THIS CIRCULAR IS IMPORTANT AND REQUIRES SHAREHOLDERS' IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, they should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular (including the valuation certificates and report), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular, valuation certificates and report.



HOLDINGS BERHAD (Registration No. 200101005950 (541706-V)) (Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

- (I) PROPOSED DISPOSAL BY PRG HOLDINGS BERHAD ("PRG" OR "COMPANY") OF 50 UNITS OF PICASSO RESIDENCE CONDOMINIUM TO PRG LAND SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF FURNIWEB HOLDINGS LIMITED WHICH IN TURN IS A 50.45%-OWNED SUBSIDIARY OF PRG, FOR A TOTAL CONSIDERATION OF RM61,982,000 TO BE SATISFIED VIA A COMBINATION OF CASH CONSIDERATION OF RM7,437,840 AND THE ISSUANCE OF 321,756,000 NEW ORDINARY SHARES IN FURNIWEB HOLDINGS LIMITED AT ISSUE PRICE OF HKD0.30 EACH AMOUNTING TO RM54,544,160 ("PROPOSED DISPOSAL"); AND
- (II) PROPOSED DIVERSIFICATION OF THE BUSINESS OF PRG AND ITS SUBSIDIARIES TO INCLUDE THE PROPERTY INVESTMENT BUSINESS ("PROPOSED DIVERSIFICATION")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

PART B

INDEPENDENT ADVISER LETTER FROM ASIA EQUITY RESEARCH SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF PRG IN RELATION TO THE PROPOSED DISPOSAL

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Advisers

Adviser for Part A

Independent Adviser for Part B



Asia Equity Research Sdn Bhd

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

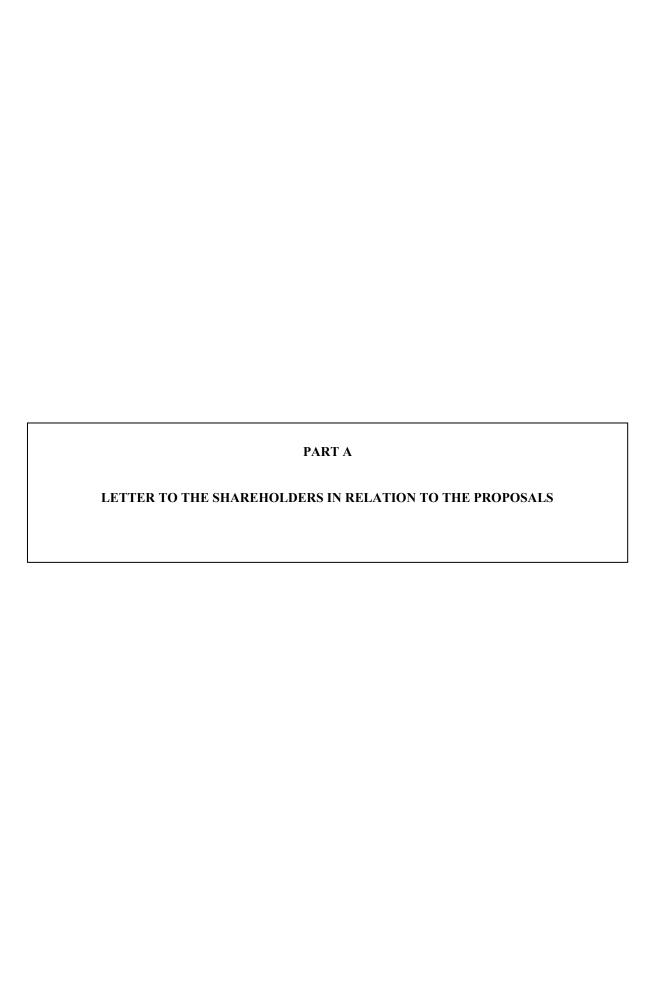
Registration No. 201401027762 (1103848-M) (Licensed to provide advisory in corporate finance and investment advice)

The Extraordinary General Meeting of PRG Holdings Berhad ("EGM") will be conducted on a virtual basis through live streaming from the Broadcast Venue at Unit 4.02, Level 4, Plaza Damansara, Block A, Bukit Damansara, 50490 Kuala Lumpur for remote participation and voting via Vote2U operated by Agmo Digital Solutions Sdn. Bhd. at https://web.vote2u.my on Friday, 16 August 2024 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM and the accompanying Form of Proxy are enclosed in this Circular.

A shareholder entitled to participate and vote at the EGM is entitled to appoint a proxy/proxies to participate and vote on his/her behalf. The Form of Proxy must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time set for holding the EGM. Alternatively, the Form of Proxy can be submitted electronically to vote2u@agmostudio.com before the Form of Proxy lodgement cut-off time as mentioned above. Please refer to the Administrative Guide for the EGM on the submission of the Form of Proxy. The lodging of the Form of Proxy will not preclude the shareholders from participating and voting at the EGM if they subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 14 August 2024 at 10.00 a.m..

Date and time of the EGM : Friday, 16 August 2024 at 10.00 a.m. or at any adjournment thereof.



DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

COMPANIES:

"AER" or "Independent

Adviser"

Asia Equity Research Sdn Bhd

"Almaharta" : Almaharta Sdn Bhd

"Bursa Securities" : Bursa Malaysia Securities Berhad

"ESGL" : Energy Solution Global Limited

"Furniweb" : Furniweb Holdings Limited

"Furniweb Group" Furniweb and its subsidiaries, collectively

"Liveintent" : Liveintent Sdn Bhd

"Meinaide" : Meinaide Holdings Group Limited, a wholly-owned subsidiary of Furniweb

"PDMSB" : Premier De Muara Sdn Bhd

"PPSB" : PRG Property Sdn Bhd

"PRG" or "Company" : PRG Holdings Berhad

"PRG Group" or "Group" : Collectively, our Company and its subsidiaries

"PLSB" : PRG Land Sdn Bhd

"TA Securities" : TA Securities Holdings Berhad

"VPC Alliance" or : VPC Alliance (PJ) Sdn Bhd

"Valuer"

GENERAL:

"2020 Disposal" : Disposal of the entire equity interest in PDMSB held by PPSB to Liveintent

for a cash consideration of RM7.20 million, which was completed in July 2020

"Act" : Companies Act 2016

"Agreements" : Master Agreement, Disposal SPAs and Settlement Letter, collectively

"Amount Payable" : Amount owing by PDMSB to our Group together with the agreed interests

accrued or accruing thereon in respect of the SSA

"Announcement" : Announcement in relation to the Proposals dated 27 April 2023

"Announcement LPD" : 26 April 2023, being the latest practicable date prior to the Announcement

"Board" : Board of Directors of our Company

"Balance Purchase

Consideration"

RM54,544,160, being 88% of the Disposal Consideration to be paid to our

Company by way of issuance of 321,756,000 new Furniweb Shares

"Cash Consideration" : RM7,437,840, being 12% of the Disposal Consideration to be paid to our

Company by way of cash

"Consideration Shares" : 321,756,000 new Furniweb Shares to be issued pursuant to the Proposed

Disposal

"Circular" : This circular to shareholders dated 12 July 2024 in relation to the Proposals

DEFINITIONS (CONT'D)

"Deed of Termination" : A deed of termination dated 7 June 2023 entered into between our Company

and Furniweb to terminate the Supplemental Deed

"Disposal Consideration" : A total consideration of RM61,982,000 in relation to the Proposed Disposal to

be satisfied via combination of Cash Consideration and issuance of 321,756,000

Consideration Shares

"Disposal SPAs" : 50 separate individual sale and purchase agreements in relation to the Proposed

Disposal of the Subject Properties entered into between our Company and PLSB, and "Disposal SPA" shall mean any one of them as the context requires

"Director" : Has the meaning given in Section 2(1) of the Capital Markets and Services Act

2007 and includes any person who is or was within the preceding 6 months of

the date on which the terms of the transaction were agreed upon:

(a) a director of our Company, its subsidiary or holding company; and

(b) a chief executive of our Company, its subsidiary or holding company,

"EGM" : Extraordinary general meeting of our Company in relation to the Proposals

"EPS" : Earnings per share

"ESGL Acquisition" : The acquisition of the remaining 62.75% equity interest in ESGL by Furniweb

that was completed on 29 August 2022

"Final Settlement Sum": A sum of RM61,982,000, being the agreed final total Amount Payable by

PDMSB to our Company, accounting for outstanding interest (accrued or accruing) payable and the state and condition of the Subject Properties as at the date of full settlement and payment of the Amount Payable in accordance

with the Settlement Letter

"Furniweb Shares" : Ordinary Shares in Furniweb

"FYE" : Financial year ended/ending

"FPE" Financial period ended/ending

"GEM Listing Committee" : GEM listing sub-committee of the board of directors of the GEM of the Stock

Exchange of Hong Kong Limited

"HKD" : Hong Kong Dollar

"HKEX" : Stock Exchange of Hong Kong Limited

"HVAC" : Heating, ventilation and air conditioning

"IAL" : Independent adviser letter to the non-interested shareholders of our Company

in relation to the Proposed Disposal as enclosed in Part B of this Circular

"Interested Directors" : Ng Tzee Penn, an Executive Director of our Company and the son of Dato' Ng

Yan Cheng as well as Andrew Chan Lim Fai, the Group Managing Director of

our Company and the son-in law of Dato' Ng Yan Cheng

"Interested Major

Shareholder"

Dato' Ng Yan Cheng, a major shareholder of our Company and Furniweb

"Issue Price": Issue price of HKD0.30 per Consideration Share in relation to the Proposed

Disposal

"Land" : A parcel of development land with a leasehold interest for 99 years expiring

on 17 February 2108 and held under title no. Pajakan Negeri 52579, Lot 20010 Seksyen 88, Bandar Kuala Lumpur, Daerah Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur with title land area measuring 14,307 square

metres

DEFINITIONS (CONT'D)

"LAT" : Loss after tax
"LBT" : Loss before tax

"Letter of Extension": A letter of extension dated 29 June 2024 entered into between PDMSB, PPSB,

Liveintent and our Company to further extend the date of settlement in respect of the Settlement Letter and charge interest of 5% per annum on the amount of RM50,739,296.59 owing by PDMSB to our Group in respect of the SSA

"Listing Requirements" : Main Market Listing Requirements of Bursa Securities

"LPD" : 28 June 2024, being the latest practicable date prior to the printing of this

Circular

"Major Shareholder" : A person who has interest or interests in one or more voting shares in our

Company and the number or aggregate number of those shares, is –

(a) 10% or more of the total number of voting shares in our Company; or

(b) 5% or more of the total number of voting shares in our Company where

such person is the largest shareholder of our Company

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act and a major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of our Company or any other corporation which is its subsidiaries or holding

company.

"Master Agreement" : A master agreement dated 27 April 2023 entered into between our Company,

Furniweb and PLSB in respect of the Proposed Disposal, as subsequently amended and varied by the Supplemental Master Agreement and the

Supplemental Master Agreement No. 2

"NA" : Net assets

"NCU" : A deed of non-competition undertaking dated 28 September 2017 entered into

between our Company and Furniweb

"PRG Shares" or "Shares" : Ordinary shares in our Company

"PRG Nominee": A company being nominated by us within our Group

"PAT" : Profit after tax

"PBT" : Profit before tax

"Proposals" : Proposed Disposal and Proposed Diversification, collectively

"Principal SPAs" : 50 separate individual sale and purchase agreements all dated 27 April 2023

entered into between PDMSB, Almaharta and our Company in relation to the

Subject Properties

"Proposed Disposal" : Proposed disposal by our Company of the Subject Properties to PLSB, a

wholly-owned subsidiary of Furniweb which in turn is a 50.45%-owned

subsidiary of our Company for the Disposal Consideration

"Proposed Subsidiary:

Disposal"

Proposed disposal of the entire issued share capital of Meinaide by Furniweb

to Omen Wealth Limited for a total consideration of HKD15,000,000

(equivalent to approximately RM8,878,500)

"Proposed Diversification" : Proposed diversification of the businesses of our Group to include property

investment business

"Project" : A luxury residential project located along Jalan Jelatek, Kuala Lumpur, namely

Picasso Residence

DEFINITIONS (CONT'D)

"RM" and "sen" : Ringgit Malaysia and sen, respectively

"Subject Properties": Individually and/or collectively, the 50 units of condominium at Picasso

Residence located along Jalan Jelatek, Kuala Lumpur

"Settlement Letter": A settlement letter dated 27 April 2023 entered into between PDMSB, PPSB,

Liveintent and our Company to settle the Amount Payable in respect of the

SSA, as subsequently amended and varied by the Letter of Extension

"Supplemental Deed": A non-competition undertakings supplemental deed dated 27 April 2023

entered into between our Company and Furniweb to revise the NCU which had

been subsequently terminated by the Deed of Termination

"Supplemental Master

Agreement"

A supplemental master agreement dated 7 June 2023 entered into between our Company, Furniweb and PLSB to add, vary, delete, replace and amend certain

terms and conditions contained in the Master Agreement

"Supplemental Master Agreement No. 2" A second supplemental master agreement dated 29 June 2024 entered into between our Company, Furniweb and PLSB to extend the conditional period

to fulfil the conditions precedent of Master Agreement

"SSA" : A share sale agreement dated 26 July 2019 entered into between our Company,

PPSB, PDMSB and Liveintent in relation to the 2020 Disposal, and read together with the supplemental agreement dated 19 February 2020 entered into

between PPSB, Liveintent, PDMSB and our Company

"sq. ft." : Square feet

"Unconditional Date" : The date of satisfaction or fulfilment (or if can be waived in accordance with

the Master Agreement, waiver of the satisfaction or fulfilment of the applicable Condition Precedent) of all the conditions precedent of the Master Agreement

All references to "we", "us", "our" and "ourselves" are to PRG, or where the context requires, PRG Group. All references to "you" in this Circular are references of the shareholders of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SETS OUT SALIENT INFORMATION ON THE PROPOSALS. PLEASE READ THIS CIRCULAR AND ITS APPENDICES CAREFULLY FOR FURTHER DETAILS BEFORE VOTING.

Our Board is recommending you to vote **in favour** of the resolutions in relation to the Proposals to be tabled at the forthcoming EGM.

Proposed Disposal

Summary

Our Company had on 27 April 2023 entered into a Master Agreement with Furniweb and PLSB for the disposal of the Subject Properties.

The Disposal Consideration is to be satisfied through a combination of cash and issuance of new Furniweb Shares based on the manner of payment as follows:

- (i) Cash Consideration: RM7,437,840, being 12% of the Disposal Consideration, shall be paid to our Company in the following manner:
 - (a) 10% of the Disposal Consideration, equivalent to RM6,198,200, shall be paid to our Company, in cash, within fourteen (14) days from the date of the Master Agreement; and
 - (b) 2% of the Disposal Consideration, equivalent to RM1,239,640, shall be paid to our Company, in cash, within fourteen (14) days from the date of the Supplemental Master Agreement.
- (ii) **Balance Purchase Consideration**: RM54,544,160 (equivalent to HKD96,526,799.95 at the exchange rate of RM1: HKD1.7697, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 20 April 2023, as mutually agreed by our Company and Furniweb), being 88% of the Disposal Consideration, shall be paid to our Company by way of issuance of 321,756,000 Consideration Shares at an issue price of HKD0.30⁽¹⁾ each within ninety (90) days from the Unconditional Date or any other extended period mutually agreed by the Parties in writing.

Note:

(1) Based on the 5-day average closing price of Furniweb Shares as at the Announcement LPD.

The Subject Properties comprise of a total of 50 units of condominium, i.e. 16 units condominium with built-up area of 1,013 sq ft. and 34 units condominium with 1,668 sq. ft within the Project, which is currently under construction.

Please refer to Part A, Section 2 of this Circular for further details on the Proposed Disposal.

Basis and justification for the Disposal Consideration

In arriving at the Disposal Consideration, our Board has considered, among others, the following:

- (i) market value of the Subject Properties of RM64,535,000 ascribed by the Valuer;
- (ii) original cost of investment by our Company in the Subject Properties;
- (iii) rationale and benefits of the Proposed Disposal; and
- (iv) prospects of Furniweb.

Please refer to Part A, Section 2.4 of this Circular for further details on the basis and justification for the Disposal Consideration.

Basis and justification for the Issue Price

The issue price of HKD0.30 per Consideration Share was determined based on the 5-day average closing price of Furniweb Shares as at the Announcement LPD.

Please refer to Part A, Section 2.5 of this Circular for further details on the basis and justification for the Issue Price.

Use of proceeds

As at the LPD, the Cash Consideration has been received by our Company and our Company has utilised approximately RM6.94 million of the Cash Consideration for our Group's working capital. Our Company intends to use the remaining Cash Consideration of approximately RM0.50 million for the estimated expenses for the Proposed Disposal immediately upon completion of the Proposed Disposal.

If the Proposed Disposal is terminated for reasons not due to default or failure on the part of PLSB pursuant to the Master Agreement, our Company will be obligated to refund the entire Cash Consideration to PLSB. In this regard, such refund, if required, will be funded by our Group's internally-generated funds.

Please refer to Part A, Section 2.10 of this Circular for further details on the use of proceeds.

EXECUTIVE SUMMARY (CONT'D)

Rationale

The Proposed Disposal:

- represents a timely opportunity for our Group to realise the value of the Subject Properties at the Disposal Consideration by way of Cash Consideration and Consideration Shares;
- allows our Group to continue to benefit from any future returns arising from the Subject Properties through PLSB being an indirect subsidiary of our Company; and
- will result in our Company increasing its equity interest in Furniweb from 50.45% to 67.71%.

Please refer to Part A, Section 4 of this Circular for further details on the rationale.

Risk factors

- Our Company has given representations, warranties and/or undertakings as set out in the Agreements in favour
 of Furniweb and PLSB. In this regard, our Company may be subject to claims in accordance with the terms and
 conditions of the Agreements for the breach of representations, warranties and/or undertakings given by our
 Company.
- If any of the terms and conditions of the Agreements is not fulfilled or waived, the completion of the Proposed Disposal may be delayed or the Agreements may be terminated. Our Company will also be subjected to certain contractual risks as a result of non-fulfilment of its obligations under the Agreements.
- With the Proposed Disposal, our Group will be disposing the Subject Properties based on the prevailing market value as appraised by the Valuer. Whilst the Subject Properties will continue to be held under our Group (via PLSB, a wholly-owned subsidiary of Furniweb) upon completion of the Proposed Disposal, any future appreciation in the value of the Subject Properties attributable to our Company will be diluted by virtue of the interests of non-controlling shareholders of Furniweb in the Subject Properties after the completion of the Proposed Disposal.

Please refer to Part A, Section 6 of this Circular for further details on the risk factors.

Proposed Diversification

Summary

As at the LPD, our Group is involved in the following activities:

- (i) manufacturing (manufacturing and sale of elastic textile, webbing and rubber tape);
- (ii) property development and construction (development and construction of residential and commercial properties;
- (iii) agriculture (harvesting and selling of teak logs activities);
- (iv) energy efficiency businesses (Energy-efficient HVAC); and
- (v) others (comprising operations related to investment holding and healthcare).

Our Board reasonably expects that, barring any unforeseen circumstances, the property investment business may in the future contribute 25% or more of the net profits of our Group and/or attributed to 25% or more of the net assets of our Group after taking into consideration the estimated contribution of property investment business to our Group after the Proposed Disposal of approximately 18.95% and that Furniweb and its subsidiaries may expand its property investment business or invest in other properties apart from the Subject Properties after the completion of the Proposed Disposal.

Please refer to Part A, Section 3 of this Circular for further details on the risk factors.

Rationale

Pursuant to Paragraph 10.13(1) of the Listing Requirements, a listed corporation must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

- (i) the diversion of 25% or more of the net assets of the listed corporation to an operation which differs widely from those operations previously carried on by the listed corporation; or
- (ii) the contribution from such an operation of 25% or more of the net profits of the listed corporation.

Following the Proposed Disposal, it is anticipated that Furniweb intends to utilise the Subject Properties for property investment purposes (i.e., to collect rental income and for future resale of the Subject Properties).

As such, in accordance with the Listing Requirements, our Company is required to obtain its shareholders' approval in an EGM for the Proposed Disposal.

Please refer to Part A, Section 4 of this Circular for further details on the rationale.



(Registration No.: 200101005950 (541706-V)) (Incorporated in Malaysia)

Registered Office:

Lot 5, Level 10 Menara Great Eastern 2 No. 50, Jalan Ampang 50450 Kuala Lumpur

12 July 2024

Board of Directors

Dato' Lua Choon Hann (Group Executive Vice Chairman)
Andrew Chan Lim-Fai (Group Managing Director)
Dato' Wee Cheng Kwan (Managing Director – Property & Construction)
Ng Tzee Penn (Executive Director)
Ji Haitao (Executive Director)
Lim Chee Hoong (Non-Independent Non-Executive Director)
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim (Independent Non-Executive Director)
Datin Arlina binti Ariff (Independent Non-Executive Director)
Ng Khang Chyi (Non-Independent Non-Executive Director)
Joyce Tan Soo Yuen (Independent Non-Executive Director)

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED DISPOSAL; AND
- (II) PROPOSED DIVERSIFICATION

1. INTRODUCTION

On 27 April 2023, TA Securities had on behalf of our Board announced that our Company intends to undertake the Proposals and had entered into the following:

- (i) a Master Agreement with Furniweb and PLSB in respect of the Proposed Disposal;
- (ii) a Settlement Letter with PDMSB, PPSB and Liveintent to settle the Amount Payable in respect of the SSA; and
- (iii) a Supplemental Deed with Furniweb to revise the NCU⁽¹⁾.

Subsequently, on 7 June 2023, TA Securities had, on behalf of our Board, announced that our Company had on 7 June 2023 entered into:

- (i) a Supplemental Master Agreement with Furniweb and PLSB to add, vary, delete, replace and amend certain terms and conditions contained in the Master Agreement⁽²⁾; and
- (ii) a Deed of Termination with Furniweb to terminate the Supplemental Deed⁽¹⁾.

Notes:

(1) The NCU contains certain non-compete undertakings in favour of Furniweb, Pursuant to the NCU, our Company has, among others, irrevocably undertaken to Furniweb that our Company shall, and shall procure its associates and/or companies controlled by it (other than Furniweb and its subsidiaries), not, directly or indirectly, be interested or involved or engaged in or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent, or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the businesses of Furniweb and its subsidiaries (including but not limited to the manufacture of elastic textile, webbing and other products including rubber tape and metal components for furniture) in Malaysia, Vietnam and/or any other country or jurisdiction in or to which any member of Furniweb and its subsidiaries sells its products and/or in which any member of Furniweb and its subsidiaries carries on business from time to time ("Restricted Activity").

The Supplemental Deed was intended to make property investment activities being excluded from the Restricted Activity pursuant to the NCU upon completion of the Proposed Disposal (i.e. which will result in Furniweb being involved in property investment business by virtue of Furniweb's acquisition of the Subject Properties), to allow our Group to hold property units which are unsold from its property development activities.

However, in view that any unsold units arising from property development undertaken by our Group are part and parcel of our Group's property development business and the management of our Company does not intend to undertake any property investment activities other than through Furniweb at this juncture, such exclusion of property investment activities from the Restricted Activity as intended under the Supplemental Deed was no longer required. In view thereof, the Deed of Termination was entered to terminate the Supplemental Deed. For avoidance of doubt, the NCU remains in full force and effect.

- (2) The Supplemental Master Agreement was entered into to amend certain terms and conditions contained in the Master Agreement which include, amongst other:
 - (a) proportion of the Disposal Consideration to be satisfied via Cash Consideration (amended to 12% from 10%) and issuance of the Consideration Shares (amended to 88% from 90%), to ensure that Furniweb is in compliance with the public float requirements (i.e. at least 25% of Furniweb's total number of issued shares must at all times be held by the public) pursuant to the GEM Listing Rules of HKEX upon issuance of the Consideration Shares to our Company pursuant to the Proposed Disposal; and
 - (b) inclusion of approval from GEM Listing Committee for the Consideration Shares as condition precedent of the Disposal SPAs, to ensure clarity that the Disposal SPAs shall be conditional on, amongst others, the approval from GEM Listing Committee for the Consideration Shares.

On 1 July 2024, TA Securities had, on behalf of our Board, announced that we had on 29 June 2024 entered into the following:

- (i) Supplemental Master Agreement No. 2 with Furniweb and PLSB to further extend the conditional period to fulfil the conditions precedent of Master Agreement from 30 June 2024 up to 30 June 2025 or such longer period as parties may agree in writing; and
- (ii) Letter of Extension with PDMSB, PPSB and Liveintent to further extend the date of settlement with agreed interest of 5% per annum on the amount of RM50,739,296.59 owing by PDMSB to our Group in respect of the SSA as a result of the delay in fulfilling the conditions precedent of Settlement Letter dated 27 April 2023 to obtain CCC on or before 30 June 2024.

In view of the interest of the Interested Major Shareholder and Interested Directors as set out in **Part A**, **Section 11** of this Circular, the Proposed Disposal is deemed related party transactions pursuant to Paragraph 10.08(1) of the Listing Requirements. Accordingly, AER has been appointed as the Independent Adviser to advise the non-interested shareholders in relation to the Proposed Disposal on whether the Proposed Disposal is fair and reasonable and whether the transaction is to the detriment to the non-interested shareholders.

The IAL from AER in relation to the Disposal is set out in Part B of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSALS AND TO SEEK SHAREHOLDERS' APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE IAL TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal entails the disposal by our Company of the Subject Properties to PLSB for the Disposal Consideration subject to the terms and conditions set forth in the Master Agreement, the salient terms of which are set out in **Appendix I** of this Circular.

In connection with the Master Agreement, within fourteen (14) business days from the date of fulfilment and satisfaction (or if can be waived in accordance with the Master Agreement, waiver of the satisfaction or fulfilment of the applicable condition precedent) of all the conditions precedent of the Master Agreement (save and except for the receipt by PLSB of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020), if required, and the delivery of vacant possession of the Subject Properties by our Company to PLSB), our Company and PLSB will enter into the Disposal SPAs containing terms and conditions not extraneous to those contained in the Master Agreement and each dealing with one unit of the Subject Properties for the purposes of complying with the relevant laws, rules and regulations in of Malaysia. The Disposal SPAs are inter-conditional upon each other. The salient terms of the Disposal SPAs are set out in **Appendix II** of this Circular.

The Disposal Consideration is to be satisfied through a combination of cash and issuance of new Furniweb Shares based on the manner of payment as follows:

- (i) **Cash Consideration**: RM7,437,840, being 12% of the Disposal Consideration, shall be paid to our Company in the following manner:
 - (a) 10% of the Disposal Consideration, equivalent to RM6,198,200, shall be paid to our Company, in cash, within fourteen (14) days from the date of the Master Agreement; and
 - (b) 2% of the Disposal Consideration, equivalent to RM1,239,640, shall be paid to our Company, in cash, within fourteen (14) days from the date of the Supplemental Master Agreement.

For information purposes, the 10% of the Disposal Consideration as set out in Section 2(i)(a) of this Circular and the remaining 2% of the Disposal Consideration as set out in Section 2(i)(b) of this Circular has been received by our Company on 8 May 2023 and 21 June 2023, respectively.

(ii) **Balance Purchase Consideration**: RM54,544,160 (equivalent to HKD96,526,799.95 at the exchange rate of RM1:HKD1.7697, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 20 April 2023, as mutually agreed by our Company and Furniweb), being 88% of the Disposal Consideration, shall be paid to our Company by way of issuance of 321,756,000 Consideration Shares at an issue price of HKD0.30⁽¹⁾ each within ninety (90) days from the Unconditional Date or any other extended period mutually agreed by the Parties in writing.

The agreed exchange rate of RM:HKD as at 20 April 2023 in the Master Agreement allows the determination of a fixed number of Consideration Shares to be issued to our Company for the Proposed Disposal which would otherwise varies with the fluctuations or changes to the exchange rate of RM:HKD.

Note:

(1) Based on the 5-day average closing price of Furniweb Shares as at the Announcement LPD.

The Consideration Shares will be retained by our Company as additional investment in Furniweb upon the completion of the Proposed Disposal.

For illustrative purposes, the shareholding structures of Furniweb before and after the Proposed Disposal are as follows:

	As at the LPD		After the Proposed Disposal		
Shareholders	No. of Furniweb Shares %		No. of Furniweb Shares	%	
PRG	303,468,000	50.45	625,224,000	67.71	
Dato' Ng Yan Cheng	66,977,600	11.13	66,977,600	7.26	
Jim Ka Man (a public shareholder)	57,368,000	9.54	57,368,000	6.21	
Other public shareholders	173,752,000	28.88	173,752,000	18.82	
Total	601,565,600	100.00	923,321,600	100.00	

2.1 Information on the Subject Properties

The Subject Properties comprise of a total of 50 units of condominium, i.e., 16 units condominium with built-up area of 1,013 sq ft. ("**Type A**") and 34 units condominium with 1,668 sq. ft ("**Type C**") within the Project, which is currently under construction.

The Project comprises a development with a total of 472 condominium units undertaken pursuant to a joint venture agreement dated 31 December 2013 and the supplemental joint venture agreement dated 16 March 2015 entered into between PPSB, a wholly-owned subsidiary of our Company, Almaharta (being the registered owner of the Land) and PDMSB*, whereby PDMSB was granted development rights over the Land by Almaharta. PPSB and Almaharta had agreed to jointly carry out the Project via PDMSB in their respective shareholding proportions of 60% and 40% until July 2020, whereby PPSB was absolved from such responsibilities pursuant to the 2020 Disposal. The Project was launched with the commencement on the sales of the condominium units in June 2015.

Note:

* PDMSB was initially an indirect 60%-owned subsidiary of our Company held through PPSB until completion of the 2020 Disposal.

PDMSB incorporated in Malaysia under the Companies Act 1965 on 31 October 2013 as a private limited company and is deemed registered under the Act. PDMSB is principally involved in property development and related activities. As at the LPD, the total issued share capital of PDMSB is RM250,000 comprising 250,000 ordinary shares in PDMSB ("PDMSB Shares"). PDMSB does not have any subsidiaries or associated companies. The directors and shareholders of PDMSB as at the LPD are as follow:

	Country of incorporation /	
Name	Nationality	No. of PDMSB Shares
Directors		
Wee Cheng Kwan	Malaysian	Nil
Tan Yan Hoang	Malaysian	Nil
Chun Kwok Hong	Malaysian	Nil
Sun KeQiang	Chinese	Nil
Shareholders		
Taihu Holding Pte Ltd	Singapore	75,000
Liveintent	Malaysia	150,000
JC9 Holding Sdn Bhd	Malaysia	25,000

(Source: Companies Commission Malaysia ("CCM") search results dated 10 July 2024 for information registered with CCM as at 30 January 2024)

Subsequently, PDMSB had on 1 September 2022 submitted an application to the Kuala Lumpur City Hall to revise the Project into a two-phase development consisting of Block A and Block B as the undertaking of the development of the Project into two phases would enable PDMSB to launch and complete the development of the respective developments separately which would ease its cash flow and ensuring the completion of the entire development. The Kuala Lumpur City Hall had vide its letter dated 5 December 2022 approved the revision of the Project. The details of the development are as follows:

	Phase 1 (Block A)	Phase 2 (Block B)
Floors	38	38
Units	270	202
Car park (Levels)	5	-
Guard house	1	-
Garbage dump	1	<u>-</u>

As at the LPD, 215 units out of 270 units of Phase 1 (excluding the 50 units pursuant to the Proposed Disposal) have been sold, which translates into approximately 80% take-up rate. Construction of the Project commenced on 7 February 2015 but was temporarily halted from 12 April 2019 until 24 September 2019 due to the termination of the main contractor and subcontractor for non-performance. PDMSB has since appointed a new main contractor and subcontractor, with the construction of the Project having restarted on 25 September 2019. However, the progress of the construction of the Project was further delayed by the restrictions during the movement control order imposed by the Government of Malaysia. As at the LPD, Phase 1 of the Project is approximately 98% completed. Phase 1 of the Project is expected to be completed on 4th quarter of 2024. For the avoidance of doubt, the Subject Properties in relation to the Proposed Disposal are under Phase 1 of the development.

The Project is developed on the Land as detailed below:

Title description	:	PN 52579, Lot 20010 Seksyen 88, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	
Postal address	:	Picasso Residence, No. 10, Jalan Jelatek, 54200 Kuala Lumpur	
Category of land use	:	Bangunan (Building)	
Tenure	:	99 years lease expiring on 17 February 2108	
Land area	:	14,307 square metres (entirely utilised for development)	
Registered proprietor	:	Almaharta Sdn Bhd	
Existing use	:	Development of a condominium project, namely Picasso Residence	
Proposed use	:	Residential	
Encumbrances and endorsements	:	(i) Private caveat entered by PDMSB vide presentation number PDB16931/2014 registered on 16 October 2014	
		(ii) Private caveat entered by PDMSB vide presentation number PDB10019/2020 registered on 12 October 2020	
Express condition	:	Tanah ini hendaklah digunakan untuk bangunan kediaman bagi tujuan pangsapuri sahaja. (The land shall be used for residential apartment building only)	
Restriction in interest	Ξ	Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur. (The land shall not be transferred, leased, pledged or charged without the consent of the Land Committee of the Federal Territory of Kuala Lumpur)	

Pursuant to SSA, upon the completion of the Subject Properties and issuance of the certificate of completion and compliance ("CCC") by the relevant authorities or the date falling 36 months from the date of the SSA (whichever is earlier), the Amount Payable or any balance of the Amount Payable (if PDMSB has made payment earlier) as the case may be, shall be paid to our Company, at our Company's option, either in cash or in kind by way of transfer to our Company or PRG Nominee of such number of units of completed properties at the Project valued at the price of RM850.00 per square foot, representing the Amount Payable or any balance of the Amount Payable (where applicable). The price of RM850.00 per square foot was agreed between our Company and Liveintent^ pursuant to the SSA in respect of the 2020 Disposal.

Note:

Liveintent was incorporated in Malaysia under the Companies Act 1965 on 4 November 2015 as a private limited company and is deemed registered under the Act. Liveintent is principally involved in the activities involving trust, funds and similar financial entities. As at the LPD, the total issued share capital of Liveintent is RM20,977,000.00 comprising 100,000 ordinary shares and 20,877,000 preference shares in Liveintent. Save and except for the subsidiary of PDMSB, Liveintent does not have any subsidiaries or associated companies. The director and shareholders of Liveintent as at the LPD are as follows:

Name	Country of incorporation / Nationality	No. of shares
Director		
Tan Yan Hoang	Malaysian	Nil
Shareholders		
Tan Yan Hoang	Malaysian	100,000 ordinary shares
Centive Ventures Plt	Malaysia	20,877,000 preference shares

(Source: CCM search results dated 10 July 2024 for information registered with CCM as at 24 February 2024)

In view that the 36 months from the date of the SSA ("Settlement Period") has lapsed on 26 July 2022 and that PDMSB has yet to pay and settle the Amount Payable to our Company, our Company has, via the execution of the Settlement Letter:

 (i) agreed that the outstanding Amount Payable as at 31 March 2023 is RM58,473,911.63* and the Final Settlement Sum shall be RM61,982,000 (which is equivalent to the Disposal Consideration); and

Note:

- Comprised of total amount owing by PDMSB to our Company of RM50,739,296.59 up to May 2019 (i.e. which was prior to the disposal of PDMSB to Liveintent pursuant to the 2020 Disposal when PDMSB was a subsidiary of our Company) for the purchase of the Land and working capital to develop the Project and a total interests accrued from such amount owing (for the period commencing from the completion of the 2020 Disposal until the date of full repayment of all the Amount Payable) of RM7,734,615.04 up to 31 March 2023, being the date of the latest available management accounts of our Company prior to the date of the Settlement Letter.
- (ii) elected to exercise its option to accept the payment of the Final Settlement Sum in kind via the transfer by PDMSB to our Company or PRG Nominee (as the case may be) of the completed units at the Project (i.e. the Subject Properties) valued at the price of RM850.00 per square foot as detailed below, in settlement of the Amount Payable:

	(A)	(B)	(A) x (B) = (C)	(D)	(C) x (D)
Layout	Built-up area of each unit	No. of units	Total built-up area (sq. ft.)	Agreed price (RM per sq. ft.)	Total amount (RM'000)
Type A	1,013 sq. ft.	16	16,208	850.00	13,777
Type C	1,668 sq. ft.	34	56,712	850.00	48,205
Total		50	72,920		61,982

The Final Settlement Sum was agreed upon after taking into consideration, amongst others, (i) the outstanding Amount Payable as at 31 March 2023 of approximately RM58.47 million and the additional interests to be accrued from the Amount Payable for the period commencing from 1 April 2023 until 30 June 2024 (being the expected date of settlement of the Amount Payable, which will coincide with the agreed Unconditional Date of the Master Agreement) of approximately RM3.18 million; (ii) the state and condition of the Subject Properties, i.e. which is still under construction (i.e. not completed) as well as the progress for the completion of Phase 1 of the Project (the phase of development of the Project under which the Subject Properties are being constructed) which is approximately 60% completed as at the Announcement LPD; and (iii) the Final Settlement Sum facilitates the determination of the number of completed units at the Project to be transferred by PDMSB to our Company or PRG Nominee (as the case may be) for the purpose of the settlement of the Amount Payable and, in turn, the number of units available to be disposed by our Company pursuant to the Proposed Disposal.

In consideration of the Final Settlement Sum and subject to the compliance of the terms and conditions of the Settlement Letter, our Company agrees to waive its rights and entitlement pursuant to Clause 5.4(b) and Clause 5.4(d) of the SSA, i.e., our Company's rights to charge PDMSB late payment interest at the rate of 8% per annum calculated on a day-to-day basis if the Amount Payable together with interest thereon are paid by 26 July 2022 (being the due date of Final Settlement Sum), and our Company's right to extend the payment due date and charge PDMSB late payment interest at the rate of 10% per annum calculated on a day-to-day basis if the Amount Payable together with interest thereon are not paid by the due date by more than 14 days.

Our Company has agreed to waive its rights and entitlements under Clause 5.4(b) and Clause 5.4(d) of the SSA, after taking into consideration of the renegotiation with PDMSB that the delay in the delivery of Subject Properties is mainly due to the unforeseen Coronavirus disease 2019 ("COVID-19") pandemic which has then led to the imposition of movement control restriction and subsequently the shortages of labour as well as supply chain disruption of construction raw materials. On this premise, the parties have agreed on a revised repayment mechanism and entered into the Settlement Letter whereby the Final Settlement Sum (inclusive of the additional interests to be accrued from the Amount Payable until 30 June 2024) is approximately RM3.18 million.

The enforceability of the waivers is subject to the parties' compliance with the terms and conditions set out in the Settlement Letter, failing which such waiver shall cease to be in effect, whereby:

- (i) all Principal SPAs shall be deemed mutually and automatically terminated by the parties;
- (ii) the parties shall cause all the rights, titles, interest and benefits of the Subject Properties which have been transferred to and assigned in favour of any third parties to be reassigned and transferred back to PDMSB; and
- (iii) PDMSB shall immediately be liable for payment of the Amount Payable in accordance with the repayment mechanism and subject to the rights and entitlements of our Company set out in Clause 5.4 and Clause 7.1 of the SSA.

For avoidance of doubt, our Company's agreement to waive its abovementioned rights and entitlement under Clause 5.4(b) and Clause 5.4(d) of the SSA is for the purpose of the Settlement Letter only. If the Final Settlement Sum is not settled pursuant to the Settlement Letter, such waiver shall not be in effect and our Company's rights and entitlements pursuant to Clause 5.4(b) and Clause 5.4(d) of the SSA shall be retained and in effect.

Upon execution of the Settlement Letter, our Company has accepted all rights, titles, interest and benefits of the Subject Properties in favour of PLSB (being PRG Nominee pursuant to the execution of the Master Agreement) and PLSB shall be deemed to be the beneficial owner of the Subject Properties, and PDMSB has divested all its legal interests over the Subject Properties to PLSB.

Further details of the Settlement Letter are set out in **Appendix III** of this Circular.

2.2 Information on Furniweb

Furniweb was incorporated in the Cayman Islands on 3 March 2017 and is currently listed on the GEM of the HKEX. Furniweb is principally engaged in investment holding and its subsidiaries are principally engaged in manufacturing and sale of elastic textile, webbing, rubber tape and energy efficiency business.

As at the LPD, Furniweb is a 50.45%-owned subsidiary of our Company.

Further information on Furniweb is set out in Appendix V of this Circular.

2.3 Information on PLSB

PLSB is a private limited company incorporated in Malaysia on 16 March 2018 under the Companies Act 2016. PLSB is principally engaged in property investment and renting, letting or other similar arrangement to derive rental income.

As at the LPD, PLSB is a wholly-owned subsidiary of Furniweb. The issued share capital of PLSB is RM1.00 comprising 1 ordinary share.

As at the LPD, the directors of PLSB are as follows:

Name	Designation	Nationality
Dato' Lua Choon Hann	Director	Malaysian
Andrew Chan Lim-Fai	Director	United States of America
Ho Phei Suan	Director	Malaysian

2.4 Basis and justification for the Disposal Consideration

The Disposal Consideration was arrived at on a "willing-buyer willing-seller" basis between our Company and PLSB. In arriving at the Disposal Consideration, our Board has considered, among others, the following:

(i) the market value of the Subject Properties of RM64,535,000 ascribed by VPC Alliance, being the independent valuer for the Proposed Disposal. The Valuer has adopted the comparison method as their primary approach in view that there are sufficient comparable sale evidences to arrive at the market value of the Subject Properties to establish a value estimate by processes involving comparison which is supported by the investment method as their secondary approach. Comparison approach provides an indicative of value by comparing the property with market evidence of identical or comparable properties for which price information is available. Whereby, investment method provides an indication by value by capitalising the net annual income of the property, whereby net annual rental income is derived from gross annual rent by deducting annual outgoings/expenses of the property with allowance for voids.

Further, in deriving the market value of the Subject Properties, the Valuer has assumed that the Subject Properties are fully completed in accordance to the approved building plans and specifications and duly issued with a CCC by the relevant authority at the point of valuation of the Subject Properties. In addition, the Valuer has made the necessary adjustments in deriving the market value of the Subject Properties such as, amongst others, adjustments on the time factor, floor/ level, size/floor area, age/condition of building, design/concept/facilities and service provided. Further adjustments made by the Valuer to reflect the micro dissimilarities include the size, floor level, view and the position of the Subject Properties.

Please refer to the valuation certificates by the Valuer as set out in **Appendix IV** of this Circular for further details on the valuation of the Subject Properties;

- (ii) the original cost of investment by our Company in the Subject Properties as set out in **Part A**, **Section 2.8** of this Circular;
- (iii) the rationale and benefits of the Proposed Disposal as set out in **Part A, Section 4** of this Circular; and

(iv) the prospects of Furniweb as set out in **Part A**, **Section 5** of this Circular.

The Disposal Consideration is at a discount of approximately 3.96% to the market value of the Subject Properties of RM64,535,000 ascribed by the Valuer. Further, the Disposal Consideration was derived based on RM850 per square foot of the total built-up area of the Subject Properties which is at par with the price per square foot agreed in the Settlement Letter, but is lower than the selling prices of the units sold by PDMSB in respect of the Project ranging from approximately RM893 to approximately RM1,050 per square foot with average selling price of approximately RM985 per square foot. The price per square foot is fixed at RM850, being the price adopted in the share sale agreement entered into between PRG, PPSB, PDMSB and Liveintent on 26 July 2019 in relation to the 2020 Disposal.

Notwithstanding the above, our Board is of the view that the discount to market value of the Subject Properties and the Disposal Consideration (including the price per square foot of RM850) are reasonable after taking into consideration the following:

- (i) the issue price of HKD0.30 per Consideration Share, represents a discount of HKD0.0142 or 4.52% to the 5-day volume weighted average market price of Furniweb Shares up to and including the Announcement LPD of RM0.3142;
- (ii) the valuation of the Subject Properties by VPC Alliance was carried out based on the assumption that the Subject Properties are fully completed in accordance to the approved building plans and specifications and duly issued with a CCC by the relevant authority despite the Phase 1 of the Project (the phase of development of the Project under which the Subject Properties are being constructed) is only approximately 98% completed as at the LPD.
 - In addition, there is no bulk discount being considered in the valuation of the Subject Properties despite the large number of units of the Subject Properties being sold (i.e. 50 units) which could be reasonably expected by any purchaser(s) who purchase such large number of units at a single property development;
- (iii) the Phase 1 of the Project (the phase of development of the Project under which the Subject Properties are being constructed) is still under construction (i.e. not completed) and that there are 5 units which remain unsold by PDMSB, as the developer of the Project, as at the Announcement LPD; and
- (iv) the Proposed Disposal allows our Group to dispose all the Subject Properties en-bloc in return for cash and shares listed on stock exchange (i.e. GEM of HKEX) which are more liquid as compared to properties. While receiving full Disposal Consideration in cash is more liquid than Consideration Shares, our Company prefers the combination of Cash Consideration and Consideration Shares in view that our Board remains optimistic and positive on the outlook as well as the prospects of the property investment business and Furniweb Group. In addition, receiving Consideration Shares would also enable our Company to participate in the potential appreciation of the Subject Properties in the long run and allow our Company to monetise its equity interest in Furniweb via open market of HKEX as and when required.

2.5 Basis and justification for the Issue Price

The issue price of HKD0.30 per Consideration Share was determined based on the 5-day average closing price of Furniweb Shares as at the Announcement LPD.

Based on the above, our Board is of the view that the Issue Price is fair and justifiable as:

- (i) it represents a discount of HKD0.0142 or 4.52% to the 5-day volume weighted average market price of Furniweb Shares up to and including the Announcement LPD of RM0.3142; and
- (ii) the Consideration Shares provide our Company with an opportunity to increase our Company's equity interest in Furniweb. Upon the completion of the Proposed Disposal, our Company's shareholding in Furniweb will increase from 50.45% to 67.71%.

For the avoidance of doubt, the closing price of Furniweb Shares as at the LPD is HKD0.21.

2.6 Ranking of the Consideration Shares

The Consideration Shares shall rank equally in all respects with the existing issued Furniweb Shares as at the date they are allotted and issued, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of Furniweb, the entitlement date of which is prior to the date of allotment and issuance of the Consideration Shares.

2.7 Listing of the Consideration Shares

An application will be made by Furniweb to the HKEX for the listing of and permission to deal in the Consideration Shares on the GEM of HKEX during the conditional period for the satisfaction or fulfilment of all the conditions precedent in the Master Agreement on or before 30 June 2024.

2.8 Original cost of investment

As detailed in **Part A, Section 2.1** of this Circular, our Company has via the execution of the Settlement Letter accepted the settlement of the Final Settlement Sum in kind by way of transfer to PLSB (being PRG Nominee pursuant to the execution of the Master Agreement) of the units of completed properties at the Project (which are the Subject Properties) with an aggregate value of RM61,982,000 equivalent to the Disposal Consideration.

For information, the amount owing by PDMSB to our Company is approximately RM50.74 million up to May 2019 (i.e. which was prior to the disposal of PDMSB to Liveintent pursuant to the 2020 Disposal when PDMSB was a subsidiary of our Company) for the purchase of the Land and working capital and a total interests accrued from such amount owing (for the period commencing from the completion of the 2020 Disposal until the date of full repayment of all the Amount Payable) accumulated to approximately RM7.73 million up to 31 March 2023, being the date of the latest available management accounts of our Company prior to the date of the Settlement Letter.

2.9 Liabilities which will remain in our Group

There is no liability, including contingent liability, in relation to the Subject Properties and the Proposed Disposal which will remain with our Group.

Further, there is no guarantee given by our Company to Furniweb and/or PLSB in relation to the Subject Properties and the Proposed Disposal.

2.10 Use of Proceeds

As at the LPD, the Cash Consideration has been received by our Company and our Company has utilised approximately RM6.94 million of the Cash Consideration for our Group's working capital as follows:

Description	RM'000	Timeframe for utilisation*
Repay its payables for the agriculture business (i.e.,	5,833	Within 6 months
logging contractors and suppliers) Pay off the administrative expenses (i.e., staff cost, office upkeep and professional fees)	1,105	Within 6 months
Total	6,938	

Note:

^{*} From the receipt of proceeds.

Our Company intends to use the remaining Cash Consideration of approximately RM0.50 million for the estimated expenses for the Proposed Disposal immediately upon completion of the Proposed Disposal. The estimated expenses relating to the Proposed Disposal include, among others, professional fees, fees payable to the relevant authorities, costs of convening the EGM of our Company, as well as other miscellaneous expenses. Pending the full utilisation of proceeds arising from the Proposed Disposal, the proceeds will be placed in interest-bearing deposits with financial institution(s) or short-term money market instrument(s), as our Board may deem fit. The interest income derived from the deposits with financial institution(s) or any gains arising from the short-term money market instrument(s) will be used for our Group's working capital requirements.

Any shortfall from the amount allocated for the estimated expenses relating to the Proposed Disposal will be funded via our Group's internally-generated funds while any surplus from the amount allocated for the estimated expenses relating to the Proposed Disposal shall be utilised for our Group's working capital.

If the Proposed Disposal is terminated for reasons not due to default or failure on the part of PLSB pursuant to the Master Agreement, our Company will be obligated to refund the entire Cash Consideration to PLSB as set out in **Section 6.4** of **Appendix I** of this Circular. In this regard, such refund, if required, will be funded by our Group's internally-generated funds.

3. DETAILS OF THE PROPOSED DIVERSIFICATION

As at the LPD, our Group is involved in the following activities:

- (i) manufacturing (manufacturing and sale of elastic textile, webbing and rubber tape);
- (ii) property development and construction (development and construction of residential and commercial properties);
- (iii) agriculture (harvesting and selling of teak logs activities);
- (iv) energy efficiency businesses (Energy-efficient HVAC); and
- (v) others (comprising operations related to investment holding and healthcare).

The audited revenue and profit before tax of our Group for the audited FYE 31 December 2020 to FYE 31 December 2023 and unaudited financial result for FPE 31 March 2023 to 31 March 2024 are as follows:

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	Audited			Unaudited		
	FYE 31	FYE 31	FYE 31	FYE 31	FPE 31	FPE 31
	December	December	December	December	March	March
	2020	2021	2022	2023	2023	2024
	(Restated)					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total assets	396,498	365,230	486,083	466,197	465,911	456,083
Total liabilities	197,212	163,525	233,988	209,765	204,397	205,370
NA	199,286	201,705	252,095	256,432	261,514	250,713
Revenue						
- Manufacturing	96,320	116,160	112,145	96,113	22,768	20,787
- Retail	2,696	2,197	-	-	-	-
- Property development	96,531	54,972	144,146	144,051	32,346	19,399
and construction						
- Agriculture	850	2,227	1,231	778	153	-
- Energy Efficiency	-	_	49,754	120,546	37,409	21,570
- Others	-	14,976	256	231	57	81
	196,397	190,532	307,532	361,719	92,733	61,837
(Loss)/Profit before tax						
- Manufacturing	(9,221)	(8,675)	12,364	6,000	1,204	3,498
- Retail	(23,832)	8,599	-	-	-	-
- Property development	(4,164)	10,709	40,695	19,450	6,870	581
and construction						
- Agriculture	(2,345)	(1,900)	(4,501)	(25,260)	(952)	(1,122)
- Energy Efficiency	-	-	13,018	16,457	4,452	1,670
- Others	7,093	6,863	(3,540)	(3,087)	(594)	(839)
	(32,469)	15,596	58,036	13,560	10,980	3,788

The operating segments of our Group are as follows:

- (i) Manufacturing segment: The manufacturing segment consists of manufacturing and sale of elastic textile, webbing and rubber tape.
- (ii) Retail segment: The retail segment consists of retail sale of clothing, footwear and ancillary accessories prior to our Group's closure of retail stores in Singapore and Bangkok during the FYE 31 December 2021.
- (iii) Property development and construction segment: The property development and construction segment consist of development and construction of residential and commercial properties.
- (iv) Agriculture segment: The agriculture segment consists of harvesting and selling of teak logs activities.
- (v) Energy efficiency segment: The energy efficiency segment consists of provision of management and control system that implements centralised monitoring, management, and decentralised control of HVAC energy use in buildings. It includes the hardware and software systems that can realise the online monitoring and dynamic analysis of a building's HVAC energy consumption.

Based on the above, the manufacturing segment as well as the property development and construction segment were the largest revenue contributors to our Group's total revenue. However, following the completion of the ESGL Acquisition, our Company had diversified its principal activities to include energy efficiency businesses which contributes approximately 33.33% of the total revenue in the audited FYE 31 December 2023.

For illustrative purpose, the contribution of property investment business to our Group based on the estimated NA of property investment business attributable to the owners of our Company after the Proposed Disposal is as follows:

	RM'000
Pro forma NA attributable to the owners of our Company after the Proposed	221,525
Disposal	
Estimated NA of property investment business attributable to the owners of our	41,968 ⁽¹⁾
Company	
Contribution of property investment business to our Group (%)	18.95

Note:

(1) Being the NA of property investment business assumed at the Disposal Consideration of RM61,982,000 multiplied by the equity interest of our Company in Furniweb of 67.71%.

Our Board reasonably expects that, barring any unforeseen circumstances, the property investment business may in the future contribute 25% or more of the net profits of our Group and/or attributed to 25% or more of the net assets of our Group after taking into consideration the estimated contribution of property investment business to our Group after the Proposed Disposal of approximately 18.95% as detailed above and that Furniweb and its subsidiaries may expand its property investment business or invest in other properties apart from the Subject Properties after the completion of the Proposed Disposal.

Based on the foregoing, our Company proposes to seek shareholders' approval for the Proposed Diversification at the forthcoming EGM pursuant to Paragraph 10.13(1) of the Listing Requirements. Notwithstanding the Proposed Diversification, our Group intends to continue with its existing core businesses in the same manner.

Commentaries:

(i) FPE 31 March 2024 vs 31 March 2023

Our Group recorded a lower revenue of RM61.84 million in FPE 31 March 2024 (FPE 31 March 2023: RM92.73 million), representing a decrease of RM30.90 million. The decrease in revenue was mainly due to:

- (i) lower revenue contribution from the Embayu Damansara West ("**Embayu Project"**) which was handed over in the fourth quarter of FYE 31 December 2023;
- (ii) decrease from the contribution of the energy efficiency segment as a result of lower project billings as some of the major projects were recorded in the completion stage of year 2023;
- (iii) the disposal of a manufacturing plant in China in September 2023 which contributed RM3.00 million to the revenue in the FPE 31 March 2023; and
- (iv) no revenue recorded in FPE 31 March 2024 as the renewal of logging licence was only obtained on 25 March 2024.

In tandem with the decrease in revenue as mentioned above, our Group has also recorded a lower PBT of RM3.79 million in FPE 31 March 2024 (FPE 31 March 2023: PBT of RM10.98 million), mainly due to the lower revenue contributed as mentioned above. Despite the lower revenue, the PBT in the manufacturing segment for FPE 31 March 2024 was higher than the FPE 31 March 2023 which was mainly due to lower production costs as a result of effort on cost negotiation with suppliers and improve in efficiency of upgraded machinery and higher sales from certain products with higher gross profit margin.

(ii) FYE 31 December 2023 vs FYE 31 December 2022

Our Group recorded a higher revenue of RM361.72 million in FYE 31 December 2023 (FYE 31 December 2022: RM307.53 million), representing an increase of RM54.19 million. The increase in revenue for the FYE 31 December 2023 was mainly due to the revenue contributed by the energy efficiency segment which amounted to approximately RM120.55 million during the year (FYE December 2022: RM49.75 million) as a result of Energy Solution Global Limited and its subsidiaries becaming wholly-owned subsidiaries of our Group on 29 August 2022 and hence only consolidated 4 months revenue for the FYE 31 December 2022 as compared to 12 months for the FYE 31 December 2023. However, the increase in revenue was offset by the lower revenue contributed by the manufacturing segment given the decrease in sales orders which resulted from the softening of global demand during the FYE 31 December 2023 as compared to 2022 and the disposal of Meinaide in the third quarter of 2023 as well as lower revenue recognition from property development projects which were already at the completion stage.

Despite the increase in revenue, our Group recorded a lower PBT of RM13.56 million in FYE 31 December 2023 (FYE 31 December 2022: PBT of RM58.04 million) mainly due to:

- (i) lower revenue generated from manufacturing segment for the FYE 31 December 2023 due to reason as mentioned above;
- (ii) lower revenue generated from property development segment for the FYE 31 December 2023 due to reason as mentioned above;
- (iii) one-off net impairment losses on trade and other receivables and provision for slow moving stock from polyvinyl chloride related products with a total of RM6.01 million;
- (iv) a fair value adjustment on biological assets of RM20.42 million as a result of the future economic benefits derived from the biological assets falling below the carrying value in the accounts; and
- (v) lower other income generated by our Group for FYE 31 December 2023 of RM4.10 million (FYE 31 December 2022: RM6.47 million) due to the absence of one-off fair value gain arising from the interest in ESGL of RM2.10 million in FYE 31 December 2022.

(iii) FYE 31 December 2022 vs FYE 31 December 2021

Our Group recorded a higher revenue of RM307.53 million in FYE 31 December 2022 (FYE 31 December 2021: RM190.53 million), representing an increase of RM117.00 million. The increase in revenue for the FYE 31 December 2022 was mainly due to:

- (i) new stream of revenue contributed by the energy efficiency segment which amounted to approximately RM49.75 million (FYE 31 December 2021: RM Nil) by securing a few major projects, in particular, Singapore Changi Airport Terminal 2 and data centres projects;
- (ii) higher revenue recorded by the property development and construction division of RM144.15 million (FYE 31 December 2021: RM54.97 million) which was mainly due to higher percentage of sales and contribution progress contributed by the Embayu Project amounting to RM88.20 million; and
- (iii) partial off-set from the absence in revenue generated from the security brokerage business disposed by our Group in March 2021 (FYE 31 December 2021: RM15.00 million).

In tandem with the increase in revenue as mentioned above, our Group has also recorded a PBT of RM58.04 million in FYE 31 December 2022 (FYE 31 December 2021: PBT of RM15.60 million).

(iv) FYE 31 December 2021 vs FYE 31 December 2020

Our Group's revenue in FYE 31 December 2021 was RM190.53 million (FYE 31 December 2020: RM196.40 million), representing a decrease of RM5.87 million. The decrease of revenue for the FYE 31 December 2021 was mainly due to lower revenue generated from the property development and construction division of RM54.90 million (FYE 31 December 2020: RM96.53 million) as a result of one-off realisation of previously unrealised construction revenue of RM80.53 million for Picasso Residence in FYE 31 December 2020. Nevertheless, the lower revenue generated from the property development and construction division is partially off-set with the increase in revenue generated from the manufacturing division of RM116.16 million for the FYE 31 December 2021 (FYE 31 December 2020: RM96.32 million) due to the reopening of economy and recovery of sales which were impacted by the COVID-19 pandemic during the FYE 31 December 2021 as well as a new stream of revenue generated from the security brokerage business of RM14.98 million which our Group acquired in the fourth quarter of the FYE 31 December 2020.

Despite the lower revenue generated in the FYE 31 December 2021, our Group recorded a PBT of RM15.60 million for the FYE 31 December 2021 (FYE 31 December 2020: loss before tax of RM32.47 million). This PBT for the FYE 31 December 2021 was mainly due to higher sales and profit recognition from our Group's Embayu Project.

3.1 Key management personnels

Dato' Lua Choon Hann

Dato' Lua Choon Hann is the Group Executive Vice Chairman of our Group. He is in charge of overseeing the strategic direction of our Group and implementing and executing business and strategic plans of our Group.

He graduated in 1999 from University of Cardiff with a Bachelor of Law. He was a Prosecutor at the Attorney General's Chambers in Singapore from 2000 to 2002.

With his professional legal experience, business acumen and commercial know-how, Dato' Lua Choon Han became an entrepreneur in 2003 through various business ventures in Malaysia, China, Singapore and Hong Kong. His endeavours involved various sectors, including the provision of corporate consultancy and solution services, property development and other related business.

Dato' Lua Choon Hann joined our Company as a director in 2013 and has overseen our Group's strategic investments over various industries including healthcare, property development, agriculture and energy efficiency.

While the property investment business is being set up, Dato' Lua Choon Hann will be overseeing the setting up of this division including hiring the relevant personnel and consultants to spearhead the property investment initiative.

Dato' Wee Cheng Kwan

Dato' Wee Cheng Kwan is the Managing Director of the Property and Construction Division. He is in charge of overseeing the property development projects undertaken by our Group.

He graduated from University of Portsmouth with a Bachelor of Civil Engineering in 1999. He was an engineer at L&M Foundation Specialist Pte Ltd (Singapore) from 2000 to 2001 and a structural engineer at Chiu Teng Construction Pte Ltd Singapore from 2001 to 2004. From 2005 to 2007, Dato' Wee Cheng Kwan was involved in development and construction business in several companies in Malaysia. In 2007, he became an entrepreneur through various business ventures in Malaysia involved in the provision of corporate consultancy and solution services, property development, property investment and other related business.

Dato' Wee Cheng Kwan joined our Company as a director in 2013 and has overseen projects such as Tree Top Residence, the Embayu Project and the on-going Project of the Subject Properties. In these projects, he was mainly responsible in overseeing and managing all aspects of the project development projects undertaken. This also includes overseeing the preparation of construction cost budgets and cost estimation budgets by project management department. He is also involved in the legal related matters on the implementation of property development projects including liaising and coordinating with the regulatory authorities for any approvals relating to the property development projects.

While the property investment business is being set up, Dato' Wee Cheng Kwan will be overseeing the setting up of this division including hiring the relevant personnel and consultants to spearhead the property investment initiative.

Ji Haitao

Ji Haitao is the Director of the Property Investment Division. He is in charge of overseeing the property investment business undertaken by our Group.

He graduated from Bohai University with a Diploma of International Trade in 1999 and University of Sydney with a Bachelor of Commerce majoring in Finance in 2014. He was a project manager and Director in a construction company, namely D W Link Pty Ltd at Sydney, Australia from 2007 to 2011. From 2012 to 2022, he was the Managing Director of Net Venture Group where he developed a deep understanding of Sydney Cental Business District. He was involved in the property management role in Fringe Commercial, which is a commercial real estate agency in Pyrmont, Australia. In addition, he has obtained a Certificate IV in Property Services and is a Class 2 licensed real estate agent issued by the Fair Trading of New South Wales Government.

In May 2020, he joined our Company as a Non-Executive Independent Director and was subsequently redesignated as an Executive Director in May 2023. He was involved in managing and devising strategies for business development and commercial property market for 10 Bridge Street Pymble, in the Sydney Central Business District.

While the property investment business is being set up, Dato' Wee Cheng Kwan and Ji Haitao will be overseeing the setting up of this division including hiring the relevant personnel and consultants to spearhead the property investment initiative.

4. RATIONALE OF THE PROPOSALS

4.1 Proposed Disposal

The Proposed Disposal represents a timely opportunity for our Group to realise the value of the Subject Properties at the Disposal Consideration by way of Cash Consideration and Consideration Shares as stated in **Part A**, **Section 2** of this Circular. The Cash Consideration will improve our Group's financial liquidity immediately upon the receipt of the Cash Consideration to be utilised for the purposes as stated in **Part A**, **Section 2.10** of this Circular.

Furthermore, while achieving the above benefits through the Proposed Disposal, our Group will also continue to benefit from any future returns arising from the Subject Properties through PLSB being an indirect subsidiary of our Company, i.e. PLSB is a wholly-owned subsidiary of Furniweb which is a 50.45%-owned subsidiary of our Company.

In addition, the Proposed Disposal will also result in our Company increasing its equity interest in Furniweb from 50.45% to 67.71%. The increase in equity interest in Furniweb would allow our Company to further consolidate its interest in Furniweb as well as enable our Company to facilitate easier decision making and steering of direction for Furniweb's operations. On top of that, the increase of equity interest in Furniweb would also allow our Company to create a larger buffer by providing greater security in their controlling interest which could potentially be diluted from new issuance of Furniweb Shares that may arise from the undertaking of fundraising exercise (i.e., private placement) and/or exercise of employee share option scheme to be granted via employee share option scheme of Furniweb which will remain in force up to 19 September 2027.

Moreover, considering that the business operations which our Group (excluding Furniweb Group) is involved in requires high operating cashflow (i.e., property development and construction as well as agriculture business), the benefit from the Proposed Disposal which will ease the financial liquidity of our Group is expected to outweigh the benefit of holding the Subject Properties and being involved in the property investment business directly of which the Subject Properties will only be ready for rent and/or lease by end of June 2025.

In view of the financial performance of Furniweb (as set out in **Appendix V** of this Circular), our Board is of the view that the Proposed Disposal would further improve the financial performance of our Group with the consolidation of 67.71% equity interest in Furniweb by our Company.

4.2 Proposed Diversification

Pursuant to Paragraph 10.13(1) of the Listing Requirements, a listed corporation must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

- (i) the diversion of 25% or more of the net assets of the listed corporation to an operation which differs widely from those operations previously carried on by the listed corporation; or
- (ii) the contribution from such an operation of 25% or more of the net profits of the listed corporation.

Following the Proposed Disposal, it is anticipated that Furniweb intends to utilise the Subject Properties for property investment purposes (i.e, to collect rental income and for future resale of the Subject Properties).

The Proposed Diversification is undertaken pursuant to the Listing Requirements as our Board believes that, barring any unforeseen circumstances, the property investment business may in the future contribute 25% or more of the net profits of our Group and/or attributed to 25% or more of the net assets of our Group after taking into consideration the estimated contribution of property investment business to our Group after the Proposed Disposal of approximately 18.95% as detailed in **Part A, Section 4** of this Circular and that Furniweb and its subsidiaries may expand its property investment business or invest in other properties apart from the Subject Properties after the completion of the Proposed Disposal.

In addition, considering the positive overview and outlook of the property market as set out in **Part A**, **Section 5.2** of this Circular, our Group believes that the Proposed Diversification will improve the future earnings and financial position of our Group, moving forward.

5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the property market

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 supported by positive performance in all sub-sectors except agriculture compared to the previous year. In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

Overnight Policy Rate was stagnant at 3.0% since May 2023, after an increase by 0.25 basis points from 2.75%, last increased in November 2022. The monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects, vigilant to ongoing developments to inform the assessment on the outlook of domestic inflation and growth as well as conducive to sustainable economic growth amid price stability. The current level of borrowing rate is seen heading to pre-pandemic rate at 3.00% in 2019, which the latest announced was in 24 January 2024.

Sectoral market activity performance showed upward movements. Residential, commercial, industrial and development land sub-sectors recorded year-on-year growths of 3.0%, 23.3%, 0.9% and 5.0% respectively, whereas agricultural sub-sector recorded otherwise, declined by 7.8% in volume.

Value of transactions recorded higher increase for all subsectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 7.1%, 17.5%, 13.1%, 4.6% and 13.8% respectively.

Residential sub-sector led the overall property market, with 62.8% contribution in volume. This was followed by agriculture (19.0%), commercial (10.1%), development land and others (6.1%) and industrial (2.0%). Similarly in value, residential took the lead with 51.3% share, followed by commercial (19.5%), industrial (12.2%), agriculture (9.5%) and development land and others (7.5%).

The primary market performance more encouraging in 2023. A total of 56,526 units launched were recorded, against 54,118 units in 2022. The slight improvement was supported by the uptrend recorded in Johor, Sarawak and Perlis which increased more than 50%. It could be attributed to the various incentives and assistance given by the government to promote home ownership especially the first-time purchaser in Budget 2023. Sales performance shows better figure at 40.4%, higher than 36.0% in 2022.

The residential overhang situation improved as the numbers continued to reduce as compared to previous year. There were 25,816 overhang units worth RM17.68 billion recorded in Q4 2023, reduced by 7.0% and 4.0% in volume and value respectively against Q4 2022 (27,746 overhang units worth RM18.41 billion).

According to the Ministry of Finance, Malaysia's economy is expected to grow moderately with the projected growth between 4% to 5% in 2024, driven by domestic demand, sustained and diversified economic structure and coupled with ongoing policy support including the National Energy Transition Roadmap and the New Industrial Master Plan 2030. Bank Negara Malaysia also anticipated resilient domestic expenditure and improvement in external demand will driven Malaysia's growth.

The property market is expected to continue its momentum supported by various initiatives outlined by the government under Budget 2024, among others:

- (i) Established a high-tech industrial area in Kerian, Northen Perak to widen the Electrical & Electronic cluster ecosystem in the Northen Region.
- (ii) In line with the Halal Industry Master Plan 2030, which sets a benchmark for the halal industry's contribution of 11% of Gross Domestic Product by 2030, 9 financial institutions are offering special programmes for halal small medium enterprises in halal industry an integrated platform providing access to special funds and capacity building programmes.
- (iii) A special guarantee fund of RM1 billion has been allocated to encourage reputable developers to revive identified abandoned projects.
- (iv) Allocation of RM546 million to continue the implementation of 36 Program Perumahan Rakyat ("PPR"), including a new project in Kluang, Johor and another 15 PPR projects are expected to be completed and this is expected to benefit 5,100 potential new residents.
- (v) Allocation of RM358 million will be channelled to continue for the construction of 3,500 housing units under 14 Program Rumah Mesra Rakyat.
- (vi) Provide guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan which will benefit to 40,000 borrowers.
- (vii) Imposing a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia.
- (viii) Ease the requirements of Malaysia My Second Home programme to attract more tourists and foreign investors to Malaysia.

(Source: Annual Property Market Report 2023, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

5.2 Prospects of our Group

Our Group is principally involved in manufacturing, property development and construction, agriculture and energy efficiency business (as set out in **Part A, Section 3** of this Circular) while its subsidiary, Furniweb is principally engaged in the manufacturing and sale of elastic textile, webbing, rubber tape and energy efficiency business.

For the property development and construction segment, our Group is currently involved in the development of Picasso Residence, a luxury residential project. As at the LPD, our Group is in the midst of assessing several potential projects and is expected to finalised in the next 12 months. Such potential projects, if materialised will be rolled out by our Group in the next 2 to 3 years.

As for the Subject Properties, subject to the approval from the board of directors and shareholders of Furniweb, the Subject Properties disposed to Furniweb is expected to be held by Furniweb Group for the long run and lease out to generate rental income via various business models which may include but not limited to short-term rentals and leasing to both individual tenants and/or corporate which will be marketed by the in-house team of Furniweb Group. Based on the estimated rental income of approximately RM2.96 per square foot, Furniweb is expected to generate an annual rental income of approximately RM2.60 million based on the assumption of 100% occupancy rate. The estimated holding cost per annum for the Subject Properties which inclusive of among others, utility, administrative cost and maintenance fees, are approximately RM0.50 million.

Barring unforeseen circumstances, the Subject Properties are expected to be made available for rent and/or lease and contribute profit to our Group for the FYE 31 March 2025. Subject to the requirement of the potential tenants, the additional financial commitment required for the property investment business is unable to be determined at this junction. Nevertheless, any financial commitment required for the property investment business (including the Subject Properties) are expected to be funded via internally generated funds and/or bank borrowings of Furniweb Group.

Meanwhile, the agriculture segment is expected to face challenges from the weather uncertainties, operating costs escalation and labour shortages issues. Nevertheless, our Group aims to manage its risks through closely monitoring of crops using Internet of Things system and enhance its operating processes by investing in automation and adopting sustainable farming practices as our Group believes that the agriculture segment is expected to contribute positively to our Group with the anticipation of increasing demand and rise in teak wood prices.

Furthermore, in order to grapple with supply chain disruptions in the manufacturing segment, our Group is in response to this dynamic landscape by adopting a strategic approach, recalibrating market strategies, revisiting pricing frameworks, streamline cost structures to maintain competitiveness in the market.

Not to mention that our Group is committed to enhancing long-term shareholders' value and to ensure sustainability of a steady income stream. As such, our Group had previously diversified into energy efficiency business through the ESGL Acquisition to provide energy-efficient HVAC which includes the provision of management and control system that implements centralised monitoring, management, and decentralised control of HVAC energy use in buildings.

Our Group's latest venture into the energy efficiency business is intended to incorporate a new recurring income stream as it provides our Group with immediate access to the energy efficiency business through EGSL's 2 wholly-owned subsidiaries, namely Measurement & Verification Pte Ltd and Measurement & Verification Sdn Bhd which conduct their activities in Singapore and Malaysia respectively. Our Group had recorded a revenue of RM49.75 million through the energy efficiency segment in FYE 31 December 2022 since the completion of the ESGL Acquisition on 29 August 2022.

ESGL, a wholly owned subsidiary of Furniweb, has built up a strong reputation as a smart energy solution provider in Singapore and Malaysia, countries where climate change mitigation policies are shaping up, particularly in the area of energy efficiency. Singapore, for example, promotes energy efficiency through legislation, incentives and public education and works closely with the private sector towards this end. Such holistic policies have brought about a well-defined business opportunity for companies with the relevant expertise and experience. Similarly in Malaysia, with one of the highest energy consumptions per capita in ASEAN, the authorities have a plan to push for a more productive use of energy employing all possible measures and solutions.

Global energy consumption is expected to continue growing in 2024 amid a slowing economy. The energy prices remaining high and possible contraction in gas and oil supplies from Russia have driven the needs and urgency to reduce energy consumption globally. Furniweb is of the view that governments will move towards the direction of reducing greenhouse gas emissions, establishing climate change mitigation policies and promoting energy efficiency initiatives. With the support from government policies, rising energy costs and the global push for environmental, social and governance initiatives, Furniweb believes the energy efficiency business will contribute positively to our Group's results in the coming years.

Further to the ESGL Acquisition, our Group intends to expand its revenue steam to include property investment businesses pursuant to the Proposed Diversification. Following the Proposed Disposal, it is anticipated that Furniweb intends to utilise the Subject Properties for property investment purposes (i.e, to collect rental income and for future resale of the Subject Properties).

In view of outlook of the property market as set out in **Part A, Section 5.1** of this Circular, our Board believes that our Group is able to leverage on key management personnels' relevant skills and expertise as set out in **Part A, Section 3.1** of this Circular to achieve business expansion in relation to the Proposed Diversification, which would further improve the financial performance of our Group in the long run. Our Board takes cognisance that the unpredictable global environment and geopolitical conflicts will require our Group to remain resilient and vigilant in order to manage the associated risks and maintain the sustainability of our Group's businesses.

6. RISK FACTORS

6.1 Contractual risk

Our Company has given representations, warranties and/or undertakings as set out in the Agreements in favour of Furniweb and PLSB. In this regard, our Company may be subject to claims in accordance with the terms and conditions of the Agreements for the breach of representations, warranties and/or undertakings given by our Company.

Nevertheless, our Board and the management of our Company will endeavour to ensure compliance with its obligations under the respective Agreements in order to minimise the risk of any breach of the warranties and/or undertakings given.

6.2 Non-completion of the Proposed Disposal

If any of the terms and conditions of the Agreements is not fulfilled or waived, the completion of the Proposed Disposal may be delayed or the Agreements may be terminated. Our Company will also be subjected to certain contractual risks as a result of non-fulfilment of its obligations under the Agreements, as set out in **Appendices I, II** and **III** of this Circular.

Notwithstanding the above, our Board will endeavour to take all the necessary steps to cause our Company to complete the Proposed Disposal by ensuring that all obligations under the Agreements which are within our Company's control are met on a timely basis.

6.3 Opportunity cost

With the Proposed Disposal, our Group will be disposing the Subject Properties based on the prevailing market value as appraised by the Valuer. Whilst the Subject Properties will continue to be held under our Group (via PLSB, a wholly-owned subsidiary of Furniweb) upon completion of the Proposed Disposal, any future appreciation in the value of the Subject Properties attributable to our Company will be diluted by virtue of the interests of non-controlling shareholders of Furniweb in the Subject Properties after the completion of the Proposed Disposal.

Notwithstanding the above, the Proposed Disposal entails the issuance of Consideration Shares by Furniweb to our Company, which would increase the equity interest of our Company in Furniweb from 50.45% to 67.71%. Accordingly, our Group will be able to further consolidate Furniweb's financials upon completion of the Proposed Disposal.

Furthermore, the proceeds from the Proposed Disposal would be utilised for purposes set out in **Part A**, **Section 2.10** of this Circular, which is expected to benefit our Group upon realisation of the benefits from the utilisation of such proceeds in the operations of our Group.

6.4 Dependency on key management personnels

Our Group's involvement in the property investment business is dependent on the abilities, skills and experiences of its key personnel (as set out in **Part A**, **Section 3.1** of this Circular). Any sudden departure of the key personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, may adversely affect its operation and consequently, Furniweb's revenue and profitability, which in turn may affect our Group's financial performance.

Our Group will offer competitive incentive and remuneration packages to retain the key personnel as well as to attract and retain qualified experienced personnel who are essential towards the development of the property investment business.

6.5 Business diversification risk

Our Group is principally involved in the manufacturing, property development and construction, agriculture and energy efficiency business. Subject to the shareholders' approval for the Proposed Diversification, our Group's businesses are now subject to new challenges and risks inherent in the property investment industries. These may include but are not limited to, changes in the supply and demand of properties, changes in the regulatory framework within which the property sector operates, increase in building materials or labour costs, adverse changes in rental prices, difficulty in securing tenants, risk of delay, abandonment and inflated prices, downturns in the global, regional and/or national economies, and changes in business and credit conditions.

Notwithstanding that, our Group seeks to conduct a periodic review of its business and adopt prudent financial management to limit the impact of the aforementioned risks. However, there can be no assurance that our Group may be able to successfully mitigate the various risks inherent in the property investment business, and if unable to do so, the business operation and financial performance of our Group may be adversely affected.

6.6 Competition risk

Being a new entrant in the property investment business, our Group may face competition from existing competitors who have good reputation as well as new entrants in these industries. Nevertheless, our Group will take proactive measures to remain competitive in the business by, amongst others, conducting market studies before any acquisitions of landbanks or properties, constantly keeping abreast with the latest property market conditions and gaining a competitive edge in terms of cost and operational efficiency throughout their operations as well as product or service quality. There is no assurance that our Group will be able to successfully compete with these competitors.

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7. EFFECTS OF THE PROPOSALS

The Proposals will not have any effect on our Company's issued share capital and substantial shareholders' shareholdings as they do not involve any change to the number of PRG Shares.

7.1 NA, NA per PRG Share and gearing

The Proposed Diversification will not have any effect on the NA and gearing of our Group for the FYE 31 December 2024.

For illustration purposes only, based on the audited consolidated statement of financial position of our Company as at 31 December 2023 and assuming that the Proposed Disposal had been effected on that date, the pro forma effects of the Proposed Disposal on the NA, NA per PRG Share and gearing of our Group are as follows:

	Audited as at 31 December 2023	After the Proposed Disposal
	RM'000	RM'000
Share capital	144,800	144,800
Treasury shares	(87)	(87)
Exchange translation reserve	239	239
Fair value reserve	(28,327)	(28,327)
Share options reserve	724	724
Retained earnings	42,346	$104,176^{(1)}$
NA attributable to the owners of	159,695	221,525
our Company	,	,
Non-controlling interests	96,737	89,714
Total equity	256,432	311,239
No. of PRG Shares in issue ⁽²⁾ ('000)	430,666	430,666
NA per PRG Share ⁽³⁾ (RM)	0.37	0.51
Total borrowings (RM'000)	45,561	45,561
Gearing (times)	0.18	0.15
Cash and short-term deposits (RM'000)	101,108	101,108
Net gearing ⁽⁴⁾ (times)	N/A	N/A

Notes:

- (1) After the adjustment of Furniweb's NA recognised by our Group due to the increase in the equity interest held by our Group from 50.45% to 67.71% and the pro forma net gain on disposal attributable to our Group of approximately RM1.10 million (including the estimated expenses for the Proposed Disposal of approximately RM0.50 million) as set out in **Part A, Section 7.3** of this Circular.
- (2) Excluding 417,800 treasury shares held by our Company.
- (3) Computed based on NA attributable to the owners of our Company divided by the number of PRG Shares in issue.
- (4) Computed based on total net borrowings, after excluding cash and short-term deposits, divided by total equity.

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7.2 EPS

The Proposed Diversification will not have any effect on the earnings and EPS of our Group for the FYE 31 December 2024.

For illustration purposes only, based on the audited consolidated financial statements of our Company for the FYE 31 December 2023 and assuming that the Proposed Disposal had been effected on 1 January 2023, the pro forma effects of the Proposed Disposal on the consolidated earnings of our Company and EPS are as follows:

	(Audited) FYE 31 December 2023	After the Proposed Disposal
Profit after tax attributable to owners of PRG (RM'000)	(11,375)	$(11,112)^{(l)}$
Weighted average number of PRG Shares in issue ('000)	429,745	429,745
Earnings per Share ⁽²⁾ (sen)	(2.65)	(2.59)

Notes:

- (1) After the adjustment of Furniweb's NA recognised by our Group due to the increase in the equity interest held by our Group from 50.45% to 67.71% and the pro forma net gain on disposal attributable to our Group of approximately RM1.10 million (including the estimated expenses for the Proposed Disposal of approximately RM0.50 million) as set out in **Part A, Section 7.3** of this Circular.
- (2) Computed based on audited profit after tax attributable to owners of our Company divided by weighted average number of PRG Shares in issue.

For the avoidance of doubt, the Proposed Disposal is expected to result in net gain from the Proposed Disposal amounting to approximately RM1.10 million to the earnings and EPS of our Group for the FYE 31 December 2024. In addition, the increase in equity interest held by our Group in Furniweb is also expected to increase the consolidated profit or losses attributable by Furniweb to our Company.

7.3 Expected gain to our Group arising from the Proposed Disposal

Based on the latest audited consolidated financial statements of our Company for the FYE 31 December 2023, the Proposed Disposal is expected to result in a pro forma net gain on disposal of approximately RM1.10 million, as follows:

	RM'000
Disposal Consideration	61,982
Less: Net book value of the Subject Properties	(61,982)
Pro forma gross gain/(loss) from the Proposed Disposal	-
Add: Surplus from settlement of the amount owing by PDMSB to our Company	$1,597^{(1)}$
Less: Estimated expenses for the Proposed Disposal	(500)
Pro forma net gain from the Proposed Disposal	1,097

Note:

(1) Being the agreed interests accrued or accruing payable by PDMSB arising from the outstanding Amount Payable by PDMSB to our Group pursuant to the SSA.

8. APPROVALS REQUIRED

The Proposed Disposal is deemed as a related party transaction by virtue of the Interested Major Shareholder, namely Dato' Ng Yan Cheng being a major shareholder of our Company and Furniweb (other than interest held via our Company, he also holds 11.13% equity interest in Furniweb as at the LPD) and the Interested Directors, namely Andrew Chan Lim-Fai, being our Group Managing Director of our Company and son-in-law of Dato' Ng Yan Cheng and brother-in-law of Ng Tzee Penn as well as Ng Tzee Penn, an Executive Director of our Company, being a son of Dato' Ng Yan Cheng and brother-in-law of Andrew Chan Lim-Fai.

The Proposals are subject to the following approvals being obtained:

- (i) the shareholders of our Company at the forthcoming EGM;
- (ii) the shareholders of Furniweb at an EGM to be convened;
- (iii) HKEX for the listing of and permission to deal in the Consideration Shares on the GEM of HKEX; and
- (iv) approvals/consents from any other relevant authorities and/or parties, if required.

The Proposed Disposal and the Proposed Diversification are inter-conditional. The Proposals are not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.

9. CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

As at the LPD, save for the following, our Board is not aware of any corporate exercises which was announced but not yet completed prior to the printing of this Circular:

- (i) proposed partial settlement of debt owing by our Group to Dato' Lua Choon Hann amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new PRG Shares announced on 25 August 2023 ("Proposed Debt Settlement to Dato' Lua");
- (ii) proposed partial settlement of debt owing by our Group to Dato' Ng Yan Cheng amounting to RM4,993,271.46 to be satisfied via issuance of 23,365,800 new PRG Shares ("**Proposed Debt Settlement to Dato' Ng"**); and
- (iii) the Proposals.

10. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Disposal pursuant to Paragraph 10.02(g)(iii) of the Listing Requirement, being the aggregate value of the Disposal Consideration compared with the net assets of our Group as at 31 December 2022 is 36.57%.

11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save for Dato' Ng Yan Cheng, a major shareholder of our Company and Furniweb (other than interest held via our Company, he also holds 11.13% equity interest in Furniweb as at the LPD), Andrew Chan Lim-Fai, our Group Managing Director of our Company and Executive Director of Furniweb being the son-in-law of Dato' Ng Yan Cheng and brother-in-law of Ng Tzee Penn as well as Ng Tzee Penn, an Executive Director of our Company, being a son of Dato' Ng Yan Cheng and brother-in-law of Andrew Chan Lim-Fai, who are deemed interested in the Proposals, none of the other directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposals.

Notwithstanding Dato' Lua Choon Hann, being the common director of our Group and Furniweb, the Proposed Disposal will not be regarded as a related party transaction resulted by him pursuant to Paragraph 10.08(11)(c) of the Listing Requirements considering his shareholding in Furniweb is less than 5% (ie, he has only 0.04% shareholding in Furniweb) and he has no other interest such as commission or other kinds of benefit received from our Group or Furniweb in relation to the Proposed Disposal.

As at LPD, the direct and indirect shareholdings of the Directors and Interested Major Shareholder in our Company are as follows:

	Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%
Directors				
Dato' Lua Choon Hann	10,234,291	2.37	$300,\!000^{(l)}$	0.07
Andrew Chan Lim-Fai	=	-	-	-
Dato' Wee Cheng Kwan	11,494,079	2.66	-	-
Ng Tzee Penn	=	-	-	-
Ji Haitao	1,417,000	0.33	-	-
Lim Chee Hoong	154,000	0.04	$134,000^{(1)}$	0.03
Tan Sri Datuk Seri (Dr) Mazlan	275,800	0.06	-	-
Bin Lazim				
Datin Arlina Binti Ariff	-	-	=	-
Ng Khang Chyi	2,206,000	0.51		
Joyce Tan Soo Yuen	-	-	-	-
Interested Major Shareholder				
Dato' Ng Yan Cheng	56,863,027	13.16	2,178,600(2)	0.50

Notes:

- (1) Deemed interested by virtue of his spouse's shareholdings, pursuant to Section 59 of the Act.
- Deemed interested by virtue of his shareholdings in Guotai Junan Securities (Hong Kong) Limited, (2) pursuant to Section 8 of the Act.

In view of the above, the Interested Directors has abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations and voting at all relevant Board meetings in respect of the Proposals.

Further, the Interested Major Shareholder and Interested Directors will abstain from voting and undertake to ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

12. TRANSACTION WITH THE SAME RELATED PARTIES

Save for the Proposed Debt Settlement to Dato' Ng, there was no other transaction between our Company and the Interested Major Shareholder and/or Interested Directors in the 12 months preceding the date of this Circular.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the Interested Directors), is of the opinion that the Proposed Disposal is:

- (i) in the best interest of our Group;
- fair, reasonable and on normal commercial terms; and (ii)
- (iii) not detrimental to the interest of the non-interested shareholders of our Company.

In forming its opinion, our Board (save for the Interested Directors) has considered various factors including the evaluation and recommendation of the Independent Adviser as set out in the IAL, the terms and conditions of the Agreements (including the exchange rate adopted for the Proposed Disposal of RM1:HKD1.7697, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 20 April 2023), prospects of property market (as set out in Part A, Section 5.2 of this Circular), prospects of Furniweb (as set out in Part A, Section 5 of this Circular) as well as the rationale and effects of the Proposed Disposal.

Our Board (save for the Interested Directors) is of the opinion that the Proposed Diversification is in the best interest of our Group after having considered all aspects of the Proposed Diversification including but not limited to the rationale, and the effects of the Proposed Diversification.

After having considered all aspects of the Proposals as per above, our Board (save for the Interested Directors) recommends the shareholders to vote in favour of the resolutions in respect of the Proposals to be tabled at the forthcoming EGM.

14. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The Audit and Risk Management Committee is of the opinion that the Proposals are:

- (i) in the best interest of our Group;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the non-interested shareholders of our Company.

In forming its opinion, the Audit and Risk Management Committee has considered various factors including the evaluation and recommendation of the Independent Adviser as set out in the IAL, the terms and conditions of the Agreements (including the exchange rate adopted for the Proposed Disposal of RM1:HKD1.7697, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 20 April 2023) as well as the rationale and effects of the Proposals.

15. TENTATIVE TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals set out in **Part A, Section 8** of this Circular being obtained and the fulfilment of all the conditions precedent set out in the Master Agreement, the Proposed Disposal is expected to be completed in the 1st half of 2024 while the Proposed Diversification will be effective upon obtaining approval from the shareholders of our Company at the forthcoming EGM.

The tentative timeline for implementation of the Proposed Disposal is as follows:

Tentative dates	Events
16 August 2024	 EGM Effective date for the Proposed Diversification
End April 2025	Fulfilment of all conditions precedent in the Master Agreement
End May 2025	Approval from HKEX for the listing of and permission to deal in the Consideration Shares on the GEM of HKEX
Mid June 2025	Listing of and quotation for the Consideration Shares
End June 2025	Completion of the Proposed Disposal

16. INDEPENDENT ADVISER

In view of the interests of the Interested Major Shareholder and the Interested Directors, the Proposed Disposal is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, AER has been appointed on 13 March 2023 to act as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of our Company in respect of the Proposed Disposal. Further, as the Proposed Disposal is inter-conditional with the Proposed Diversification, AER has also provided their opinion on the Proposed Diversification.

Accordingly, AER has been appointed to act as the Independent Adviser to advise:

- (i) whether the Proposals are fair and reasonable insofar as the non-interested shareholders are concerned:
- (ii) whether the Proposals are to the detriment of the minority shareholders; and
- (iii) non-interested shareholders of our Company on whether they should vote in favour of the Proposals.

The IAL is set out in **Part B** of this Circular.

17. EGM

The EGM, the notice of which is set out in this Circular, will be conducted on a virtual basis through live streaming from the Broadcast Venue at Unit 4.02, Level 4, Plaza Damansara, Block A, Bukit Damansara, 50490 Kuala Lumpur for remote participation and voting via Vote2U operated by Agmo Digital Solutions Sdn. Bhd. at https://web.vote2u.my on Friday, 16 August 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

Please refer to the Administrative Guide for the EGM and follow the procedures provided in order to participate and vote remotely at the EGM.

If shareholders are unable to participate and vote at the EGM, they should complete and lodge the enclosed Form of Proxy in accordance with the instructions contained in the Administrative Guide not later than 48 hours before the time set for holding the EGM. The lodging of the Form of Proxy will not preclude shareholders from participating and voting at the EGM if they subsequently wish to do so.

18. FURTHER INFORMATION

Shareholders are advised to refer to Appendix VI set out in this Circular for further information.

Yours faithfully, For and on behalf of our Board of PRG HOLDINGS BERHAD

DATO' LUA CHOON HANN

Group Executive Vice Chairman

		F	PART B		
INDEPENI	DENT ADVICE LE REI	TTER TO THE I	NON-INTERESTE E PROPOSED DI	ED SHAREHOLDE SPOSAL	RS OF PRG I

DEFINITIONS

All definitions used in this IAL shall have the same meaning as the words and expressions provided in the "**Definitions**" section of this Circular and as defined in the IAL herein, except where the context herein requires otherwise or where otherwise defined in the table below. All references to "you" are references made to the non-interested shareholders of PRG ("non-interested shareholders"), whilst references to "we", "us" or "our" are references to AER, being the Independent Adviser for the Proposed Disposal.

"NA per share"	Net assets divided by the number of shares in issue
"NTA"	Net tangible assets
"NTA per share"	Net tangible assets divided by the number of shares in issue
"psf"	Per square feet
"VWAP"	Volume Weighted Average Price

EXECUTIVE SUMMARY

Set out hereunder is an executive summary which serves to highlight some of the salient points arising from AER's independent evaluation of the Proposed Disposal. The non-interested shareholders are advised to read and understand the contents of the IAL and the entire Part A of this Circular, including the appendices thereof, for more comprehensive information, evaluation, and recommendation on the Proposed Disposal, before voting on the resolution pertaining to the Proposed Disposal at the forthcoming EGM.

1. INTRODUCTION

On 27 April 2023 and 7 June 2023, TA Securities had on behalf of the Board, announced that PRG intended to undertake the following:-

Proposed Disposal

Pursuant to the executed Master Agreement and Supplemental Master Agreement between PRG, Furniweb and PLSB dated 27 April 2023 and 7 June 2023, PLSB, a wholly owned subsidiary of Furniweb shall purchase the Subject Properties from PRG for a total disposal consideration of RM61,982,000 via a combination of Cash Consideration and issuance of Consideration Shares.

Due date of payment by Purchaser	Nature of consideration	Form of Consideration	Amount, RM	Percentage of payment	Notes
Within 14 days from the execution of Master Agreement	Deposit	Cash	6,198,200	10%	1
Within 14 days from the execution of Supplemental Master Agreement	Deposit	Cash	1,239,640	2%	
Within 90 days from Unconditional date	Balance Purchase Consideration	New Furniweb Shares	54,544,160	88%	2
Total			61,982,000	100%	

Note 1

10% of the Disposal Consideration, equivalent to RM6,198,200, shall be paid to PRG, in cash, within fourteen (14) days from the date of the Master Agreement and 2% of the Disposal Consideration, equivalent to RM1,239,640, shall be paid to PRG, in cash, within fourteen (14) days from the date of the Supplemental Master Agreement. For information purposes, the 10% of the Disposal Consideration and the remaining 2% of the Disposal Consideration has been received on 8 May 2023 and 21 June 2023, respectively.

Note 2

Balance Purchase Consideration: RM54,544,160 (equivalent to HKD96,526,800 at the exchange rate of RM1: HKD1.7697, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 20 April 2023, as mutually agreed by PRG and Furniweb), being 88% of the Disposal Consideration, shall be paid to PRG by way of issuance of 321,756,000 Consideration Shares at an issue price of HKD0.30¹ each within 90 days from the Unconditional Date.

The Subject Properties comprise of a total of 50 units of condominium, i.e. 16 units condominium with built-up area of 1,013 sq ft. and 34 units condominium with 1,668 sq. ft. within the Project, which is currently under construction.

The Proposed Disposal is a related party transaction under Paragraph 10.08 of the Listing Requirements by virtue of the interest of Interested Major Shareholder, namely Dato' Ng Yan

¹Based on the 5-day average closing price of Furniweb Shares as at the Announcement LPD.

EXECUTIVE SUMMARY (CONT'D)

Cheng being a major shareholder of PRG and Furniweb (other than interest held via PRG, he also holds 11.13% equity interest in Furniweb as at the LPD), Andrew Chan Lim-Fai, our Group Managing Director of our Company and Executive Director of Furniweb being the son-in-law of Dato' Ng Yan Cheng and brother-in-law of Ng Tzee Penn as well as Ng Tzee Penn, an Executive Director of our Company, being a son of Dato' Ng Yan Cheng and brother-in-law of Andrew Chan Lim-Fai, details as set out in Section 8, Part A, of this Circular.

The Board had on 13 March 2023, appointed AER to act as an Independent Adviser to advise the non-interested directors and the non-interested shareholders of PRG on the Proposed Disposal.

Our scope as an Independent Adviser is to:

- (i) comment as to: -
 - (a) whether the Proposals are fair and reasonable as far as the non-interested shareholders are concerned; and
 - (b) whether the Proposals are detrimental to the interest of the non-interested shareholders; and

set out our opinion with reasons for the key assumptions made and the factors taken into consideration in forming our opinion.

- (ii) advise the non-interested shareholders on whether they should vote in favour of the Proposed Disposal and Proposed Diversification; and
- (iii) take all reasonable steps to satisfy ourselves that it has a reasonable basis to make the comments and advise in (i) and (ii) above.

2. EVALUATION OF THE PROPOSED DISPOSAL

In evaluating the Proposed Disposal, we have taken into consideration the following:

Section	Area of	AER's comments
in the IAL	evaluation	
Section 6.1	Basis of arriving at the Purchase Price	The Disposal Consideration translate to a discount of approximately 3.96% to the market value of the Subject Properties of RM64,535,000 ascribed by the Valuer. We noted that the discount of 3.96% to the market value of the Subject Properties of RM64,535,000 as ascribed by the Valuer,
		although not fair but reasonable for following reasons:- (a) We noted that the terms of reference of the Valuation Certificate was prepared based on the assumption that the
		Subject Properties are fully completed in accordance with the approved building plans, specifications and duly issued with certificate of completion and compliance by relevant authority in contrast to the actual state of the Subject Properties which was about 70% completion, on valuation date. This means that a discount is expected from the appraised value as reflected in the Valuation Certificate. The Valuation Certificate was prepared based on the terms of reference of appraising the market value of the Subject Properties on a fully completed basis contrary to the Proposed Disposal which is "as is where is" basis. Hence, we are of the opinion that the Valuation Certificate could only be served as a source of reference and not as a sole reference to conclude on the fairness of the Disposal Consideration. For information, as at the LPD, Subject Properties is approximately 98% completed.
		The Subject Properties are only 70% constructed (on date of site inspection by Valuer) as opposed to the basis of valuation of assuming that the Subject Properties are ready to be occupied by Valuer. The appraised value of the Subject Properties does not consider the expected discount required by a normal arm's length commercial buyer for paying the price based on 70% completion.
		(b) the sale is for a transaction that involves a total of 50 units, and in commercial practice, a vendor may provide a discount to a purchaser who buys en-block, as the vendor could save from the holding cost (opportunity cost of money) of continuing to hold the properties as inventories.

EXECUTIVE SUMMARY (CONT'D)

Section in the IAL	Area of evaluation	AER's comments
		We also noted from Part A, Section 7.3 of this Circular that the Disposal Consideration and the Settlement of Amount Payable shall result in a proforma gain of RM1,097,000.
		The Consideration Shares received by PRG will result in PRG increasing its equity interest in Furniweb from 50.45% to 67.71%. The increase in equity interest in Furniweb would allow PRG to further consolidate its interest in Furniweb as well as enable PRG to facilitate decision making and steering of direction for Furniweb's operations.
		We conclude the basis of arriving at the Purchase Consideration is <u>reasonable</u> and <u>not detrimental</u> to the interest of the non-interested shareholders.

EXECUTIVE SUMMARY (CONT'D)

Section in the IAL	Area of evaluation	AER's comments
Section 6.2	Basis of arriving at the Issue Price	(a) The Issue Price is <u>lesser</u> than the NA per share of Furniweb as at 31 December 2023 by HKD 0.0915 per share. The Issue Price translates to a discount of 23.38% when compared to the NA per share of Furniweb as as 31 December 2023.
		(b) The Issue Price is <u>lesser</u> than the NTA per share of Furniweb as at 31 December 2023 by HKD0.0479 per share. The Issue Price translates to a discount of 13.77% when compared to the NTA per share of Furniweb as at 31 December 2023.
		(c) We also noted that the Issue Price translated to a <u>discount</u> when compared to the closing price on LPD and various interval days (5-Days VWAP, 10-days VWAP, 30-days VWAP, 60-days VWAP, 90-days VWAP as measured-on end date 27 April 2023), being the date of execution of the Master Agreement.
		As the Issue Price is at a <u>discount</u> , PRG is receiving a greater number of Furniweb shares compared to other situations where the Issue Price is without discount or at a premium. Receiving shares at a discounted price is as though as PRG is "purchasing" at a discount.
		Hence, we conclude that the Issue Price is <u>fair</u> and <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of PRG.

Section	Area of	AER's comments
in the IAL	evaluation	
Section 6.3	Evaluation on the Fairness of the Disposal Consideration and Issue Price considered as an aggregate	Upon consideration of Fairness of the Disposal Consideration and Issue Price considered as an aggregate, we noted that this shall translate to a net effective gain of 2.70% and we therefore, concluded that it is fair .

Section in the IAL	Area of evaluation	AER's comments
Section 6.4	Manner of settlement of the Disposal Consideration	Upon the execution of the Master Agreement, PRG shall be entitled for the Deposit in cash. PRG acknowledged receipt of the Deposit. For the Consideration Shares, Furniweb will only issues the Consideration Shares within 90 days from the Unconditional Date.
		The Master Agreement will become unconditional upon the satisfaction or fulfilment the Condition Precedents as set out under Section 2.1 , Appendix I , Part A of this Circular. We have reviewed the terms of settlement and conclude that the
		terms are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.

Section in the IAL	Area of evaluation	AER's comments
Section 6.5A	Rationale of the Proposed Disposal	The Consideration Shares received by PRG will result in PRG increasing its equity interest in Furniweb from 50.45% to 67.71%. The increase of equity interest in Furniweb would allow PRG to further consolidate its stake in the company and enable PRG to have a greater say in its decision-making process. This would give PRG more control over Furniweb's operations and allow it to steer the company in the direction it wants.
		The Subject Properties shall be transferred from PRG to PLSB of which PRG has an effective interest of 50.45% and 67.71% immediately before and after completion of the Proposed Disposal respectively, which PRG Group still has majority control. We conclude that the rationale is <u>reasonable</u> and <u>not</u> detrimental to the non-interested shareholders.

Section in the IAL	Area of evaluation	AER's comments
Section 6.5B	Evaluation on the Proposed Diversification	The Subject Properties shall be held as investment properties in Furniweb after the Proposals. PRG's equity interest in Furniweb shall increase from 50.45% to 67.71% in Furniweb immediately before and after upon completion of the Proposals. The estimated proforma NA of property investment shall constitute approximately 18.95% as compared with the proforma NA attributable to owners of PRG after the Proposed Disposal, this shall mean that investment properties shall be a main contributor to PRG's future business. The Proposed Diversification is required to pursuant to Paragraph 10.13(1) of the Listing Requirements. We conclude that the Proposed Diversification is reasonable and not detrimental to the non-interested shareholders

Section in the IAL	Area of evaluation	AER's comments
Section 6.6	Salient terms of the Master Agreement	We also reviewed the salient terms of the Master Agreement such as clauses on conditions precedents to be fulfilled by PRG, Furniweb and PLSB, rights of termination and consequences of termination.
		We conclude that the salient terms of the Master Agreement are normal commercial terms and are <u>reasonable</u> and <u>not</u> <u>detrimental</u> to the non-interested shareholders.

Section in the IAL	Area of evaluation	AER's comments
Section 6.7	Financial effects of the Proposed Disposal such as NA, NA per share and gearing	Effects on NA and NA per share The Proposed Disposal has the effect of increasing the NA of PRG from RM159,695,000 to RM221,525,000, as at 31 December 2023. The Proposed Disposal has the effect of increasing the NA per share from RM0.39 to RM0.54. Effects on gearing Based on the audited FYE 31 December 2023, PRG has a total cash and bank balances of RM101,108,000 and total borrowings of RM45,561,000 which translates to a net cash position.

Section in the IAL	Area of evaluation	AER's comments
Section 6.8	Future prospects	We are of the view that the justifications of the Future Prospects by the Board and management of PRG Group are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of PRG.

Section	Area of	AER's comments			
in the IAL	evaluation				
Section 6.9	Risk Factors	We evaluated the exposure of PRG under contractual risk, non-completion of the Proposed Disposal, opportunity cost risk and dependence of key management personnel together with your Board's risk mitigation measures and concluded that the plans are reasonable and not detrimental to the non-interested shareholders of PRG.			

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Disposal and our evaluation is set out in Section 6 of the IAL. The non-interested shareholders should consider all the merits and demerits of the Proposed Disposal and, based on all relevant pertinent factors including those which are set out in Part A of this Circular, the relevant appendices thereof, this IAL and other publicly available information.

After having considered all the various factors included in our evaluation for the Proposed Disposal and based on the information made available to us, we are of the opinion that the Proposed Disposal is <u>fair</u> and <u>reasonable</u> insofar as the non-interested shareholders are concerned and it is <u>not detrimental</u> to the minority shareholders.

EXECUTIVE SUMMARY (CONT'D)

Accordingly, we recommend the non-interested shareholders to <u>vote in favour</u> of the ordinary resolution pertaining to the Proposed Disposal that is to be tabled at the Company's forthcoming EGM.



ASIA EQUITY RESEARCH SDN BHD

Registration No.: 201401027762 (1103848-M) (License Number: eCMSL/A0330/2015)

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Email: contact@aer.finance Website: www.aer.finance

12 July 2024

To: The non-interested shareholders

Dear Sir/Madam.

PRG HOLDINGS BERHAD

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF PRG IN RELATION TO THE PROPOSED DISPOSAL

1. INTRODUCTION

On 27 April 2023 and 7 June 2023, TA Securities had on behalf of the Board, announced that PRG intended to undertake the following:-

Proposed Disposal

Pursuant to the executed Master Agreement and Supplemental Master Agreement between PRG, Furniweb and PLSB dated 27 April 2023 and 7 June 2023, PLSB, a wholly owned subsidiary of Furniweb shall purchase the Subject Properties from PRG for a total disposal consideration of RM61,982,000 via a combination of Cash Consideration and issuance of Consideration Shares.

Due date of payment by Purchaser	Nature of consideration	Form of Consideration	Amount, RM	Percentage of payment	Notes
Within 14 days from the execution of Master Agreement	Deposit	Cash	6,198,200	10%	1
Within 14 days from the execution of Supplemental Master Agreement	Deposit	Cash	1,239,640	2%	
Within 90 days from Unconditional date	Balance Purchase Consideration	New Furniweb shares	54,544,160	88%	2
Total			61,982,000	100%	

Note 1

10% of the Disposal Consideration, equivalent to RM6,198,200, shall be paid to PRG, in cash, within fourteen (14) days from the date of the Master Agreement and 2% of the Disposal Consideration, equivalent to RM1,239,640, shall be paid to PRG, in cash, within fourteen (14) days from the date of the Supplemental Master Agreement. For information purposes, the 10% of the Disposal Consideration and the remaining 2% of the Disposal Consideration has been received on 8 May 2023 and 21 June 2023, respectively.

Note 2

Balance Purchase Consideration: RM54,544,160 (equivalent to HKD96,526,800 at the exchange rate of RM1: HKD1.7697, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 20 April 2023, as mutually agreed by PRG and Furniweb), being 88% of the Disposal Consideration, shall be paid to PRG by way of

issuance of 321,756,000 Consideration Shares at an issue price of HKD0.30 ¹ each within 90 days from the Unconditional Date.

¹Based on the 5-day average closing price of Furniweb Shares as at the Announcement LPD.

The Subject Properties comprise a total of 50 units of condominium, i.e.16 units condominium with built-up area of 1,013 sq. ft. and 34 units condominium with 1,668 sq. ft. within the Project, which is currently under construction.

The Proposed Disposal is a related party transaction under Paragraph 10.08 of the Listing Requirements by virtue of the interest of Interested Major Shareholder, namely Dato' Ng Yan Cheng being a major shareholder of PRG and Furniweb (other than interest held via PRG, he also holds 11.13% equity interest in Furniweb as at the LPD) and the Interested Directors, namely Andrew Chan Lim-Fai, being the Group Managing Director of PRG and son-in-law of Dato' Ng Yan Cheng as well as Ng Tzee Penn, an Executive Director of PRG, being a son of Ng Yan Cheng as set out in Section 8 of Part A, of this Circular.

The Board had on 13 March 2023, appointed AER to act as an Independent Adviser to advise the non-interested directors and the non-interested shareholders of PRG on the Proposed Disposal. The purpose of this IAL is to provide the non-interested shareholders with an independent evaluation of the Proposed Disposal and our opinion and recommendation thereon subject to the scope and limitations specified herein. You should nonetheless rely on your own evaluation of the merits and demerits of the Proposed Disposal before deciding on the course of action to be taken.

THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS FOR THE PURPOSE OF VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL AT THE FORTHCOMING EGM OF THE COMPANY AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY FOR ANY OTHER PURPOSES WHATSOEVER.

YOU ARE ADVISED TO READ AND FULLY UNDERSTAND BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES THEREIN AND TO CONSIDER CAREFULLY OUR EVALUATION AND RECOMMENDATION BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL, TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. CREDENTIALS, EXPERIENCE AND EXPERTISE OF AER

AER is licensed to provide two regulated activities by the Securities Commission Malaysia, namely advisory services in corporate finance and investment advice.

The past credentials, professional experiences, and expertise of AER where AER had been appointed as an Independent Adviser include, amongst others, the following transactions:

- (i) Proposed disposal of 27,000,001 ordinary shares in Lumut Naval Shipyard Sdn Bhd ("Lunas") held by Perstim Industries Sdn Bhd, an indirect wholly-owned subsidiary of Boustead Heavy Industries Corporation Berhad ("BHIC") to Ocean Sunshine Berhad for a cash consideration of RM 1 and the waiver of trade receivables owing by Lunas to BHIC and its relevant subsidiaries for the amount of approximately RM 334.76 million, in which the independent advice letter was issued on 18 April 2024.
- (ii) Proposed acquisition by Straits Marine Fuels and Energy Sdn Bhd, a wholly-owned subsidiary of TMD Energy Limited, which is a wholly-owned subsidiary of Straits Energy Resources Berhad of 49,000 ordinary shares in Straits Marine Services Pte Ltd ("SMS") representing 49%

- equity interest in SMS for a purchase consideration of RM 3,324,902 in which the independent advice letter was issued on 15 May 2024.
- (iii) proposed acquisition and novation of lease by MTrustee Berhad, being the trustee for and on behalf of Hektar Real Estate Investment Trust, of KYS College in Melaka for a purchase consideration of RM150,000,000 in which the independent advice letter was issued on 21 December 2023.
- (iv) proposed debt settlement by Toyo Ventures Holdings Berhad with the creditors involving the interest of the interested shareholders, in which the independent advice letter was issued on 28 November 2023.
- (v) proposed acquisition by Pacific Trustees Berhad, acting as the trustee for and on behalf of KIP Real Estate Investment Trust, of KIP Mall for a purchase consideration of RM80,000,000 to be satisfied by cash in which the independent advice letter was issued on 5 September 2023.
- (vi) proposed business venture between Brilliant Forward Sdn Bhd, a wholly owned subsidiary of Land & General Berhad ("L&G") and a director of L&G, to develop a parcel of leasehold land in which the independent advice letter was issued on 10 August 2023.
- (vii) a proposed acquisition by Matang Berhad of two semi-detached factory and warehouse, with a one and half storey office building for a purchase consideration of RM33,000,000 to be satisfied by cash and newly issued shares of Matang, to seek the approval from the non-interested shareholders of Matang, where the independent advice letter was issued and dated 15 May 2023.
- (viii) a proposed debt settlement by Euro Holdings Bhd with creditors that involves the interest of interested directors in the proposed debt settlement, to seek the approval from the noninterested shareholders of Euro Holdings Bhd where the independent advice letter was issued and dated 11 April 2023.
- (ix) a proposed debt settlement by Nexgram Holdings Bhd with creditors that involves the interest of interested directors in the proposed debt settlement, to seek the approval from the noninterested shareholders of Nexgram Holdings Bhd where the independent advice letter was issued and dated 7 March 2023.
- (x) a proposed debt settlement by Asdion Bhd with creditors that involves the interest of interested directors in the proposed debt settlement, to seek the approval from the non-interested shareholders of Asdion Bhd where the independent advice letter was issued and dated 20 December 2022.
- (xi) a proposed variation to seek the approval from the non-interested shareholders of Pertama Digital Berhad's by removing a condition as set out in Clause 6A.1.3 of the disposal and supplemental share sale agreements for the company to procure an application to seek a waiver pursuant to paragraph 8.03A of the Main Market Listing Requirements of Bursa Securities where the independent advice letter was issued and dated 26 July 2022.

Premised on the above, AER is capable and competent and has the relevant experience in carrying out its role and responsibilities as an Independent Adviser to advise non-interested shareholders in relation to the Proposed Disposal.

3. DECLARATION OF CONFLICT OF INTEREST

We confirm that there is no existing or potential conflict of interest situation for us to carry out our role as the Independent Adviser in connection with the Proposed Disposal.

4. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSED DISPOSAL

AER was not involved in the formulation and structuring of the Proposed Disposal and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposed Disposal. In the past two (2) years prior to the date of this IAL, there is no other professional relationships between PRG and AER.

As at LPD, we do not have any interest in shares of PRG and Furniweb. Apart from normal professional fees payable to us by the Company in connection with our engagement, there is no other arrangement exists that could reasonably affect our independence in our professional evaluation in formulating our opinion on the Proposed Disposal. Our scope as the Independent Adviser is limited to expressing an opinion on the fairness and reasonableness of the Proposed Disposal that involves the interest of the interested shareholders of PRG and whether the transaction is to the detriment of the non-interested shareholders, based on the following sources of information and documents:

- (a) information contained in Part A of the Circular, and the appendices enclosed therein;
- (b) other relevant information, documents, confirmations, and representations provided to us by the management of PRG;
- (c) a copy of Valuation Certificate for the Subject Properties by the Valuer;
- (d) a copy of Master Agreement and Supplemental Master Agreement;
- (e) a copy of the Supplemental Letter
- (f) a copy of a Disposal SPAs; and
- (g) other publicly available information that we consider relevant for our evaluation.

We have made all reasonable enquiries, performed reasonableness checks, and corroborated relevant information with independent sources, where possible. We are also guided by the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities. In addition, the Board and the management of PRG had undertaken to exercise due care to ensure that all information, data, documents, and representations provided to us to facilitate our evaluation are accurate, valid, complete, reasonable, and free from any material omission in all material respects. Accordingly, AER shall not assume any responsibility or liability whatsoever to any party for any inaccuracies, misstatements or omission of facts and information provided or represented by the Board and the and the management of PRG.

The directors of PRG have collectively and individually accepted full responsibility for the accuracy, validity and completeness of the information, documents, data and statements provided to us and as contained herein in relation to the Proposed Disposal (save and except for opinion expressed by AER which do not contain factual information provided by the Company and information procured or developed by AER independently of the Company) and confirmed that, after having made all reasonable enquiries and to the best of their knowledge and belief, all relevant facts and information in relation to the Proposed Disposal, that are necessary for our evaluation have been completely and accurately disclosed to us and there is no omission of any material fact, the omission of which would render any such information provided to us false, incomplete, misleading and/or inaccurate.

We are satisfied with the information provided by the Board and are not aware of any facts or matters not disclosed which may render any such information untrue, inaccurate, or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. After making all reasonable enquiries and to the best of our knowledge and belief, the information we used is reasonable, accurate, complete, and free from material omission.

The non-interested shareholders should note that the views expressed by AER herein are, amongst others, based on the current economic, market, industry, regulatory, monetary, social-political, and other conditions prevailing up to the LPD. Accordingly, our evaluation and opinion in this IAL do not

consider information, events and conditions arising or may occur after the LPD. Our advice should be considered in the context of the entirety of this IAL.

In rendering our advice, we had taken note of pertinent issues which we believe are necessary and of importance to an assessment of the implications of the Proposed Disposal that are of general concern to the non-interested shareholders.

As such:

- (a) our evaluation and recommendation contained herein are based on the assessment of the fairness and reasonableness of the Proposed Disposal. Comments or points of consideration which may be commercially oriented such as the rationale, financial effects, potential benefits, and prospects of the Proposed Disposal are included for our overall evaluation as we deem necessary for disclosure purposes to enable the non-interested shareholders to consider and form their views in a more holistic manner thereon. We do not express an opinion on legal, accounting and taxation issues relating to the Proposed Disposal;
- (b) our views and advice as contained in this IAL only cater to the non-interested shareholders at large and not to any non-interested shareholder individually or any specific group of noninterested shareholders. Hence, in carrying out our evaluation, we have not given due consideration to the specific investment objectives, risk profiles, financials and tax situations and particular needs of any individual non-interested shareholder or any specific group of noninterested shareholders; and
- (c) we advise that any individual non-interested shareholder or any group of non-interested shareholders who are in doubt as to the action to be taken or require advice in relation to the Proposed Disposal in the context of their individual investment objectives, risk profiles, financials and tax situations or needs, to consult their respective stockbrokers, bankers, solicitors, accountants, or other professional advisers immediately.

5. DETAILS OF THE PROPOSED DISPOSAL WHICH INVOLVE THE INTEREST OF THE INTERESTED PARTIES OF PRG

Summarised by AER on the Proposed Disposal

5.1 Proposed Disposal

On 27 April 2023 and 7 June 2023, PRG, Furniweb and PLSB has entered into a Master Agreement and Supplemental Master Agreement, respectively, of which PRG shall dispose the Subject Properties to PLSB for a total consideration of RM61,982,000. PLSB is a wholly owned subsidiary of Furniweb.

The Disposal Consideration shall be satisfied by a combination of cash and issuance of new Furniweb shares, based on the following manner: -

Master Agreement and Supplemental Master Agreement between PRG, Furniweb and PLSB

Disposal of Subject Properties by Furniweb to PLSB

Due date	Nature of consideration	Form of consideration	Amount, RM	%
Within 14 days from Master Agreement	Deposit	Cash	6,198,200	10%
Within 14 days from the Supplemental Master Agreement			1,239,640	2%
Within 90 days from Unconditional Date	Balance Purchase Consideration	Consideration Shares	54,544,160 Note 1	88%
			61,982,000	100%

Note 1:-

321,756,000 new Consideration Shares as an issue price of HKD0.30 of to be issued within 90 days of Unconditional Date.

Source: Summarised from Section 2, Part A of this Circular

As at the LPD, the Cash Consideration has been received by PRG and PRG has utilised approximately RM6.94 million of the Cash Consideration for the Group's working capital.

Source: Summarised from Section 2.10, Part A of this Circular

5.1.1 Effects of the Proposed Disposal

Prior to the Proposed Disposal, PRG owns a 50.45% effective interest in Furniweb. Upon completion of the Proposed Disposal, PRG's ownership in Furniweb shall increase to 67.71%.

5.1.2 Expected gain to PRG Group arising from the Proposed Disposal

Based on the latest audited consolidated financial statements of PRG Group, for the FYE 31 December 2023, the Proposed Disposal is expected to result in a proforma net gain on disposal of approximately RM1.10 million, as follows

	RM'000
Disposal Consideration (Note 1)	61,982
Less: Net book value of the Subject Properties	(61,982)
Pro forma gross gain/(loss) from the Proposed Disposal	-
Add: Surplus from settlement of the shareholder's advances (Note 2)	1,597
Less: Estimated expenses for the Proposed Disposal	(500)
Pro forma net gain from the Proposed Disposal	1,097

Source: Section 7.3 Part A of this Circular

Note 1

The Disposal Consideration was derived based on RM850 per square foot of the total built-up area of the Subject Properties which is at par with the price per square foot as agreed in the Settlement Letter.

Source: Section 2.4, Part A of the Circular

PRG's ownership of the Subject Properties was pursuant to the transfer of ownership of the Subject Properties by PDMSB to PRG as a settlement for a sum owing by PDMSB to PRG, for the value of RM58,473,911.63 (**Note 3**) as at 31 March 2023, pursuant to PRG execution of a Settlement Letter to accept the Subject Properties as a full and final settlement for the Amount Payable by PDMSB.

Note 2

As the value of the Subject Properties received exceeds the amount due from PDMSB to PRG, it shall translate to a proforma surplus being the difference between the value Disposal Consideration ("A" = RM61,982,000) and Amount Payable ("B" = RM58,473,912), which equals to RM3,508,088 ("A-B"). The proforma net gain of RM1,597,000 was after deduction of interest payable that accrues on the interest payable sum of RM1,911,058.

Note 3

The amount due from PDMSB to PRG, comprised of total shareholder's advances from PRG to PDMSB of RM50,739,296.59 up to May 2019 (i.e. which was prior to the disposal of PDMSB to Liveintent pursuant to the 2020 Disposal when PDMSB was a subsidiary of PRG) for the purchase of the Land and working capital to develop the Project and a total interests accrued from such advances (for the period commencing from the completion of the 2020 Disposal until the date of full repayment of all the Amount Payable) amounting to RM7,734,615.04 up to 31 March 2023, being the date of the latest available management accounts of PRG prior to the date of the Settlement Letter.

Source: Section 2.1, Part A of the Circular

5.2 Information on Subject Properties

The Subject Properties comprise of a total of 50 units of condominium, i.e. 16 units condominium with built-up area of 1,013 sq ft. ("**Type A**") and 34 units condominium with 1,668 sq. ft ("**Type C**") within the Project, which is currently under construction.

As at the LPD, 215 units out of 270 units of Phase 1 (excluding the 50 units pursuant to the Proposed Disposal) have been sold, which translates into 80% take-up rate.

Construction of the Project commenced on 7 February 2015 but was temporarily halted from 12 April 2019 until 24 September 2019 due to the termination of the main contractor and subcontractor for non-performance. PDMSB has since appointed a new main contractor and subcontractor, with the construction of the Project having restarted on 25 September 2019.

As at the LPD, Phase 1 of the Project is approximately 98% completed. For the avoidance of doubt, the Subject Properties in relation to the Proposed Disposal are under Phase 1 of the development.

Source: Section 2.1, Part A of the Circular

5.3 Interest of directors, major shareholders, chief executive and / or persons connected with them with regards to the Proposed Disposal

Parties	% direct ownership in PRG	% direct ownership in Furniweb	Notes
Dato' Ng Yan Cheng	13.16%1	11.13%1	a major shareholder of PRG of which PRG has a direct interest by virtue of 50.45% ownership in Furniweb.
Andrew Chan Lim-Fai	-	-	the group managing director of PRG and executive director of Furniweb being the son-in-law of Dato' Ng Yan Cheng and brother- in-law of Ng Tzee Penn
Ng Tzee Penn	-	-	an executive Director of PRG, being a son of Dato' Ng Yan Cheng and as such is a related party by virtue of the relationship

Upon completion of the Proposed Disposal, Furniweb intends to utilise the Subject Properties for property investment purposes (i.e, to collect rental income and for future resale of the Subject Properties).

1. Source: Section 11, Part A of this Circular and Section 4, Appendix V of this Circular

5.4 Proposed Diversification

Hence, PRG also wishes to seek your approval for a Proposed Diversification by PRG Group to include property investment business as one of its principal activities as the Board believes that barring any unforeseen circumstances, the property investment business may in the future contribute 25% or more of the net profits of PRG Group and/or attributed to 25% or more of the net assets of PRG Group.

5.5 Inter-conditionality of both proposals

The Proposed Disposal and the Proposed Diversification are inter-conditional.

5.6 Ordinary resolutions

Two ordinary resolutions were presented by your Board to seek your approval.

Ordinary Resolution 1

To seek your approval for the proposed disposal by PRG of Subject Properties to PLSB a wholly owned subsidiary of Furniweb, which in turn is a 50.45% subsidiary of PRG for a total consideration of RM61,982,000.

We have evaluated the Proposed Disposal under various categories which are referenced in this IAL as appended below:-

Areas of Evaluation	Section reference in IAL
Basis of arriving at the Disposal Consideration	6.1
Fairness and reasonableness of the Issue Price	6.2
Evaluation on the Fairness of the Disposal	6.3
Consideration and Issue Price considered as an	
aggregate	
Manner of settlement of the Disposal Consideration	6.4
Rationale for the Proposed Disposal	6.5A
Evaluation of the Proposed Diversification and its	6.5B
rationale	
Salient terms of the Master Agreement and the	6.6
Supplemental Master Agreement	
Effects on the substantial shareholder's shareholdings	6.7
Financial effects of the Proposed Disposal such as the	
NA per share and gearing	
Future prospects	6.8
Risk factors of the Proposals	6.9

Ordinary Resolution 2

To seek your approval for the Proposed Diversification of PRG Group to include the property, investment business.

We have evaluated the Proposed Diversification under Section 6.5B of this IAL by evaluating the rationale by your Board and the economic benefit for the Proposed Diversification.

5.7 Summary

We have summarised the two diagrams which details the Proposed Disposal (**Table 1**) and the Disposal SPAs and Settlement Letter (**Table 2**), with the objective to facilitate the understanding but it is meant for illustration only and readers are advised to read Part A as the main source of information, if any clarification is required.

Table 1 - Proposed Disposal

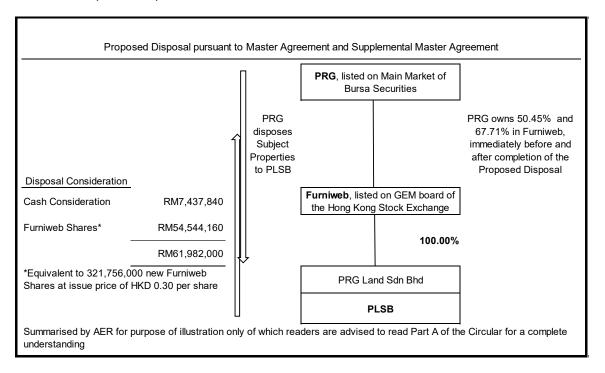
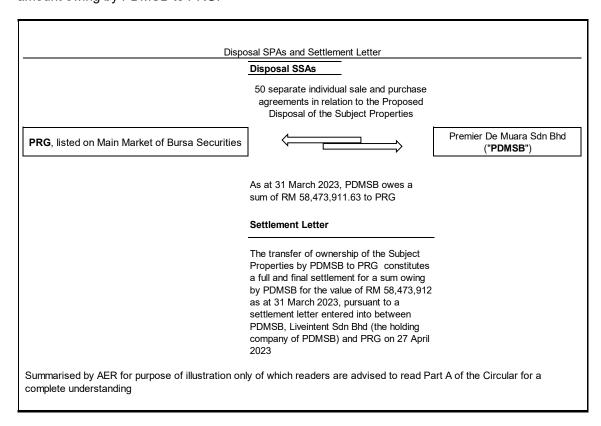


Table 2 - Disposal SPAs and Settlement Letter which details how the Subject Properties were acquired by PRG from PDMSB which the Subject Properties is the Final Settlement Sum for the amount owing by PDMSB to PRG.



6 EVALUATIONS OF THE PROPOSED DISPOSAL

6.1 Evaluation of the basis of arriving at the Disposal Consideration

As extracted from Part A, Section 2.4 of this Circular.

The Disposal Consideration was arrived at on a "willing-buyer willing-seller" basis between PRG and PLSB. In arriving at the Disposal Consideration, the Board has considered, among others, the following:

(i) the market value of the Subject Properties of RM64,535,000 ascribed by VPC Alliance, being the independent valuer for the Proposed Disposal. The Valuer has adopted the comparison method as their primary approach and investment method as their secondary approach. Comparison approach provides an indicative of value by comparing the property with market evidence of identical or comparable properties for which price information is available. Whereby, investment method provides an indication by value by capitalising the net annual income of the property, whereby net annual rental income is derived from gross annual rent by deducting annual outgoings/expenses of the property with allowance for voids.

Further, in deriving the market value of the Subject Properties, the Valuer has assumed that the Subject Properties are fully completed in accordance to the approved building plans and specifications and duly issued with a CCC by the relevant authority at the point of valuation of the Subject Properties.

- (ii) Please refer to the valuation certificates by the Valuer as set out in **Appendix IV** of this Circular for further details on the valuation of the Subject Properties;
- (iii) the original cost of investment by PRG in the Subject Properties as set out in Part A, Section 2.8 of this Circular:
- (iv) the rationale and benefits of the Proposed Disposal as set out in Part A, Section 4 of this Circular; and
- (v) the prospects of Furniweb as set out in Part A, Section 5 of this Circular.

The Disposal Consideration is at a discount of approximately 3.96% to the market value of the Subject Properties of RM64,535,000 ascribed by the Valuer. Further, the Disposal Consideration was derived based on RM850 per square foot of the total built-up area of the Subject Properties which is at par with the price per square foot agreed in the Settlement Letter, but is lower than the selling prices of the units sold by PDMSB in respect of the Project ranging from approximately RM893 to approximately RM1,050 per square foot with average selling price of approximately RM985 per square foot"

AER's Commentary

6.1.1 Comparison of the market value of the Subject Properties of RM64,535,000 as ascribed by VPC Alliance, being the independent valuer for the Proposed Disposal. The Valuer has adopted the comparison method as their primary approach and investment method as their secondary approach.

We reviewed copy of the Valuation Certificate dated 23 February 2024, prepared by the Valuer. We noted that from the terms of reference of the Valuation Certificate that the Subject Properties were still under construction and the developer of the Project, i.e, PDMSB has represented to the Valuer that the overall progress of works was about 70% completion. For information, as at the LPD, Subject Properties is approximately 98% completed.

We also noted that the Valuer has disclosed that the Valuation Certificate was prepared on the assumption that the Subject Properties are <u>fully completed</u> in accordance with the approved building plans, specifications, and has been duly issued with a certificate of completion and compliance by the relevant authority.

Based on this assumption, the Valuer has appraised the market value of the Subject Properties which comprise of 50 units of condominium from floor level 16 to 37, within an on-going residential development known as Picasso Residence, Jalan Jelatek, Kuala Lumpur under Master Title No. Pajakan Negeri 52579 Lot No. 20010, Seksyen 88, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur. The tenure of the land of which the Subject Properties are situated is a 99 years lease expiring on 17 February 2108, with a remaining un-expired life of approximately 84.6 years.

Following are the summary of our review of the Valuation Certificate:-

The results of the appraised value by the Valuer, for the Subject Properties:-

	Primary approach	Secondary approach
	Comparison Approach	Income Approach
Appraised value in Valuation Certificate (A)	RM64,535,000	RM65,180,000
Disposal Consideration (B)	RM61,982,000	RM61,982,000
Discount (A-B)	RM2,553,000	RM3,198,000
Discount percentage	3.96%	4.91%
(A-B) / A x 100		
Notes	Note 1	Note 2

From the valuation perspective, as the Disposal Consideration, which is lower than the appraised value as stated in the Valuation Certificate, it is **not fair**. However, we noted that the terms of reference of the Valuation Certificate was prepared based on the assumption that the Subject Properties are <u>fully completed</u> in accordance with the approved building plans, specifications and duly issued with certificate of completion and compliance by relevant authority <u>in contrast</u> to the actual state of the Subject Properties which was about <u>70% completion</u>, on valuation date. This means that a discount is expected from the appraised value as reflected in the Valuation Certificate. The Valuation Certificate <u>does not</u> quantify the range of discount as the Valuation Certificate was prepared based on the terms of reference of appraising the market value of the Subject Properties on a <u>fully completed</u> basis contrary to the Proposed Disposal which is based on "as is where is" basis. Hence, we are of the opinion that the Valuation Certificate could only be served as a <u>source of reference</u> and not as a sole reference to conclude on the fairness of the Disposal Consideration.

We reviewed the workings prepared by the Independent Valuer and summarise the key basis and assumptions as below:-

Note 1 - Comparison Approach

Under this approach, a number of comparable past transactions were compiled, and a computation is performed to obtain the adjusted transacted value measured in RM per square feet by making adjustments on a number of consideration factors such as the date of transaction, location, accessibility, size, tenure, age of building and design/concept/facilities and service provided.

Comparable 6	Service apartment	Unit No. 11-2, Reizz Residence, Jalan Ampang Kiri, Kuala Lumpur.	Freehold	RM894 psf	RM951 psf	-1.4%	RM938 psf
Comparable 5 (Service apartment	7, 'g' 1,	Freehold	RM1,008 psf	RM988 psf	-1.4%	RM974 psf
Comparable 4	Service apartment	Unit No. 2-31-16, M City, Jalan Ampang, Kuala Lumpur.	Freehold	RM630 psf	RM632 psf	+11.6%	RM705 psf
Comparable 3	Service apartment	Unit No. 3-31-12, M City, Jalan Ampang, Kuala Lumpur.	Freehold	RM733 psf	RM736 psf	+11.6%	RM821 psf
Comparable 2	Service apartment	Unit No. C-12-5, Setia Sky Residence, Jalan Raja Muda Abd Aziz, off Jalan Tun Razak,	Kuala Lumpur. Freehold	RM871 psf	RM901 psf	+13.6%	RM1,024 psf
Comparable 1	Service apartment	Unit No. C-25-3A, Setia Sky Residence, Jalan Raja Muda Abd Aziz, off Jalan Tun Razak,	Kuala Lumpur. Freehold	RM1,124 psf	RM1,138 psf	+13.6%	RM1,293 psf
Subject Properties	Condominium	Picasso Residence, Jalan Jelatek, Kuala Lumpur	Leasehold with approximately remaining life of 84 vears	Transacted value per square feet, RM psf	Adjusted transacted value per square feet, RM psf (after adjusting for time adjustment by increasing the computation by 3% per annumbased on time difference between the appraisal date and the date of the transacted value of each property.	Adjusted transacted value per square feet, RM psf by the professional evaluation of comparison between the Subject Properties and the each of the comparable based on location, accessibility, size, tenure, age of building and design/concept/facilities and service provided	RM psf
Description	Type of property	Property address	Tenure	Transacted val feet, RM psf	Adjusted transacted valu square feet, RM psf (after adjusting for time adjustment by increasing computation by 3% per a based on time difference between the appraisal dathe date of the transacter of each property.	Adjusted transacted value per square feet, RM psf by the professional evaluation of comparison between the Subject Properties and the e of the comparable based on location, accessibility, size, tenure, age of building and design/concept/facilities and service provided	Final adjusted RM psf
Item number	~	2	က	4	ഗ	ဖ	7

We noted that the Valuer has adopted Comparable 5 (which is RM974 psf) for the reasons as stated below:-

"The above sales transaction ranges from RM630 to RM1,124 psf. We have made adjustments on the time factor, floor/level, size/floor area, tenure, age/condition of building, design/concept/facilities and service provided. After consideration, Comparable 5 has been adopted as the best comparable because it has the lowest net adjustment of negative 1.4% amongst others comparable, and less time adjustment compared to Comparable 6 which located within the same development (Reizz Residence). Thereafter, we have adopted a round value of RM990,000 (analysed to about RM977 psf) in our valuation as a fair representation"

We noted that the discount of 3.96% to the market value of the Subject Properties of RM64,535,000 as ascribed by the Valuer, although is **not fair but reasonable** for following reasons: -

- (a) the Subject Properties are only 70% constructed, which means that they are not yet ready to be occupied. This means that the value of the Subject Properties if marketed in its present condition would be lower than the value of the Subject Properties if they were fully completed. Additionally, a normal arm's length commercial buyer would likely request a discount for paying the price based on a completed unit instead of a 70% completed unit.
- (b) the sale is for a transaction that involves a total of 50 units, and in commercial practice, a vendor may provide a discount for a purchaser that purchases en-block, as the vendor could save from the holding cost (opportunity cost of money) of continuing to hold the properties as inventories. In addition, by selling en-block, PRG saves for the payment of agent fees. A property agent's services include pricing and advertising your property, arranging for viewing and bookings of the property, as well as negotiating with the prospective buyers on behalf of the seller. In return for these services, the agent will charge a commission, which is usually 2-3% of the property's selling price, and capped at 3%. So, effectively by selling at a discount of 3.96% but at the same time of saving a 3%, the net discount is 0.96%.
- (c) the issue price of HKD0.30 per Consideration Share, represents a discount of HKD0.0142 or 4.52% to the 5-day volume weighted average market price of Furniweb Shares up to and including the Announcement LPD of RM0.3142 (Source: Part A, Section 2.4(i) of this Circular),

This means that as the Consideration Shares are issued at a discount, it is "as though as" PRG is purchasing the shares at a discount of 4.52% of the 5-day volume weighted average market price of Furniweb Shares up to and including the Announcement LPD of RM0.3142.

Note 2 - Investment Approach

Under this approach, a number of comparable past transactions were compiled for properties that were bought and rented out thereafter.

First, an annual net rental is estimated for the Subject Properties. The net rental is treated as a form of annuity rental income for the entire duration of the lease which is approximately 84.6 years. The annual net rental is then capitalised (discounted) at an annualised net yield of 2.72%. The annualised net yield is computed based on the estimated rent for the Subject Properties less estimated annual outgoings and allowance for void. Based on the Valuation Certificate, we noted as follows:-

- (a) the rental per sq. ft. of the Subject Properties was assumed at RM2.97 psf / month based on the compilation of market rents of comparable properties.
- (b) the Valuer derived a base market value of RM1,002 psf for each Subject Properties before further adjustments to factors such as floor level, balcony facing direction, and position, to arrive at an aggregate market value of RM65,180,000 for the Subject Properties.

"The income approach / investment method is the secondary approach and used as a check on the Market Value. The Subject Properties is assumed to be tenanted and as such the Income Approach / investment method, is sensitive to estimated yield". (Source: Valuation Certificate, page 11)

For the foregoing reasons, as the valuation is performed based on the assumption that the Subject Properties are appraised based on fully completed in accordance with the approved building plans,

specifications and duly issued with certificate of completion and compliance by relevant authority <u>in contrast</u> to the actual state of the Subject Properties which was about 90% completion and that for the disposal involves 50 units en-block, we are of the opinion that the discount of 3.96% on the appraised value by the valuer is **reasonable** and **not detrimental** to the non-interested shareholders.

6.1.2 Comparison of the original cost of investment by PRG in the Subject Properties and the Disposal Consideration

As extracted from Part A, Section 2.8 of this Circular.

"PRG has via the execution of the Settlement Letter accepted the settlement of the Final Settlement Sum in kind by way of transfer to PLSB (being PRG Nominee pursuant to the execution of the Master Agreement) of the units of completed properties at the Project (which are the Subject Properties) with an aggregate value of RM61,982,000 equivalent to the Disposal Consideration.

For information, the amount owing by PDMSB to our Company is approximately RM50.74 million up to May 2019 (i.e. which was prior to the disposal of PDMSB to Liveintent pursuant to the 2020 Disposal when PDMSB was a subsidiary of our Company) for the purchase of the Land and working capital and a total interests accrued from such amount owing (for the period commencing from the completion of the 2020 Disposal until the date of full repayment of all the Amount Payable) accumulated to approximately RM7.73 million up to 31 March 2023, being the date of the latest available management accounts of our Company prior to the date of the Settlement Letter"

AER's Commentary

a. We noted that as at 31 March 2023, PDMSB owes a sum of RM58,473,911.63 being the Amount Payable to PRG. The Amount Payable relates to the aggregate of shareholder's advances to PDMSB of RM50.74 million, for the purchase of the Land and working capital before the disposal of PDMSB to Live intent on 2 July 2020 and total interests accrued from such advances (for the period commencing from the completion of the 2020 Disposal until the date of full repayment of all the Amount Payable) amounting to approximately RM7.73 million up to 31 March 2023.

Workings of Amount Payable

RM58.47 million = RM50.74 million (shareholders advances by PRG to PDMSB) plus RM7.73 million (interest accrued for advances)

- b. Pursuant to the Settlement Letter, PRG had accepted the Subject Properties based on an agreed price of RM850 per square foot which translates to a sum of RM61,982,000 as a full and final settlement of the Amount Payable by PDMSB to PRG. The Disposal Consideration was derived based on RM850 per square foot of the total built-up area of the Subject Properties which is at par with the price per square foot agreed in the Settlement Letter.
- c. We also noted from **Part A, Section 7.3** of this Circular that the Disposal Consideration and the Settlement of Amount Payable shall result in a proforma gain of RM1,097,000.
- d. The settlement of the Amount Payable by PDMSB which involves the transfer of ownership for the Subject Properties from PDMSB to PRG and the subsequent Proposed Disposal of the Subject Properties to PLSB (i.e, a wholly owned subsidiary of Furniweb), has the effect of PRG to realise a proforma gain of RM3,508,088 before accounting for estimated transaction cost of RM500,000 and deduction of accrual of interest payable for the Amount Payable amounting to RM1,911,058.

The Disposal Consideration was derived based on RM850 per square foot of the total built-up area of the Subject Properties which is <u>at par</u> with the price per square foot agreed in the Settlement Letter. Considering the date of the Settlement Letter which is 27 April 2023 and the date of the Master Agreement which is also 27 April 2023, we conclude that the agreed settlement price of RM850 per square feet in both are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of PRG.

6.2 Evaluation of the basis of arriving at the Issue Price

As extracted from Part A, Section 2.5 of this Circular.

"The issue price of HKD0.30 per Consideration Share was determined based on the 5-day average closing price of Furniweb Shares as at the Announcement LPD."

Based on the above, the Board is of the view that the Issue Price is fair and justifiable as:

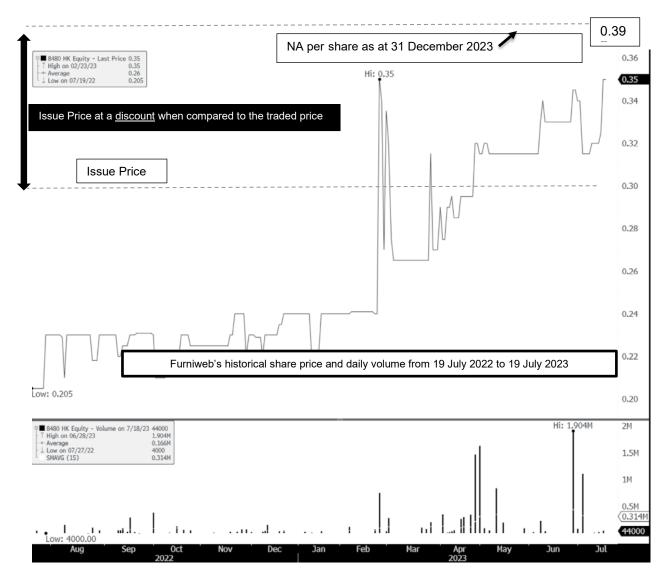
- (i) it represents a discount of HKD0.0142 or 4.52% to the 5-day volume weighted average market price of Furniweb Shares up to and including the Announcement LPD of RM0.3142; and
- (ii) the Consideration Shares provide PRG with an opportunity to increase PRG's equity interest in Furniweb. Upon the completion of the PRG's shareholding in Furniweb will increase from 50.45% to 67.71%."

AER's Commentary

(i) Comparison of the Issue Price and the one-year historical share price movement prior to the Announcement LPD.

We noted that the share price of Furniweb during the 12 months period from 19 July 2022 to 19 July 2023 has been trading at a range of between HKD0.205 per share (19 July 2022) to HKD0.35 per share (19 July 2023), with an average of HKD0.26 per share. As at LPD, the closing share price of Furniweb was HKD0.21 per share.

The Issue Price represents a discount of 14.29% on the last traded price on 19 July 2023 of Furniweb Shares of HKD0.35 per share. We also noted the Issue Price is within the closing price of Furniweb Shares of between HKD0.205 per share to HKD0.35 per share for the past 12 months from 19 July 2022 to LPD. Hence, we conclude that the Issue Price is **reasonable**.



(ii) Comparison between the Issue Price and its historical VWAP at various interval days measured on end date 27 April 2023, being the date of the execution of the Master Agreement.

Issue Price of each	VWAP interval days measure		(Discount) / Premium on the VWAP, in HKD	(Discount) / Premium on the VWAP, in %
Consideration	immediately bef		Offittle VWAP, III TIKD	On the VVVAF, III 76
Shares, HKD	SPA	ore the date of		
A	E E	<u> </u>	A – B	(A-B)/B x 100
0.30	<u> </u>	0.3142	(0.0142)	(4.52%)
0.30	5 days	0.3142	(0.0142)	(4.52%)
0.30	10 days	0.3097	(0.0097)	(3.13%)
0.30	30 days	0.3083	(0.0083)	(2.69%)
0.30	60 days	0.3076	(0.0076)	(2.47%)
0.30	90 days	0.3042	(0.0042)	(1.38%)
0.30	180 days	0.2792	0.0208	7.45%

We noted that the Issue Price represents a discount of approximately 4.52% from its 5-days VWAP. We also noted that for different measuring intervals of 10-days VWAP, 30-days VWAP, 60-days VWAP, 90-days VWAP and 180-days VWAP, the Issue Price were at a discount of 3.13%, 2.69%, 2.47%, 1.38% and a premium of 7.45% respectively.

As the Issue Price is at a discount, this means that PRG is <u>receiving more</u> Furniweb Shares as compared with other situations of when Issue Price is without discount or at a premium.

Hence, we conclude that the Issue Price is reasonable.

(iii) Liquidity analysis and comparison of the Issue Price and the NA and NTA per share of Furniweb.

Liquidity analysis

On a month-to-month basis, the daily trading volume of Furniweb as compared with the total number of issued shares at month end during the past twelve months and noted that for the month from January 2023 to June 2023, the daily percentage of daily trading volume ranges from 0.0007% (reported in January 2023) and 0.0439% (reported in April 2023). A low trading volume may indicate a situation of the traded price may not be reflective of its fair value.

Month	Total volume of Shares traded (Shares)	Number of trading days (days)	Average daily volume (Shares)	Number of issued Shares as at the end of the month (Shares)	% of average daily trading volume to the then total number of issued Shares as at the end of the month (%)
2023					
January	76,000	18	4,222	601,565,600	0.0007
February	1,092,000	20	54,600	601,565,600	0.0091
March	740,000	23	32,174	601,565,600	0.0053
April	4,492,000	17	264,235	601,565,600	0.0439
May	1,392,000	21	66,286	601,565,600	0.0110
June	2,292,000	22	104,182	601,565,600	0.0173
July	1,304,000	14 ¹	93,143	601,565,600	0.0155
2024					
June ²	2,060,000	19	108,421	601,565,600	0.0180

Source: Bloomberg Finance L. P.

Note: ¹. For the month of July 2023, it covers the trading volume from the period of 1 July 2023 until 20 July 2023.

Note: ². We have performed as a comparison an update to the ate nearest to the printing of this IAL, which is for the month of June 2024 as tabulated above for reference.

Hence, we have considered additional cross check measure by comparing the Issue Price and the NA per share of Furniweb up to the Announcement LPD.

Workings for computation of NA per share of Furniweb as at 31 December 2023: -

	NA / NTA, RM (" A ")	Number of Furniweb Shares in issue (" B ")	NA / NTA per share (A/B, RM)	Middle rate quoted by BNM at 5 pm on 29 December 2023, converting 1RM to HKD	NTA / NTA per share in HKD D = A x B x C	Discount / (Premium) of Issue Price compared to NA /NTA per share E = (D -Issue Price)*1/D x 100
NA per share of Furniweb as at 31 December 2023	138,399,000	601,565,600	0.2301	(" C ") 1.7018	0.3915	23.38% Note 1
NTA per share of Furniweb as at 31 December 2022	122,976,000 ¹	601,565,600	0.2044	1.7018	0.3479	13.77% Note 2

Note 1 – The Issue Price is at a discount of 23.38% as compared with the NA per share of Furniweb as at 31 Dember 2023.

Note 2 - The Issue Price is at a discount of 13.77% as compared with the NTA per share of Furniweb as at 31 Dember 2023.

AER's Conclusion

- (a) The Issue Price is lesser than the NA per share of Furniweb as at 31 December 2023 by HKD 0.0915 per share. The Issue Price translates to a **discount** of 23.38% (Note 1) when compared to the NA per share.
- (b) The Issue Price is lesser than the NTA per share of Furniweb as at 31 December 2023 by HKD 0.0479 per share. The Issue Price translates to a **discount** of 13.77% (Note 2) when compared to the NTA per share.
- (c) We also noted that the Issue Price translated to a **discount** when compared to the closing price on LPD and various interval days (5-Days VWAP, 10-days VWAP, 30-days VWAP, 60-days VWAP, 90-days VWAP a measured-on end date 27 April 2023), being the date of the execution of the Master Agreement.

As the Issue Price is at a discount, this means that PRG is <u>receiving relatively more Furniweb Shares</u> as compared with other situations where Issue Price is at par or at a premium.

Hence, we conclude that the Issue Price is <u>fair</u> and <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of PRG.

¹ As at 31 December 2023, the audited NA of Furniweb were RM138,399,000 which included an intangible asset of RM15,423,000. Hence, the audited tangible assets of Furniweb after deducting the intangible assets was RM122,976,000.

- 6.3 Evaluation on the Fairness of the Disposal Consideration and Issue Price considered as an aggregate
- **6.3.1** As extracted from Part A of this Circular, our evaluation under this section seeks to evaluate the fairness if both transactions were aggregated.

As PRG is disposing the Subject Properties, **if** the Disposal Consideration is lower than its appraised fair value (at a discount), then the Disposal Consideration shall be deemed not fair. Conversely, **if** the Disposal Consideration is higher than (at a premium) or at the appraised fair value, then, the Disposal Consideration shall be deemed fair.

2.4 Basis and justification for the Disposal Consideration
"The Disposal Consideration is at a discount of approximately 3.96% to the market value of the Subject Properties of RM64,535,000 ascribed by the Valuer"

We noted that the Disposal Consideration is at a discount of 3.96% and hence, it is **not fair**. We also noted that the Subject Properties shall remain within the PRG Group, immediately after the completion of the Proposed Disposal and the effective interest of PRG in the Subject Properties is 67.71%, then, the **effective discount** that PRG Group is giving to outsider, from PRG's Group perspective is **1.28%** ("A")

Workings: - $3.96\% \times (1 - 67.71\%) = 1.28\%$

6.3.2 The Disposal Consideration involves the proportion of Cash and Consideration Shares in a ratio of 12% and 88% respectively.

For the Consideration Shares to be received by PRG Group, upon the completion of the Proposed Disposal, **if** the Issue Price is lower (discount) or at the same price when compared with its traded value, then the Issue Price shall be deemed fair. Conversely, **if** the Issue Price is higher than (premium) then the traded value, then the Issue Price shall be deemed not fair. This is based on the assumption that the traded value represents the fair value of the Consideration Shares.

2.5 Basis and justification for the Issue Price "it represents a discount of HKD0.0142 or 4.52% to the 5-day volume weighted average market price of Furniweb Shares up to and including the Announcement LPD of RM0.3142."

We noted that the Issue Price is at a discount of 4.52% on the 5-day VWAP and hence we conclude that it is fair. We also noted that the Consideration Shares constituted 88% of the Disposal Consideration. As such, the effective benefit that PRG Group gains is **3.98%** ("**B**").

Workings:- $4.52\% \times 88\% = 3.98\%$

This translates to a net effective gain to PRG Group of 2.70%.

Workings:- Effective gain = 2.70% = 3.98%(B) - 1.28%(A)

AER's Conclusion

Upon evaluating the Fairness of the Disposal Consideration and Issue Price considered as an aggregate, we noted that this shall translate to a net effective gain of 2.70% and as such, we conclude that it is **fair.**

6.4 Evaluation of the manner of settlement of the Disposal Consideration

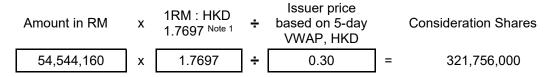
As extracted from **Part A**, **Section 2** and **Part A**, **Appendix II**, **Section 3** of this Circular, we noted that the manner the PLSB shall pay to PRG for the Purchase Price is in the following manner: -

Master Agreement between PRG, Furniweb and PLSB dated 27 April 2023

Disposal of Subject Properties by Furniweb to PLSB

Due date	Nature of consideratio n	Form of consideration	Amount, RM	%
Within 14 days from Master Agreement Within 14	Deposit	Cash	6,198,200	10%
days from Supplementa I Master Agreement	Deposit	Cash	1,239,640	2%
Within 90 days from Unconditional Date	Balance Purchase Consideration	Consideration Shares	54,544,160	Note 1 88%
			61,982,000	100%

Note 1 - Computation for determining the number of Consideration Shares



Note 1

the exchange rate of RM1:HKD1.7697, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 20 April 2023, as mutually agreed by PRG and Furniweb)

Commentary by AER:-

- (i) Upon the execution of the Master Agreement, PRG shall be entitled for the Deposit in cash. PRG had acknowledged receipt of the Deposit. For the Consideration Shares, Furniweb shall issue the Consideration Shares within 90 days from the Unconditional Date.
- (ii) The Master Agreement will become unconditional upon the fulfilment of the conditions precedent ("Conditions Precedent") on or before 30 June 2024 as set out under Part A, Section 2.1, Appendix I, of this Circular ("Unconditional Date") or waiver (waived in accordance with Section 2.2, Appendix I, Part A of this Circular.

We reviewed the terms of settlement and conclude that the terms are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.

6.5A Rationale for the Proposed Disposal

As extracted from Part A, Section 4 of this Circular:-

Rationale by the Board on the Proposed Disposal

The Proposed Disposal represents a timely opportunity for PRG Group to realise the value of the Subject Properties at the Disposal Consideration by way of Cash Consideration and Consideration Shares as stated in **Part A, Section 2** of this Circular. The Cash Consideration will improve PRG Group's financial liquidity immediately upon the receipt of the Cash Consideration to be utilised for the purposes as stated in **Part A, Section 2.10** of this Circular.

Furthermore, while achieving the above benefits through the Proposed Disposal, the PRG Group will also continue to benefit from any future returns arising from the Subject Properties through PLSB being an indirect subsidiary of PRG, i.e. PLSB is a wholly-owned subsidiary of Furniweb which is a 50.45%-owned subsidiary of PRG.

In addition, the Proposed Disposal will also result in PRG increasing its equity interest in Furniweb from 50.45% to 67.71%. The increase in equity interest in Furniweb would allow PRG to further consolidate its interest in Furniweb as well as enable PRG to facilitate easier decision making and steering of direction for Furniweb's operations.

In view of the financial performance of Furniweb (as set out in **Appendix V** of this Circular), the Board is of the view that the Proposed Disposal would further improve the financial performance of PRG Group with the consolidation of 67.71% equity interest in Furniweb by PRG.

AER's Commentary

- 1. The Disposal Consideration shall be paid in the form of Cash Consideration and Consideration Shares in the proportion of 12% and 88% respectively.
- The Consideration Shares received by PRG will result in PRG increasing its equity interest in Furniweb from 50.45% to 67.71%. The increase in equity interest in Furniweb would allow PRG to further consolidate its interest in Furniweb as well as enable PRG to facilitate decision making and steering of direction for Furniweb's operations.
- 3. The management of Subject Properties shall be transferred from PRG to the management of PLSB of which PRG has an effective interest of 50.45% and 67.71% immediately before and after completion of the Proposed Disposal respectively.
- 4. Prior to the Proposed Disposal, there is a receivable from PDMSB in the books of PRG, for the Amount Payable by PDMSB to PRG. The Amount Payable, has been progressively accumulated since 2013. Upon completion of the Proposed Disposal, the receivable from PDMSB for the Amount Payable shall be reflected as an aggregate of Cash Consideration and additional investment in Furniweb that increases the effective interest from 50.45% and 67.71%. In addition, on a proforma basis, there shall be a net gain of RM3,508,088 before accounting for estimated transaction cost of RM500,000 and after deduction of interest payable that accrues on the interest payable sum of RM1,911,058.

Hence, we conclude that the basis of the Disposal Consideration under this consideration, is **reasonable** and **not detrimental** to the non-interested shareholders of PRG.

6.5B Evaluation on the Proposed Diversification

Rationale by the Board on the Proposed Diversification

Pursuant to Paragraph 10.13(1) of the Listing Requirements, a listed corporation must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

 the diversion of 25% or more of the net assets of the listed corporation to an operation which differs widely from those operations previously carried on by the listed corporation; or (ii) the contribution from such an operation of 25% or more of the net profits of the listed corporation.

Following the Proposed Disposal, it is anticipated that Furniweb intends to utilised the Subject Properties for property investment purposes (i.e, to collect rental income and for future resale of the Subject Properties).

The Proposed Diversification is undertaken pursuant to the Listing Requirements as the Board believes that barring any unforeseen circumstances, the property investment business may in the future contribute 25% or more of the net profits of PRG Group and/or attributed to 25% or more of the net assets of PRG Group.

In addition, considering the positive overview and outlook of the property market as set out in Part A, Section 5.2 of this Circular, PRG Group believes that the Proposed Diversification will improve the future earnings and financial position of PRG Group, moving forward.

AER's Commentary

We noted that Subject Properties shall be held as investment properties in Furniweb.

PRG's equity interest in Furniweb shall increase from 50.45% to 67.71% immediately before and after upon completion of the Proposals.

Accordingly, the estimated proforma NA of property investment shall constitute approximately 18.95% as compared with the proforma NA attributable to owners of PRG after the Proposed Disposal, this shall mean that investment properties shall be a main contributor to PRG's future business.

To comply with the Listing Requirements, in conjunction with the Proposed Disposal, an ordinary resolution is also sought from the shareholders for the Proposed Diversification, which both proposals are interconditional.

For illustrative purpose, the contribution of property investment business to PRG Group based on the estimated NA of property investment business attributable to the owners of PRG after the Proposed Disposal is as follows:

	RM'000
Pro forma NA attributable to the owners of PRG after the Proposed Disposal	221,525 ⁽²⁾
Estimated NA of property investment business attributable to the owners of PRG	41,968 ⁽¹⁾
Contribution of property investment business to PRG Group (%)	18.95

Note:

Therefore, we conclude that the basis of the Proposed Diversification, is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of PRG.

Being the NA of property investment business assumed at the Disposal Consideration of RM61,982,000 multiplied by the equity interest of PRG in Furniweb of 67.71%.

⁽²⁾ Part A, Section 7.1 of the Circular

6.6 Evaluation of the salient terms of the Master Agreement

The salient terms of the Master Agreement are set out **Appendix I** of this Circular. Our comments on the salient terms are as follows:

Salient terms of the Master Agreement and the Supplemental Master Agreement

Conditions Precedent to be fulfilled by PRG

- (a) the receipt by PLSB of the CCC issued by the principal submitting person in accordance with the Uniform Building By-Laws of the Street, Drainage and Building Act 1974:
- (b) the issuance of a letter of confirmation or notice of delivery of vacant possession of the Subject Properties issued by PDMSB to PRG, confirming the delivery of vacant possession of the Subject Properties by PDMSB to PRG, and subsequently the issuance of a letter of confirmation of the delivery of vacant possession of the Subject Properties by PRG to PLSB in the manners set out in Section 7 of Appendix I ("Delivery of VP to PLSB");
- (c) the receipt by PRG of the approval from the independent non-interest shareholders of PRG at an extraordinary general meeting of PRG for the sale of the Subject Properties by PRG to PLSB under the Master Agreement;
- (d) the receipt by PRG of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) in respect of the transaction contemplated under the fifty (50) units of individual sale and purchase agreements entered into between Almaharta, PDMSB and PRG ("Principal Sale Agreements");
- (e) the obtaining of PDMSB's written confirmation in respect of the following matters pursuant to Section 22D(4) of the Housing Development (Control & Licensing) Act 1966:
 - (i) the particulars of the Subject Properties;
 - (ii) postal address of the Subject Properties;
 - (iii) the current purchaser and charge (if any) of the Subject Properties;
 - (iv) the current charge or assignee of the Subject Properties;
 - (v) the total amount, if any, due to PDMSB under each Principal Sale Agreement as at the date of the letter of confirmation.

provided that none of the above matters confirmed by PDMSB shall be adverse to the rights and interests of PLSB under the Master Agreement or of and in the Subject Properties and PRG shall comply with all of the terms and conditions as may be imposed by PDMSB and in the respective confirmations aforementioned as soon as practical from the date of receipt of PDMSB's letter of confirmation.

AER's comments

The Subject Properties is estimated to be 90% completed as at LPD.

It is reasonable to have conditions precedent to be fulfilled by PRG that all the required approvals are to be obtained by PRG as one of the conditions precedents in the Proposed Disposal.

We have enquired with the solicitor who prepared the Master Agreement and have obtained an understanding that if in the event any of the Conditions Precedent is not satisfied or waived, PRG is not required to pay and compensate Furniweb any liquidated ascertained damages except for refunding the Deposit to Furniweb.

We are of the view that the conditions precedent to be fulfilled by PRG are normal commercial terms of transaction of similar nature and hence are **reasonable**.

Salient terms of the Master Agreement	AER's comments	
Conditions Precedent to be fulfilled by Furniweb (f) the obtaining of the approval from the independent shareholders of Furniweb at an extraordinary general meeting of Furniweb to the Master Agreement, including the purchase of the Subject Properties by PLSB from PRG, the allotment and issue of the Consideration Shares to PRG at the Issue Price and the grant of a specific mandate therefor and the other transactions contemplated under the Master Agreement; the GEM Listing Committee granting the listing of, and permission to deal in, the Consideration Shares, on the GEM;	We are of the view that the conditions precedent to be fulfilled by Furniweb, are regulatory compliance in nature, to satisfy with the GEM's listing requirements and are therefore <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.	

Salient terms of the Master Agreement Conditions Precedent to be fulfilled by PLSB

- (h) the approval from the board of directors and shareholder of PLSB for the acquisition of the Subject Properties based on the terms and conditions of the Master Agreement, and the entry of the Master Agreement by PLSB:
- (i) the issuance of a legal opinion from the legal advisers to PLSB as to Malaysian laws to the satisfaction of PLSB confirming good title of the Subject Properties free from all encumbrances and rights of third parties, due completion of the Principal Sale Agreements, the Subject Properties are free from all restrictions in interest, conditions, and category of use, express or implied in the master title to the Subject Properties, the transferability of the Subject Properties pursuant to the terms and conditions of the Master Agreement; and
- (j) the receipt by PLSB of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) for acquisition of real properties in Malaysia by foreign companies as contemplated under the Master Agreement ("S433B Foreigner Consent Approval"), if required, the date of the S433B Foreigner Consent Approval shall be known as "S433B Foreigner Consent Approval Date".
- 2.1 Save for the Condition Precedent set out in paragraph (j) of Section 2.1 of Appendix I which may only be waived by PLSB prior to the expiry of the Conditional Period, by way of written notice to PRG, none of the Conditions Precedent shall be waived by any party.
- 2.2 The Master Agreement will become unconditional upon the satisfaction or fulfilment (or if can be waived in accordance with Section 2.2 of Appendix I, waiver of the satisfaction or fulfilment of the applicable Condition Precedent) of all Conditions Precedent ("Unconditional Date").

AER's comments

The conditions precedent to be fulfilled by PLSB are typical and reasonable in real estate transactions, especially involving foreign entities, to ensure compliance with local laws in Malaysia and corporate governance standards. They serve to protect the interests of all parties involved and provide a clear framework for the transaction to proceed.

We are of the view that the conditions precedent are normal commercial terms of transaction of similar nature and hence are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.

Salient terms of the Master Agreement

6.1 PRG's right to terminate

PRG may, at any time while such default subsists give a notice of termination to PLSB, in event that:-

- (a) Furniweb in default of satisfaction of any part of Purchase Price; or
- (b) PLSB fails, neglects or refuses to complete the purchase in accordance with the provisions of the Master Agreement other than due to the default of PRG.

AER's comments

This clause outlines PRG's right to terminate the Proposed Disposal under specific circumstances where Furniweb fails to pay any part of the Purchase Price or PLSB fails to fulfil its obligations under the Master Agreement. We are of the view that the they are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.

Salient terms of the Master Agreement

6.2 PLSB's right to terminate

PLSB may, at any time while such default subsists give a notice of termination to PRG. in event that:-

- (a) PRG fails, neglects or refuses to complete the sale in accordance with the provisions of the Master Agreement other than due to the default of Furniweb and/or PLSB; or
- (b) PRG fails, neglects or refuses to perform or comply with any of its undertakings and covenants on its part herein to be performed.
- (c) in the event of the exercise of any rights or the taking of any steps under the Lands Acquisition Act, 1960 or other Act or Legislation by the Federal Government and/or State Government or any other authority having power in that behalf in respect of the master title or any part thereof after execution of the Master Agreement and the Individual SPAs but on or before the Completion Date.

AER's comments

These clauses provide PLSB with clear grounds for terminating the Master Agreement under specific circumstances, where PRG fails to complete the sale, fails to perform or comply with its undertakings and covenants, or if the government exercises any rights under the Lands Acquisition Act, 1960 or similar legislation affecting the master title before the Completion Date. We are of the view that the right to terminate by PLSB is to ensure compliance and protect the interests of the all parties involved. They are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.

Salient terms of the Master Agreement

6.4 Consequences of Termination

- (a) in the event of a notice of termination being duly given under the provision of Section 6.1 of Appendix I:-
 - PLSB must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PLSB by PRG:
 - (ii) PRG must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PRG by PLSB:
 - (iii) <u>Cash Consideration shall be forfeited</u> absolutely to PRG as agreed liquidated damages, and PRG shall refund any excess sum received, if any, to Furniweb free of interest within seven (7) days from the date of notice of termination.
- (b) in the event of a notice of termination being duly given under the provision of Section 6.2 or Section 6.3 of Appendix I:-
 - (i) PLSB must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PLSB by PRG;
 - (ii) PRG must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PRG by PLSB; and
 - (iii) PRG must, within seven (7) days from the date of notice of termination, <u>refund any part of the</u> <u>Purchase Price</u> received by PRG, in cash, to Furniweb free of interest.
- (c) in the event of a notice of termination being duly given under the provision of Section 6.2(a) or Section 6.2(b) of Appendix I, PRG shall, within seven (7) days from the date of notice of termination, pay a 10% of the Purchase Price, in cash, to Furniweb as agreed liquidated damages.

AER's comments

6.4(a)

In the event that the Proposed Disposal is terminated a result of PRG's right to terminate after the agreement becomes unconditional, the provisions in the Master Agreement provides for the Cash Consideration already received by PRG need not be refunded and treated as liquidated damages. However, PRG shall refund any excess sum received, if any, to Furniweb free of interest within seven (7) days from the date of notice of termination.

Events that give rise PRG's right to terminate are:-

- (a) Furniweb in default of satisfaction of any part of Purchase Price; or
- (b) PLSB fails, neglects or refuses to complete the purchase in accordance with the provisions of the Master Agreement other than due to the default of PRG.

We are of the view that the events leading to PRG's right to terminate and the consequence of PRG's rights to forfeit the Deposit is <u>reasonable</u> and <u>not detrimental</u> to non-interested shareholders of PRG.

6.4(b) and 6.4(c)

In the event that the Proposed Disposal is terminated as a result of PLSB's right to

Salient terms of the Master Agreement

- 6.5 Following the giving of a notice of termination under any of the provisions of the Master Agreement, neither party will have any further obligations under the Master Agreement to other Parties, and each of the Individual SPAs shall be terminated and shall be no effect as at the date of such notice of termination, except in respect of:-
- (a) their respective obligations under Section 6.4 of Appendix I; and
- (b) any rights and obligations which have accrued in respect of any breach of any of the provisions of the Master Agreement to either Party prior to such termination.
- 6.6 Notwithstanding the provisions of this Section 6 of Appendix I, any Party will be at liberty to take such action in law as may be necessary to compel the other Party by way of specific performance to complete the sale or purchase of the Subject Properties in accordance with the provisions of the Master Agreement.

AER's comments

terminate after the agreement becomes unconditional, the provisions in the Master Agreement provides for the Cash Consideration already received by PRG be <u>refunded</u> in cash to Furniweb. PRG shall also refund any excess sum received, if any, to Furniweb free of interest as liquidated damages.

Events that give rise to PLSB's right to terminate are:-

- (a) PRG fails, neglects or refuses to complete the sale in accordance with the provisions of the Master Agreement other than due to the default of Furniweb and/or PLSB; or
- (b) PRG fails, neglects or refuses to perform or comply with any of its undertakings and covenants on its part herein to be performed.
- (c) in the event of the exercise of any rights or the taking of any steps under the Lands Acquisition Act, 1960 or other Act or Legislation by the Federal Government and/or State Government or any other authority having power in that behalf in respect of the master title or any part thereof after execution of the Master Agreement and the Individual SPAs but on or before the Completion Date.

In addition, PRG shall, within seven (7) days from the date of notice of termination, pay a 10% of the Purchase Price, in cash, to Furniweb as agreed liquidated damages.

We are of the view that the events leading to PLSB's right to terminate and the consequence of PRG's obligation to refund any cash received and pay a 10% of the Purchase Price in cash to Furniweb as agreed liquidated damages PRG shall, within seven (7) days from the date of notice of termination, pay a 10% of the Purchase Price, in cash, to Furniweb as agreed liquidated damages is reasonable and not detrimental as it applies similarly if PLSB and / or Furniweb, is in fault.

Based on our evaluation of the salient terms of the Master Agreement and the Supplemental Master Agreement, we are of the view that the salient terms of the Master Agreement are general on normal commercial terms for transactions of such nature and the said terms are **fair and reasonable** and **not detrimental** to the interests of the non-interested shareholders.

6.7 Effects of the Proposed Disposal

The financial effects of the Proposed Disposal are as set out in Part A, Section 7 of this Circular.

Our comments on the financial effects of the Proposed Disposal on a proforma basis on assumption that the Proposed Disposal is completed immediately after 31 December 2022, are as follows:

Effects of the Proposed Disposal	AER's comments
Issued share capital and substantial shareholders' shareholdings.	As at the LPD, the total number of Shares in issue of was 430,666,000 after excluding 417,800 treasury shares held by PRG. The Proposed Disposal <u>does not</u> involve any creation of new shares. Hence, the Proposed Disposal <u>does not</u> have any effect on the substantial shareholders' shareholdings of PRG.
NA and gearing	Effects on NA The Proposed Disposal is expected to have the effect of increasing the NA of the Company from RM159,659,000 to RM221,525,000 as at 31 December 2023, as a result of the increase in equity interest in Furniweb from 50.45% to 67.71% and also a proforma net gain on disposal attributable to PRG Group.
	Effect on NA per share The Proposed Disposal has the effect of increasing the NA per share from RM0.37 to RM0.51 based on proforma computation as at 31 December 2023.
	Effects on gearing Based on the audited FYE 31 December 2023, PRG has a total cash and bank balances of RM101,108,000 and total borrowings of RM45,561,000 which translates to a net cash position.
Earnings and EPS	Effects on Earnings The Proposed Disposal has the effect of an incremental net gain of RM1,097,000.
	Effects on EPS The Proposed Disposal is expected to increase the future EPS due to the share of contribution of projected earnings derived from investment income from the Subject Properties.

Based on the above, taken as a whole, we are of the view that the overall effect of the Proposed Disposal is **fair**, **reasonable** and **not detrimental** to the interests of the non-Interested shareholders.

6.8 Future prospects

The future prospects to PRG associated with the Proposed Disposal are as set out in **Part A**, **Section 5.2** of this Circular.

Future Prospects

Further to the ESGL Acquisition, PRG Group intends to expand its revenue steam to include property investment businesses pursuant to the Proposed Diversification. Following the Proposed Disposal, it is anticipated that Furniweb intends to utilise the Subject Properties for property investment purposes (i.e, to collect rental income and for future resale of the Subject Properties).

In view of outlook of the property market as set out in Part A, Section 5.1 of this Circular, the Board believes that PRG Group is able to leverage on key management personnels' relevant skills and expertise as set out in Part A, Section 3.1 of this Circular to achieve business expansion in relation to the Proposed Diversification, which would further improve the financial performance of the Group in the long run. The Board takes cognisance that the unpredictable global environment and geopolitical conflicts will require PRG Group to remain resilient and vigilant in order to manage the associated risks and maintain the sustainability of PRG Group's businesses.

AER's comments

We are of the view that the justifications of the Future Prospects by the Board and management of PRG Group are **reasonable** and **not detrimental** to the non-interested shareholders of PRG.

6.9 Risk Factors

The risk factors associated with the Proposed Disposal are as set out in **Part A, Section 6** of this Circular.

RISK FACTORS

6.1 Contractual risk

PRG has given representations, warranties and/or undertakings as set out in the Agreement in favour of Furniweb and PLSB. In this regard, PRG may be subject to claims in accordance with the terms and conditions of the Agreements for the breach of representations, warranties and/or undertakings given by PRG.

Nevertheless, the Board and the management of PRG will endeavour to ensure compliance with its obligations under the respective Agreements in order to minimise the risk of any breach of the warranties and/or undertakings given.

6.2 Non-completion of the Proposed Disposal

In the event any of the terms and conditions of the Agreements is not fulfilled or waived, the completion of the Proposed Disposal may be delayed or the Agreements may be terminated. PRG will also be subjected to certain contractual risks as a result of non-fulfilment of its obligations under the Agreements, as set out in Appendices I, II and III of this Circular.

AER's comments

Contractual Risk

The Subject Properties is approximately 90% completed as at LPD. It is normal and reasonable for Furniweb and PLSB to request for representations and warranty from PRG of the Subject Properties possess the Certificate of Completion and Compliance, free from all encumbrances and interest of third parties, with legal and vacant possession, subject to all restrictions in interest, conditions, and category of use, express or implied.

We noted that your Board and the management of PRG will endeavour to ensure compliance with its obligations in order to minimise the risk of any breach of the warranties and/or undertakings given.

RISK FACTORS

Notwithstanding the above, the Board will endeavour to take all the necessary steps to cause PRG to complete the Proposed Disposal by ensuring that all obligations under the Agreements which are within PRG's control are met on a timely basis.

6.3 Opportunity cost

With the Proposed Disposal, PRG Group will be disposing the Subject Properties based on the prevailing market value as appraised by the Valuer. Whilst the Subject Properties will continue to be held under PRG Group (via PLSB, a wholly-owned subsidiary of Furniweb) upon completion of the Proposed Disposal, any future appreciation in the value of the Subject Properties attributable to PRG will be diluted by virtue of the interests of non-controlling shareholders of Furniweb in the Subject Properties after the completion of the Proposed Disposal.

Notwithstanding the above, the Proposed Disposal entails the issuance of Consideration Shares by Furniweb to PRG, which would increase the equity interest of PRG in Furniweb from 50.45% to 67.71%. Accordingly, PRG Group will be able to further consolidate Furniweb's financials upon completion of the Proposed Disposal.

Furthermore, the proceeds from the Proposed Disposal would be utilised for purposes set out in Part A, Section 2.10 of this Circular, which is expected to benefit the PRG Group upon realisation of the benefits from the utilisation of such proceeds in the operations of the Group.

6.4 Dependency on key management personnels

PRG Group's involvement in the property investment business is dependent on the abilities, skills and experiences of its key personnel (as set out in Part A, Section 3.1 of this Circular). Any sudden departure of the key personnel without suitable and timely replacement, or the inability of PRG Group to attract and retain other qualified personnel, may adversely affect its operation and consequently, Furniweb's revenue and profitability, which in turn may affect PRG Group's financial performance.

PRG Group will offer competitive incentive and remuneration packages to retain the key personnel as well as to attract and retain qualified experienced personnel who are essential towards the development of the property investment business.

AER's comments

We also considered the Amount Payable by PDMSB to PRG which has been long outstanding and that the Proposed Disposal enables PRG to collect 12% of the cash consideration which is used by PRG Group.

We conclude that exposure to the construction risk is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of PRG.

Opportunity cost

We have considered that with the Proposed Disposal, your Group has to forego the potential price appreciation of the Subject Properties. We are of the view that as the Subject Properties are still within the PRG Group, which PRG has a 67.71% interest after the completion of Proposed Disposal, the forgone price appreciation is not in its entirety but limited 32.39% (1-67.71%).

We also took note of the benefits associated with the Proposed Disposal such as:-

- the associated increase of the equity interest of PRG in Furniweb from 50.45% to 67.71% upon completion of the Proposed Disposal.
- the proceeds from the Proposed Disposal would be utilised for purposes as set out in Part A, Section 2.10 of this Circular, which is expected to benefit the PRG Group upon realisation of the benefits from the utilisation of such proceeds in the operations of the Group.

We conclude that exposure to the opportunity cost risk is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of PRG.

Dependency on key management personnels

We are of the view that the measures by your Group to mitigate this risk is **reasonable** and **not detrimental** to the non-interested shareholders of PRG.

7. CONCLUSION AND RECOMMENDATION

The non-interested shareholders, should consider all the merits and demerits of the Proposed Disposal, based on all relevant pertinent factors including those which are set out in Part A of this Circular, the relevant appendices thereof, this IAL and other publicly available information.

In our evaluation of the Proposed Disposal and in arriving at our opinion, we have taken into consideration various factors as follows:

- (a) basis of arriving at the Disposal Consideration
- (b) fairness and reasonableness of the Issue Price
- (c) fairness and reasonableness of the Disposal Consideration and Issue Price considered in an aggregate
- (d) manner of settlement of the Disposal Consideration
- (e) fairness and reasonableness of the Issue Price
- (f) rationale for the Proposed Disposal
- (g) evaluation of the Proposed Diversification
- (h) salient terms of the Master Agreement and supplemental Master Agreement
- (i) financial effects of the Proposed Disposal on the NA per share and gearing
- (j) future prospects
- (k) risk factors

After having considered all the various factors included in our evaluation for the Proposed Disposal and Proposed Diversification, that is based on the information made available to us, we are of the opinion that the Proposed Disposal and Proposed Diversification are <u>fair and reasonable</u> insofar as to the non-interested shareholders are concerned and it is <u>not to the detriment</u> of the non-interested shareholders of PRG.

Accordingly, we recommend the non-interested shareholders to <u>vote in favour</u> of the ordinary resolution pertaining to the Proposals which are to be tabled at the Company's forthcoming EGM.

Yours faithfully, For and on behalf of ASIA EQUITY RESEARCH SDN. BHD.

ONG TEE CHIN, CFA, FRM, CAIA Director

FARIS AZMI BIN RAHMAN, CPA (Aust)
Director

The salient terms of the Master Agreement (as subsequently amended and varied by the Supplemental Master Agreement and the Supplemental Master Agreement No. 2) are as follows:

1. Conditional agreement to sell and purchase

1.1 Subject to the Conditions Precedent (as defined in Section 2.1 of Appendix I) being fulfilled (or if waivable, waived in accordance with Section 2.2 of Appendix I) in accordance with the terms and conditions of the Master Agreement, our Company agreed to sell and PLSB agreed to purchase the Subject Properties on an "as is where is" basis as of the date of the issuance of the Certificate of Completion and Compliance ("CCC"), free from all encumbrances and interest of third parties, with legal and vacant possession, subject to all restrictions in interest, conditions, and category of use, express or implied in the master title to the Subject Properties at the purchase price of Ringgit Malaysia Sixty One Million Nine Hundred and Eighty Two Thousand (RM61,982,000.00) only ("Purchase Price") upon the terms and conditions set out in the Master Agreement.

2. Conditions Precedent

2.1 Notwithstanding anything to the contrary herein contained, the Parties acknowledge that the respective rights and obligations of the Parties under the Master Agreement shall be subject to and conditional upon the fulfilment or waiver (waived in accordance with Section 2.2 of Appendix I) of the conditions precedent set out below ("Conditions Precedent") on or before 30 June 2025 or such longer period as the Parties may agree in writing ("Conditional Period"):

Conditions Precedent to be fulfilled by our Company

- (a) the receipt by PLSB of the CCC issued by the principal submitting person in accordance with the Uniform Building By-Laws of the Street, Drainage and Building Act 1974;
- (b) the issuance of a letter of confirmation or notice of delivery of vacant possession of the Subject Properties issued by PDMSB to our Company, confirming the delivery of vacant possession of the Subject Properties by PDMSB to our Company, and subsequently the issuance of a letter of confirmation of the delivery of vacant possession of the Subject Properties by our Company to PLSB in the manners set out in Section 7 of Appendix I ("Delivery of VP to PLSB");
- (c) the receipt by our Company of the approval from the independent non-interest shareholders of our Company at an extraordinary general meeting of our Company for the sale of the Subject Properties by our Company to PLSB under the Master Agreement;
- (d) the receipt by our Company of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) in respect of the transaction contemplated under the fifty (50) units of individual sale and purchase agreements entered into between Almaharta, PDMSB and our Company ("Principal Sale Agreements");
- (e) the obtaining of PDMSB's written confirmation in respect of the following matters pursuant to Section 22D(4) of the Housing Development (Control & Licensing) Act 1966:
 - (i) the particulars of the Subject Properties;
 - (ii) postal address of the Subject Properties;
 - (iii) the current purchaser and charge (if any) of the Subject Properties;
 - (iv) the current charge or assignee of the Subject Properties;
 - (v) the total amount, if any, due to PDMSB under each Principal Sale Agreement as at the date of the letter of confirmation,

provided that none of the above matters confirmed by PDMSB shall be adverse to the rights and interests of PLSB under the Master Agreement or of and in the Subject Properties and our Company shall comply with all of the terms and conditions as may be imposed by PDMSB and in the respective confirmations aforementioned as soon as practical from the date of receipt of PDMSB's letter of confirmation.

Conditions Precedent to be fulfilled by Furniweb

- (f) the obtaining of the approval from the independent shareholders of Furniweb at an extraordinary general meeting of Furniweb to the Master Agreement as varied, supplemented and amended by the Supplemental Master Agreement No. 2, including the purchase of the Subject Properties by PLSB from our Company, the allotment and issue of the Consideration Shares to PRG at the Issue Price and the grant of a specific mandate therefor and the other transactions contemplated under the Master Agreement as varied, supplemented and amended by the Supplemental Master Agreement No. 2;
- (g) the GEM Listing Committee granting the listing of, and permission to deal in, the Consideration Shares, on the GEM ("Listing Approval");

Conditions Precedent to be fulfilled by PLSB

- (h) the approval from the board of directors and shareholder of PLSB for the acquisition of the Subject Properties based on the terms and conditions of the Master Agreement, and the entry of the Master Agreement by PLSB;
- (i) the issuance of a legal opinion from the legal advisers to PLSB as to Malaysian laws to the satisfaction of PLSB confirming good title of the Subject Properties free from all encumbrances and rights of third parties, due completion of the Principal Sale Agreements, the Subject Properties are free from all restrictions in interest, conditions, and category of use, express or implied in the master title to the Subject Properties, the transferability of the Subject Properties pursuant to the terms and conditions of the Master Agreement; and
- (j) the receipt by PLSB of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) for acquisition of real properties in Malaysia by foreign companies as contemplated under the Master Agreement ("S433B Foreigner Consent Approval"), if required, the date of the S433B Foreigner Consent Approval shall be known as "S433B Foreigner Consent Approval Date".
- 2.2 Save for the Condition Precedent set out in Paragraph (j) of Section 2.1 of **Appendix I** which may only be waived by PLSB prior to the expiry of the Conditional Period, by way of written notice to our Company, none of the Conditions Precedent shall be waived by any party.
- 2.3 The Master Agreement will become unconditional upon the satisfaction or fulfilment (or if can be waived in accordance with Section 2.2 of **Appendix I**, waiver of the satisfaction or fulfilment of the applicable Condition Precedent) of all Conditions Precedent ("Unconditional Date").

3. Payment of the Consideration

- 3.1 The Purchase Price shall be paid by Furniweb for and on behalf of PLSB to our Company in the following manner:
 - (a) 12% of the Purchase Price ("Cash Consideration") shall be paid to our Company, in the following manner:
 - (i) 10% of the Purchase Price, equivalent to RM6,198,200.00, shall be paid to our Company, in cash, within fourteen (14) days from the date of the Master Agreement; and
 - (ii) 2% of the Purchase Price, equivalent to RM1,239,640.00, shall be paid to our Company, in cash, within fourteen (14) days from the date of the Supplemental Master Agreement,

- (b) 88% of the Purchase Price (equivalent to HK\$96,526,799.95 at the exchange rate of MYR1: HK\$1.7697) ("Consideration Balance") shall be paid by way of issuance of 321,756,000 new ordinary shares in Furniweb ("Consideration Shares") each at an issue price of HK\$0.30 ("Issue Price"), within ninety (90) days from the Unconditional Date or any other extended period mutually agreed by the Parties in writing ("Shares Settlement Period").
- 3.2 For the avoidance of doubt, on and after the Completion Date, PLSB shall remain the sole legal and beneficial owner of the Subject Properties notwithstanding the payment of Purchase Price by Furniweb for and on its behalf.
- 3.3 If Furniweb shall fail to issue the Consideration Shares within the Shares Settlement Period, or if Furniweb shall fail to pay the Cash Consideration in accordance with Section 3.1(a) of **Appendix I**, other than due to the default of our Company to proceed to completion in accordance with the Master Agreement, Furniweb shall pay a late payment interest to our Company at the rate of 8% per annum on the basis of a 365-day year calculated on a day to day basis on any outstanding payments from the due date until the date of full payment.
- 3.4 The Consideration Shares shall be properly and validly, allotted and issued each at the Issue Price, and fully paid and shall rank pari passu among themselves and with all other ordinary shares of Furniweb in issue as at the Completion Date (as defined in Section 4 of **Appendix I**).

4. Completion

The date of the issuance of the Consideration Shares in accordance with Section 3.1(b) of **Appendix I** shall be the completion date of the Master Agreement ("Completion Date").

5. Pre-Completion Obligations: Separate Sale and Purchase Agreement

- 5.1 Within fourteen (14) Business Days from the date of fulfilment and satisfaction (or if can be waived in accordance with Section 2.2 of Appendix I above, waiver of the satisfaction or fulfilment of the applicable Condition Precedent) of all the Conditions Precedent (save and except for the S433B Foreigner Consent Approval, as defined in Paragraph (j) of Section 2.1 of Appendix I, if required and the Delivery of VP to PLSB as defined in Paragraph (b) of Section 2.1 of Appendix I and the Listing Approval as defined in Paragraph (g) of Section 2.1 of Appendix I, our Company and PLSB shall in respect of each and every Subject Property execute an Disposal SPA at a price corresponding to the applicable Subject Property, and each such Disposal SPA shall contain terms and conditions not extraneous to those contained in the Master Agreement for the purposes of complying with the relevant laws, rules and regulations in Malaysia in preparatory for Completion pending the S433B Foreigner Consent Approval, if required, and the Delivery of VP to PLSB and the Listing Approval.
- 5.2 Our Company and PLSB agree that the arrangement for the purpose of Section 5.1 above shall be as follows.
 - (a) A Party shall notify PLSB's solicitors once the Conditions Precedents (save for the S433B Foreigner Consent Approval, if required, and the Delivery of VP to PLSB and the Listing Approval) which are specified as being that Party's responsibility to fulfill have been fulfilled, satisfied or waived, as the case may be; and
 - (b) Our Company and PLSB shall execute all the Disposal SPAs on the same date and shall execute all other applicable documents to effect the sale and purchase of the Subject Properties by our Company to PLSB, and in any case within fourteen (14) Business Days from the date of fulfilment and satisfaction (or if can be waived in accordance with Section 2.2 of **Appendix I** above, waiver of the satisfaction or fulfilment of the applicable Condition Precedent) of all the Conditions Precedent (save for the S433B Foreigner Consent Approval, if required, and the Delivery of VP to PLSB and the Listing Approval), and all the Disposal SPAs shall be effective on the date of execution of the Disposal SPAs.

6. Termination

6.1 Our Company's right to terminate

Our Company may, at any time while such default subsists give a notice of termination to PLSB, in event that:-

- (a) Furniweb in default of satisfaction of any part of Purchase Price; or
- (b) PLSB fails, neglects or refuses to complete the purchase in accordance with the provisions of the Master Agreement other than due to the default of our Company.

6.2 PLSB's right to terminate

PLSB may, at any time while such default subsists give a notice of termination to our Company, in event that:-

- (a) our Company fails, neglects or refuses to complete the sale in accordance with the provisions of the Master Agreement other than due to the default of Furniweb and/or PLSB; or
- (b) our Company fails, neglects or refuses to perform or comply with any of its undertakings and covenants on its part herein to be performed.
- (c) in the event of the exercise of any rights or the taking of any steps under the Lands Acquisition Act, 1960 or other Act or Legislation by the Federal Government and/or State Government or any other authority having power in that behalf in respect of the master title or any part thereof after execution of the Master Agreement and the Disposal SPAs but on or before the Completion Date.
- 6.3 A Party may, at any time, give a notice of termination to the other Parties, if: -
 - (a) the other party is or becomes, or adjudicated or found to be insolvent or suspends payments of its debts; or
 - (b) an administrator or receiver or a receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the other Parties.

6.4 Consequences of Termination

- (a) in the event of a notice of termination being duly given under the provision of Section 6.1 of **Appendix I**:-
 - (i) PLSB must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PLSB by our Company;
 - (ii) our Company must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to our Company by PLSB;
 - (iii) Cash Consideration shall be forfeited absolutely to our Company as agreed liquidated damages, and our Company shall refund any excess sum received, if any, to Furniweb free of interest within seven (7) days from the date of notice of termination.
- (b) in the event of a notice of termination being duly given under the provision of Section 6.2 or Section 6.3 of **Appendix I**:-
 - (i) PLSB must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PLSB by our Company;
 - (ii) our Company must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to our Company by PLSB; and
 - (iii) our Company must, within seven (7) days from the date of notice of termination, refund any part of the Purchase Price received by our Company, in cash, to Furniweb free of interest.

- (c) in the event of a notice of termination being duly given under the provision of Section 6.2(a) or Section 6.2(b) of **Appendix I**, our Company shall, within seven (7) days from the date of notice of termination, pay a 12% of the Purchase Price, in cash, to Furniweb as agreed liquidated damages.
- 6.5 Following the giving of a notice of termination under any of the provisions of the Master Agreement, neither party will have any further obligations under the Master Agreement to other Parties, and each of the Disposal SPAs shall be terminated and shall be no effect as at the date of such notice of termination, except in respect of:-
 - (a) their respective obligations under Section 6.4 of Appendix I; and
 - (b) any rights and obligations which have accrued in respect of any breach of any of the provisions of the Master Agreement to either Party prior to such termination.
- 6.6 Notwithstanding the provisions of this Section 6 of **Appendix I**, any Party will be at liberty to take such action in law as may be necessary to compel the other Party by way of specific performance to complete the sale or purchase of the Subject Properties in accordance with the provisions of the Master Agreement.

7. Vacant Possession

- 7.1. Our Company shall deliver vacant possession of all the Subject Properties to PLSB within ten (10) business days (or such longer period as the Parties may agree in writing) from the S433B Foreigner Consent Approval Date, if required, and if at the material time, the S433B Foreigner Consent Approval is not required, from the date of execution of the Disposal SPA ("Vacant Possession Date"). The delivery of vacant possession by our Company shall be supported by a CCC and includes the handling over of the keys of all the Subject Properties to PLSB.
- 7.2. In the event our Company shall fail neglect refuse or is unable to deliver vacant possession to PLSB in accordance with Section 7.1 of **Appendix I**, our Company shall pay to PLSB interest at the rate of eight per centum (8%) per annum on the total Purchase Price calculated on the basis of a 365-day year on a day to day basis from the expiry of the Vacant Possession Date to the actual date of delivery of vacant possession of all the Subject Properties by our Company to PLSB.

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SALIENT TERMS OF DISPOSAL SPA

The salient terms of the Disposal SPAs (as subsequently amended and varied by the Supplemental Master Agreement and Supplemental Master Agreement No. 2) are as follows:

1. Condition agreement to sell and to purchase

Subject to the Conditions Precedent (as defined in Section 2 of **Appendix II**) being fulfilled in accordance with the terms and conditions of the Disposal SPAs, our Company agreed to sell as a vendor and PLSB agreed to purchase the Subject Properties as a purchaser on an "as is where is" basis as of the date of the CCC is issued, free from all encumbrances and rights of third parties, with legal and vacant possession, subject to all restrictions in interest, conditions, and category of use, express or implied in the master title to the Subject Properties at the purchase price equivalent to the Disposal Consideration ("**Purchase Price**") set out in Section 3 of **Appendix II** upon the terms and conditions set out in the Disposal SPAs.

2. Condition Precedent

2.1 Notwithstanding anything to the contrary herein contained, our Company and PLSB acknowledge that the respective rights and obligations of our Company and PLSB under the Disposal SPAs shall be subject to and conditional upon the fulfilment of the following condition precedent ("Condition Precedent") on or before 30 June 2025 or such longer period as the Parties may agree in writing ("Conditional Period"):

Condition Precedent to be fulfilled by our Company

(a) the delivery by our Company to PLSB of vacant possession of the Subject Property in the manner set out in Section 7 of **Appendix II**; and

Condition Precedent to be fulfilled by PLSB

- (b) the receipt by PLSB of the written approval of the State Authority (being the Kuala Lumpur Federal Territory Land Registry) pursuant to Section 433B of the National Land Code (Revised 2020) ("S433B Approval") approving the acquisition of the Subject Properties in Malaysia by PLSB, if required, the date of the S433B Approval shall be known as "S433B Approval Date"); and
- (c) the receipt by the Purchaser of the requisite approval as may be required for payment and satisfaction of the Balance Purchase Price (as defined in Paragraph (b) of Section 3.1 of this **Appendix II**).
- 2.2 Both parties agree that the Conditions Precedent shall not be waived by either party.
- 2.3 In the event the Conditions Precedent are not satisfied by the expiration of the Conditional Period:
 - (a) our Company shall refund all the Purchase Price paid (including the Deposit Sum (as defined in Paragraph (a) of Section 3.1 of this **Appendix II**)), free of interest, to PLSB or PLSB's nominee, as the case may be, within seven (7) days from the date of expiration of the Conditional Period;
 - (b) each party shall return all documents, if any, delivered to the other party; and
 - (c) the Disposal SPAs shall be of no further effect except for claims arising out of any antecedent breach of the Disposal SPAs.
- 2.4 The Disposal SPAs will become unconditional on the date upon the satisfaction or fulfilment of the Condition Precedent ("Unconditional Date").

3. Payment of the Purchase Price

- 3.1 The Purchase Price shall be paid by PLSB, or by PLSB's nominee for and on behalf of PLSB to be paid to our Company in the following manner:
 - (a) 12% of the Purchase Price ("**Deposit Sum**") has been paid prior to the date of the Disposal SPAs, which our Company acknowledges receipt, and the Deposit Sum forms part of the Purchase Price on the Unconditional Date; and

SALIENT TERMS OF DISPOSAL SPA (CONT'D)

- (b) 88% of the Purchase Price ("Balance Purchase Price") shall be paid or otherwise settled in such manner as the Parties may agree in writing, within ninety (90) days from the Unconditional Date or any other extended period mutually agreed by the Parties in writing ("Completion Date").
- 3.2 If PLSB, or by PLSB's nominee for and on behalf of PLSB shall fail (other than due to the default of our Company to proceed to Completion in accordance with the Disposal SPAs) to pay the Balance Purchase Price by the Completion Date, PLSB or PLSB's nominee for and on behalf of PLSB shall pay a late payment interest to our Company at the rate of eight per centum (8%) per annum on the basis of a 365-day year calculated on a day to day basis on any outstanding payments from the due date until the date of full payment ("Late Payment Interest").

4. Completion

The completion of the Disposal SPAs shall take place at the office of PLSB (or at such other location as the Parties may agree) on the Completion Date.

5. Default and Termination of Disposal SPAs

5.1 Our Company's right to terminate

Our Company may, at any time while such default subsists give a notice of termination to PLSB, in the event that:

- (a) PLSB or its nominee is in default of satisfaction of any part of Purchase Price; or
- (b) PLSB fails, neglects or refuses to complete the purchase in accordance with the provisions of the Disposal SPAs or any other agreements entered into between PLSB and our Company in respect of the Subject Properties.

5.2 PLSB's right to terminate

PLSB may, at any time while such default subsists give a notice of termination to our Company, in the event that:

- (a) our Company fails, neglects or refuses to complete the sale in accordance with the provisions of the Disposal SPAs; or
- (b) our Company fails, neglects or refuses to perform or comply with any of its undertakings and covenants on its part herein to be performed; or
- (c) the exercise of any rights or the taking of any steps under the Lands Acquisition Act, 1960 or other Act or Legislation by the Federal Government and/or State Government or any other authority having power in that behalf in respect of the master title or any part thereof after execution of the Disposal SPAs by the Parties but on or before the Completion Date.

5.3 A party may, at any time, give a notice of termination to the other party, if:

- (a) the other party is or becomes, or adjudicated or found to be insolvent or suspends payments of its debts; or
- (b) an administrator or receiver or a receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the other Parties.

5.4 Consequences of Termination

(a) in the event of a notice of termination being duly given under the provision of Section 5.1 of **Appendix II**:

SALIENT TERMS OF DISPOSAL SPA (CONT'D)

- (i) PLSB must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PLSB by our Company;
- (ii) our Company must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to our Company by PLSB;
- (iii) the Deposit Sum shall be forfeited absolutely to our Company as agreed liquidated damages, and our Company shall refund any excess sum received, if any, to PLSB free of interest within seven (7) days from the date of notice of termination.
- (b) in the event of a notice of termination being duly given under the provision of Section 5.2 or Section 5.3 of **Appendix II**:
 - (i) PLSB must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to PLSB by our Company;
 - (ii) our Company must, within seven (7) days from the date of notice of termination, return all documents, if any, delivered to our Company by PLSB; and
 - (iii) our Company must, within seven (7) days from the date of notice of termination, refund any part of the Purchase Price received by our Company to PLSB free of interest.
- (c) in the event of a notice of termination being duly given under the provision of Section 5.2(a) or Section 5.2 (b) of **Appendix II**, our Company must, within seven (7) days from the date of notice of termination, pay a 12% of the Purchase Price to PLSB as agreed liquidated damages.
- 5.5 Following the giving of a notice of termination under any of the provisions of the Disposal SPAs, neither party will have any further obligations under the Disposal SPAs to other Parties, except in respect of:
 - (a) their respective obligations under Section 5.4 of **Appendix II**; and
 - (b) any rights and obligations which have accrued in respect of any breach of any of the provisions of the Disposal SPAs to either party prior to such termination.
- 5.6 Notwithstanding the provisions of this Section 5 of **Appendix II**, a party will be at liberty to take such action in law as may be necessary to compel the other party by way of specific performance to complete the sale or purchase of the Subject Properties in accordance with the provisions of the Disposal SPAs.

6. Real Property Gains Tax

- 6.1 The Parties covenant and agree that each party shall individually notify the Director General of Inland Revenue in the prescribed form of the acquisition and disposal (as case may be) of the Subject Properties within sixty (60) days from the S433B Approval Date if required, and if at the material time, the S433B Approval is not required, from the date of the Disposal SPA, and further that each party shall do all acts execute or cause to be executed all forms, deeds or instruments and file all returns and furnish all information as may be necessary under the Real Property Gains Tax Act, 1976 ("RPGT Act 1976") for obtaining the notice of assessment.
- 6.2 Our Company confirms represents and warrants to PLSB that the disposal of the Subject Properties are not subject to the real property gains tax and undertake to pay the real property gains tax in case any is payable and undertakes to indemnify and keep PLSB fully indemnified for and against any real property gains tax as may be paid by PLSB in respect of sale of the Subject Properties pursuant to the Disposal SPAs. The Parties expressly agreed that PLSB' Solicitors shall not retain any money for the purpose of Real Property Gain Tax. Our Company shall complete and execute the CKHT Form 3 and deposit with PLSB' Solicitors upon the execution of the Disposal SPAs.
- 6.3 Our Company irrevocably agrees, covenants and undertakes with PLSB to pay all taxes that may be payable (if any) by our Company pursuant to the RPGT Act 1976 in connection with the Disposal SPAs and our Company agrees, covenants and undertakes with PLSB to keep PLSB and PLSB's Solicitors fully indemnified against all taxes, claims, costs, damages, fines or penalties which may be brought suffered or levied against PLSB as a result of our Company's non-compliance and/or default with any of the provisions of the RPGT Act 1976 relating to the required payment of the RPGT (if any) by our Company under the Disposal SPAs.

SALIENT TERMS OF DISPOSAL SPA (CONT'D)

7. Vacant Possession

- 7.1 Our Company shall deliver vacant possession of the Subject Properties to PLSB within ten (10) business days (or such longer period as the Parties may agree in writing) from the S433B Approval Date, if required, and if at the material time, the S433B Approval is not required, from the date of the Disposal SPA ("Vacant Possession Date"). The delivery of vacant possession by our Company shall be supported by a CCC and includes the handling over of the keys of the Subject Properties to PLSB.
- 7.2 In the event our Company shall fail neglect refuse or is unable to deliver vacant possession to PLSB in accordance with Section 7.1 of **Appendix II** of the Disposal SPAs, our Company shall pay to PLSB interest at the rate of eight per centum (8%) per annum on the Purchase Price calculated on the basis of a 365-day year on a day to day basis from the expiry of the Vacant Possession Date to the actual date of delivery of vacant possession of the Subject Properties by our Company to PLSB.

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SALIENT TERMS OF SETTLEMENT LETTER AND THE LETTER OF EXTENSION

The salient terms of the Settlement Letter (as subsequently amended and varied by the Letter of Extension) are as follows:

- 1. Pursuant to Clause 7.1 of the SSA, Liveintent has agreed and undertake to, amongst others, procure and ensure that PDMSB shall pay, and PDMSB shall pay to our Company the Amount Payable in the following manner:
 - (a) during the construction period of Project and in any event no later than 36 months from the date of the SSA (whichever is earlier), the Amount Payable or any part thereof shall be paid to our Company by PDMSB in cash; and
 - (b) upon the completion of the Project and issuance of the CCC by the relevant approving authorities or the date falling 36 months from the date of the SSA (whichever is earlier), the Amount Payable or the remaining balance Amount Payable (if any if PDMSB has made payment earlier) as the case may be, shall be paid to our Company by PDMSB, at our Company's option, either (1) in cash, or (2) in kind by way of transfer to our Company or such if its group companies as our Company may nominate of such number of units completed properties at the Project valued at a price of RM850.00 per square feet, representing the remaining balance of the Amount Payable.
- 2. As at the date of the Settlement Letter,
 - (i) PDMSB has yet to pay and settle the Amount Payable to our Company;
 - (ii) the 36 months period stipulated in Clause 7.1(a) and Clause 7.1(b) of the SSA has lapsed;
 - (iii) Parties agree that the amount to be paid to our Company as at 31 March 2023 is RM58,473,911.63.
 - The agreed final total Amount Payable by PDMSB to our Company, accounting for outstanding interest (accrued or accruing) payable by PDMSB and the state and condition of the Subject Properties as at the date of full settlement and payment of the Amount Payable in accordance with Paragraph (iv) of Section 2 of this **Appendix III** below, shall be RM61,982,000, this shall be the final and total settlement sum for the purposes of Clause 7 of the SSA ("**Final Settlement Sum**");
 - (iv) our Company intends to exercise its option to accept the payment of the Final Settlement Sum via the transfer of the Subject Properties by PDMSB to our Company or PRG Nominee, as the case may be, and our Company agrees to waive its rights and entitlement pursuant to Clause 5.4(b) and Clause 5.4(d) of the SSA, subject to the compliance of the terms and conditions set out in the Settlement Letter.
- 3. In view of the above and current development stage of the Project, all parties to the Settlement Letter have agreed that notwithstanding Clause 7.1 of the SSA, the Final Settlement Sum shall be settled and paid in full by PDMSB to our Company in the following manner.
 - (i) Parties agree that:
 - (A) PDMSB, as the developer of the Project and the lawful and registered attorney of Almaharta in respect of the Land who has been granted with the right to sell and deal with the units of the Project in PDMSB's absolute discretion pursuant to the power of attorney dated 4 August 2014 executed by Almaharta in favour of PDMSB, shall transfer all rights, titles, interest and benefits of the Subject Properties to our Company or PRG Nominee (in the case where our Company appoints the PRG Nominee to accept the transfer of the rights, titles, interest and benefits of the Subject Properties by PDMSB), whereby the total value of the Subject Properties is equivalent to Final Settlement Sum, free from Encumbrances ("Transfer");
 - (B) Our Company shall agree to accept the Transfer of all rights, titles, interest and benefits of the Subject Properties in favour of our Company or PRG Nominee, as the case may be, as the full and final settlement of the Final Settlement Sum, based on the following terms and conditions; and

SALIENT TERMS OF SETTLEMENT LETTER AND THE LETTER OF EXTENSION (CONT'D)

- (C) Each of the Subject Properties shall be bare units, without any fixtures and fittings provided by PDMSB, including any interior designs to be made in respect of each Subject Property, home appliances and any fixtures and fittings stated in any of the marketing materials in respect of the development within the Project land.
- (ii) Our Company or the PRG Nominee, as the case may be shall be deemed to be the beneficial owner of the Subject Properties, and PDMSB shall have divested all its legal interests to our Company or the PRG Nominee, as the case may be, notwithstanding that on the date of the acceptance of the terms and conditions of the Settlement Letter, Almaharta is the registered proprietor of the Subject Properties. PDMSB undertakes that it shall exercise its power as the lawful and registered attorney of Almaharta to only hold each of the Subject Properties as a bare trustee for and on behalf of our Company or PRG Nominee, as the case may be, commencing from the date of acceptance of the terms and conditions of the Settlement Letter.
- (iii) Parties agree that notwithstanding Clause 7.1 of the SSA provides that the price per square feet of each of the Subject Properties shall be RM850, all parties to the Settlement Letter agree that the total consideration payable for the Transfer of the Subject Properties shall be equivalent to the Final Settlement Sum.
- (iv) PDMSB undertakes and covenants with our Company that it shall take all steps and actions to obtain the CCC on or before 31 December 2024 and PDMSB shall deliver vacant possession of the Subject Properties together with keys of the Subject Properties to our Company within 30 days from the date of issuance of CCC.
- (v) PDMSB agrees to pay interest of 5% per annum calculated daily until the date of issuance of CCC to our Company ("Interest").
- (vi) The Parties agree that the Interest shall be paid by PDMSB in cash to our Company within 14 days following the delivery of vacant possession of the Subject Properties by PDMSB to our Company.
- (vii) The Final Settlement Sum by PDMSB to our Company shall only be deemed to be fully settled and paid upon delivery of vacant possession of the Subject Properties to PRG and upon clearance of the Interest.
- (viii) Upon full settlement of the Final Settlement Sum, our Company shall have no further claims whatsoever against PDMSB.
- (ix) PDMSB shall not, and PDMSB shall procure Almaharta not to, dispose, charge, transfer or assign any and all interests, rights and benefits of the Subject Properties, and shall not to let, sublet or part possession of the Subject Properties without our Company's and PRG Nominee's prior written consent.
- (x) Without prejudice to all other rights and remedies available to our Company, in the event:
 - (A) PDMSB shall for any reason fail or refuse to perform and comply with all its obligations contained in the Settlement Letter;
 - (B) a petition for winding up is presented against PDMSB;
 - (C) an order is made or a member's resolution is passed for the winding up of PDMSB;
 - (D) an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of PDMSB or any part of its assets and properties;

SALIENT TERMS OF SETTLEMENT LETTER AND THE LETTER OF EXTENSION (CONT'D)

- (E) an event analogous to any of the Paragraphs (vii)(B), (C) and (D) of Section 3 of this **Appendix III** above has occurred in any jurisdiction; or
- (F) CCC is not obtained by PDMSB on or before 30 June 2024,

then provided where the default is capable of being remedied, is not remedied within thirty (30) days commencing on the day immediately after the date our Company gives written notice to PDMSB and our Company shall be entitled to, in its absolute discretion to terminate the terms and conditions stipulated in the Settlement Letter whereby all the Principal SPAs shall be deemed mutually and automatically terminated by the Parties (the Parties shall cause all the rights, titles, interest and benefits of the Properties which have been transferred to and assigned in favour of any third parties to be reassigned and transferred back to PDMSB), and PDMSB shall immediately be liable for payment of the Amount Payable in accordance with the repayment mechanism and subject to the rights and entitlements of our Company set out in Clause 5.4 and Clause 7.1 of the SSA.

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VALUATION CERTIFICATES DATED 27 APRIL 2023 AND 23 FEBRUARY 2024

VPC Alliance (PJ) Sdn. Bhd. Co. No. 199901004304 (479204-W) VEPM (1) 0105 International Property Consultants, Valuers & Agents

No. 6, 1st Floor, Jalan SS 26/4, Taman Mayang Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

: 03-7880 0155 : 03-7880 0166

Fax Fmail

: vpcpjadmin@gmail.com

Website: http://www.vpcpjproperty.com.my/

Our Ref: VPCPJ/23/60542(A)/LBW/Vince

27th April, 2023

PRG Holdings Berhad. Unit 4.02, Level 4, Block A, Plaza Damansara, Bukit Damansara. 50490 Kuala Lumpur.

Attn: Dato' Lua Choon Hann (Group Executive Vice Chairman)

Dear Sir,

VALUATION CERTIFICATE OF 50 UNITS OF CONDOMINIUM LOCATED ON FLOOR LEVEL FROM 16 TO 37, WITHIN AN ON-GOING RESIDENTIAL DEVELOPMENT KNOWN AS PICASSO RESIDENCE, JALAN JELATEK, KUALA LUMPUR HELD UNDER MASTER TITLE NO. PAJAKAN NEGERI 52579, LOT NO. 20010, SEKSYEN 88, BANDAR AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "SUBJECT PROPERTY").

We were instructed by PRG Holdings Berhad ("PRGH") to assess the Market Value of 50 units of condominium located within an on-going residential development known as Picasso Residence, Jalan Jelatek, Kuala Lumpur held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, (hereinafter referred to as the "Subject Property") for the purpose of SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") IN CONJUNCTION WITH THE PROPOSED DISPOSAL OF THE SUBJECT PROPERTY BY PRGH TO PRG LAND SDN BHD ("PRG LAND"), A WHOLLY-OWNED SUBSIDIARY OF FURNIWEB HOLDINGS LIMITED ("FURNIWEB") WHICH IN TURN IS A 50.45%-OWNED SUBSIDIARY OF PRGH.

We have prepared and provided this Valuation Certificate which outlines the key factors that have been considered in arriving at the opinion of the Market Value of the above captioned properties and reflects all information known by us and based on present market conditions, and for inclusion in the Circular to shareholders of PRGH in relation to the proposed disposal of the Subject Property.

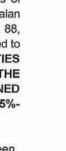
This valuation and contents of this certificate have been prepared in accordance with the Asset Valuations Guidelines issued by the Securities Commission Malaysia, the Malaysian Valuation Standards issued by the Boards of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and the International Valuation Standards issued by the International Valuation Standards Council.

Malaysia Petaling Jaya Johor Bahru Penang Kuala Lumpur Alor Setar Pahang Kota Kinabalu

Kuching



Directors
Francis Loh FRICS MIS (M)
Tan Beng Sooi ANZIV FIS (
James Wong BA MIS (M)
Kelvin Tan ARICS MIS (M) Caroline Sebangkit B.Sc ARICS Tan Lee Kang B.Sc MIS (M) ARICS Chew Kwong Cheong B.Surv MIS (M) Loo Boon Wei B.Sc MRISM





The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

We have conducted a physical inspection of the **Subject Property** on 24th March 2023. The material date of valuation is taken as at 24th March 2023.

At the date of inspection, we noted the **Subject Property** is still under construction. We were informed by the developer that the overall progress of works was about 60% completed.

WE ARE SPECIFICALLY INSTRUCTED BY THE CLIENT TO PROVIDE THE MARKET VALUE OF THE SUBJECT PROPERTY ON THE ASSUMPTIONS THAT THE SUBJECT PROPERTY IS FULLY COMPLETED IN ACCORDANCE TO THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND DULY ISSUED WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE (CCC) BY THE RELEVANT AUTHORITY. OUR ASSUMPTIONS ADOPTED ARE REFERRING TO THE SALIENT TERMS AND CONDITIONS AS SET OUT IN THE MASTER AGREEMENT DATED 27^{TH} APRIL 2023 AND SUPPLEMENTAL MASTER AGREEMENT DATED 7^{TH} JUNE 2023 BETWEEN PRGH (THE VENDOR), FURNIWEB AND PRG LAND (THE PURCHASER) PROVIDED TO US BY PRGH.

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.



We are of the opinion that the Market Value of the **Subject Property** held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, **ON THE ASSUMPTIONS** that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC), with vacant possession and free from encumbrances is as per follows:-

No.	Floor	Unit No.	Туре	Built Up (Sq. Ft.)	Market Value (RM)
1	16	A-16-01	C	1,668	1,515,000
2	16	A-16-02	С	1,668	1,515,000
3	17	A-17-01	С	1,668	1,520,000
4	17	A-17-02	С	1,668	1,520,000
5	17	A-17-03	С	1,668	1,565,000
6	18	A-18-01	С	1,668	1,520,000
7	18	A-18-08	С	1,668	1,565,000
8	19	A-19-01	С	1,668	1,520,000
9	19	A-19-02	С	1,668	1,520,000
10	19	A-19-03	С	1,668	1,565,000
11	20	A-20-02	С	1,668	1,520,000
12	20	A-20-03	С	1,668	1,570,000
13	21	A-21-01	С	1,668	1,525,000
14	21	A-21-02	С	1,668	1,525,000
15	21	A-21-03	С	1,668	1,570,000
16	22	A-22-01	С	1,668	1,525,000
17	22	A-22-03	С	1,668	1,570,000
18	23	A-23-01	С	1,668	1,525,000
19	23A	A-23A-01	С	1,668	1,530,000
20	23A	A-23A-08	С	1,668	1,575,000
21	25	A-25-02	С	1,668	1,530,000
22	25	A-25-03	С	1,668	1,575,000
23	25	A-25-08	С	1,668	1,575,000
24	28	A-28-01	С	1,668	1,535,000
25	28	A-28-08	С	1,668	1,580,000

No.	Floor	Unit No.	Туре	Built Up (Sq. Ft.)	Market Value (RM)
26	31	A-31-02	С	1,668	1,540,000
27	31	A-31-08	С	1,668	1,585,000
28	32	A-32-02	С	1,668	1,540,000
29	32	A-32-08	С	1,668	1,585,000
30	33	A-33-01	С	1,668	1,540,000
31	33A	A-33A-01	С	1,668	1,545,000
32	33A	A-33A-02	С	1,668	1,545,000
33	33A	A-33A-08	С	1,668	1,590,000
34	35	A-35-08	С	1,668	1,590,000
35	26	A-26-03A	Α	1,013	1,110,000
36	26	A-26-05	Α	1,013	1,080,000
37	27	A-27-07	Α	1,013	1,115,000
38	28	A-28-3A	Α	1,013	1,115,000
39	28	A-28-05	Α	1,013	1,085,000
40	29	A-29-3A	Α	1,013	1,115,000
41	30	A-30-03A	Α	1,013	1,120,000
42	31	A-31-03A	Α	1,013	1,120,000
43	33	A-33-06	Α	1,013	1,090,000
44	33A	A-33A-03A	Α	1,013	1,125,000
45	33A	A-33A-07	Α	1,013	1,125,000
46	35	A-35-07	Α	1,013	1,125,000
47	36	A-36-06	Α	1,013	1,095,000
48	36	A-36-05	Α	1,013	1,095,000
49	37	A-37-06	Α	1,013	1,095,000
50	37	A-37-07	Α	1,013	1,130,000

TOTAL MARKET VALUE: RM70,355,000/- (RINGGIT MALAYSIA: SEVENTY MILLION, THREE HUNDRED AND FIFTY-FIVE THOUSAND ONLY).

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

This Valuation Certificate should be read in conjunction with the full Reports and Valuations.

Yours faithfully,

VPC ALLIANCE (PJ) SDN BHD

LOO BOON WEI

MPEPS, MMIPFM, MRISM Registered Valuer (V 988)



1. THE SUBJECT OF THIS VALUATION

The **Subject Property** is an assumed completed 50 units of condominiums located on 16th to 37th floors of Block A, Picasso Residence at Jalan Jelatek, Kuala Lumpur. Details of the component units are tabulated as following:-

	Type C – KLCC view			
No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)
1	16	A-16-01	Int.	1,668
2	16	A-16-02	Int.	1,668
3	17	A-17-01	Int.	1,668
4	17	A-17-02	Int.	1,668
5	17	A-17-03	Corner	1,668
6	18	A-18-01	Int.	1,668
7	18	A-18-08	Corner	1,668
8	19	A-19-01	Int.	1,668
9	19	A-19-02	Int.	1,668
10	19	A-19-03	Corner	1,668
11	20	A-20-02	Int.	1,668
12	20	A-20-03	Corner	1,668
13	21	A-21-01	Int.	1,668
14	21	A-21-02	Int.	1,668
15	21	A-21-03	Corner	1,668
16	22	A-22-01	Int.	1,668
17	22	A-22-03	Corner	1,668
18	23	A-23-01	Int.	1,668
19	23A	A-23A-01	Int.	1,668
20	23A	A-23A-08	Corner	1,668
21	25	A-25-02	Int.	1,668
22	25	A-25-03	Corner	1,668
23	25	A-25-08	Corner	1,668
24	28	A-28-01	Int.	1,668
25	28	A-28-08	Corner	1,668
26	31	A-31-02	Int.	1,668
27	31	A-31-08	Corner	1,668
28	32	A-32-02	Int.	1,668
29	32	A-32-08	Corner	1,668
30	33	A-33-01	Int.	1,668
31	33A	A-33A-01	Int.	1,668
32	33A	A-33A-02	Int.	1,668
33	33A	A-33A-08	Corner	1,668
34	35	A-35-08	Corner	1,668

	Type A – Genting view				
No.	Floor	Unit No.	Position	Built Up (Sq. Ft.)	
35	26	A-26-03A	Corner	1,013	
36	26	A-26-05	Int.	1,013	
37	27	A-27-07	Corner	1,013	
38	28	A-28-3A	Corner	1,013	
39	28	A-28-05	Int.	1,013	
40	29	A-29-3A	Corner	1,013	
41	30	A-30-03A	Corner	1,013	
42	31	A-31-03A	Corner	1,013	
43	33	A-33-06	Int.	1,013	
44	33A	A-33A-03A	Corner	1,013	
45	33A	A-33A-07	Corner	1,013	
46	35	A-35-07	Corner	1,013	
47	36	A-36-06	Int.	1,013	
48	36	A-36-05	Int.	1,013	
49	37	A-37-06	Int.	1,013	
50	37	A-37-07	Corner	1,013	



2. GENERAL DESCRIPTION

The Subject Property fronts onto Jalan Jelatek, Kuala Lumpur. Geographically, the site of the Subject Property (hereinafter referred to as "the Subject Site") is located adjacent to the Jelatek Fire and Rescue Station and Klang River, north of the intersection between Jalan Ampang and Jalan Jelatek, opposite to a condominium known as Suria Jelatek Residence and a high-rise low-cost apartment known as PPR Jelatek. It is sited approximately 500 metres to the north of Great Eastern Mall, 4 kilometres to the east of Petronas Twin Towers and about 6 kilometres to the northeast of the Kuala Lumpur Golden Triangle region.

The **Subject Property** is accessible from various main roads such as Jalan Ampang and Ampang-Kuala Lumpur Elevated Highway (AKLEH). It further connects the Middle Ring Road 2 (MRR 2), Jalan Tun Razak, Jalan Sultan Ismail and Jalan Raja Abdullah. The accessibility to the site is expected to be further enhanced upon the completion of the DUKE 3 highway.

The immediate vicinity of the **Subject Property** is mainly developed for residential and commercial usage properties. Residential properties comprise of detached houses, condominiums, serviced residences and apartments whilst the commercial usage properties consist of retails lots, shopping centres, purpose-built office building, hotel, shop offices and petrol stations, which are mainly located along Jalan Ampang.

3. DESCRIPTION OF PROPERTY

The Site

The **Subject Site** is a parcel of development land held under the Master Title Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, measuring 14,307 square metres. The **Subject Site** is generally flat in terrain and lies about the same level as the frontage road, Jalan Jelatek. At the date of inspection, we note that the **Subject Site** is under construction for the erection of the proposed development. We were informed by the developer that Block A (phase 1 of the development) is estimated to be completed by 4th Quarter of 2023 and Block B (phase 2 of the development) is estimated to be completed by 4th Quarter of 2024.

The Proposed Development

Vide an amended Approval Letter bearing Reference No. BP U3 OSC 2022 2026 (20) dated 5 December 2022 approved by DBKL, we noted that the development components and land uses on the **Subject Site** are as follows:-

Development Component(s)	No. of Storey	No. of Car Park	No. of Condominium
Phase 1			
1) Block A - Condominium	38		270
2) Amenities/Facilities Area	1		
3) Car Park	5	1,046	
4) Guardhouse (1 unit)			
5) Refuse Room (1 unit)			
Phase 2			
1) Block B - Condominium	38		202
		Total	472



Land Use(s)	Land Area (Square Meters)	%
1) Plinth for Building (Built-On)	7,153.50	50.00
2) Soft Landscape (Green Area)	1,430.70	10.00
3) 2M Perimeter Green (Green Area)	1,144.56	8.00
4) Hard Landscape (Road and Pedestrian Way)	3,219.08	22.50
5) Others	1,359.16	9.50
Total Land Use	14,307.00	100.00

Picasso Residence consists of 2 towers with 38 storeys each tower, which provides contemporary architectural facade and offers view of the Petronas Twin Tower, KL Tower and skyline of Kuala Lumpur. Picasso Residence provides 4-tier security system with 24 hours closed-circuit television (CCTV) surveillance, private lift lobby, integrated digital security and smart home system.

Picasso Residence consists of 472 residential units and offer 5 types of layouts ranging from 1,013 sq. ft. to 2,480 sq. ft. For Type A, it is offering 2+1 bedroom and is 1,013 sq. ft. For Type B, it is offering 3+1 bedroom and is 1,375 sq. ft. For Type C, it is offering 3+1 bedroom and is 1,668 sq. ft. While for Type D, there are dual key unit which consist of 3+1 bedroom and a studio bedroom which is 2,407 sq. ft. The last one is Type D1 which also are dual key unit which consist of 3+1 bedroom and a studio bedroom which is 2,480 sq. ft.

Facilities within the Picasso Residence are as follows: -

Podium Facilities	Rooftop Facilities
1) Yoga Corner	Sky Pavilion
2) Sunken Lounge	2) Lounge
3) BBQ Terrace	3) Sky Games Room
4) Pool Deck	4) Lift Lobby
5) Reflective Pool	5) Viewing Cabana
6) Bubble Pool	6) Sky Park
7) Swimming Pool	7) Water Tanks Room
8) Glass Encased Gym	8) Sky Hammock
9) Jacuzzi	9) Sky Terrace
10) Kid's Pool	10) Garden Swing Terrace
11) Jogging Track	11) Sky Gym
12) Floating Cabana	12) Party/Yoga Deck
13) Storeroom	and the second s
14) Library	
15) Kid's Restroom	
16) Child Care Centre	
17) Visitor Room	
18) Management Room	
19) Toilet (Male, Female, OKU)	
20) Sauna	
21) Celebrity Kitchen	
22) Sunken Lawn	



As per the approved Advertising and Sales Permit bearing Reference No. 13965-1/08-2022/02548(P) for Picasso Residence with the validity period from 16th August 2022 to 15th August 2025, the brief description of two (2) types of layouts with its specifications are as follows: -

Item(s)	Specifications	
Structure	Reinforced Concrete Frame and Shear Wall	
Wall	Cement / Sand Brick and Reinforced Concrete	
Roofing Covering	Reinforced Concrete Flat Roof	
Roof Framing	Reinforced Concrete	
Ceiling	Plaster Board / Skim Coat and Paint	
Windows	Aluminium Frame with Glass	
Doors Main Entrance Others	Decorative Timber Door Timber Flush Door / Aluminium Glass Door / Aluminium Louver Door (where applicable)	
Ironmongery	Quality Locksets	
Wall Finishes	Generally Plastering / Skim Coat and Emulsion Paint / Tiles	
Floor Finishes	Cement Render / Tiles	

Description	Type A	Type C
Kitchen Sink	1	2
Sitting W.C.	2	4
Long Bath		1
Wash Basin	2	3
Shower Rose	2	4
Hand Bidet	2	3
Bib Tap	1	2

Electrical Installation	w	
Description	Type A	Type C
Lighting Points	17	25
Socket Outlet	19	23
Ceiling Fan Points	4	4
Air-Cond Points	4	5
Storage Heater Points	2	3
SMATV Points	2	2
Telephone Points	2	2
Data Outlet	1	1
Door Bell Point	1	1

	Type A (2+1 Bedroom)	Type C (3+1 Bedroom)
Accommodations	Living, dining, kitchen, a master bedroom with an attached bath/w.c., another bedroom, study room, a common bath/w.c. and yard.	Living, dining, kitchen, a master bedroom and another bedroom with an attached bath/w.c., another bedroom, a common bath/w.c., store/maid room, a toilet and yard.
Carpark(s)	1 unit	2 units



4. VALUATION METHODOLOGY

The **Subject Property** comprises 50 condominium units on base basis with two (2) different types of layouts located on 16th to 37th floors of Block A, Picasso Residence at Jalan Jelatek, Kuala Lumpur. For the purposes of this valuation, we have used two-tiered adjustment approach in arriving at our opinion of value.

First Tier - Value of Base Unit

Under this tier, we have selected one of the 50 units forming the **Subject Property** as a Base Unit. We have adopted 2 methods of valuation i.e. Comparison Approach and Income Approach by Investment Method to determine the value of Base Unit.

Second Tier - Aggregate Value and Market Value of the Subject Property

We have made further adjustments of Base Unit to reflect the micro dissimilarities include built-up area, position, floor level and facing/view of the remaining 49 units. The Market Value of the **Subject Property** is the aggregate values of the 50 units of condominiums.

5. COMPARISON APPROACH

First Tier - Value of Base Unit (i.e. Unit No. A-26-05)

Comparison Approach provides an indication of value by comparing the property with market evidence of identical or comparable (that is similar) properties for which price information is available, such as a comparison with market transaction in the same, or closely similar, type of property within an appropriate time horizon where dissimilarities exist, adjustments are made. In arriving at the value we have, amongst others, considered the following transactions:-

Comparable	1	2	
Name of Residence	Setia Sky Residence		
Unit No.	A-28-5	A-10-05	
Floor Area (sq. ft.)	1,162	1,162	
Floor / Level	28	10	
Type of Property	Service A	Apartment	
Category of Land Use	Comn	nercial	
Tenure	Freehold		
Date of Transaction	8th June 2022	3rd March 2022	
Consideration	RM1,300,000/-	RM1,150,000/-	
Seller	Exceljade Sdn Bhd	Dennis Tanujaya	
Buyer	Chin Wai Mun+1	Zhu Xinxin	
Sources	Jabatan Penilaian dan Pe	erkhidmatan Harta (JPPH)	
Analysis	RM1,119 per square foot	RM990 per square foot	
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided.		
Adjusted Rate	RM1,291 per square foot	RM1,177 per square foot	



Comparable	3	4	
Name of Residence	M City		
Unit No.	1-27-06	3-15-01	
Floor Area (sq. ft.)	786	1,862	
Floor / Level	27	15	
Type of Property	Service	e Apartment	
Category of Land Use	Cor	nmercial	
Tenure	Freehold		
Date of Transaction	14th July 2022	9th May 2022	
Consideration	RM750,000/-	RM1,600,000/-	
Seller	Chang, Tsai Chieh	Rosmawarni Binti Abdul Samao	
Buyer	Lim Kian Yik	Laila Rani Binti	
***		Mohamad Raja Mohan	
Sources	Jabatan Penilaian dan	Perkhidmatan Harta (JPPH)	
Analysis	RM954 per square foot	RM859 per square foot	
Adjustment	General adjustments a	re made on the time factor,	
		enure, age/condition of building, lities and service provided.	
Adjusted Rate	RM1,030 per square foot	RM1,167 per square foot	

5	6	
Reizz Residence		
42-02	12-03	
850	850	
42	12	
Service	Apartment	
Com	mercial	
Fre	ehold	
28th July 2022	16th February 2022	
RM929,500/-	RM1,008,960/-	
Emperor Classic Lighting Sdn Bhd	Multi Wealth Realty Sdn Bh	
Quah Wei Wen	Rajendra Prasad A/L Anpalagan	
Jabatan Penilaian dan P	erkhidmatan Harta (JPPH)	
RM1,094 per square foot	RM1,187 per square foot	
floor/level, tenure, ag	e made on the time factor, e/condition of building, ies and service provided.	
RM1,065 per square foot	RM1,226 per square foot	
	Reizz F 42-02 850 42 Service Com Fre 28 th July 2022 RM929,500/- Emperor Classic Lighting Sdn Bhd Quah Wei Wen Jabatan Penilaian dan Pe RM1,094 per square foot General adjustments are floor/level, tenure, ag designed/concept/facilit	

The above sales transaction ranges from RM859 to RM1,187 psf. We have made adjustments on the time factor, floor/level, size/floor area, tenure, age/condition of building, design/concept/facilities and service provided. After consideration, Comparable 5 has been adopted as the best comparable because it has the lowest net adjustment of -2% amongst others comparable, and less time adjustment compared to Comparable 6 which located within the same development (Reizz Residence). Thereafter, we have adopted a round value of RM1,080,000 (analysed to about RM1,066 psf) in our valuation of the Base Unit as a fair representation.



Second Tier - Aggregate Value and Market Value of the Subject Property

After arriving at the base value of RM1,066/- per square foot, we have made further adjustments to reflect the micro dissimilarities which includes size, floor level, view and position of the remaining 49 units.

Based on the adjustments and consideration we have made, the Market Value of the Subject Property derived from the Comparison Approach is assessed at RM70,355,000/- (RINGGIT MALAYSIA: SEVENTY MILLION, THREE HUNDRED AND FIFTY-FIVE THOUSAND ONLY).

6. INCOME APPROACH BY INVESTMENT METHOD

First Tier - Value of Base Unit (i.e. Unit No. A-26-05)

The approach provides an indication of value by capitalising the net annual rental income of the property, whereby net annual rental income is derived from gross annual rent by deducting annual outgoings/expenses of the property with allowance for voids. The basis of the outgoings/expenses are as follows: -

- a) Assessment (cukai pintu / cukai taksiran)
- b) Parcel rent (cukai petak)
- c) Management fee (maintenance charges and sinking fund)
- d) Marketing fee (e.g., estate agency fee)
- e) Legal fee (tenancy agreement)
- f) Income tax (rental income)
- g) Insurance premium (e.g., fire insurance)
- h) Sewage Treatment Systems Indah Water Konsortium (IWK)
- Repair and maintenance of the property

Void allowance refers to a void period when a rental property is unoccupied. When tenants do vacate a property, this often causes void periods which is the period between the old tenant moving out and the new tenant moving in. When a rental property is left unoccupied, therefore, not bringing in any rental income for the landlord. During a void period, properties produce no rental income whilst still being liable and responsible for the outgoings/expenses mentioned above.

Based on the above consideration, we are of the opinion that the void allowance and outgoings rate adopted at 15% per annum is fair and within the market range.



In arriving at the Market Value of Base Unit on this approach, we have considered the rentals of serviced apartments and condominium within the immediate and larger locality, as follows; -

Comparable	1	2	3	4
Name of Residence	Setia Sky Residence	M City	M City	Reizz Residence
Unit No.	D-29-07	3-33-09	1-19-01	12-07
Floor Area (sq. ft.)	969	1,195	910	753
Floor / Level	29	33	19	12
Type of Property		Service Apar	tment	
Category of Land Use		Commerc	ial	
Tenure		Freehold	d	
Date of Tenancy Agreement	16th February 2023	10th February 2023	5th January 2023	13th April 2022
Consideration	RM2,500/-	RM2,500/-	RM2,100/-	RM2,000/-
Landlord	Chen Yen Ting	Suhaimi Abdul Talil	Lam Siew Hong	Low Pey Tee
Tenant	Teoh Siu Yin	Ivan Simutin	Edwin Daniel	Moneer Hossen Alzalook
Sources	Jabata	an Penilaian dan Perkhi	dmatan Harta (JPPI	1)
Analysis	RM2.58 per square foot	RM2.09 per square foot	RM2.31 per square foot	RM2.66 per square foot
Adjustment	General adjustments are made on the time factor, floor/level, size/floor area, tenure, age/condition of building, designed/concept/facilities and service provided.			
Adjusted Rate	RM3.11 per square foot	RM2.58 per square foot	RM2.87 per square foot	RM2.86 per square foot

The above rental ranges from RM2.09 to RM2.66 psf. We have made adjustments on the time factor, floor/level, size/floor area, age/condition of building, design/concept/facilities and service provided. After consideration, Comparable 4 has been adopted as the best comparable because it has 0% net adjustment compared to Comparable 1, 2 and 3 which have net adjustments of +20, +18 and +18 respectively.

Our findings shown that the Estimated Capitalization Rate of the selected comparables are in the range of 2.37% to 2.71%. Thereafter, we have adopted an average estimated capitalization rate of 2.58% in our valuation as a fair representation.

Following is the summary of Income Approach by Investment Method calculation.

d Rate of Comparable 4	RM2.86	psf
@	1,013	sq. ft.
Estimated Rental	RM2,897	per month
@	12	months
Estimated Annual Rent	RM34,764	per annum
ce & Outgoings @ 15%	(RM5,215)	per annum
mated Net Annual Rent	RM29,549	per annum
term of lease @ 2.58%	34.312868	
Market Value RM	11,013,911	
Say RM	11,015,000	

Thereafter, we have obtained an estimated net annual rent at RM29,549 and adopted a round value of RM1,015,000 (analysed to about RM1,002 psf) in our valuation of the Base Unit as a fair representation.



Second Tier - Aggregate Value and Market Value of the Subject Property

After arriving at the base value of RM1,002/- per square foot, we have made further adjustments to reflect the micro dissimilarities which includes size, floor level, view and position of the remaining 49 units.

Based on the adjustments and consideration we have made, the Market Value of the Subject Property derived from the Income Approach by Investment Method is assessed at RM66,155,000/- (RINGGIT MALAYSIA: SIXTY-SIX MILLION, ONE HUNDRED AND FIFTY-FIVE THOUSAND ONLY).

7. RECONCILIATION OF VALUE

Method of Valuation	Derivation of Values
Comparison Approach	RM70,355,000/-
Income Approach by Investment Method	RM66,155,000/-

We have adopted the Market Value of RM70,355,000 derived from the Comparison Approach as the main approach in the valuation of the Subject Property. There are sufficient sale evidences to arrive at the Market Value of the Subject Property using this approach.

The Income Approach (Investment Method) is the secondary approach and used as a check on the Market Value. The **Subject Property** is assumed to be tenanted and as such, the Income Approach (Investment Method) is sensitive to the estimated yield.

In light of the above, we are of the opinion the Comparison Approach would provide a fair representation of the Market Value.

8. VALUATION

Taking into consideration all relevant factors, it is our opinion that the Market Value of the Subject Property held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, ON THE ASSUMPTIONS that the Subject Property is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC), with vacant possession and free from encumbrances is at RM70,355,000/- (RINGGIT MALAYSIA: SEVENTY MILLION, THREE HUNDRED AND FIFTY-FIVE THOUSAND ONLY).

VPC Alliance (PJ) Sdn. Bhd. Co. No. 199901004304 (479204-W) VEPM (1) 0105 International Property Consultants, Valuers & Agents

No. 6, 1st Floor, Jalan SS 26/4, Taman Mayang Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Tel : 03-7880 0155 Fax : 03-7880 0166

Email : vpcpjadmin@gmail.com Website : http://www.vpcpjproperty.com.my/

Our Ref: VPCPJ/23/63668/LBW/Erron.L

23rd February 2024

PRG Holdings Berhad, Unit 4.02, Level 4, Block A, Plaza Damansara, Bukit Damansara, 50490 Kuala Lumpur.

Attn: Dato' Lua Choon Hann (Group Executive Vice Chairman)

Dear Sir.

UPDATE VALUATION CERTIFICATE OF 50 UNITS OF CONDOMINIUM LOCATED ON FLOOR LEVEL FROM 16 TO 37, WITHIN AN ON-GOING RESIDENTIAL DEVELOPMENT KNOWN AS PICASSO RESIDENCE, JALAN JELATEK, KUALA LUMPUR HELD UNDER MASTER TITLE NO. PAJAKAN NEGERI 52579, LOT NO. 20010, SEKSYEN 88, BANDAR AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "SUBJECT PROPERTY").

Directors
Francis Loh FRICS MIS (M)
Tan Beng Sooi ANZIV FIS (M)
James Wong BA MIS (M)
Kelvin Tan ARICS MIS (M)

Caroline Sebangkit B.Sc ARICS Tan Lee Kang B.Sc MIS (M) ARICS

Chew Kwong Cheong B.Surv MIS (M) Loo Boon Wei B.Sc MRISM

We refer to your instructions to provide an update of our Valuation Report bearing reference VPCPJ/23/60542(A)/LBW/Vince dated 27th April 2023 in relation to the abovementioned property for the purpose of SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") IN CONJUNCTION WITH THE PROPOSED DISPOSAL OF THE SUBJECT PROPERTY BY PRGH TO PRG LAND SDN BHD ("PRG LAND"), A WHOLLY-OWNED SUBSIDIARY OF FURNIWEB HOLDINGS LIMITED ("FURNIWEB") WHICH IN TURN IS A 50.45%-OWNED SUBSIDIARY OF PRGH.

This valuation and contents of this certificate ("Update Valuation") have been prepared in accordance with the Asset Valuations Guidelines issued by the Securities Commission Malaysia, the Malaysian Valuation Standards issued by the Boards of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and the International Valuation Standards issued by the International Valuation Standards Council.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

We have conducted a physical inspection of the **Subject Property** on 10th January 2024. The material date of valuation is taken as at 10th January 2024.

At the date of inspection, we noted the Subject Property is still under construction. We were informed by the developer that the overall progress of works was about 70% completed as compared to previous report of about 60% completed.

Malayala Petaling Jaya Johor Bahru Penang Kuala Lumpur Alor Setar Pahang Kota Khabalu Kuching

Affiliated Offices Singapore Jakarta Surabaya Bangkok





WE ARE SPECIFICALLY INSTRUCTED BY THE CLIENT TO PROVIDE THE MARKET VALUE OF THE SUBJECT PROPERTY ON THE ASSUMPTIONS THAT THE SUBJECT PROPERTY IS FULLY COMPLETED IN ACCORDANCE TO THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND DULY ISSUED WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE (CCC) BY THE RELEVANT AUTHORITY. OUR ASSUMPTIONS ADOPTED ARE REFERRING TO THE SALIENT TERMS AND CONDITIONS AS SET OUT IN THE MASTER AGREEMENT DATED 27TH APRIL 2023 AND SUPPLEMENTAL MASTER AGREEMENT DATED 7TH JUNE 2023 BETWEEN PRGH (THE VENDOR), FURNIWEB AND PRG LAND (THE PURCHASER) PROVIDED TO US BY PRGH.

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

TOTAL MARKET VALUE: RM64,535,000/- (RINGGIT MALAYSIA: SIXTY-FOUR MILLION, FIVE HUNDRED AND THIRTY-FIVE THOUSAND ONLY).

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

No.	Floor	Unit No.	Туре	Built Up (Sq. Ft.)	Market Value (RM)
1	16	A-16-01	С	1,668	1,390,000
2	16	A-16-02	С	1,668	1,390,000
3	17	A-17-01	С	1,668	1,390,000
4	17	A-17-02	С	1,668	1,390,000
5	17	A-17-03	С	1,668	1,435,000
6	18	A-18-01	С	1,668	1,395,000
7	18	A-18-08	С	1,668	1,435,000
8	19	A-19-01	С	1,668	1,395,000
9	19	A-19-02	С	1,668	1,395,000
10	19	A-19-03	С	1,668	1,435,000
11	20	A-20-02	С	1,668	1,395,000
12	20	A-20-03	С	1,668	1,440,000
13	21	A-21-01	С	1,668	1,400,000
14	21	A-21-02	С	1,668	1,400,000
15	21	A-21-03	С	1,668	1,440,000
16	22	A-22-01	С	1,668	1,400,000
17	22	A-22-03	С	1,668	1,440,000
18	23	A-23-01	С	1,668	1,400,000
19	23A	A-23A-01	С	1,668	1,400,000
20	23A	A-23A-08	С	1,668	1,445,000
21	25	A-25-02	С	1,668	1,405,000
22	25	A-25-03	С	1,668	1,445,000
23	25	A-25-08	С	1,668	1,445,000
24	28	A-28-01	С	1,668	1,410,000
25	28	A-28-08	С	1,668	1,450,000

No.	Floor	Unit No.	Туре	Built Up (Sq. Ft.)	Market Value (RM)
26	31	A-31-02	С	1,668	1,415,000
27	31	A-31-08	С	1,668	1,455,000
28	32	A-32-02	С	1,668	1,415,000
29	32	A-32-08	C	1,668	1,455,000
30	33	A-33-01	С	1,668	1,415,000
31	33A	A-33A-01	С	1,668	1,415,000
32	33A	A-33A-02	С	1,668	1,415,000
33	33A	A-33A-08	С	1,668	1,460,000
34	35	A-35-08	С	1,668	1,460,000
35	26	A-26-03A	Α	1,013	1,020,000
36	26	A-26-05	Α	1,013	990,000
37	27	A-27-07	Α	1,013	1,020,000
38	28	A-28-3A	Α	1,013	1,020,000
39	28	A-28-05	Α	1,013	995,000
40	29	A-29-3A	Α	1,013	1,025,000
41	30	A-30-03A	Α	1,013	1,025,000
42	31	A-31-03A	Α	1,013	1,025,000
43	33	A-33-06	Α	1,013	1,000,000
44	33A	A-33A-03A	Α	1,013	1,030,000
45	33A	A-33A-07	А	1,013	1,030,000
46	35	A-35-07	Α	1,013	1,035,000
47	36	A-36-06	Α	1,013	1,005,000
48	36	A-36-05	Α	1,013	1,005,000
49	37	A-37-06	Α	1,013	1,005,000
50	37	A-37-07	Α	1,013	1,035,000



This Update Valuation Certificate should be read in conjunction with the full valuation report and certificate dated 27 April 2023 ("Initial Valuation").

Yours faithfully,

VPC ALLIANCE (PJ) SDM BHD

LOO BOON WÉI

MPEPS, MMIPFM, MRISM Registered Valuer (V 988)



1. TITLE PARTICULARS

The master title particulars, of the Subject Property, as extracted from a title search conducted at Registry of Land Titles, Kuala Lumpur, Wilayah Persekutuan in Kuala Lumpur on 28th March 2023. and we noted that the registration legal details remain unchanged.

2. BUILDING STRUCTURES

At the date of inspection on the subject site, we noted that the building work progress has increase slightly a little in terms of physical condition on the Subject Property since the last valuation.

The Subject Property is still under construction and we were informed by the developer that the overall progress of works was about 70% completed during our site inspection on 10th January 2024 compared to 60% completed during our previous inspection on 24th March 2023.

Type C – KLCC view						
No.	. Floor I	Floor Unit No.		Position	Built Up (Sq. Ft.)	
1	16	A-16-01	Int.	1,668		
2	16	A-16-02	Int.	1,668		
3	17	A-17-01	Int.	1,668		
4	17	A-17-02	Int.	1,668		
5	17	A-17-03	Corner	1,668		
6	18	A-18-01	Int.	1,668		
7	18	A-18-08	Corner	1,668		
8	19	A-19-01	Int.	1,668		
9	19	A-19-02	Int.	1,668		
10	19	A-19-03	Corner	1,668		
11	20	A-20-02	Int.	1,668		
12	20	A-20-03	Corner	1,668		
13	21	A-21-01	Int.	1,668		
14	21	A-21-02	Int.	1,668		
15	21	A-21-03	Corner	1,668		
16	22	A-22-01	Int.	1,668		
17	22	A-22-03	Corner	1,668		
18	23	A-23-01	Int.	1,668		
19	23A	A-23A-01	Int.	1,668		
20	23A	A-23A-08	Corner	1,668		
21	25	A-25-02	Int.	1,668		
22	25	A-25-03	Corner	1,668		
23	25	A-25-08	Corner	1,668		
24	28	A-28-01	Int.	1,668		
25	28	A-28-08	Corner	1,668		
26	31	A-31-02	Int.	1,668		
27	31	A-31-08	Corner	1,668		
28	32	A-32-02	Int.	1,668		
29	32	A-32-08	Corner	1,668		
30	33	A-33-01	Int.	1,668		
31	33A	A-33A-01	Int.	1,668		
32	33A	A-33A-02	Int.	1,668		
33	33A	A-33A-08	Corner	1,668		
34	35	A-35-08	Corner	1,668		

No.	Floor Unit No.	Position	Built Up (Sq. Ft.)	
35	26	A-26-03A	Corner	1,013
36	26	A-26-05	Int.	1,013
37	27	A-27-07	Corner	1,013
38	28	A-28-3A	Corner	1,013
39	28	A-28-05	Int.	1,013
40	29	A-29-3A	Corner	1,013
41	30	A-30-03A	Corner	1,013
42	31	A-31-03A	Corner	1,013
43	33	A-33-06	Int.	1,013
44	33A	A-33A-03A	Corner	1,013
45	33A	A-33A-07	Corner	1,013
46	35	A-35-07	Corner	1,013
47	36	A-36-06	Int.	1,013
48	36	A-36-05	Int.	1,013
49	37	A-37-06	Int.	1,013
50	37	A-37-07	Corner	1,013

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3. MARKET CONDITION

The market condition of the general neighbourhood has change slightly since the last valuation due to decrease in Sales Transaction Per Square Foot whereas the Capitalization Rate and minor Market Rental Rate increases.

Comparison Method -

Name of Residence	Comparables adopted in Initial Valuation	Comparables adopted in Update Valuation	Sales Transaction per square foot ("psf") adopted in Initial Valuation (Adjusted)	Sales Transaction per square foot ("psf") adopted in Update Valuation (Adjusted)	Difference in psf (%)
Setia Sky	A-28-5	C-25-3A	RM1,291 psf	RM1,293 psf	+1%
Residence	A-10-05	C-12-5	RM1,177 psf	RM1,024 psf	-13%
M City	1-27-06	3-31-12	RM1,030 psf	RM821 psf	-20%
	3-15-01	2-31-16	RM1,167psf	RM705 psf	-40%
Reizz	42-02	45-01	RM1,065 psf	RM974 psf	-8%
Residence	12-03	11-2	RM1,226 psf	RM938 psf	-23%

Source:- Jabatan Pernilaian dan Perkhidmatan Harta (JPPH)

The above shows the comparables adopted from 24 March 2023 (date of valuation of Initial Valuation) and 10 January 2024 (date of valuation of Update Valuation) within the same location and nearby the subject property. The comparable price per square foot between 2023 and 2024 marks a fall in price per square foot which affects the current market value of the subject property from RM 70,355,000/- to RM 64,535,000/- due to a decrease in Sales Transaction Per Square Foot.

Income Method -

Name of Residence	Comparables adopted in Initial Valuation	Comparables adopted in Update Valuation	Rental rate psf adopted in Initial Valuation (Adjusted)	Rental rate psf adopted in Update Valuation (Adjusted)	Difference in psf (%)
Setia Sky Residence	D-29-07	D-23-01	RM3.11 psf	RM3.06 psf	-2%
M City	3-33-09	1-25-02	RM2.58 psf	RM2.66 psf	+3%
M City	1-19-01	2-10-13	RM2.87 psf	RM2.80 psf	-2%
Reizz Residence	12-07	12-07	RM2.86 psf	RM2.96 psf	+3%

Source:- Jabatan Pernilaian dan Perkhidmatan Harta (JPPH)

The above shows the market rental rates adopted from 24 March 2023 (date of valuation of Initial Valuation) and 10 January 2024 (date of valuation of Update Valuation) within the same location and nearby the subject property shows minor increase of 3% which leads to higher capitalization rate from 2.58% to 2.72% which increase the risk factor for the subject property. The increase in risk factors causes the Market Value derived to be reduced from RM66,155,000/- to RM65,180,000/- in value.



Surrounding asking prices:- Sample of selected property within the area of the subject property

Residence	Asking price in 2023	Price psf	Asking price in 2024	Price psf
Setia Sky Residence	RM 1,200,000 (84) 13744 per so fill Setia SKY Readences. KLCC AUGO: NUCC AUGa sumplui Semical Residence + Bulletuo : 1,655 sa fil	1,137/- psf	RM 880,000 of Elittoria hi Seta SNY Relaterce, KLCC ASSI have tumbor Service Antonice internedide + Babup 1075 of hi function	834/- psf (-27%)
M City	RM 720,000 An Intiliance to M Cay, Ampany Amounty Tuste Lumber Serviced Recolutes in recommendate + Subhus 1003 on th	707/- psf	RM 665,000 AM ESTALEM AS IN M. City, Ampaigs Ampoig, Fully Lumpur Sential Sevilence + Buth-ip 1018 as in	653/- psf (-8%)
Reizz Residence	RM 750,000 #1640; se to to Read Residence NL Cry V. Co, Auto Lumpu Componeum + Bun un Till tell m + uncurrent	964/- psf	RM 700,000 BM ASB For us to Reizz Residence, KL City KL City, Kuara Lumpur Cendonnoum + Bultings (855 by th	828/- psf (-7%)

Source:- Iproperty

The asking prices nearby or close to the subject property decline throughout the year 2023 to 2024, with a fall in price psf of -7% to -27%. This shows a fall in price per square foot on the market condition of Subject Property which causes the market value of the subject property to decline from RM70,355,000/- to RM64,535,000/- (comparison method) and RM66,155,000/- to RM65,180,000/- (investment method)

4. PLANNING APPROVALS

The Subject Property is located within an area designated for residential use (no changes as per the previous valuation)

5. VALUATION APPROACH

The **Subject Property** is essentially valued by adopting the **Comparison Approach** and supported by the **Income Approach (Investment Method)**.

For Comparison Approach, there are changes in comparables due to slight decrease on the Sales Transaction Per Square Foot.



First Tier - Value of Base Unit (i.e. Unit No. A-26-05)

Comparable	and the second second	2			
Name of Residence	Setia Sky Residence				
Unit No.	C-25-3A	C-12-5			
Floor Area (sq. ft.)	872	1,206			
Floor / Level	25	12			
Type of Property	Service a	Apartment			
Category of Land Use	Commercial				
Tenure	Free	ehold			
Date of Transaction	17th August 2023	30th June 2023			
Consideration	RM980,000/-	RM1,050,000/-			
Seller	Tan Eng Kiat	Norhafiza Binti Marzuki			
Buyer	Exceljade Sdn Bhd	Qamar Zaman Khan Bin Ajab Khan			
Sources	Jabatan Penilaian dan Pe	erkhidmatan Harta (JPPH)			
Analysis	RM1,124 per square foot	RM871 per square foot			
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided.				
Adjusted Rate	RM1,293 per square foot	RM1,024 per square foot			

Comparable	3	4	
Name of Residence	MC	City	
Unit No.	3-31-12	2-31-16	
Floor Area (sq. ft.)	1,023	1,023	
Floor / Level	31	31	
Type of Property	Service A	partment	
Category of Land Use	Comm	ercial	
Tenure	Freel	nold	
Date of Transaction	20th July 2023	17th July 2023	
Consideration	RM750,000/-	RM645,000/-	
Seller	Oasis Garden Development Sdn. Bhd.	Lee Poh Oon	
Buyer	Yong Yi System Sdn. Bhd.	Loh Alan Daniel	
Sources	Jabatan Penilaian dan Per	khidmatan Harta (JPPH)	
Analysis	RM733 per square foot	RM630 per square foot	
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided.		
Adjusted Rate	RM821 per square foot	RM705 per square foot	



Comparable	5 6				
Name of Residence	Reizz Residence				
Unit No.	45-01	11-2			
Floor Area (sq. ft.)	893	850			
Floor / Level	45	11			
Type of Property	Service	Apartment			
Category of Land Use	Com	mercial			
Tenure	Fre	ehold			
Date of Transaction	10th August 2023	11th November 2022			
Consideration	RM900,000/-	RM760,000/-			
Seller	Emperor Classic Lighting Sdn Bhd	Multi Wealth Realty Sdn Bhd			
Buyer	Ng Wai Khi	Teddy Teh Yong Sheng			
Sources	Jabatan Penilaian dan P	erkhidmatan Harta (JPPH)			
Analysis	RM1,008 per square foot	RM894 per square foot			
Adjustment	General adjustments are made on the time factor, floor/level, tenure, age/condition of building, designed/concept/facilities and service provided.				
Adjusted Rate	RM974 per square foot	RM938 per square foot			

The sales transaction ranges from RM630 to RM1,124 psf. We have made adjustments on the time factor, floor/level, tenure, age/condition of building, design/concept/facilities and service provided. After consideration, Comparable 5 has been adopted as the best comparable because it has the lowest net adjustment of -1.4% amongst others comparable, and less time adjustment compared to Comparable 6 which located within the same development (Reizz Residence). Thereafter, we have adopted a round value of RM990,000 (analysed to about RM977 psf) in our valuation as a fair representation.

Second Tier - Aggregate Value and Market Value of the Subject Property

After arriving at the base value of RM977/- per square foot, we have made further adjustments to reflect the micro dissimilarities which includes size, floor level, view and position of the remaining 49 units.

Based on the adjustments and consideration we have made, the Market Value of the Subject Property derived from the Comparison Approach is assessed at RM64,535,000/- (RINGGIT MALAYSIA: SIXTY-FOUR MILLION, FIVE HUNDRED AND THIRTY-FIVE THOUSAND ONLY).



First Tier - Value of Base Unit (i.e. Unit No. A-26-05)

As for Income Approach (Investment Method), there are slight changes in value due to decrease in Transaction Rate and Rate Per Square Foot and Increase in Capitalization Rate.

Comparable	1	2	3	4	5
Name of Residence	Setia Sky Residence	Setia Sky Residence	M City	M City	Reizz Residence
Unit No.	D-26-01	D-23-01	1-25-02	2-10-13	12-07
Floor Area (sq. ft.)	850	850	911	997	753
Floor / Level	26	23	25	10	12
Type of Property		-	Service Apartment		
Category of Land Use			Commercial		
Tenure			Freehold		
Date of Tenancy Agreement	18th March 2023	11 th March 2023	9 th June 2023	27th April 2023	13 th April 2022
Consideration	RM2,000/-	RM2,100/-	RM2,000/-	RM2,200/-	RM2,000/-
Landlord	Yu, Ya-Ting	Chu, Hui-Lien	Yang Tse Yen	Yeo Khee Seng	Low Pey Tee
Tenant	Emamzehi Masoud	Muhammad Saiful Bin Mohd Tarmizi	Intan Eidayu Binti Zainal	Michel Oye Sakouvogui	Moneer Hossen Alzalook
Sources		Jabatan Penila	ian dan Perkhidmata	n Harta (JPPH)	
Analysis	RM2.35 per square foot	RM2.47 per square foot	RM2.20 per square foot	RM2.21 per square foot	RM2.66 per square foot
Adjustment	General adjustments are made on the time factor, floor/level, size/floor area, tenure, age/condition of building, designed/concept/facilities and service provided.				
Adjusted Rate	RM2.92 per square foot	RM3.06 per square foot	RM2.66 per square foot	RM2.80 per square foot	RM2.96 per square foot

The above rental ranges from RM2.20 to RM2.66 psf. We have made adjustments on the time factor, floor/level, size/floor area, age/condition of building, design/concept/facilities and service provided. After consideration, Comparable 5 has been adopted as the best comparable because it has +1% net adjustment compared to Comparable 1 and 2 both have net adjustments of +21% and Comparable 3 and 4 both have net adjustments of +19% respectively.

Our findings shown that the Estimated Capitalization Rate of the selected comparables are in the range of 2.40% to 3.00%. Thereafter, we have adopted an average estimated capitalization rate of 2.72% in our valuation as a fair representation.

The Estimated Transaction Rate per square foot is refer to the JPPH transaction data from 1 February 2022 to 10 January 2024 (the date of valuation) and the asking price up to date of valuation which advertise on the internet (i.e. iproperty.com.my and propertyguru.com.my). Referred to the findings of the range of Transaction Price per square foot and Asking Price per square foot, the Estimated Transaction Rate per square foot is within the market rate. Our findings shown that the Estimated Capitalization Rate of the selected comparables are in the range of 2.40% to 3.00%. Thereafter, we have adopted an average estimated capitalization rate of 2.72% in our valuation as a fair representation.



RM2.96	psf
1,013	sq. ft.
RM2,998	per month
12	months
RM35,976	per annum
(RM5,396)	per annum
RM30,580	per annum
32.877858	
RM1,005,405	
RM1,000,000	
	1,013 RM2,998 12 RM35,976 (RM5,396) RM30,580 32.877858 RM1,005,405

Thereafter, we have obtained an estimated net annual rent at RM30,580 and adopted a round value of RM1,000,000 (analysed to about RM987 psf) in our valuation of the Base Unit as a fair representation.

Second Tier - Aggregate Value and Market Value of the Subject Property

After arriving at the base value of RM987/- per square foot, we have made further adjustments to reflect the micro dissimilarities which includes size, floor level, view and position of the remaining 49 units.

Based on the adjustments and consideration we have made, the Market Value of the Subject Property derived from the Income Approach by Investment Method is assessed at RM65,180,000/- (RINGGIT MALAYSIA: SIXTY-FIVE MILLION, ONE HUNDRED AND EIGHTY THOUSAND ONLY).

6. RECONCILIATION

No.	Floor	Unit No.	Туре	Built Up (Sq. Ft.)	Market Value (RM)
1	16	A-16-01	С	1,668	1,390,000
2	16	A-16-02	С	1,668	1,390,000
3	17	A-17-01	C	1,668	1,390,000
4	17	A-17-02	С	1,668	1,390,000
5	17	A-17-03	С	1,668	1,435,000
6	18	A-18-01	С	1,668	1,395,000
7	18	A-18-08	С	1,668	1,435,000
8	19	A-19-01	С	1,668	1,395,000
9	19	A-19-02	С	1,668	1,395,000
10	19	A-19-03	С	1,668	1,435,000
11	20	A-20-02	С	1,668	1,395,000
12	20	A-20-03	С	1,668	1,440,000
13	21	A-21-01	С	1,668	1,400,000
14	21	A-21-02	С	1,668	1,400,000
15	21	A-21-03	С	1,668	1,440,000
16	22	A-22-01	С	1,668	1,400,000
17	22	A-22-03	С	1,668	1,440,000
18	23	A-23-01	С	1,668	1,400,000
19	23A	A-23A-01	С	1,668	1,400,000
20	23A	A-23A-08	С	1,668	1,445,000
21	25	A-25-02	С	1,668	1,405,000
22	25	A-25-03	С	1,668	1,445,000
23	25	A-25-08	С	1,668	1,445,000
24	28	A-28-01	С	1,668	1,410,000
25	28	A-28-08	С	1,668	1,450,000

No.	Floor	Unit No.	Туре	Built Up (Sq. Ft.)	Market Value (RM)
26	31	A-31-02	С	1,668	1,415,000
27	31	A-31-08	С	1,668	1,455,000
28	32	A-32-02	С	1,668	1,415,000
29	32	A-32-08	С	1,668	1,455,000
30	33	A-33-01	С	1,668	1,415,000
31	33A	A-33A-01	С	1,668	1,415,000
32	33A	A-33A-02	С	1,668	1,415,000
33	33A	A-33A-08	С	1,668	1,460,000
34	35	A-35-08	С	1,668	1,460,000
35	26	A-26-03A	Α	1,013	1,020,000
36	26	A-26-05	Α	1,013	990,000
37	27	A-27-07	Α	1,013	1,020,000
38	28	A-28-3A	Α	1,013	1,020,000
39	28	A-28-05	Α	1,013	995,000
40	29	A-29-3A	Α	1,013	1,025,000
41	30	A-30-03A	Α	1,013	1,025,000
42	31	A-31-03A	Α	1,013	1,025,000
43	33	A-33-06	Α	1,013	1,000,000
44	33A	A-33A-03A	Α	1,013	1,030,000
45	33A	A-33A-07	Α	1,013	1,030,000
46	35	A-35-07	A	1,013	1,035,000
47	36	A-36-06	Α	1,013	1,005,000
48	36	A-36-05	Α	1,013	1,005,000
49	37	A-37-06	Α	1,013	1,005,000
50	37	A-37-07	Α	1,013	1,035,000

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Method of Valuation	Derivation of Values
Comparison Approach	RM64,535,000/-
Income Approach by Investment Method	RM65,180,000/-

Note: The market value derived from

Comparison Approach revised from RM70,355,000/- to RM64,535,000/- due to decrease in current market transaction per square foot (RM1,080,000/-) RM1,066/- per square foot to (RM990,000) RM977/- per square foot for base unit.

Income Approach (Investment Method) revised from RM66,155,000/- to RM65,180,000/- due to minor increase in market rental rate RM2.86 per square foot to RM2.97 per square foot and capitalization rate have increase from 2.58% to 2.72%

We have adopted the Market Value of **RM64,535,000** derived from the Comparison Approach as the main approach in the valuation of the **Subject Property**. There are sufficient sale evidences to arrive at the Market Value of the **Subject Property** using this approach.

The Income Approach (Investment Method) is the secondary approach and used as a check on the Market Value. The **Subject Property** is assumed to be tenanted and as such, the Income Approach (Investment Method) is sensitive to the estimated yield.

In light of the above, we are of the opinion the Comparison Approach would provide a fair representation of the Market Value.

VALUATION

Taking into consideration all relevant factors, it is our opinion that the Market Value of the **Subject Property** held under Master Title No. Pajakan Negeri 52579, Lot No. 20010, Seksyen 88, Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, **ON THE ASSUMPTIONS** that the **Subject Property** is fully completed in accordance to the approved building plans and specifications and duly issued with a Certificate of Completion and Compliance (CCC), with vacant possession and free from encumbrances is at **RM64**,535,000/- (**RINGGIT MALAYSIA: SIXTY FOUR MILLION**, **FIVE HUNDRED AND THIRTY FIVE THOUSAND ONLY**).

FURTHER INFORMATION ON FURNIWEB

1. HISTORY AND BUSINESS

Furniweb was incorporated in the Cayman Islands on 3 March 2017 and is currently listed on the GEM of the HKEX. Furniweb is principally engaged in investment holding and its subsidiaries are principally engaged in the manufacturing and sale of elastic textile, webbing, rubber tape and energy efficiency business. Furniweb commenced its operations in year 1983. Furniweb principal market is in Malaysia, Vietnam, Singapore and Hong Kong.

As at the LPD, Furniweb is a 50.45%-owned subsidiary of our Company.

2. SHARE CAPITAL

As at the LPD, the issued share capital of Furniweb is HKD60,156,560, comprising 601,565,600 ordinary shares.

3. DIRECTORS

As at the LPD, the directors of Furniweb are as follows:

			Direct		Indirect	
Name	Nationality	Designation	No. of Furniweb Shares	%	No. of Furniweb Shares	%
Dato' Lim Heen Peok	Malaysian	Chairman and Non-Executive Director	-	-	-	-
Ng Tzee Penn	Singaporean	Non-Executive Director	-	-	-	-
Tan Chuan Dyi	Malaysian	Executive Director	-		-	-
Dato' Lua Choon Hann	Malaysian	Executive Director	260,000	0.04	-	-
Er. Kang Boon Lian	Singaporean	Executive Director	200,000	0.03	-	-
Andrew Chan Lim-Fai	United States of America	Executive Director	-	-	-	-
Ho Ming Hon	Malaysian	Independent Non-Executive Directors	-	-	-	-
Dato' Sri Dr. Hou Kok Chung	Malaysian	Independent Non-Executive Director	-	-	-	-
Dato' Lee Chee Leong	Malaysian	Independent Non-Executive Directors	-	-	-	-

4. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of Furniweb and their shareholdings as at the LPD are as follows:

	Nationality /	Direct		Indirect	
	Country of	No. of Furniweb		No. of Furniweb	
Name	Incorporation	Shares	%	Shares	%
PRG	Malaysia	303,468,000	50.45	-	_
Dato' Ng Yan Cheng	Singaporean	66,977,600	11.13	-	-
Jim Ka Man	Hong Kong	53,572,000	8.91	3,796,000*	0.63

Note:

5. SUBSIDIARIES AND ASSOCIATED COMPANY

As at the LPD, the subsidiary companies of Furniweb are as follows:

Name of company	Place / Date of incorporation	Effective equity interest (%)	Principal activities
FIPB International Limited	British Virgin Islands / 28 December 2016	100.00	Investment holding
Delightful Grace Holdings Limited	British Virgin Islands / 8 February 2019	100.00	Investment holding
PRG Land Sdn Bhd	Malaysia / 16 March 2018	100.00	Property investment and renting, letting or other similar arrangement to derive rental income
Energy Solution Global Limited	British Virgin Islands / 19 July 2021	100.00	Investment holding
Furniweb Manufacturing Sdn Bhd	Malaysia / 3 October 1987	100.00	Manufacture and sale of upholstery webbings, covered elastic yarn and rigid webbings
Furniweb Safety Webbing Sdn Bhd	Malaysia / 19 June 1996	100.00	Manufacture and sale of safety webbings
Furniweb (Vietnam) Shareholding Company	Vietnam / 16 January 1997	100.00	Manufacture and sale of upholstery webbings and covered elastic yarn
Syarikat Sri Kepong Sdn Bhd	Malaysia / 5 December 1974	100.00	Property holding company
Texstrip Manufacturing Sdn Bhd	Malaysia / 13 June 1988	100.00	Manufacture and marketing of rubber trips and sheets
TS Meditape Sdn Bhd	Malaysia / 29 December 1994	100.00	Marketing and sale of rubber strips and sheets
Webtex Trading Sdn Bhd	Malaysia / 23 November 1984	100.00	Investment holding and trading of machinery and accessories
Fly High Finance Limited	Hong Kong / 17 April 2019	100.00	Money lending
Measurement & Verification Pte Ltd	Singapore / 7 September 2009	100.00	Consultants and suppliers of energy conservation systems in buildings
Measurement & Verification Sdn Bhd	Malaysia / 8 March 2010	100.00	Mechanical and electrical consultants, specialist turnkey contractors for clean rooms and outfitting of industrial premises and design of building automation system

^{*} Deemed interest through the shares held directly by her spouse.

As at the LPD, Furniweb does not have any associated company.

As at the LPD, the joint-venture companies of Furniweb are as follows:

	Place / Date of	Effective equity	
Name of company	incorporation	interest (%)	Principal activities
Trunet (Vietnam) Co Ltd	Vietnam / 15 February	50.00	Manufacturing and
	2001		marketing of meat netting

6. MATERIAL CONTRACTS

Furniweb has not entered into any material contracts (not being contracts in the ordinary course of business) within 2 years immediately preceding the date of this Circular, save for the Proposed Disposal and the following:

- (i) On 8 June 2022 and 13 June 2022, Furniweb and Dato' Ng Yan Cheng had entered into a conditional shares sale agreement and supplemental shares sale agreement respectively, for the acquisition of remaining 62.75% equity interest in ESGL with a total purchase consideration of HKD58,191,840 to be satisfied via cash and issuance of new Furniweb Shares. The acquisition was completed on 29 August 2022.
- (ii) On 19 September 2023, Furniweb and Omen Wealth Limited entered into a sale and purchase agreement for the disposal by Furniweb of 50,000 ordinary shares in Meinaide representing the entire issued share capital of Meinaide at a total cash purchase consideration of HKD15,000,000. The Proposed Subsidiary Disposal was completed on 30 September 2023.

7. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by Furniweb, which upon becoming enforceable, may have material impact on the financial position of Furniweb, save for the following:

	As at the LPD (RM'000)
Contracted but not provided for:	
- Acquisition of property, plant and equipment	1,289
- Acquisition of properties under construction	54,544

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8. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there are no contingent liabilities incurred or known to be incurred by Furniweb, which upon becoming enforceable, may have a material impact on the financial position of Furniweb:

	Company level (RM'000)	Group level (RM'000)
Guarantees given to third parties in respect of trade and contract - unsecured	-	14,810

9. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

As at the LPD, Furniweb is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of Furniweb and the Board of Furniweb confirms that there are no proceedings, pending or threatened, or of any facts likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of Furniweb.

10. FINANCIAL INFORMATION

The summary of the financial information for Furniweb are as follows:

	Audited FYE 31 December			
	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)
Revenue	99,261	132,902	162,155	216,830
(Loss)/Profit before tax	(32,889)	7,489	21,224	18,116
LAT / PAT attributable to owners of our Company	(32,212)	(770)	18,167	12,456
Share capital	30,255	30,255	32,633	32,633
Shareholders' funds / NA attributable to the owners of our Company	95,650	99,252	124,723	138,399
No. of Shares in issue ('000)	560,000	560,000	601,566	601,566
Weighted average number of Shares in issue ('000)	560,000	560,000	574,235	601,566
NA per share (RM)	0.17	0.18	0.21	0.23
(Loss)/ Earnings per ordinary share (sen)	(5.75)	(0.14)	3.16	2.07
Current assets	122,460	98,221	163,720	144,878
Current liabilities	52,975	22,957	58,039	44,886
Current ratio (times)	2.31	4.28	2.82	3.23
Borrowings	11,026	9,186	29,588	11,858
Gearing (times)	0.12	0.09	0.24	0.09

Commentaries:

(i) FYE 31 December 2023 vs FYE 31 December 2022

Furniweb recorded a higher revenue of RM216.83 million in FYE 31 December 2023 (FYE 31 December 2022: RM162.16 million), representing an increase of RM54.67 million or 33.7%. The increase in revenue for the FYE 31 December 2023 was mainly due to the revenue contributed by the energy efficiency segment which amounted to approximately RM120.55 million during the year (FYE December 2022: RM49.75 million) as a result of Energy Solution Global Limited and its subsidiaries became wholly-owned subsidiaries of our Group on 29 August 2022 and hence only consolidated 4 months revenue for the FYE 31 December 2022 as compared to 12 months for the FYE 31 December 2023. However, the increase in revenue was offset by the lower revenue contributed by the manufacturing segment given the decrease in sales orders which resulted from the softening of global demand during the FYE 31 December 2023 as compared to 2022 and disposal of Meinaide in the third quarter of 2023.

Despite the increase in revenue, Furniweb recorded a lower PAT of RM12.46 million in FYE 31 December 2023 (FYE 31 December 2022: PAT of RM18.17 million) mainly due to:

- (i) lower profit generated from manufacturing segment as mentioned above;
- (ii) one-off net impairment losses on trade and other receivables of RM3.58 million; and
- (iii) net provision for slow moving stock amounting to RM2.43 million.

(ii) FYE 31 December 2022 vs FYE 31 December 2021

Furniweb recorded a higher revenue of RM162.16 million in FYE 31 December 2022 (FYE 31 December 2021: RM132.90 million), representing an increase of RM29.26 million or 22.02%. The increase in revenue for the FYE 31 December 2022 was mainly due to the revenue contribution from the energy efficiency segment of RM49.75 million (FYE December 2021: RM Nil) following the ESGL Acquisition which was completed on 29 August 2022.

Furniweb also recorded a PAT of RM18.17 million in FYE 31 December 2022 (FYE 31 December 2021: LAT of RM0.77 million) mainly due to:

- (i) higher revenue generated as mentioned above;
- (ii) gain on deemed disposal of an associate, namely ESGL, of RM2.11 million in FYE 31 December 2022 (FYE 31 December 2021: RM Nil); and
- (iii) absence of impairment losses on customer relationship and goodwill of RM3.62 million and RM12.11 million respectively.

(iii) FYE 31 December 2021 vs FYE 31 December 2020

Furniweb recorded a higher revenue of RM132.90 million in FYE 31 December 2021 (FYE 31 December 2020: RM99.26 million), representing an increase of RM33.64 million or 33.89%. The increase in revenue for the FYE 31 December 2021 was mainly due to the increase in the revenue contribution from the manufacturing segment of RM115.93 million in FYE 31 December 2021 (FYE 31 December 2020: RM95.71 million) representing an increase of RM20.22 million as a result of the reopening of economy and recovery from the impact of COVID-19 pandemic. The security brokerage business acquired by Furniweb in the fourth quarter of 2020 also contributed a revenue of RM14.98 million in the FYE 31 December 2021 (FYE 31 December 2020: RM0.38 million).

Furniweb also recorded a lower LAT of RM0.77 million in FYE 31 December 2021 (FYE 31 December 2020: LAT of RM32.21 million), representing an improvement of RM31.44 million or 97.61%. The lower LAT recorded in FYE 31 December 2021 was mainly due profit from the retail division of approximately RM8.43 million mainly due to one-off recognition of reversal of lease liabilities and provision for restoration costs arising from early termination of lease agreement with landlord of the retail store in Singapore and decrease in operational expenses during the FYE 31 December 2021, whereas the retail division recorded a loss amounting to approximately RM23.67 million for FYE 31 December 2020.

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, to the best of our Board's knowledge and belief there are no false or misleading statements or information contained in this Circular, or other facts and information the omission of which would make any statement in this Circular false or misleading.

2. CONSENT

2.1 Adviser

TA Securities, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

2.2 Independent Adviser

AER, being the independent adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

2.3 Valuer

VPC Alliance, being the valuer of the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST

3.1 Adviser

TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposals.

3.2 Independent Adviser

AER has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the independent adviser for the Proposed Disposal.

3.3 Valuer

VPC Alliance has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the valuer for the Proposed Disposal.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Board confirms that there are no proceedings, pending or threatened, or of any facts likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of our Group.

ADDITIONAL INFORMATION (CONT'D)

5. MATERIAL CONTRACT

Save for the Proposed Disposal and disclosed below, as at the LPD, there are no material contracts (not being contracts in the ordinary course of business), that have been entered into by our Group within 2 years immediately preceding the date of this Circular:

- (i) On 19 September 2023, Furniweb and Omen Wealth Limited entered into a sale and purchase agreement for the disposal by Furniweb of 50,000 ordinary shares in Meinaide representing the entire issued share capital of Meinaide at a total cash purchase consideration of HKD15,000,000. The Proposed Subsidiary Disposal was completed on 30 September 2023.
- (ii) On 25 August 2023, our Company and Dato' Lua Choon Hann entered into a settlement agreement for the partial settlement of debt owing by our Group to Dato' Lua Choon Hann amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new PRG Shares. As at the LPD, the Proposed Debt Settlement to Dato' Lua is pending completion.
- (iii) On 25 August 2023, our Company and Dato' Ng entered into a settlement agreement for the settlement of debt owing by our Group to Dato' Ng amounting to RM4,993,271.46 to be satisfied via issuance of 23,365,800 new PRG Shares. As at the LPD, the Proposed Debt Settlement to Dato' Ng is pending completion.

6. MATERIAL COMMITMENT

Saved as disclosed below, as at the LPD, there is no material commitment incurred or known to be incurred by our Group which may have a material impact on the financial results/position of our Group:

Capital commitments	RM'000
Contracted but not provided for:	
- acquisition of property, plant and equipment	1,289
Total	1,289

7. CONTINGENT LIABILITIES

Save as disclosed below, our Board has confirmed that there are no other contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group:

	Company level (RM'000)	Group level (RM'000)
Guarantees given to third parties in respect of trade and contract - unsecured	-	14,810

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of PRG at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our Company's forthcoming EGM:

- (i) the Constitutions of our Company;
- (ii) the Constitutions of Furniweb;
- (iii) the audited consolidated financial statements of our Company for the past 2 FYEs 31 December 2022 and 31 December 2023 as well as the latest unaudited financial result for FPE 31 March 2024 of our Company;

ADDITIONAL INFORMATION (CONT'D)

- (iv) the audited consolidated financial statements of Furniweb for the past 2 FYEs 31 December 2022 and 31 December 2023;
- (v) the Agreements and Supplemental Master Agreement;
- (vi) the Supplemental Deed and Deed of Termination;
- (vii) the Supplemental Master Agreement No. 2 and Letter of Extension;
- (viii) the Valuation Certificates referred to in **Appendix IV** of this Circular, together with the Valuation Report;
- (ix) the letters of consent and confirmation of no conflict of interest as referred to in **Sections 2** and **3** of this Appendix; and
- (x) the material contracts referred to in **Section 5** above.

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Registration No.: 200101005950 (541706-V) (Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of **PRG Holdings Berhad** ("**PRG**" or "**Company**") ("**EGM**") will be conducted on a virtual basis through live streaming from the Broadcast Venue at Unit 4.02, Level 4, Plaza Damansara, Block A, Bukit Damansara, 50490 Kuala Lumpur for remote participation and voting via Vote2U operated by Agmo Digital Solutions Sdn. Bhd. at https://web.vote2u.my on Friday, 16 August 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED DISPOSAL BY PRG OF 50 UNITS OF PICASSO RESIDENCE CONDOMINIUM ("SUBJECT PROPERTIES") TO PRG LAND SDN BHD ("PLSB"), A WHOLLY-OWNED SUBSIDIARY OF FURNIWEB HOLDINGS LIMITED ("FURNIWEB") WHICH IN TURN IS A 50.45%-OWNED SUBSIDIARY OF PRG, FOR A TOTAL CONSIDERATION OF RM61,982,000 ("DISPOSAL CONSIDERATION") TO BE SATISFIED VIA A COMBINATION OF CASH CONSIDERATION OF RM7,437,840 AND THE ISSUANCE OF 321,756,000 NEW ORDINARY SHARES IN FURNIWEB AT ISSUE PRICE OF HKD0.30 EACH AMOUNTING TO RM54,544,160 ("PROPOSED DISPOSAL")

"THAT subject to the passing of Ordinary Resolution 2 and approvals being obtained from all relevant parties and/or authorities, approval be and is hereby given to PRG to dispose of the Subject Properties to PLSB for the Disposal Consideration subject to and upon the terms and conditions of the master agreement dated 27 April 2023, supplemental master agreement dated 7 June 2023 and supplemental master agreement no. 2 dated 29 June 2024 entered into between PRG, Furniweb and PLSB being met or waived (as the case may be);

AND THAT the Board of Directors of PRG ("Board") be and is authorised to do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents and/or arrangements as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed Disposal with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE BUSINESS OF PRG AND ITS SUBSIDIARIES ("PRG GROUP" OR "GROUP") TO INCLUDE THE PROPERTY INVESTMENT BUSINESS ("PROPOSED DIVERSIFICATION")

"THAT subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities or parties (where required), approval be and is hereby given for the diversification of PRG Group's principal activities to include property investment business.

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things and enter into any arrangement and/or undertakings and to execute sign and deliver on behalf of the Company, all such documents as the Board may deem necessary, expedient and/or appropriate to implement and give full effect to and to complete the Proposed Diversification with full power to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Diversification."

By Order of the Board

YEOH CHONG KEAT (MIA 2736) (SSM PC NO. 201908004096) LIM FEI CHIA (MAICSA 7036158) (SSM PC NO. 202008000515)

Company Secretaries Kuala Lumpur Date: 12 July 2024

Notes:

1. The Company's Extraordinary General Meeting ("EGM") will be conducted on a virtual basis from the Broadcast Venue. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) WILL NOT BE ALLOWED to attend the EGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to participate and vote remotely at the EGM via the remote participation and voting facilities provided by the Poll Administrator, Agmo Digital Solutions Sdn. Bhd..

Please refer to the Administrative Guide for the EGM and follow the procedures provided in order to participate and vote remotely at the EGM.

- 2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 August 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this meeting.
- 3. A member shall be entitled to appoint not more than two (2) proxies to attend, speak and vote at this meeting. A proxy may but need not be a member of the Company.
- 4. Where a member appoints two (2) proxies, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- 5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 6. To be valid, the original Form of Proxy, duly completed must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. Alternatively, the Form of Proxy can be submitted electronically to vote2u@agmostudio.com not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of the Form of Proxy.
- If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- 8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of this meeting will be put to vote by way of poll.
- 9. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to the Company and/or its agents the personal data which may include the name, contact details and mailing address, a member of the Company hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to the member for the purposes of issuing the notice of this meeting and convening the meeting (including any adjournment thereof), including but not limited to preparation and compilation of documents and other matters, whether or not supplied by the member. The member further confirms to have obtained the consent, agreement and authorisation of all persons whose personal data the member have disclosed and/or processed in connection with the foregoing.

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ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

For the Extraordinary General Meeting of PRG Holdings Berhad ("EGM")

Day and Date : Friday, 16 August 2024

Time : 10.00 a.m.

Broadcast Venue : Unit 4.02, Level 4, Plaza Damansara Block A, Bukit

Damansara, 50490 Kuala Lumpur, WP Kuala Lumpur

Remote Participation and : Vote2U at https://web.vote2u.my operated by Agmo Digital

Voting Facilities Solutions Sdn. Bhd.

Domain Registration D6A471702

Numbers with MYNIC :

The EGM of the Company will be held virtually through live streaming from the Broadcast Venue and voting via the Remote Participation and Voting Facilities ("RPV") provided by Agmo Digital Solutions Sdn. Bhd. ("AGMO") via its Vote2U Online, at https://web.vote2u.my.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the EGM is maintained.

Entitlement to Participate and Vote Remotely in the EGM

Shareholders whose names appear on the Record of Depositors as at 8 August 2024 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/corporate representative(s) to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedure to participate in RPV facilities as summarised below:

BEFORE THE DAY OF THE EGM

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i.	Shareholders to register	The registration will open from the day of notice
	with Vote2U online	a. Access website at https://web.vote2u.my .
		b. Click "Sign Up" to sign up as a user.
		c. Read the 'Privacy Policy' and 'Terms & Conditions' and
		indicate your acceptance of the 'Privacy Policy' and 'Terms &
		Conditions' on a small box \square Then click " Next ".
		d. *Fill-in your details (note: create your own password). Then
		click " Continue ".
		e. Upload softcopy of your identification card (MYKAD) (front
		only) (for Malaysian) or Passport (for non-Malaysian).
		f. Click "Submit" to complete the registration.
		g. Your registration will be verified and an email notification will
		be sent to you. Please check your email.

Note: If you have registered as a user with Vote2U Online previously, you are not required to register again.
*Check your email address is keyed in correctly. *Remember the password you have keyed-in.

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Authorised Nominee / Exempt Authorised Nominee

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	 a. Fill-in details on the hardcopy Form of Proxy and ensure the email address of proxy(ies) is/are stated correctly in the Form of Proxy. b. Submit/Deposit the hardcopy Form of Proxy to the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, WP Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM i.e. no later than 14 August 2024 at 10.00 a.m c. For body corporate, the original copy of Certificate of Appointment of Corporate Representative/ Power of Attorney/ other documents evidencing the appointment (i.e. Corporate Representative's NRIC No., e-mail address and contact number) must be submitted to the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, WP Kuala Lumpur not later than 14 August 2024 at 10.00 a.m Note: The submitted Form of Proxy and Certificate of Appointment of Corporate Representative/ Power of Attorney/ other documents evidencing the appointment will be verified. After verification, an email notification will be sent to the Proxy(ies) and corporate
ii.	Electronic Lodgement of Proxy Form (e-Proxy Form) (For individual shareholders only)	 representative(s) with a temporary password. The Proxy could use the temporary password to log in to Vote2U. a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U. b. Click "Register Proxy Now" for e-Proxy registration. c. Select the general meeting event that you wish to attend. d. Select/ add your Central Depository System ("CDS") account number and number of shares. e. Select "Appoint Proxy". f. Fill-in the details of your proxy(ies) – ensure proxy(ies) email address(es) is/are valid. g. Indicate your voting instruction should you prefer to do so. h. Thereafter, select "Submit".

		 i. Your submission will be verified. j. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.
		Note: You need to register as a shareholder before you can appoint a proxy and submit the e-Proxy Form. Please refer to Section 'A: Registration' to register as shareholder.
iii.	Electronic Lodgement of Proxy Form (For Corporate Representatives/ Power of Attorney)	 a. Please send the duly signed Form of Proxy or Certificate of Appointment of Corporate Representative/Power of Attorney/other documents evidencing the appointment (i.e Corporate Representative's NRIC No., e-mail address and contact number) to vote2u@agmostudio.com not later than 14 August 2024 at 10.00 a.m. b. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.
iii.	Revocation of Proxy	For revocation of proxy(ies), please email to vote2u@agmostudio.com no later than 14 August 2024 at 10.00 a.m

Shareholders who wishes to appoint proxy(ies) to participate in the EGM must ensure that the hardcopy Form of Proxy or e-Proxy Form is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON THE DAY OF EGM

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	The Vote2U online portal will open for log in starting from 9.00a.m., Friday, 16 August 2024 , one (1) hour before the commencement of the EGM.
		 a. Login with your email and password b. Select the General Meeting event (for example, "PRG Holdings Berhad's EGM"). c. Check your details. d. Click "Watch Live" button to view the live streaming.

B: ASK QUESTION

Individual Shareholders & Proxies

	Description		Procedures
i.	Ask Question EGM (real-time)	during	Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question.
			 a. Click "Ask Question" button to post question(s). b. Type in your question and click "Submit".
			The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the EGM.

C: VOTING REMOTELY

Individual Shareholders & Proxies

	Description	Procedures		
i.	Online Remote	Once the Chairman announces the opening of remote voting:		
	Voting	a. Click "Confirm Details & Start Voting".		
		b. To vote, select your voting choice from the options provided.		
		A confirmation screen will appear to show your selected vote.		
		Click "Next" to continue voting for all resolutions.		
		c. To change your vote, click "Back" and select another voting		
		choice.		
		d. After you have completed voting, a Voting Summary page		
		appears to show all the resolutions with your voting choices.		
		Click " <i>Confirm</i> " to submit your vote.		
		e. The live webcast will end following the announcement by the		
		Chairman on the closure of the EGM.		
		[Please note that you are <u>not able</u> to change your voting choices		
		after you have confirmed and submitted your votes.]		

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM will be conducted by Poll Administrator (Agmo Digital Solutions Sdn Bhd) and Independent Scrutineer (Aegis Communication Sdn Bhd) will be appointed to conduct the polling process and verify the results of the poll respectively.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at the EGM.

Enquiry

For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone Number: 03-7664 8520 / 03-7664 8521

Email: vote2u@agmostudio.com



(Registration No.: 200101005950 (541706-V)) (Incorporated in Malaysia)

No. of shares held	
CDS Account No.	
Contact No.	

FORM OF PROXY

TORM OF TROAT		
I/We	NRIC/Passport/Registration No	
(FULL NAME IN BLOCK LETTERS) of		
	(FULL ADDRESS)	
being a member/members of PRG HOLDING	S BERHAD, do hereby appoint	
Full name and NRIC/Passport No.	Address	Proportion of shareholding (%) to be represented
Contact No.	Email Addre	ogg
Contact No.	Eman Addie	255
or failing him/her,		
Full name and NRIC/Passport No.	Address	Proportion of shareholding (%) to be represented
	F 744	
Contact No.	Email Add	ress
Kuala Lumpur for remote participation and volume that the https://web.vote2u.my on Friday, 16 August 2 resolutions referred to in the Notice of EGM:-		
Ordinary Resolutions	FOI	R AGAINST
Proposed Disposal		
2. Proposed Diversification		
Please indicate with an "X" in the space provi will vote or abstain from voting at his/her discr * Delete if not applicable. # If you do not wish to appoint the Chairman of words "or failing him/her, the Chairman of appoint in the space(s) provided.	retion. of the Meeting as your proxy/one of your	r proxies, please strike out the
Dated this day of	2024.	
Signature or Common Seal of Shareholder(s)		

Notes:

1. The Company's Extraordinary General Meeting ("EGM") will be conducted on a virtual basis from the Broadcast Venue. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) WILL NOT BE ALLOWED to attend the EGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to participate and vote remotely at the EGM via the remote participation and voting facilities provided by the Poll Administrator, Agmo Digital Solutions Sdn. Bhd..

Please refer to the Administrative Guide for the EGM and follow the procedures provided in order to participate and vote remotely at the EGM.

- 2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 August 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this meeting.
- 3. A member shall be entitled to appoint not more than two (2) proxies to attend, speak and vote at this meeting. A proxy may but need not be a member of the Company.
- 4. Where a member appoints two (2) proxies, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- 5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 6. To be valid, the original Form of Proxy, duly completed must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. Alternatively, the Form of Proxy can be submitted electronically to vote2u@agmostudio.com not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of the Form of Proxy.
- 7. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- 8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of this meeting will be put to vote by way of poll.
- 9. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to the Company and/or its agents the personal data which may include the name, contact details and mailing address, a member of the Company hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to the member for the purposes of issuing the notice of this meeting and convening the meeting (including any adjournment thereof), including but not limited to preparation and compilation of documents and other matters, whether or not supplied by the member. The member further confirms to have obtained the consent, agreement and authorisation of all persons whose personal data the member have disclosed and/or processed in connection with the foregoing.

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The Company Secretary
PRG HOLDINGS BERHAD

c/o Archer Corporate Services Sdn. Bhd.
Lot 5, Level 10
Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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