

PRG HOLDINGS BERHAD (“PRG” OR THE “COMPANY”)

SHAREHOLDERS’ AGREEMENT BETWEEN CPHL (HK) LIMITED, PRG CONSTRUCTION SDN BHD AND PREMIER MIRACH SDN BHD

1. INTRODUCTION

Reference is made to the Company’s announcement dated 5 July 2017 on the Memorandum of Understanding (“MOU”) entered into between Mirach Energy Limited and the Company to set out the preliminary understanding of the parties to enter into formal negotiation and share information concerning the proposed joint venture between the parties to undertake property and construction projects and negotiate the terms of the participation in a joint venture company to be established.

The Board of Directors (“Board”) of PRG wishes to announce that PRG Construction Sdn Bhd (“PCSB”) and Premier Mirach Sdn Bhd (“PMSB”), both being wholly owned subsidiaries of PRG as at the date of this announcement, have on 25 August 2017 entered into a shareholders’ agreement (“SA”) with CPHL (HK) Limited (“CPHL”) for the purpose of regulating their relationship as shareholders in and certain aspects of their dealings with PMSB, in accordance with the terms stipulated in the SA.

(PCSB, PMSB and CPHL shall collectively be referred to as the “Parties” and individually as a “Party”).

2. INFORMATION OF THE PARTIES

2.1 PCSB

PCSB was incorporated in Malaysia as a private limited company and having its office at C-6-01, Capital 3, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan.

PCSB, a wholly-owned subsidiary of PRG, is principally involved in investment holding.

2.2 CPHL

CPHL is a company incorporated in Hong Kong with its registered office at Unit 3305 Level 33 Tower One, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong. CPHL is a wholly owned subsidiary of Mirach Energy Limited, a public limited company incorporated and domiciled in Singapore and listed on the Mainboard of Singapore Exchange.

CPHL is principally involved in investment holdings and has interests in oil and gas operations in Indonesia.

2.2 PMSB

PMSB was incorporated in Malaysia as a private limited company and having its office at C-6-01, Capital 3, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan. As at the date of this announcement, PMSB is a wholly-owned subsidiary of PCSB.

3. SALIENT INFORMATION OF THE SA

(a) Subscription and Contributions of the Shareholders

- (i) The Parties agreed that CPHL and PCSB shall subscribe such number of shares in PMSB such that their shareholding in PMSB shall be CPHL owning 75% and PCSB owning 25%.
- (ii) The Parties agreed that CPHL's and PCSB's initial contributions to PMSB shall be as follows:
 - 1. CPHL shall provide financial contribution to fund the initial working capital of PMSB in undertaking its work as the main contractor for identified construction / development projects.
 - 2. PCSB shall secure the appointment of PMSB as the main contractor of identified construction / development projects; provide all the construction know-how and all other expertise; secure funding either by way of bank facilities or otherwise as working capital for the projects; and assist PMSB to obtain all regulatory licences and permits relating to the operation of the JV Business as well as all regulatory licences and permits in relation to its role as the main contractor for the projects.
- (iii) CPHL and PCSB intend to negotiate on the inclusion of subsequent property development and/or construction projects into PMSB from time to time.

(b) Board of Directors

- (i) CPHL shall have majority representation on the Board of PMSB as long as it holds more than 50% of all the issued shares in PMSB. As long as the shareholding percentages of CPHL and PCSB remain as 75% : 25% respectively, the composition ratio of the Board shall be 2 (CPHL) : 1 (PCSB). PCSB is entitled to appoint 1 director to the Board for as long as it holds at least 25% of all the issued shares in PMSB.
- (ii) The Board shall be responsible for the management of property and construction business(es) to be carried on by PMSB ("JV Business") in accordance with relevant laws and regulations of Malaysia.
- (iii) The Board shall meet at least four (4) times in each financial year.

(c) Termination

The SA shall continue in force without limit in point of time for as long as there are at least two (2) shareholders, until terminated in accordance with the provisions of the SA or by agreement of all shareholders in writing, whichever is the earlier.

4. FINANCIAL EFFECTS ON PRG

(i) Share Capital and Substantial Shareholders' Shareholdings

The SA will not have any effect on the issued and paid up share capital and the shareholdings of the substantial shareholders of PRG as it does not involve any issuance of new shares by PRG.

(ii) Earnings and Net Assets

The SA will not have any material effect on the earnings or net assets of PRG for the financial year ending 31 December 2017. Barring unforeseen circumstances, PMSB is expected to contribute positively to PRG Group's future earnings.

(iii) Gearing

The SA will not have any impact on the gearing of PRG Group. The effects of the projects on gearing cannot be ascertained at this juncture as this would depend on the cash flow requirements during the development period of said projects and the exact mix of internal funds and/or borrowings required to finance the projects.

5. RATIONALE AND BENEFITS

The Projects to be undertaken or jointly undertaken by PMSB is in line with the Group's strategy of strengthening its presence in the property development market through strategic acquisitions and/or joint ventures on property development projects with strategic partners.

The Projects will also provide a good opportunity to diversify the revenue stream of PRG Group.

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

None of the Directors and/or major shareholders of PRG and/or persons connected to them have any interest, direct or indirect, in the SA.

7. STATEMENT BY DIRECTORS

Having considered all the relevant aspects including the rationale and benefits for undertaking the Projects, the Board of Directors of PRG is of the opinion that the proposed joint venture and collaboration with CPHL and the SA is in the best interest of PRG Group.

8. INSPECTION OF DOCUMENTS

The SA will be available for inspection at the Registered Office of PRG at Suite 11.1A, Level 11, Menara Weld 76 Jalan Raja Chulan, 50200 Kuala Lumpur during office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 25 August 2017.