657,670 shares at an issue price of RM0.0404 each which were subsequently listed on 11 September 2024 pursuant to the employee's share grant scheme involving the issuance up to 10% of the total number of issued shares of the Company, which took effect on 26 August 2020 for a period of 5 years and has expired on 25 August 2025 ("**ESGS 2020**");

(v) issuance of 11,111,111, 44,444,444 and 12,433,223 shares at an issue price of RM0.0450 each which were subsequently listed on 7 October 2024, 19 November 2024 and 4 December 2024 respectively pursuant to the Private Placement 2024;
(vi) issuance of 13,264,644 shares at an issue price of RM0.0350 each which were subsequently listed on 19 March 2025 pursuant to the ESGS 2020;
(vii) creation of fair value reserve arising from the granting of 233,445,231 employees' share option scheme's options pursuant to the Company's employees' share option scheme ("**ESOS Options**") involving the issuance up to 20% of the total number of issued shares, which took effect on 26 August 2020 for a period of 5 years and has expired on 25 August 2025 ("**ESOS 2020**") at an allocated fair value of RM0.0005 each;
(viii) issuance of 233,445,231 new shares following the exercise of ESOS Options at an issue price of RM0.0300 each which were subsequently listed on 5 June 2025 pursuant to the ESOS 2020 and after accounting for the reversal of fair value reserve; and
(ix) issuance of 22,077,686 shares at an issue price of RM0.0299 each which were subsequently listed on 12 June 2025 pursuant to the ESGS 2020.

(2) Assuming full repayment of the Group's outstanding borrowings using part of the proceeds from the Proposed Disposal.

The Proposed Disposal is expected to result in an improvement in the NA and gearing position of the Group, arising from the gain of approximately RM5.8 million, before taking into consideration any applicable taxes, including capital gains tax, and the cash proceeds received from the Proposed Disposal.

7.3 Earnings and Earnings Per Share ("EPS")

The Proposed Disposal is expected to result in a gain of approximately RM5,822,479, being the difference between the disposal consideration and the carrying amount of the Sale Shares.

The pro forma effects on the earnings and EPS of PUC for the financial year ending 31 December 2025 are as follows:-

	RM'000
Profit / (Loss) attributable to shareholders before Proposed Disposal	(60,786)
Gain / (Loss) from Proposed Disposal	5,823
Profit / (Loss) attributable to shareholders after Proposed Disposal	(54,963)

7.4 Expected Gain / (Loss)

The Proposed Disposal is expected to result in a gain of approximately RM5,822,479, based on the difference between the disposal consideration of RM30,000,000 and the carrying amount of the Sale Shares as at 31 December 2025.

8. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 23.40% based on the audited consolidated financial statements for the financial year ended 30 June 2024.

[the remaining space of this page is intentionally left blank]

9. APPROVAL REQUIRED

The Proposed Disposal is not subject to the approval of the shareholders of PUC, as the highest percentage ratio applicable to the Proposed Disposal pursuant to Rule 10.02(g) of the ACE Market Listing Requirements is approximately 23.40%, which is below the threshold requiring shareholders' approval.

The Proposed Disposal is also not subject to the approval of any other relevant regulatory authorities.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND CHIEF EXECUTIVE OF THE COMPANY AND/OR PERSONS CONNECTED TO THEM

None of the directors, major shareholders and chief executive of the Company and/or persons connected to them have any interest, whether direct or indirect, in the SSA and the Proposed Disposal.

11. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Disposal including the basis and justification of the consideration, is of the opinion that the Proposed Disposal is fair, reasonable and in the best interest of the Company.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Pursuant to the terms of the SSA, the Proposed Disposal was completed on 31 December 2025 upon the execution of the SSA and receipt of the full Sale Consideration by the Company.

Following the Completion Date, the Purchaser became entitled to the beneficial ownership of the Sale Shares in accordance with the terms of the SSA.

The transfer of legal title to the Sale Shares to the Purchaser (or its nominee) will be effected in due course upon satisfaction of the relevant requirements and completion of the necessary transfer formalities.

13. FURTHER / ADDITIONAL INFORMATION

Save as disclosed above, there are no other material information in relation to the Proposed Disposal which would materially affect the decision of shareholders and investors.

[the remaining space of this page is intentionally left blank]

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SSA is available for inspection during normal office hours at the registered office of PUC at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 8 May 2026.