

Adli Abdul Karim
Weber Shandwick
Tel: +603 6209 5222
Email: AAbdulKarim@webershandwick.com

Sarah Zulkifli
Weber Shandwick
Tel: +603 6209 5240
Email: SZulkifli@webershandwick.com

PUC Acquires Pictureworks To Enhance Global Digital Footprint

New business to contribute 25% or more to the bottom line of PUC Group

Key highlights: -

- PUC Berhad (“PUC”) proposes to acquire 33% stake in Pictureworks Holdings Sdn Bhd (“PWHSB”) for RM52.80 million (“Proposed Acquisition”), as part of its efforts to expand business portfolio and revenue stream
- PUC proposes to diversify its business into the imagery capture sector (“Proposed Diversification”)

KUALA LUMPUR, 27 December, 2017 – In efforts to further widen its business reach out and to diversify its revenue sources, PUC has entered into a conditional sale of shares agreement with the vendors of PWHSB in relation to a proposed acquisition of 6,076,081 ordinary shares or 33% stake of PWHSB for a total purchase consideration of RM52.80 million, to be satisfied by a combination as follows:

- The issuance of 64,596,273 new PUC ordinary shares at an issue price of RM0.322 per share amounting to RM20.80 million; and
- Cash settlement of RM32.00 million to be made on a staggered basis upon meeting a certain Profit Guarantee

The proposed acquisition comes with a Profit Guarantee undertaken by PWHSB and its subsidiaries (“PW Group”) to PUC that PW Group shall achieve a profit after tax of RM14.80 million and RM20.50 million for Financial Years Ending 2018 and 2019 respectively. Going forward, PW Group is expected to contribute 25% or more to the net profits of PUC Group and a diversion of more than 25% in PUC Group’s net assets may be seen.

In line with the proposed acquisition, PUC proposes to diversify its business to include the provision of digital imaging, content solutions, software consultancy services, trading in photographic, other automated kiosks and accessories, and provision of digital memories platform and services as well as licensing of imagery systems, signifies PUC’s venture into the imagery capture sector.

With fourteen years of established experience, PW Group provides imagery capture and distribution platforms for theme parks, leisure and entertainment industries in more than 30 sites. Its proprietary image solutions technology named PictureAir, has successfully connected memories for the visitors to theme parks and attractions. Currently, PW Group possesses a workforce of 800 staff across its operating locations, with offices in Singapore, Malaysia, China and Hong Kong. PW Group is the official imaging service provider for some of the major international theme parks and attractions such as Shanghai Disney Resort, Hong Kong Disneyland Resort, LEGOLAND® Malaysia and KidZania in various parts of the world. On average, PW Group captures approximately 150 million of pictures annually.

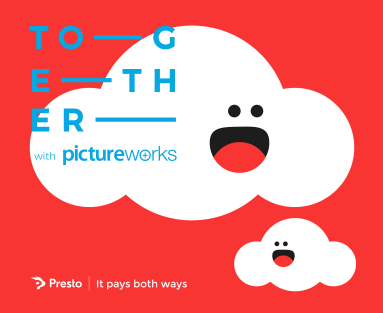
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Group Managing Director and Chief Executive Officer of PUC, **CHEONG** Chia Chou said, “We are excited to add PW Group to our growing list of companies as we see its potential for further growth in the digital space. The expertise and knowledge of PW Group combined with its network with the global major brands as well as its large PictureAir member pool, also equips us with new insights to develop world-class offerings across our eCommerce and ePayment businesses. We are optimistic that PW Group will contribute positively to our overall growth vision to become a major technology player.”

The Proposed Acquisition is expected to be completed by the second quarter of 2018.

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Photo Cutlines

	<p>PUC Berhad acquires 33% of equity interest in Pictureworks Holdings Sdn. Bhd., an established imagery capture and distribution platforms service provider</p>
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About PUC Berhad

PUC Berhad (“PUC”) (formerly known as PUC Founder (MSC) Berhad) was incorporated in Malaysia on 3 November, 1997 by China Founder Group. It is the first China government linked company to list on the ACE Market of Bursa Malaysia Securities Berhad (formerly known as MESDAQ Market of Kuala Lumpur Stock Exchange) on 8 April, 2002. It was also one of the first companies to be awarded the Multimedia Super Corridor (“MSC”) status in Malaysia. Throughout the years, PUC has built a solid foundation in Malaysia especially in the four key segments – integrated media services, eCommerce, technology and renewable energy. For more information, please visit www.puc.com.

About Pictureworks Holdings Sdn. Bhd.

Pictureworks Holdings Sdn. Bhd. (“PWHSB”) was incorporated in 2008 and via its subsidiaries (collectively named as “PW Group”), provides imagery capture and distribution platforms for theme parks, leisure and entertainment industries, through its proprietary technology named PictureAir. Currently, PW Group has offices in Singapore, Malaysia, China and Hong Kong. It possesses a pool of international clientele across a number of countries including Shanghai Disney Resort, Hong Kong Disneyland Resort, LEGOLAND® Malaysia and KidZania in various parts of the worlds.