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Headline: PUC Cuts Investment In 11Street Down to RM40M



## PUC cuts investment in 11Street down to RM40m

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[Tan Xue Ying/theedgemarkets.com](mailto:Tan Xue Ying@theedgemarkets.com)

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KUALA LUMPUR (June 12): PUC Bhd has settled for a RM40 million investment in e-commerce platform 11Street Malaysia, less than half the RM90 million it had initially considered.

In a filing with the stock exchange today, PUC said its wholly-owned PUC Ventures Sdn Bhd (PUCV) has inked a share subscription agreement (SSA) with Celcom Planet Sdn Bhd, following a termsheet entered into on April 19.

"Pursuant to the SSA, PUC Ventures has agreed to subscribe to 12.348% equity interest in Celcom Planet for a total cash consideration of RM40 million, instead of subscribing for up to 24% equity interest in Celcom Planet for a total cash consideration of up to RM90 million," read the filing.

The subscription includes a 1.72% equity interest in Celcom Planet, which was a done deal on April 24.

Concurrent with the execution of the SSA, PUC and PUCV also inked an amended and restated shareholders' agreement with Celcom Planet, SK Planet Global Holdings Pte Ltd (SKP) and Axiata Digital Services Sdn Bhd (ADS).

On completion of the investment, SKP will own a 44.7% stake in Celcom Planet, while ADS will have 42.9%.

Celcom Planet owns and operates 11Street Malaysia, one of the largest e-commerce companies here which originated from South Korea under the management of SK Planet Co Ltd.

However, Celcom Planet was loss-making as at end-2017, incurring a net loss of approximately RM129 million with net liabilities at some RM104 million, according to PUC's exchange filing today.

So long as PUC is able to offer agreed strategic value propositions to 11Street, and competitive market prices and terms to Celcom Planet, PUC shall be appointed the preferred marketing partner, the preferred payment gateway service provider, and the preferred technology provider.

The investment — which does not require shareholders' approval — is expected to be completed by the third quarter of 2018.

Shares in PUC slid one sen or 4.76% to close at 20 sen today after 13.14 million shares exchanged hands, valuing it at a market capitalisation of RM318.35 million.

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