PUC BERHAD ("PUC" OR THE "COMPANY")

PROPOSED SHARE CAPITAL REDUCTION

1. INTRODUCTION

On behalf of the Board of Directors of PUC ("**Directors**") ("**Board**"), Berjaya Securities Sdn Bhd (formerly known as Inter-Pacific Securities Sdn Bhd) ("**Berjaya Securities**") wishes to announce that the Company is proposing to reduce its issued share capital pursuant to Section 117 of the Companies Act, 2016 ("**Act**") ("**Proposed Share Capital Reduction**").

Further details of the Proposed Share Capital Reduction are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction entails the reduction of RM350.00 million of the issued share capital of the Company via the cancellation of part of its issued share capital which is substantially unrepresented by available assets pursuant to Section 117 of the Act.

The credit arising from the Proposed Share Capital Reduction shall be utilised to set off the accumulated losses of the Company as permitted by the relevant and applicable laws as well as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the Constitution of the Company. Any balance credit after elimination of the Company's accumulated losses will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant authorities and applicable laws as well as the Listing Requirements.

As at 11 May 2026, being the latest practicable date before this announcement ("**LPD**"), the Company's issued share capital is RM467,511,997 comprising 3,048,010,710 ordinary shares in issue ("**Shares**"). The Company does not have any outstanding convertible securities and does not hold any treasury shares as at the LPD.

For avoidance of doubt, the Proposed Share Capital Reduction:-

(i) will not result in any adjustment to the reference share price of the Company;

(ii) will not give rise to any change in the total number of Shares held by the shareholders of the Company ("**Shareholders**"); and

(iii) will not result in any payment to the Shareholders as well as any cash outflow or change in the net assets ("**NA**") of PUC and its subsidiaries ("**Group**"), save for the estimated expenses to be incurred in relation to the Proposed Share Capital Reduction.

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For illustrative purposes, the pro forma effects of the Proposed Share Capital Reduction on the accumulated losses of the Company and the Group based on the latest audited financial statements for the 18-month financial period ended ("**FPE**") 31 December 2025 are as follows:-

	Audited as at 31 December 2025	
	Company	**Group**
	RM'000	**RM'000**
Accumulated losses	(413,873)	(331,215)
<u>Add:-</u> Credit arising from the Proposed Share Capital Reduction	350,000	350,000
Resultant (accumulated losses) / retained earnings	**(63,873)**	**18,785**

Under Section 117 of the Act, the Company may reduce its share capital by passing a special resolution. Within 7 days from the date of the special resolution, the Company is required to notify the Director General of the Inland Revenue Board of Malaysia and the Registrar of Companies of the said special resolution, as well as to advertise a notice of the Proposed Share Capital Reduction in widely circulated national language and English newspapers.

Pursuant to Section 119 of the Act, the Proposed Share Capital Reduction will become effective when the Registrar of Companies has recorded the information lodged in the appropriate register. An immediate announcement will be made with regards to the effective date of the Proposed Share Capital Reduction.

3. RATIONALE FOR THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction will allow the Company and the Group to rationalise their financial positions by reducing their accumulated losses via cancellation of part of its issued share capital which is substantially unrepresented by available assets, to reflect more accurately the value of the underlying assets and financial position of the Company and the Group.

In addition, the reduction of accumulated losses in the statements of financial position of the Company and the Group is expected to enhance their credibility with bankers, customers, suppliers, investors and other stakeholders and also provide a better financial platform for the Group's future growth.

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4. EFFECTS OF THE PROPOSED SHARE CAPITAL REDUCTION

4.1 Group structure and substantial shareholders' shareholding

The Proposed Share Capital Reduction will not have any effect on the Company's group structure and substantial shareholders' shareholdings in the Company as the Proposed Share Capital Reduction does not involve any issuance of new Shares by the Company.

4.2 Issued share capital

The pro forma effects of the Proposed Share Capital Reduction on the issued share capital of the Company are as follows:-

	No. of Shares '000	Share capital RM'000
Issued share capital as at the LPD	3,048,011	467,512
Reduction of issued share capital arising from the Proposed Share Capital Reduction	-	(350,000)
Issued share capital after the Proposed Share Capital Reduction	**3,048,011**	**117,512**

4.3 NA and gearing

The pro forma effects of the Proposed Share Capital Reduction on the NA and gearing of the Group are as follows:-

	Audited as at 31 December 2025 RM'000	(I) After the Proposed Share Capital Reduction RM'000
Share capital	467,512	117,512
Other reserves	1,869	1,869
Foreign currency translation reserve	139	139
Reserve acquisition debit	(36,809)	(36,809)
Fair value reserve	17,518	17,518
Accumulated losses	(331,215)	(1)18,597
Shareholders equity / NA	**119,014**	**118,826**
Non-controlling interests	(88)	(88)
Total equity	**118,926**	**118,738**
No. of Shares ('000)	3,048,011	3,048,011
NA per Share (RM)	0.04	0.04
Total borrowings (RM'000)	17,282	17,282
Gearing ratio (times)	0.15	0.15

Note:-

(1) After accounting for the estimated expenses incidental to the Proposed Share Capital Reduction of RM0.19 million.

4.4 Earnings and earnings per Share ("EPS")

The Proposed Share Capital Reduction will not have a material impact on the earnings and EPS of the Group for the financial year ending 31 December 2026.

5. APPROVALS REQUIRED AND CONDITIONALITY

5.1 Approvals required

The Proposed Share Capital Reduction is subject to the following being obtained:-

(i) the approval of the Shareholders for the Proposed Share Capital Reduction at an extraordinary general meeting to be convened; and

(ii) the approval of any other relevant parties / authorities, if required.

For avoidance of doubt, the Proposed Share Capital Reduction is not subject to the approval of the High Court, pursuant to Section 117 of the Act.

5.2 Conditionality

The Proposed Share Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the Proposed Share Capital Reduction.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Share Capital Reduction including but not limited to the rationale and effects of the Proposed Share Capital Reduction, is of the opinion that the Proposed Share Capital Reduction is in the best interests of the Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all relevant approvals being obtained, the Proposed Share Capital Reduction is expected to be completed by the third quarter of 2026.

9. ADVISER

Berjaya Securities has been appointed by the Company to act as the Principal Adviser for the Proposed Share Capital Reduction.

This announcement is dated 22 May 2026.