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

PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN PUC CAPITAL SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY ("Proposed Disposal")

1. INTRODUCTION

The Board of Directors of PUC Berhad ("**Board**") wishes to announce that the Company had on 4 June 2026 entered into a binding term sheet ("**Term Sheet**") with Tham Lih Chung ("**Purchaser**") for the proposed disposal of 100% issued share capital of PUC Capital Sdn. Bhd. [Registration No. 200001025924 (528531-X)] ("**PUC Capital**" or the "**Target Company**"), a wholly-owned subsidiary of PUC Berhad, to the Purchaser (the "**Proposed Disposal**").

The Purchaser is also the controlling party of Alevate Capital Sdn Bhd [Registration No. 201601022370 (1193309-H)], which is the largest single debtor of PUC Capital with outstanding receivables of approximately RM7.22 million, representing approximately 54% of PUC Capital's total third-party receivables.

The Proposed Disposal is subject to, among others, the fulfilment of the conditions precedent under the Term Sheet and the execution of the relevant definitive transaction documents required to give effect to the Proposed Disposal.

Upon completion of the Proposed Disposal, PUC Berhad will cease to hold any ordinary shares in PUC Capital and PUC Capital will cease to be a subsidiary of PUC Berhad.

In connection with the Proposed Disposal, the Board also announces a Related Party Transaction ("**RPT**") arising from the novation of intercompany receivables to Cheong Chia Chou, Group Managing Director and Group Chief Executive Officer of PUC Berhad ("**Mr. Cheong**"), as further described in Section 10 of this announcement.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on PUC Capital

PUC Capital was incorporated in Malaysia on 10 October 2000 as a private company limited by shares under the Companies Act, 1965 and having the registered address at No. 6B, Jalan 19/36, 46300 Petaling Jaya, Selangor and its business address 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.

PUC Capital is principally involved in licensed money lending activities, security systems and investment holding.

As at the date of this announcement:-
(i) the directors of PUC Capital are Datuk Oh Chong Peng and Mr. Cheong; and
(ii) PUC owns all 20,000,000 ordinary shares of PUC Capital ("**Sale Shares**").

2.2 Financial Information of PUC Capital

Based on the latest audited financial statements of PUC Capital as at 31 December 2025, the financial information of PUC Capital is as follows:-

	RM'000
Net liabilities	2,530
Profit / (Loss) After Tax	(178)
Total Assets	18,208

2.3 Date and Original Cost of Investment

The date and the original cost of investment by PUC in the Sale Shares are as follows: -

Date	**Description**	**Number of Ordinary Shares**	**Cost of Investment (RM)**
21 March 2001	Acquisition of Shares	20	2.00
13 September 2007	Allotment of Shares	1,999,980	199,998.00
12 March 2008	Allotment of Shares	8,000,000	800,000.00
6 March 2015	Allotment of Shares	10,000,000	1,000,000.00
	TOTAL	**20,000,000**	**2,000,000.00**

2.4 Consideration Structure

The disposal consideration for the Sale Shares (the "**Disposal Consideration**") is structured as follows:-

(a) **Nominal Sale Price**: Ringgit Malaysia One Only (RM1.00), being the legal consideration for the transfer of the Sale Shares from PUC Berhad to the Purchaser;

(b) **Effective Disposal Consideration (Waiver of Intercompany Receivables):** PUC Berhad shall direct PUC Capital to release and discharge the relevant subsidiaries and/or affiliated companies within the group of companies comprising PUC Berhad and its subsidiaries (the "**Group**" or "**PUC Group**") from their obligation to repay RM680,000 of the aggregate intercompany receivables of RM5.113 million owed by those related companies to PUC Capital (the "**Waived Portion**"). The waiver of the Waived Portion constitutes the effective Disposal Consideration received by PUC Berhad;

(c) **Novation of Residual Intercompany Receivables (Related Party Transaction)**: The remaining RM4.433 million of the intercompany receivables (the "**Novated Portion**") shall be novated such that Mr. Cheong assumes personal liability to PUC Capital as incoming debtor in place of the relevant related companies. This constitutes the related party transaction and is further described in Section 10 of this announcement.

2.5 Liabilities, Contingent Liabilities and Guarantees in relation to the Proposed Disposal

As at the date of this announcement, PUC Berhad has granted a corporate guarantee in favour of the funders of PUC Capital in respect of PUC Capital's funding obligations, in an aggregate amount of up to RM50 million (the "**Corporate Guarantee**"). Completion of the Proposed Disposal is conditional upon the novation of the Corporate Guarantee from PUC Berhad to Fidelity Funding Sdn Bhd (the "**CG Novation**"), upon which PUC Berhad shall be fully and unconditionally released from all obligations under the Corporate Guarantee. Until the CG Novation is completed, PUC Berhad remains exposed to its obligations under the Corporate Guarantee. As the CG Novation is a non-waivable condition precedent to completion, PUC Berhad's exposure is time-limited and controlled.

Save for the above and the obligations expressly provided under the Term Sheet and the relevant Transaction Documents, there are no liabilities, including contingent liabilities, to be assumed by PUC pursuant to the Proposed Disposal.

2.6 Cash Company / GN3 Status

The Proposed Disposal is not expected to result in PUC Berhad 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 DISPOSAL CONSIDERATION

The nominal cash consideration of RM1.00 and the effective Disposal Consideration of RM680,000, were arrived at after arm’s-length negotiations between the parties, having regard to, among others, the financial position of PUC Capital, its existing funding obligations, the outstanding intercompany receivables and the commercial objective of procuring the release of PUC Berhad from the Corporate Guarantee.

In arriving at the commercial basis for the Proposed Disposal, the Board has taken into consideration the following estimated net asset and liability waterfall of PUC Capital as at 31 March 2026:-

Description	RM’000
Total funder debt / liabilities	(20,766)
Add: Third-party receivables collectible on a best-case basis	13,471
Net debt remaining	(7,295)
Add: Intercompany receivables from PUC Group companies	5,113
Net debt after intercompany collection	(2,182)

Add: Estimated net cash from refinancing of the real estate property registered in the name of PUC Capital ("**Oasis Office**") (RM5.00 million valuation less approximately RM2.64 million existing mortgage)	2,361
Add: Attributed value of money-lending licence	500
Estimated net value of PUC Capital	**679**
Effective Disposal Consideration (approximately)	**680**

The above figures are based on the Company's estimates and are subject to due diligence verification, third-party collection outcomes, valuation of the Oasis Office and completion adjustments.

The Board is of the view that the nominal cash consideration of RM1.00 and the effective Disposal Consideration of RM680,000 are justifiable having regard to, among others:-

(a) the net liabilities position of PUC Capital, which has negative equity of approximately RM2.53 million as at 31 December 2025;

(b) the aggregate funder debt of approximately RM20.766 million carried by PUC Capital;

(c) the release of PUC Berhad from the Corporate Guarantee of up to RM50 million upon completion of the CG Novation, eliminating a material contingent liability from PUC Berhad's balance sheet;

(d) the unique commercial position of the Purchaser, whose affiliated entity Alevate Capital Sdn Bhd is PUC Capital's largest single debtor (approximately RM7.22 million, representing approximately 54% of PUC Capital's total third-party receivables), enabling debt cancellation by the Purchaser that would not be achievable with a third-party acquirer;

(e) the release of relevant PUC Group entities from the intercompany receivables pursuant to the Waived Portion and the Intercompany Novation; and

(f) the commercial objective of removing PUC Capital and its associated obligations from the PUC Group.

The Board, after having considered all relevant factors, is of the opinion that the Disposal Consideration and the terms of the Proposed Disposal are fair and reasonable and in the best interests of the Company.

4. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL

The Proposed Disposal forms part of the Company's ongoing efforts to streamline the Group's structure. The Board is of the view that the Proposed Disposal is in the best interests of PUC Berhad for the following reasons:-

(a) PUC Capital is currently in a net liabilities position and carries aggregate funder debt of approximately RM20.766 million. The Proposed Disposal will result in the removal of PUC Capital and its associated funding obligations from the PUC Group's consolidated position, ceasing the Group's exposure to a loss-making subsidiary whose funder debt has been growing at approximately 47% per quarter.

(b) Upon completion of the CG Novation, PUC Berhad will be fully and unconditionally released from the Corporate Guarantee of up to RM50 million issued in favour of PUC Capital's funders. This eliminates a significant contingent liability from PUC Berhad's balance sheet.

(c) The Purchaser, through Alevate Capital Sdn Bhd, is PUC Capital's largest single debtor and is uniquely positioned to extract maximum recoverable value from PUC Capital's receivables through intercompany debt settlement within his group. This enables an effective Disposal Consideration of RM680,000 that would not be achievable with a third-party acquirer.

(d) The Proposed Disposal allows PUC Berhad to redirect management attention and resources to its core business operations, free from the operational and financial burden of PUC Capital.

(e) All current directors of PUC Capital will be indemnified by the Purchaser under a deed of indemnification for all historical liabilities and claims arising from the operations of PUC Capital, providing appropriate protection for the directors concerned.

5. UTILISATION OF PROCEEDS

The nominal cash consideration of RM1.00 payable by the Purchaser for the Sale Shares will be utilised to defray part of the expenses incidental to the Proposed Disposal.

For avoidance of doubt, the effective Disposal Consideration of RM680,000 is to be satisfied by way of the waiver/release of the Waived Portion and does not involve any cash proceeds to be received by PUC Berhad. Accordingly, the Proposed Disposal is not expected to raise any material cash proceeds for the Group.

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) Completion of the Proposed Disposal is subject to the fulfilment of the conditions precedent under the Term Sheet, including the completion of the CG Novation, the execution of the relevant transaction documents and the obtaining of the relevant approvals and consents. There can be no assurance that all such conditions precedent will be fulfilled within the stipulated timeframe.

(b) The effective Disposal Consideration is premised on the Company’s best-case estimates of recoverable third-party receivables of approximately RM13.471 million. Actual recovery rates may be lower, in particular in respect of amounts owed by Alevate Capital Sdn Bhd (approximately RM7.22 million, representing approximately 54% of total third-party receivables), for which recovery at a rate of 60% to 70% has been estimated. Any shortfall in recovery will be borne by the Purchaser post-completion.

(c) The net value waterfall assumes an Oasis Office valuation of RM5.000 million. Should the independent valuation fall below the threshold agreed between the parties, the Disposal Consideration may be subject to renegotiation.

(d) The existing property loan facility of PUC Capital with Public Bank Berhad (outstanding balance of approximately RM2.7 million) contains a covenant requiring Public Bank Berhad's prior written consent to any change of shareholding. Completion of the Proposed Disposal is conditional upon obtaining such consent. Failure to obtain the consent of Public Bank Berhad prior to completion may constitute an event of default under the facility, potentially triggering enforcement of the mortgage over the Oasis Office.

(e) The Proposed Disposal involves, among others, a change in ownership of PUC Capital, a licensed money lending company, and may require approvals under the Moneylenders Act 1951 and other applicable written laws, as well as the consent of Public Bank Berhad in respect of the existing property loan facility.

(f) Until the CG Novation has been completed and PUC Berhad has been released from its obligations under the Corporate Guarantee, PUC Berhad remains exposed to the obligations under the Corporate Guarantee.

(g) PUC may forego any potential future upside or recovery from PUC Capital following completion of the Proposed Disposal.

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 Berhad as the Proposed Disposal does not involve any issuance of new shares by PUC Berhad.

7.2 Net Assets (“NA”) and Gearing

The pro forma effects of the Proposed Disposal on the consolidated NA and gearing of PUC Berhad based on the latest audited financial statements for the financial year ended 31 December 2025 are as follows: -

	Audited as at 31 December 2025	After Proposed Disposal
Share capital (RM’000)	471,345	471,345

NA attributable to owners of the Company (RM'000)	119,014	121,544
NA per share (RM)	0.039	0.039
Borrowings (RM'000)	17,282	400
Gearing (times)	0.15	0.003

The Proposed Disposal is expected to have an immaterial impact on the consolidated NA, NA per share and gearing of PUC Group, and is not expected to materially affect the financial position of PUC Group.

7.3 Earnings and Earnings Per Share ("EPS")

Based on the effective Disposal Consideration of RM680,000 and the estimated net liabilities / negative equity of PUC Capital of approximately RM2.53 million as at 31 December 2025, and before taking into account any completion adjustments, intercompany elimination, expenses and tax effects, the Proposed Disposal may result in an estimated gain/loss from deconsolidation of approximately RM680,000.

	RM'000
Profit / (Loss) attributable to shareholders before Proposed Disposal	(51,534)
Add: Estimated gain arising from the Proposed Disposal (before adjustments)	680
Profit / (Loss) attributable to shareholders after the Proposed Disposal	(50,854)
Weighted average number of shares ('000)	2,854,385
Earnings / (Loss) per share (sen) — after the Proposed Disposal	(0.018)

The actual gain or loss will be determined upon completion of the Proposed Disposal and after finalisation of the relevant accounting treatment.

7.4 Expected Gain / Loss

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

	RM'000
Effective Disposal Consideration	680
Add: Estimated net liabilities / negative equity of PUC Capital disposed	2,530
Estimated gain on disposal	680

The actual gain or loss will be determined upon completion of the Proposed Disposal and after finalisation of the relevant accounting treatment, including completion adjustments, intercompany elimination, expenses and applicable tax effects.

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 11.93%, based on the latest audited consolidated financial statements of PUC Berhad for the financial year ended 31 December 2025.

9. APPROVALS / CONSENTS REQUIRED

The Proposed Disposal is not subject to the approval of the shareholders of PUC Berhad as the highest percentage ratio applicable to the Proposed Disposal pursuant to Rule 10.02(g) of the ACE Market Listing Requirements is approximately 11.93%, which is below the threshold requiring shareholders' approval.

The Proposed Disposal is subject to the following approvals and consents:-

(a) The existing property loan facility of PUC Capital with Public Bank Berhad contains a covenant requiring Public Bank Berhad's prior written consent to any change of shareholding. This consent is a non-waivable condition precedent to completion. The Purchaser is solely responsible for procuring such consent. The relevant application is expected to be made within one (1) month from the date of this announcement and Public Bank Berhad's consent is expected to be obtained by the third quarter of 2026.

(b) Approval from the Kementerian Perumahan dan Kerajaan Tempatan ("**KPKT**") is required in connection with the change in ownership of PUC Capital as a licensed money-lending company under the Moneylenders Act 1951. The relevant application to KPKT is expected to be made within one (1) month from the date of this announcement, and KPKT's approval is expected to be obtained by the third quarter of 2026.

(c) Any other regulatory and statutory approvals as may be required in connection with the change of ownership of PUC Capital.

Save as disclosed above, the Proposed Disposal is not subject to the approval of any other government authority.

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

10.1 Interest of Directors, Major Shareholders and Chief Executive

Mr. Cheong, being the Group Managing Director and Group Chief Executive Officer of PUC berhad and a director of PUC Capital, is deemed interested in the Proposed Disposal by virtue of his proposed role as the incoming debtor in respect of the Novated Portion as described in Section 10.2 below. Accordingly, Mr. Cheong has abstained and will continue to abstain from all Board deliberations and voting in respect of the Proposed Disposal and all matters related thereto.

Save as disclosed above, none of the other directors, major shareholders and chief executive of the Company and/or persons connected to them have any interest, whether direct or indirect, in the Term Sheet and the Proposed Disposal.

10.2 Related Party Transaction

In connection with the Proposed Disposal, the intercompany receivables of RM5.113 million owed by the related companies of PUC Capital within the PUC Group to PUC Capital are to be allocated as follows:-

Description	Amount (RM'000)	Treatment
Intercompany receivables pool owed by related companies to PUC Capital)	5,113	—
Waived Portion — relevant related companies released from repayment obligation; constitutes the effective Disposal Consideration	680	Waived
Novated Portion — repayment obligation novated to Mr. Cheong personally (Related Party Transaction)	4,433	Novated to Mr. Cheong
Total	**5,113**	**—**

The novation of the Novated Portion of RM4.433 million to Mr. Cheong constitutes a related party transaction ("**RPT**") as Mr. Cheong is a director of PUC Berhad with a direct personal interest in the transaction. Upon novation, Mr. Cheong will personally assume liability to PUC Capital for the Novated Portion as incoming debtor. PUC Capital's right to collect the Novated Portion remains intact and enforceable against Mr. Cheong post-completion. The Purchaser and Mr. Cheong shall make such arrangements as they see fit in respect of the Novated Portion independently and without recourse to PUC Berhad.

10.3 Percentage Ratio

The highest percentage ratio of the above RPT, computed pursuant to Rule 10.02(g) of the ACE Market Listing Requirements based on the latest audited consolidated financial statements of PUC Berhad for the financial year ended 31 December 2025, is approximately 3.23%. As the highest percentage ratio is below the 5% threshold under Rule 10.08(2) of the ACE Market Listing Requirements, no independent adviser, circular to shareholders or shareholder approval is required in respect of the RPT.

10.4 Amount Transacted in the Preceding Twelve Months

The total amount transacted between PUC Berhad and Mr. Cheong (in the twelve (12) months preceding the date of this announcement, save for the RPT disclosed herein, is RM692,675.

11. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The Audit and Risk Management Committee of the Company (the members of which have no interest in the Proposed Disposal or the RPT), after having considered all aspects of the Proposed Disposal and the RPT, including the terms of the Term Sheet, the basis and justification for the Disposal Consideration, the financial position of PUC Capital and the benefits expected to accrue to the Group, is of the view that the Proposed Disposal is in the best interest of the Company, fair, reasonable and on normal commercial terms, and is not detrimental to the interests of the minority shareholders of the Company.

In respect of the RPT specifically, the Audit and Risk Management Committee of PUC Berhad is satisfied that the novation of the Novated Portion to Mr. Cheong is an integral and necessary mechanism of the Proposed Disposal, structured to achieve the maximum recoverable value for PUC Berhad. The terms of the novation do not confer any undue benefit on Mr. Cheong at the expense of PUC Berhad or its minority shareholders.

12. DIRECTORS' STATEMENT

The Board, save for Mr. Cheong who has abstained from deliberation and voting in respect of the Proposed Disposal and the related arrangements thereto, having considered all aspects of the Proposed Disposal including the basis and justification of the Disposal Consideration, is of the opinion that the Proposed Disposal is fair, reasonable and in the best interest of the Company.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of the conditions precedent under the Term Sheet, the Proposed Disposal is expected to be completed within three (3) months from the date of the Term Sheet i.e. by the end of third quarter of 2026.

14. 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.

15. DOCUMENTS AVAILABLE FOR INSPECTION

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

This announcement is dated 4 June 2026.