

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, 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.



PRG

HOLDINGS BERHAD

(Registration No. 200101005950 (541706-V))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING

PART A

- (I) **PROPOSED PARTIAL SETTLEMENT OF DEBT OWING BY THE COMPANY AND ITS SUBSIDIARIES (“GROUP”) TO DATO’ LUA CHOON HANN, BEING THE GROUP EXECUTIVE VICE CHAIRMAN OF THE COMPANY AMOUNTING TO RM6,482,290.32 TO BE SATISFIED VIA ISSUANCE OF 30,333,600 NEW ORDINARY SHARES OF THE COMPANY AT AN ISSUE PRICE OF RM0.2137 EACH (“SETTLEMENT SHARES”) (“PROPOSED DEBT SETTLEMENT OF DATO’ LUA”); AND**
- (II) **PROPOSED PARTIAL SETTLEMENT OF DEBT OWING BY THE GROUP TO DATO’ NG YAN CHENG BEING THE DIRECTOR OF ENERGY SOLUTION GLOBAL LIMITED, AN INDIRECT WHOLLY OWNED SUBSIDIARY OF THE COMPANY AND A SUBSTANTIAL SHAREHOLDER OF THE COMPANY (“DATO’ NG”) AMOUNTING TO RM4,993,271.46 TO BE SATISFIED VIA ISSUANCE OF 23,365,800 SETTLEMENT SHARES AT AN ISSUE PRICE OF RM0.2137 EACH (“PROPOSED DEBT SETTLEMENT OF DATO’ NG”)**

(COLLECTIVELY REFERRED TO AS THE “PROPOSED DEBT SETTLEMENTS”)

PART B

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

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING II

Advisers

Adviser for Part A

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD

(Registration No.: 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B



Asia Equity Research Sdn Bhd

Registration No. 201401027762 (1103848-M)

(Licensed to provide advisory in corporate finance and investment advice)

The Extraordinary General Meeting II of PRG Holdings Berhad (“EGM II”) 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 10.30 a.m. or immediately after the conclusion or adjournment of the EGM scheduled to be held on the same day at 10.00 a.m., whichever is later. The Notice of EGM II and the accompanying Form of Proxy are enclosed in this Circular. Please refer to the Administrative Guide for the conduct of the virtual EGM II as set out in the Notice of EGM II enclosed herein pertaining to the Proposed Debt Settlements.

A shareholder entitled to participate and vote at the EGM II 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 II. 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. The lodging of the Form of Proxy will not preclude the shareholders from participating and voting at the EGM II if they subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 14 August 2024 at 10.30 a.m.
Date and time of the EGM II : Friday, 16 August 2024 at 10.30 a.m. or immediately after the conclusion or adjournment of the EGM scheduled to be held on the same day at 10.00 a.m., whichever is later

This Circular is dated 22 July 2024

PART A

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS

TABLE OF CONTENTS

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

COMPANIES:

“AER” or “Independent Adviser”	:	Asia Equity Research Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“ESGL”	:	Energy Solution Global Limited, a wholly owned subsidiary of Furniweb
“Furniweb”	:	Furniweb Holdings Limited, a 50.45%-owned subsidiary of our Company
“Meinaide”	:	Meinaide Holdings Group Limited, a wholly owned subsidiary of Furniweb
“PBSB”	:	Premier Baycity Sdn Bhd, a 51.0% owned subsidiary of PRG Property
“PCSB”	:	Premier Construction Sdn Bhd, a wholly owned subsidiary of PRG Property
“PDMSB”	:	Premier De Muara Sdn Bhd, formerly a 60.0% owned subsidiary of PRG Property which disposal was completed in July 2020
“PRG” or “Company”	:	PRG Holdings Berhad
“PRG Group” or “Group”	:	Collectively, our Company and its subsidiaries
“PRG Agro”	:	PRG Agro Sdn Bhd, a wholly owned subsidiary of PRG Asset Sdn Bhd, which in turn is a wholly owned subsidiary of our Company
“PRG Land”	:	PRG Land Sdn Bhd, a wholly owned subsidiary of Furniweb
“PRG Property”	:	PRG Property Sdn Bhd, a wholly owned subsidiary of our Company
“TA Securities”	:	TA Securities Holdings Berhad

GENERAL:

“Act”	:	Companies Act 2016
“Announcement”	:	Announcement in relation to the Proposed Debt Settlements dated 25 August 2023
“Announcement LPD”	:	24 August 2023, being the latest practicable date prior to the Announcement
“Board”	:	Board of Directors of our Company
“Conditional Period with Dato’ Lua”	:	Six (6) months from the date of the Settlement Agreement with Dato’ Lua or any extended period of time as may be mutually agreed upon in writing by the parties pursuant to the Settlement Agreement with Dato’ Lua
“Conditional Period with Dato’ Ng”	:	Six (6) months from the date of the Settlement Agreement with Dato’ Ng or any extended period of time as may be mutually agreed upon in writing by the parties pursuant to the Settlement Agreement with Dato’ Ng
“Circular”	:	This circular to shareholders dated 22 July 2024 in relation to the Proposed Debt Settlements
“Dato’ Lua”	:	Dato’ Lua Choon Hann, being the Group Executive Vice Chairman of our Company
“Dato’ Ng”	:	Dato’ Ng Yan Cheng, being the director of ESGL and a substantial shareholder of our Company
“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

TABLE OF CONTENTS

“EGM II”	:	Extraordinary general meeting of our Company in relation to the Proposed Debt Settlements
“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
“FPE”	:	Financial period ended/ending
“FYE”	:	Financial year ended/ending
“GDP”	:	Gross domestic products
“HKD”	:	Hong Kong Dollar
“HVAC”	:	Heating, ventilation and air conditioning
“IAL”	:	Independent adviser letter to the non-interested shareholders of our Company in relation to the Proposed Debt Settlements as enclosed in Part B of this Circular
“Interested Directors”	:	Dato’ Lua, the Group Executive Vice Chairman of our Company and Ng Tzee Penn, an Executive Director of our Company and the son of Dato’ Ng as well as Andrew Chan Lim Fai, the Group Managing Director of our Company and the son-in law of Dato’ Ng, collectively
“Interested Shareholders”	:	Dato’ Lua and Dato’ Ng, the Major Shareholder of our Company and the Director of ESGL, collectively
“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
“LTIP Awards”	:	Long term incentive plan involves the granting of LTIP Options and LTIP Shares to the eligible Directors (except for the Non-Executive Director of our Company) and employees of our Company and its non-dormant subsidiaries
“LTIP Options”	:	Options issued to the eligible Directors and employees of our Company and its non-dormant subsidiaries pursuant to the LTIP Awards
“LTIP Shares”	:	Shares granted to eligible Directors (except for the Non-Executive Director of our Company) and employees of our Company and its non-dormant subsidiaries pursuant to the LTIP Awards
“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.
“Maximum Scenario	:	Assuming all of the existing convertible securities are exercised prior to the Proposed Debt Settlements
“Minimum Scenario”	:	Assuming none of the existing convertible securities are exercised prior to the Proposed Debt Settlements
“NA”	:	Net assets
“PBT”	:	Profit before tax

TABLE OF CONTENTS

“PRG Shares” or “Shares”	:	Ordinary shares in our Company
“Properties”	:	50 units of Picasso Residence condominium located along Jalan Jelatek, Kuala Lumpur
“Proposed Debt Settlements”	:	Proposed Debt Settlement of Dato’ Lua and Proposed Debt Settlement of Dato’ Ng, collectively
“Proposed Disposal”	:	Proposed disposal by our Company of the Properties to PRG Land for a total consideration of RM61,982,000
“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 business of our Group to include property investment business
“Proposed Debt Settlement of Dato’ Lua”	:	Proposed partial settlement of debt owing by our Group to Dato’ Lua amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new Settlement Shares
“Proposed Debt Settlement of Dato’ Ng”	:	Proposed partial 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 Settlement Shares
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Settlement Agreements”	:	Settlement Agreement with Dato’ Lua and Settlement Agreement with Dato’ Ng, collectively
“Settlement Agreement with Dato’ Lua”	:	Settlement agreement dated 25 August 2023 entered into between our Company and Dato’ Lua
“Settlement Agreement with Dato’ Ng”	:	Settlement agreement dated 25 August 2023 entered into between our Company and Dato’ Ng
“Settlement Shares”	:	PRG Shares to be issued pursuant to the Proposed Debt Settlements
“Settlement Shares to Dato’ Lua”	:	30,333,600 Settlement Shares to be issued to Dato’ Lua pursuant to the Proposed Debt Settlement of Dato’ Lua
“Settlement Shares to Dato’ Ng”	:	23,365,800 Settlement Shares to be issued to Dato’ Ng pursuant to the Proposed Debt Settlement of Dato’ Ng
“Settlement Sum with Dato’ Lua”	:	Debt owing by our Group to Dato’ Lua amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 Settlement Shares
“Settlement Sum with Dato’ Ng”	:	Debt owing by our Group to Dato’ Ng amounting to RM4,993,271.46 to be satisfied via issuance of 23,365,800 Settlement Shares
“VWAP”	:	Volume weighted average price

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 shareholder 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.

TABLE OF CONTENTS

	PAGE
PART A	
LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED DEBT SETTLEMENTS	
1. INTRODUCTION	1
2. PROPOSED DEBT SETTLEMENT OF DATO' LUA	2
3. PROPOSED DEBT SETTLEMENT OF DATO' NG	7
4. SETTLEMENT SHARES	9
5. PREVIOUS FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS	10
6. RATIONALE FOR THE PROPOSED DEBT SETTLEMENTS.....	11
7. INDUSTRY OVERVIEW AND PROSPECTS	12
8. RISK FACTOR RELATING TO THE PROPOSED DEBT SETTLEMENTS	16
9. EFFECTS OF THE PROPOSED DEBT SETTLEMENTS	16
10. HISTORICAL FINANCIAL PERFORMANCE OF OUR GROUP	21
11. HISTORICAL SHARE PRICES	23
12. APPROVALS REQUIRED	23
13. CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED	24
14. HIGHEST PERCENTAGE RATIO	24
15. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	24
16. TRANSACTION WITH THE SAME RELATED PARTIES	25
17. DIRECTORS' STATEMENT	25
18. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT	26
19. TENTATIVE TIMEFRAME FOR COMPLETION	26
20. ADVISERS.....	26
21. EGM	27
22. FURTHER INFORMATION	27
PART B	
IAL FROM ASIA EQUITY RESEARCH SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF THE COMPANY IN RELATION TO THE PROPOSED DEBT SETTLEMENTS	28
APPENDIX	
I ADDITIONAL INFORMATION.....	56
NOTICE OF EGM II	ENCLOSED
ADMINISTRATIVE GUIDE	ENCLOSED
FORM OF PROXY	ENCLOSED

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SETS OUT SALIENT INFORMATION ON THE PROPOSED DEBT SETTLEMENTS. PLEASE READ THIS CIRCULAR AND ITS APPENDIX CAREFULLY FOR FURTHER DETAILS BEFORE VOTING.

Our Board is recommending shareholders of our Company to vote **in favour** of the resolutions in relation to the Proposed Debt Settlements to be tabled at the forthcoming EGM II.

Proposed Debt Settlements				
Summary				
The aggregate debts amounting to RM11,475,561.78 owing to the Interested Shareholders will be settled through the issuance of 53,699,400 Settlement Shares at the issue price of RM0.2137 each, pursuant to the:				
(i) Settlement Agreement with Dato' Lua; and				
(ii) Settlement Agreement with Dato' Ng;				
in the following manner:				
	Amount owing as at 30 June 2023	Amount to be settled	Amount outstanding after the Proposed Debt Settlements	No. of Settlement Shares to be issued
Interested Shareholders	(RM)	(RM)	(RM)	
Dato' Lua	7,501,915.31	6,482,290.32	1,019,624.99	30,333,600
Dato' Ng	26,695,375.87	4,993,271.46	21,702,104.41	23,365,800
Total	34,197,291.18	11,475,561.78	22,721,729.40	53,699,400
Please refer to Part A, Section 1, 2 and 3 of this Circular for further details.				
Rationale				
The Proposed Debt Settlements are intended to partly settle our Group's debts owing to the Interested Shareholders.				
Our Board has considered other available options and is of the opinion that the settlement via the issuance of Settlement Shares to the Interested Shareholders is the most appropriate option to settle the outstanding debt, for the following reasons:				
(i) repayment via bank borrowings as compared to the Proposed Debt Settlements will require our Group to comply with bank borrowings requirements, potential significant covenants and fixed payment schedules and incur miscellaneous fees;				
(ii) to reduce our Group's debt whilst preserving our Group's cash and bank balances				
(iii) to further strengthen our Company's equity base as well as the NA and gearing ratio of our Group as a result of the increase in our Company's issued share capital				
(iv) to increase the equity participation of the Interested Shareholders in our Company, who are also the Directors of our Group (excluding dormant subsidiaries)				
Please refer to Part A, Section 6 of this Circular for further details.				
Settlement Shares				
Our Board had fixed the issue price of the Settlement Shares at RM0.2137 each, after taking into consideration the following:				
(i) the rationale for the Proposed Debt Settlements;				
(ii) a discount of approximately 9.98% to the 5-day VWAP of the Shares up to and including the Announcement LPD of RM0.2374 was arrived after taking into consideration of the following:				

EXECUTIVE SUMMARY (CONT'D)

- (a) the negotiation between our Company and the Interested Shareholders as well as the basis in determining the issue price under a general mandate pursuant to Paragraph 6.04(a) of the Listing Requirements whereby shares issued pursuant to general mandate shall not be priced at more than 10% discount to the 5D-VWAP immediately before the price fixing date;
 - (b) the historical share price movement of PRG Shares in the past 12 months prior to the Announcement LPD; and
 - (c) the opportunity cost which may potentially arise from the advances from the Interested Shareholders and their support towards our Group as well as potential risk faced by the Interested Shareholders for receiving Settlement Shares as opposed to cash;
- (iii) the historical share price movement of PRG Shares in the past 12 months prior to the Announcement LPD ranging from RM0.130 to RM0.255; and
- (iv) the Interested Shareholders' willingness to provide funds to meet our Group's urgent needs at interest free and for a duration of more than 3 years, the market risk of PRG Shares to be assumed by the Interested Shareholders such as economic uncertainties which can be influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of PRG Shares as well as volatility of the general equity markets.

Please refer to **Part A, Section 4** of this Circular for further details.



PRG

HOLDINGS BERHAD

(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

22 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 DEBT SETTLEMENT OF DATO' LUA; AND**
(II) **PROPOSED DEBT SETTLEMENT OF DATO' NG**

1. INTRODUCTION

On 25 August 2023, TA Securities had on behalf of our Board announced that our Company intends to undertake the Proposed Debt Settlements.

The aggregate debts amounting to RM11,475,561.78 owing to the Interested Shareholders will be settled through the issuance of 53,699,400 Settlement Shares at the issue price of RM0.2137 each, pursuant to the:

- (i) Settlement Agreement with Dato' Lua; and
(ii) Settlement Agreement with Dato' Ng,

in the following manner:

	Amount owing as at 30 June 2023	Amount to be settled	Amount outstanding after the Proposed Debt Settlements	No. of Settlement Shares to be issued
Interested Shareholders	(RM)	(RM)	(RM)	
Dato' Lua	7,501,915.31	6,482,290.32	1,019,624.99	30,333,600
Dato' Ng	26,695,375.87	4,993,271.46	21,702,104.41	23,365,800
Total	34,197,291.18	11,475,561.78	22,721,729.40	53,699,400

The cut-off date of 30 June 2023 was mutually agreed upon as the suitable date to determine the respective outstanding sums.

For information purposes, based on the latest unaudited financial result as at 31 March 2024, our Group had total trade and other payables approximately RM123.4 million, which will be reduced to approximately RM111.9 million after the Proposed Debt Settlements, on a pro forma basis.

In view of the interest of the Interested Directors, as set out in **Part A, Section 15** of this Circular, the Proposed Debt Settlements are deemed related party transactions pursuant to Paragraph 10.08(2) of the Listing Requirements. Accordingly, AER has been appointed as the Independent Adviser to advise the non-interested shareholders in relation to the Proposed Debt Settlements on whether the Proposed Debt Settlements are fair and reasonable and whether they are to the detriment of the non-interested shareholders.

Further details of the Proposed Debt Settlements are set out in the ensuing sections.

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

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

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE IAL TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED DEBT SETTLEMENTS TO BE TABLED AT THE FORTHCOMING EGM II.

2. PROPOSED DEBT SETTLEMENT OF DATO' LUA

On 25 August 2023, our Company entered into the Settlement Agreement with Dato' Lua to settle the Settlement Sum with Dato' Lua through the issuance of Settlement Shares, subject to the fulfilment of conditions precedent in the Settlement Agreement with Dato' Lua as set out in **Part A, Section 2.3** of this Circular.

[The rest of this page has been intentionally left blank]

2.1 Information on Dato' Lua

Dato' Lua is the Group Executive Vice Chairman of our Company. 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 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 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.

As at the LPD, Dato' Lua holds 10,234,291 PRG Shares (2.37% equity interest in our Company) and 889,162 LTIP Options with an indirect equity interest of 300,000* PRG Shares (0.07% equity interest in our Company).

Note:

* Deemed interested by virtue of his spouse's shareholdings pursuant to Section 59 of the Act.

2.2 Nature of debt owing to Dato' Lua

As at 30 June 2024, our Group had received financial support amounting to RM7,001,915.31 from Dato' Lua in the form of cash advances. The advances provided were unsecured, interest free and repayable on demand.

The breakdown of the advances is detailed as follows:

Period of transaction	Description	Amount (RM)
January 2018 – December 2018	Advances to PCSB for payments to contractors in relation to the development and construction of Sekolah Kebangsaan Krubong 2 project	100,000
	Advances to our Company and in turn to PDMSB^ for payments to contractors in relation to the development and construction of Picasso Residence project undertaken by PDMSB^	200,000
January 2019 – December 2019	Advances to our Company for partial loan settlement arising from subscription of shares in Capital World Limited ⁽¹⁾	6,890,563
	Advances to our Company to fund its staff-related expenses	1,230,000
	Advances to Esther Postpartum Care Sdn Bhd (“EPCSB”), a 26.21%-owned associate company of our Company, on a pro-rated basis based on our Company's shareholding in EPCSB, for the renovation of EPCSB's new branch at Qliq Damansara	262,100
	Advances to PRG Agro for the payment of statutory expenses to authorities (i.e., consideration of transfer payable to Gua Musang District and Land Office) and professional fee of the valuer in relation to the acquisition of 2 parcels of land in Kelantan acquired by PRG Agro in 2019 (“Kelantan Lands”) ⁽²⁾	510,000
	Advances to PBSB^ to fund the cost of pilling works of Embayu @ Damansara West project	1,183,850

Period of transaction	Description	Amount (RM)
	Advances to PCSB for payments to contractors in relation to the development and construction of Sekolah Kebangsaan Krubong 2 project	2,200,000
	Advances to our Company and in turn to PDMSB^ for payments to contractors in relation to the development and construction of Picasso Residence project undertaken by PDMSB^	200,000
	Advances to our Company in relation to the subscription of shares in Capital World Limited ⁽¹⁾	4,500,000
	Repayments to Dato' Lua via cash	(7,856,858)
January 2020 – December 2020	Advances to PRG Agro for the payment of the purchase consideration in relation to the acquisition of Kelantan Lands	3,700,000
	Advances to our Company to fund the expenses of issuance of new PRG Shares issued pursuant to the acquisition of Kelantan Lands	25,000
	Advances to PCSB to fund its staff-related expenses	422,000
	Advances to our Company for loan instalment for office building purchased by our Company in 2019 ⁽²⁾	30,000
	Repayments to Dato' Lua via cash	(4,612,016)
January 2021 – December 2021	Advances to PRG Agro for its engagement of logging contractor for Kelantan Lands	40,000
	Advances to PRG Land for the payment of rental in respect of retail outlet for our Group's retail sale of clothing, footwear and ancillary accessories business ⁽⁴⁾	1,289,626
	Repayments to Dato' Lua via cash	(2,060,000)
January 2022 – December 2022	Repayments to Dato' Lua via cash	(752,350)
January 2023 – December 2023	Repayments to Dato' Lua via cash	(500,000)
	Total	7,001,915

Notes:

^ The rationale of advances to non-wholly owned subsidiaries:

Name	Years	Rationale
PDMSB	2018 and 2019	Pursuant to the shareholders' agreement and joint venture agreement between PDMSB and Almaharta Sdn Bhd, being the registered proprietor of land used for development of Picasso Residence dated 16 March 2015 and 31 December 2013, respectively, PDMSB is obligated to secure financing for the construction and development of Picasso Residence.

Name	Years	Rationale
		<p>On 27 April 2023, our Company had entered into a settlement letter with PDMSB, PRG Property and Liveintent Sdn Bhd to settle among others, the amount owing by PDMSB to our Company ("Amount Owing to PRG") ("Settlement Letter").</p> <p>For the avoidance of doubt, the Amount Owing to PRG will not result in breach of Paragraph 8.23 of the Listing Requirements as:</p> <p>(1) the Amount Owing to our Company is derived from (i) advances made prior to the disposal of PDMSB whereby PDMSB was still an indirect 60%-owned subsidiary of our Company; and (ii) interest at rate of 8% per annum imposed on the said advances. PRG did not provide any advances to PDMSB subsequent to the disposal of PDMSB;</p> <p>(2) pursuant to the share sale agreement entered into on 26 July 2019, our Company, PDMSB, PRG Property Sdn Bhd and Liveintent had mutually agreed on the tenure and settlement mechanism of the advances by our Company to PDMSB; and</p> <p>(3) Settlement Letter has been entered into on 27 April 2023 to settle the Amount Owing to our Company as the tenure provided in the share sale agreement has lapsed.</p>
PBSB	2019	<p>Advances provided as per intercompany loan agreement and understanding between the joint venture partners whereby any shareholder advances provided by any shareholder of PBSB to PBSB shall be entitled to charge an interest of 8% per annum on the advances owing by PBSB.</p> <p>As at the LPD, all the said advances by our Company to PBSB have been fully repaid.</p>

- (1) Our Company had on 21 December 2018 entered into a conditional subscription and options agreement with Capital World Limited ("**Agreement**") for, among others, the subscription of 265,000,000 new ordinary shares in Capital World Limited ("**Capital World Shares**") for total consideration of SGD9.275 million (equivalent to approximately RM28.33 million) ("**Subscription**"). Following the fulfilment of all the relevant conditions of the Agreement, the Subscription is completed on 14 March 2019. For information only, the breakdown of source of fund of the Subscription is as follow:

Description	SGD' 000	RM' 000
Advances from Dato Lua	1,473	4,500
Loan from financial institutions	7,802	23,830
	9,275	28,330

Capital World Limited is listed on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since 5 May 2017. Together with its subsidiaries, Capital World Limited were primarily engaged in property development and marble mining business in Malaysia. The Subscription is in line with our Company's strategic direction in the property division as our Company can leverage on Capital World Limited's strong and experienced management team with extensive experience in property development and project management.

Capital World Limited had on 13 February 2020, announced to undertake a scheme of arrangement and voluntary suspension pursuant to Rule 1303(3) of the Catalist Rule. On 31 October 2023, Capital World Limited has resume its trading on the SGX-ST following the completion of its scheme of arrangement and obtaining consent from Singapore Exchange Regulation Pte Ltd and satisfying condition of trading resumption. For the avoidance of doubt, our Company had in FYE 31 December 2021 fully impaired its investment value in Capital World Limited.

- (2) *The office building is located at Ara Damansara, Selangor and was used as corporate office of our Company until December 2022. As at the LPD, our Company has disposed the office building and moved to the current corporate office rented by our Company at Bukit Damansara, Kuala Lumpur.*
- (3) *PRG Agro is principally involved in agriculture, plantation, logging, forestry and all related activities.*

PRG Agro had on 28 December 2018 entered into a conditional sale and purchase agreement to acquire 2 parcels of agriculture land from Alifya Forestry Sdn Bhd for a total purchase consideration of RM89.2 million satisfied via a combination of cash consideration of RM59.2 million and issuance of 40,295,500 new PRG Shares amounted to RM30.0 million, which was approved by the shareholders of our Company at the EGM held on 8 October 2019 and completed on 29 November 2019 with the listing of 40,295,500 new PRG Shares on even date.

Based on the latest audited financial statements of our Company as at 31 December 2023, our Group's agriculture segment contributed approximately RM0.78 million of revenue to our Group and segment losses before taxation of RM25.26 million as the site operations were badly affected by the seasonal rainfall and the logging plan was also scheduled at a slower pace due to the global weakened demand of teak wood in 2023. .

- (4) *For avoidance of doubt, the outstanding amount of advances by Dato' Lua to PRG Land for the payment of rental in respect of retail outlet for our Group's retail sale of clothing, footwear and ancillary accessories business (which was ceased in 2021) does not form part of the Proposed Debt Settlement of Dato' Lua.*

The remaining debts owing to Dato' Lua shall be repaid and settled by our Company subject to further mutual agreement between our Company and Dato' Lua, after taking into consideration the cash requirements of our Group.

2.3 Salient terms of Settlement Agreement with Dato' Lua

The Settlement Sum with Dato' Lua will be settled through the issuance of 30,333,600 Settlement Shares to Dato' Lua at the issue price of RM0.2137 each to Dato' Lua and/or any other persons nominated by Dato' Lua to accept and receive on his behalf, as full repayment of the Settlement Sum with Dato' Lua. For the avoidance of doubt, Dato' Lua has not and has no intention to nominate any person to accept and/or receive the Settlement Shares on behalf of him.

The Settlement Agreement with Dato' Lua is conditional upon the following conditions precedent being fulfilled within the Conditional Period with Dato' Lua:

- (i) our Company having obtained the approval-in-principle of Bursa Securities for the listing of and quotation for the Settlement Shares to Dato' Lua on the Main Market of Bursa Securities; and
- (ii) our Company having obtained approval from the shareholders of our Company for the Proposed Debt Settlement of Dato' Lua.

The Settlement Agreement with Dato' Lua shall become unconditional upon the satisfaction or fulfilment of all the abovementioned conditions precedent. In the event any of the conditions precedent is not satisfied or fulfilled within the Conditional Period with Dato' Lua, either party shall have the option, at its discretion, by notice in writing to the other party to terminate the Settlement Agreement with Dato' Lua.

Upon termination of the Settlement Agreement with Dato’ Lua in accordance to the paragraph above, all obligations and liabilities of both parties shall cease to have effect and none of them shall have any claims against the other for costs, damages, compensation or otherwise save for any antecedent breaches, and the Settlement Sum with Dato’ Lua owing by our Company to Dato’ Lua shall remain outstanding and both parties shall have the liberty to deal with the Settlement Sum with Dato’ Lua in the manner as they mutually deem fit.

3. PROPOSED DEBT SETTLEMENT OF DATO’ NG

On 25 August 2023, our Company entered into the Settlement Agreement with Dato’ Ng to settle the Settlement Sum with Dato’ Ng through the issuance of Settlement Shares, subject to the fulfilment of conditions precedent in the Settlement Agreement with Dato’ Ng as set out in **Part A, Section 3.3** of this Circular.

3.1 Information on Dato’ Ng

Dato’ Ng is the director of ESGL, an indirect wholly owned subsidiary of our Company. He provides guidance on the long-term strategic planning of our Group’s Energy Efficiency’s division to achieve the strategic goals.

Dato’ Ng is an entrepreneur and private investor who has more than 10 years of experience in the smart energy saving solution business. His businesses include property investments and developments in Singapore, Malaysia, Hong Kong, China, Australia and the United Kingdom.

As at the LPD, Dato’ Ng holds 56,863,027 Shares (13.16% equity interest in our Company) and 262,509 LTIP Options with an indirect equity interest of 2,178,600* Shares (0.50% equity interest in our Company).

Note:

* *Deemed interested by virtue of his equity interest in Kenanga Nominees (Asing) Sdn Bhd Exempt An for Guotai Junan Securities (Hong Kong) Limited pursuant to Section 8 of the Act.*

3.2 Nature of debt owing to Dato’ Ng

As at 30 June 2024, our Group had received financial support amounting to RM26,995,420.22 from Dato’ Ng in the form of cash advances. The advances provided were unsecured, interest free and repayable on demand, except for the amount of RM10,351,133.22 which bears interest ranging from 4% to 6% per annum and is payable within next twelve (12) months in cash and cash equivalents (“**Interest-Bearing Advances**”).

For the avoidance of doubt, the Settlement Sum with Dato’ Ng solely consists of advances owing to him which are unsecured, interest free and repayable on demand.

The breakdown of the advances is detailed as follows:

Period of transaction	Description	Amount (RM)
January 2020 – December 2020	Advances to our Company for partial loan settlement arising from subscription of shares in Capital World Limited	9,342,111
	Advances to our Company for its working capital purposes:	
	(a) Partial repayment to Dato’ Lua	3,700,000
	(b) Staff-related expenses	1,164,012
	Advances to PCSB for payments to contractors in relation to the development and construction of Sekolah Kebangsaan Krubong 2 project	1,919,637
	Advances to PRG Agro for the acquisition of Kelantan Lands	5,640,128
	Interests to Dato’ Ng	173,453

Period of transaction	Description	Amount (RM)
	Foreign exchange gain due to appreciation of RM against HKD	(553,036)
January 2021 – December 2021	Advances to our Company for its working capital purposes: (a) Partial repayment to Dato' Lua (b) Staff-related expenses (c) Fees of professional advisers (i.e. company secretary, investor relations, share registrar and internal auditors)	1,800,000 263,916 347,137
	Advances to PCSB for payment of contractors for the development and construction cost of Sekolah Kebangsaan Krubong 2 project	4,574,135
	Advances to PRG Agro for: (a) payments for trade payables in relation to its agriculture business (b) loan instalment in relation to the acquisition of Kelantan Lands	147,943 1,661,514
	Interests to Dato' Ng	387,414
	Foreign exchange loss due to depreciation of RM against HKD	277,070
January 2022 – December 2022	Advances to PRG Agro for: (a) loan instalment for the acquisition of Kelantan Lands (b) payments for trade payables in relation to its agriculture business	1,746,945 650,000
	Advances to PCSB for payments to contractors in relation to the development and construction of Sekolah Kebangsaan Krubong 2	492,000
	Advances to our Company to fund its staff-related expenses	611,000
	Interests to Dato' Ng	488,847
	Repayment to Dato' Ng via cash	(8,073,350)
	Foreign exchange loss due to depreciation of RM against HKD	523,451
January 2023 – December 2023	Advances to PRG Agro for payments to trade payables in relation to its agriculture business	6,163,804
	Advances to our Company for its working capital purposes: (a) legal fee in relation to the acquisition of Kelantan Lands for drafting of agreement and due diligence (b) statutory expenses such as fees payable to secretary, auditors and tax agent) (c) staff-related expenses	49,758 183,610 859,197
	Interests to Dato' Ng	479,321
	Repayment to Dato' Ng via cash	(2,050,000)
	Foreign exchange loss due to depreciation of RM against HKD	34,616
January 2024 – June 2024	Repayment to Dato' Ng via cash	(6,346,870)
	Interest to Dato' Ng	315,059
	Foreign exchange loss due to depreciation of RM against HKD	22,598
	Total	26,995,420

The remaining debts owing to Dato' Ng shall be repaid and settled by our Company subject to further mutual agreement between our Company and Dato' Ng, after taking into consideration the cash requirements of our Group of which the said source of fund cannot be determined at this juncture.

3.3 Salient terms of Settlement Agreement with Dato' Ng

The Settlement Sum with Dato' Ng will be settled through the issuance of 23,365,800 Settlement Shares to Dato' Ng at the issue price of RM0.2137 each to Dato' Ng and/or any other persons nominated by Dato' Ng to accept and receive on his behalf, as full repayment of the Settlement Sum with Dato' Ng. For the avoidance of doubt, Dato' Ng has not and has no intention to nominate any person to accept and receive the Settlement Shares on behalf of him.

The Settlement Agreement with Dato' Ng is conditional upon the following conditions precedent being fulfilled within the Conditional Period with Dato' Ng:

- (i) our Company having obtained the approval-in-principle of Bursa Securities for the listing of and quotation for the Settlement Shares to Dato' Ng on the Main Market of Bursa Securities; and
- (ii) our Company having obtained approval from the Shareholders for the Proposed Debt Settlement of Dato' Ng.

The Settlement Agreement with Dato' Ng shall become unconditional upon the satisfaction or fulfilment of all the abovementioned conditions precedent. In the event any of the conditions precedent is not satisfied or fulfilled within the Conditional Period with Dato' Ng, either party shall have the option, at its discretion, by notice in writing to the other party to terminate the Settlement Agreement with Dato' Ng.

Upon termination of the Settlement Agreement with Dato' Ng in accordance to the paragraph above, all obligations and liabilities of both parties shall cease to have effect and none of them shall have any claims against the other for costs, damages, compensation or otherwise save for any antecedent breaches, and the Settlement Sum with Dato' Ng owing by our Company to Dato' Ng shall remain outstanding and both parties shall have the liberty to deal with the Settlement Sum with Dato' Ng in the manner as they mutually deem fit.

4. SETTLEMENT SHARES

4.1 Basis and justification for the issue price of the Settlement Shares

Our Board had fixed the issue price of the Settlement Shares at RM0.2137 each, after taking into consideration the following:

- (i) the rationale for the Proposed Debt Settlements as set out in **Part A, Section 6** of this Circular;
- (ii) a discount of approximately 9.98% to the 5-day VWAP of the Shares up to and including the Announcement LPD of RM0.2374 was arrived at after taking into consideration of the following:
 - (a) the negotiation between our Company and the Interested Shareholders as well as the basis in determining the issue price under a general mandate pursuant to Paragraph 6.04(a) of the Listing Requirements whereby shares issued pursuant to general mandate shall not be priced at more than 10% discount to the 5D-VWAP immediately before the price fixing date;
 - (b) the historical share price movement of PRG Shares in the past 12 months prior to the Announcement LPD as shown in **Section 4.1(iii)** below; and
 - (c) the opportunity cost which may potentially arise from the advances from the Interested Shareholders and their support towards our Group as well as potential risk faced by the Interested Shareholders for receiving Settlement Shares as opposed to cash as stated in **Section 4.1(iv)** below;

- (iii) the historical share price movement of PRG Shares in the past 12 months prior to the Announcement LPD ranging from RM0.130 to RM0.255 as follow:



- (iv) the Interested Shareholders' willingness to provide funds to meet our Group's urgent needs at interest free and for a duration of more than 3 years, the market risk of PRG Shares to be assumed by the Interested Shareholders such as economic uncertainties which can be influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of PRG Shares as well as volatility of the general equity markets.

Premised on the above, our Board (save for the Interested Directors) is of the view that the issue price of RM0.2137 per Share is fair and reasonable.

For the avoidance of doubt, the decision to fix the issue price of Settlement Shares upfront instead of closer to date of allotment is to ensure the certainty of potential dilutive effect arising from the Proposed Debt Settlements and after taking into consideration PRG Share price movement as mentioned above.

4.2 Ranking of the Settlement Shares

The Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PRG Shares, save and except that the Settlement 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 our Company, the entitlement date of which is prior to the date of allotment and issuance of the Settlement Shares.

4.3 Take-over implications

The issuance of Settlement Shares to the Interested Shareholders pursuant to the Proposed Debt Settlements will not give rise to any mandatory general offer obligations under the Malaysian Code on Take-overs and Mergers 2016 and the Rules on Take-overs, Mergers and Compulsory Acquisition issued by the Securities Commission Malaysia.

For the avoidance of doubt, based on the outstanding debts of the Interested Shareholders as at 24 August 2023, being the date of latest practicable date prior to entering into the Settlement Agreements of RM7.30 million and RM28.03 million, Dato' Lua or Dato' Ng together with their respective person acting in concerns will not trigger mandatory general offer, in the event of full settlement of amount owing to the Interested Shareholders via issuance Settlement Shares.

5. PREVIOUS FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS

Our Company has not undertaken any other fund-raising exercises in the past 12 months preceding to the LPD.

6. RATIONALE FOR THE PROPOSED DEBT SETTLEMENTS

The Proposed Debt Settlements are intended to partly settle our Group's debts owing to the Interested Shareholders.

Our Board has considered other available options and is of the opinion that the settlement via the issuance of Settlement Shares to the Interested Shareholders is the most appropriate option to settle the outstanding debt, for the following reasons:

- (i) if our Group had taken on bank borrowings to repay its Interested Shareholders:
 - (a) our Group would need to comply with bank borrowing requirements such as pledging its existing assets as collateral, potentially significant covenants being imposed by banks and/or fixed payment schedules which would affect its flexibility as well as control over its assets and cash flow; and
 - (b) our Group would incur miscellaneous fees such as legal fees and stamp duty for loan documentation as well as other processing and administrative fees in addition to interest cost.

As at 31 March 2024, our Group's bank borrowings stood at approximately RM49.0 million;

- (ii) the repayment to its Interested Shareholders via issuance of Settlement Shares is expected to reduce our Group's debt whilst preserving our Group's cash and bank balances. As at 31 March 2024, our Group has cash and bank balances of approximately RM91.5 million which can be utilised for other purposes such as working capital and existing businesses;
- (iii) the issuance of Settlement Shares is expected to further strengthen our Company's equity base as well as the NA and gearing ratio of our Group as a result of the increase in our Company's issued share capital upon the issuance of Settlement Shares as well as the settlement of debts owing to the Interested Shareholders; and
- (iv) the issuance of Settlement Shares is able to increase the equity participation of the Interested Shareholders in our Company, who are also the Directors of our Group (excluding dormant subsidiaries) and enables the Interested Shareholders to provide further commitment to enhance the future financial performance of our Group, which would ultimately benefit all shareholders of our Company.

For the avoidance of doubt, the decision to partially settle the advances from the Interested Shareholders is arrived based on the quantum of repayment demanded by Dato' Lua (being the advances made by Dato' Lua of up to 31 December 2020 of approximately RM21.45 million less repayment by our Group (excluding PRG Land) to Dato' Lua up to 30 June 2023 of RM14.97 million) and Dato' Ng (being 30% of the interest free advances made by Dato' Ng of up to 30 June 2023 of approximately RM4.99 million) as such advances are unsecured, interest free and repayable on demand. Considering that the term of settlement of the advances which is repayable upon the demand of the Interested Shareholders, our Board has agreed with the settlement amount demanded by the Interested Shareholders after taking into consideration, amongst others, the tight cashflow position of our Group and the dilution effect of the issuance of Settlement Shares based on the issued share as at the LPD (i.e., approximately 11.1% based on quantum of repayment demanded by the Interested Shareholders). For information purpose only, in the event of settlement of advances made by the Interested Shareholders as at 30 June 2023 in full via the issuance of Settlement Shares, the dilutive effect would be approximately 27.1%. For the avoidance of doubt, the Interest-Bearing Advances was not formed part of the amount to be settled pursuant to the Proposed Debt Settlement to Dato' Ng as such amount is not remanded by Dato' Ng and the Interest-Bearing Advances are not due for repayment.

For illustrative purposes only, the dilutive effect of shareholdings of non-interested shareholders based on the issued PRG Shares as at the LPD are as follows:

	Shareholdings as at LPD	After the Proposed Debt Settlements
Non-interested shareholders	83.90%	74.62%

Our public shareholding spread is not expected to fall below 25% of our enlarged issued shares after the completion of the Proposed Debt Settlements. For illustrative purpose only, our public shareholding spread after the Proposed Debt Settlements are as follow:

	As at LPD	After the Proposed Debt Settlements	
		Minimum Scenario	Maximum Scenario
Public shareholdings spread	67.56%	60.09%	68.14%

The estimated expenses for the Proposed Debt Settlements of RM280,000 will be funded by our Group via internally-generated funds.

Our Company had relied on the advances from the Interested Shareholders to fund the purposes as detailed in **Part A, Sections 2.2 and 3.2** of this Circular after taking into consideration, among others, the following:

- (i) limited cash available to our Group (excluding Furniweb) since FYE 31 December 2018 as detailed below:

	FYE 31 December 2018 (RM'000)	FYE 31 December 2019 (RM'000)	FYE 31 December 2020 (RM'000)	FYE 31 December 2021 (RM'000)	FYE 31 December 2022 (RM'000)	FYE 31 December 2023 (RM'000)
Cash and cash equivalent	35,079	23,386	34,874	37,741	71,469	101,108
Less:						
Cash held under housing development accounts	(1,224)	(1,818)	(1,949)	(2,464)	(4,253)	(37,091)
Cash held under Furniweb	(32,247)	(21,649)	(32,731)	(34,359)	(59,791)	(57,953)
Balance cash available to our Group (excluding Furniweb)	1,608	(81)	194	918	7,425	6,064

- (ii) adverse impact on our Group's operating cashflows resulted by the outbreak of COVID-19 pandemic and movement control order introduced by the Malaysian Government from 2nd quarter of year 2020 up to the end of year 2021.

7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Overview and outlook of the Malaysian economy

Malaysia's economy in the first quarter of 2024 showed a better performance, with GDP expanded 4.2 per cent as compared to 2.9 per cent in the preceding quarter. In terms of seasonally adjusted, GDP increased by 1.4 per cent (Q4 2023: -1.0%). Throughout this quarter, all sectors on the supply side showed better growth with services and manufacturing sectors continued to propel the overall performance. Meanwhile, private final consumption expenditure and gross fixed capital formation were the main catalysts of the economy on the demand side. During the period, Malaysia's economy at current prices was valued at RM464.8 billion, while at constant prices amounted to RM397.4 billion. Manufacturing sector rebounded in this quarter, registering a growth of 1.9 per cent from a decline of 0.3 per cent in the fourth quarter of 2023. In terms of seasonally adjusted, this sector expanded 2.4 per cent (Q4 2023: -2.0%). The growth was supported by a better performance in non-metallic mineral products, basic metal and fabricated metal products at 7.2 per cent (Q4 2023: 6.2%). Additionally, petroleum, chemical, rubber and plastic products recovered to 1.1 per cent (Q4 2023: -0.6%), followed by wood products, furniture, paper products and printing which increased 4.2 per cent (Q4 2023: 3.8%). Nonetheless, vegetable and animal oils & fats and food processing contracted 0.4 per cent (Q4 2023: 7.2%), influenced by a decrease in the production of vegetable and animal oils & fats.

(Source: Gross Domestic Product First Quarter 2024, Ministry of Economic, Department of Statistics Malaysia)

Going forward, growth of the Malaysian economy will be driven mainly by resilient domestic expenditure, with additional support from exports recovery. Household spending will be supported by sustained growth in employment and wage growth. Tourist arrivals and spending are expected to improve further. Additionally, investment activities will be supported by continued progress of multi-year projects in both the private and public sectors, and augmented by the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments.

The growth outlook faces downside risks from weaker-than-expected external demand, further escalation of geopolitical conflicts and larger declines in commodity production. Nevertheless, greater spillover from the tech upcycle, more robust tourism activities, and faster implementation of new and existing investment projects provide upside to Malaysia's economic outlook.

(Source: BNM Quarterly Bulletin Vol. 39 No. 1 for the First Quarter of 2024, Bank Negara Malaysia)

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities.

On the demand side, growth will be buoyed by strong private sector expenditure and improving global demand. The encouraging performance of private sector is partly due to the Government's deliberate efforts to accelerate a more vibrant and dynamic private sector by providing a conducive business and investment environment, underpinned by the implementation of comprehensive Ekonomi MADANI framework as well as policies and blueprints such as the National Energy Transition Roadmap (NETR) and New Industrial Master Plan 2030 (NIMP 2030). Meanwhile, consumer spending is envisaged to be robust supported by improved labour market conditions.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

7.2 Overview and outlook of the Singaporean economy

The Singapore economy has emerged from the soft patch in 2023. Based on the Ministry of Trade and Industry Singapore's advance estimates, the economy recorded stronger-than-expected growth in fourth quarter last year, extending the upturn in the previous quarter. For the year as a whole, GDP growth is estimated at 1.2%. In tandem with the resilience in external demand, the manufacturing and financial sectors drove the pickup in activity in the fourth quarter. More broadly, there was a further convergence in growth rates among the main economic clusters. The trade-related and modern services sectors gained momentum, while growth in the domestic-oriented and travel-related sectors continued to moderate towards pre-pandemic rates.

Excluding the transitory effects of the increase in the Goods and Services Tax rate, both headline and core inflation are expected to come in at 1.5–2.5%.

Nonetheless, risks to the inflation outlook remain. Shocks to global commodity prices, international shipping costs, or domestic labour costs could bring about additional inflationary pressures. However, an unexpected weakening in the global economy could induce a faster easing of cost and price pressures.

(Source: Recent Economic Developments in Singapore dated 29 January 2024, Monetary Authority in Singapore)

7.3 Overview and outlook of the construction industry

The value of work done in the construction sector continued its upward trajectory in the first quarter of 2024 by recording a notable surge of 14.2 per cent (Q4 2023: 6.8%). The vibrant performance was attributable to the stronger expansion in the civil engineering sub-sector, which was at 24.7 per cent following an 18.0 per cent increase in the preceding quarter. Additionally, the special trades activities and residential building sub-sectors both experienced double-digit increases of 11.8 per cent and 11.5 per cent respectively. In the meantime, the non-residential buildings sub-sector also expanded at a faster pace of 3.8 per cent (Q4 2023: -1.9%).

In the first quarter of 2024, the total work done value reached RM36.8 billion. Out of this total, civil engineering amounted to RM15.1 billion or 41.1 per cent, driven primarily by the construction of roads and railways activity which accounted for RM7.6 billion. Meanwhile, the value of work done for Non-residential buildings and Residential buildings was RM10.2 billion (27.7%) and RM7.8 billion (21.1%), respectively. The Special trade activities made up RM3.7 billion (10.0%), largely in electrical installation (RM1.1 billion); plumbing, heat and air-conditioning installation (RM0.9 billion); and sites preparation (RM0.7 billion) activities.

The private sector remained the main impetus to the growth in this quarter, with an increase of 10.1 per cent (Q4 2023: 1.4%) propelled by civil engineering (13.5%) and residential buildings (12.9%). The value of work done by the private sector amounted to RM21.8 billion or 59.2 per cent of the total construction work done value. On the other hand, the value of work done owned by the public sector reached RM15.0 billion or 40.8 per cent, which maintained its double-digit growth for three consecutive quarters by registering 20.6 per cent in this quarter. The growth was fueled by civil engineering (29.3%) and special trade activities (16.8%), totalling RM11.2 billion and RM1.2 billion, respectively.

(Source: Construction Statistics, First Quarter 2024, Department of Statistics Malaysia)

The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. Thus, the nation's GDP is forecast to expand between 4% – 5% in 2024.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

7.4 Overview and outlook of the energy efficiency industry

The global substantial energy saving market growth is expected to register a compound annual growth rate of 12.03% in 2032. Rising global clean energy demands in industries is a major factor driving market revenue growth. Globally, energy demand is rising owing to rapid industrial and economic activities in developing and developed countries. Several industries are increasing their manufacturing capacity to satisfy consumer as well as industrial demand. According to International Energy Agency, global energy consumption increased by 5%, with fossil fuels, particularly coal. Substantial energy saving is playing pivoting role in providing support in reducing energy cost and carbon footprint.

In addition, technological advancement in energy efficiency is also expected to drive revenue growth of the market. Companies across industrial manufacturing are significantly investing in energy efficiency technology to comply Environment, Social and Governance, standards of industries. Several companies are incorporating deep learning, Conventional Neural Networks, Artificial Neural Network, and Machine Learning techniques-based approaches in energy to enable precise forecasting, benchmarking, building optimization, demand response, and anomaly detection across a global real estate footprint to reduce costs and satisfy sustainability goals.

However, high cost of implementation and shortages in skilled technical workforce are major factors, which could restrain market revenue growth. Implementation of energy efficient technologies are not cost effective in terms of deployment owing to higher cost of product development cost. Also, substantial energy saving involves several technological challenges and skilled manpower is required to implement new devices and technologies.

(Source: Substantial Energy Savings Market, By Product Type, Application, and By Region Forecast to 2032, Emergen Research, published on April 2023.)

Reducing energy consumption through energy efficiency measures is one of the most cost-effective options utilised by the Government in addressing the economic impacts of the rising fuel prices. The National Energy Efficiency Action Plan outlines strategies to encourage efficient use of electricity and promote energy-efficient products among industries and consumers. Meanwhile, the Government Green Procurement initiative has encouraged the utilisation of energy-efficient products as well as other green products and services in government buildings since 2013. In 2021, the Government Green Procurement was valued at approximately RM616.8 million, involving 27 ministries.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

7.5 Prospects of our Group

Our Group is principally involved in manufacturing, property development and construction, agriculture and energy efficiency business while its subsidiary, Furniweb is principally engaged in the manufacturing and sale of elastic textile, webbing, rubber tape and energy efficiency business. 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 is of the intention to shift the focus of its property development and construction segment to undertake projects which are more marketable to consumers in light of the property oversupply condition in Malaysia coupled with the low affordability factor amongst consumers amid a slow economic backdrop due to the impact of the COVID-19 pandemic. Our Group is currently involved in the development of Picasso Residence, a luxury residential project and is in the midst of assessing potential projects that will be initiated at the most suitable time.

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 and Verification Pte Ltd and Measurement and 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 and RM120.55 million in FYE 31 December 2023.

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 had on 27 April 2023 announced that our Company is proposing to undertake the Proposed Disposal and Proposed Diversification.

Our Board intends to expand its revenue stream to include property investment businesses pursuant to the Proposed Diversification. Following the Proposed Disposal, it is anticipated that Furniweb intends to utilise the Properties for property investment purposes (i.e., to collect rental income and for future resale of the Properties).

In view of the outlook of the Malaysian economy, Singaporean economy, construction industry and energy efficiency industry as set out in **Part A, Sections 7.1 to 7.4** of this Circular, the management of our Group is optimistic of the future prospects of our Group moving forward. 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.

8. RISK FACTOR RELATING TO THE PROPOSED DEBT SETTLEMENTS

8.1 Non-completion risk of the Proposed Debt Settlements

The completion of the Proposed Debt Settlements is subject to, amongst others, the fulfilment of the conditions precedent within the period as stipulated in the Settlement Agreements, failing which may result in termination of the Settlement Agreements. As a result of such termination, the debts shall immediately become due and payable by our Company to the Interested Shareholders as and when such repayment is requested by Interested Shareholders under the existing arrangement as previously agreed between the parties. In this respect, our Company will take reasonable steps that are within its control to ensure completion of the Proposed Debt Settlements, including but not limited to closely monitoring the progress of the Proposed Debt Settlements and ensuring timely fulfilment of the conditions precedent within the Conditional Period as stipulated in the Settlement Agreements.

9. EFFECTS OF THE PROPOSED DEBT SETTLEMENTS

9.1 Share capital

The pro forma effects of the Proposed Debt Settlements on our Company's share capital are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD (inclusive of treasury shares)	432,516,856	145,169,148	432,516,856	145,169,148
Assuming full exercise of LTIP Options and LTIP Shares being vested	-	-	22,586,471	3,893,361
Settlement Shares to be issued pursuant to the Proposed Debt Settlement of Dato' Lua	432,516,856 30,333,600	145,169,148 6,482,290	455,103,327 30,333,600	149,062,509 6,482,290
Settlement Shares to be issued pursuant to the Proposed Debt Settlement of Dato' Ng	23,365,800	4,993,271	23,365,800	4,993,271
Enlarged share capital	486,216,256	156,644,710	508,802,727	160,538,071

9.2 NA, NA per Share and gearing

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 Debt Settlements had been effected on that date, the pro forma effects of the Proposed Debt Settlements on the NA, NA per Share and gearing of our Group are as follows:

Minimum Scenario

	(Audited) As at 31 December 2023 RM'000	(I) Subsequent event up to the LPD⁽⁴⁾ RM'000	(II) After the Proposed Debt Settlement of Dato' Lua RM'000	(III) After the Proposed Debt Settlement of Dato' Ng RM'000
Share capital	144,800	145,169	151,651 ⁽⁵⁾	156,645 ⁽⁶⁾
Treasury shares	(87)	(87)	(87)	(87)
Exchange translation reserve	239	239	239	239
Fair value reserve	(28,327)	(28,327)	(28,327)	(28,327)
Share options reserve	724	608	608	608
Retained earnings	42,346	42,346	42,346	42,066 ⁽⁷⁾
NA attributable to the owners of our Company	159,695	159,948	166,430	171,143
Non-controlling interests	96,737	96,737	96,737	96,737
Total equity	256,432	256,685	263,167	267,880
No. of Shares in issue ⁽¹⁾ ('000)	430,666	432,099	462,433 ⁽⁵⁾	485,798 ⁽⁶⁾
NA per Share ⁽²⁾ (RM)	0.37	0.37	0.36	0.35
Total borrowings (RM'000)	45,561	45,561	45,561	45,561
Gearing (times)	0.18	0.18	0.17	0.17
Cash and short-term deposits (RM'000)	101,108	101,108	101,108	101,108
Net gearing ⁽³⁾ (times)	N/A	N/A	N/A	N/A

Notes:

- (1) Excluding 417,800 treasury shares held by our Company.
- (2) Computed based on NA attributable to the owners of our Company divided by the number of Shares in issue.
- (3) Computed based on total net borrowings divided by total equity.
- (4) After taking into consideration of:
 - (i) the exercise of 1,157,663 LTIP Options at exercise price of RM0.179 per PRG Share; and
 - (ii) the exercise of 275,118 LTIP Options at exercise price of RM0.165 per PRG Share.
- (5) After the issuance of 30,333,600 Settlement Shares at RM0.2137 each.
- (6) After the issuance of 23,365,800 Settlement Shares at RM0.2137 each.
- (7) After deducting estimated expenses of RM280,000 in relation to the Proposed Debt Settlements.

[The rest of this page has been intentionally left blank]

Maximum Scenario

	(Audited)	(I)	(I)	(II)	(III)
	As at 31 December 2023 RM'000	Subsequent event up to the LPD ⁽⁴⁾ RM'000	Assuming full exercise of LTIP Options RM'000	After the Proposed Debt Settlement of Dato' Lua RM'000	After the Proposed Debt Settlement of Dato' Ng RM'000
Share capital	144,800	145,169	150,394 ⁽⁵⁾	156,876 ⁽⁶⁾	161,870 ⁽⁷⁾
Treasury shares	(87)	(87)	(87)	(87)	(87)
Exchange translation reserve	239	239	239	239	239
Fair value reserve	(28,327)	(28,327)	(28,327)	(28,327)	(28,327)
Share options reserve	724	608	-	-	-
Retained earnings	42,346	42,346	42,346	42,346	42,066 ⁽⁸⁾
NA attributable to the owners of our Company	159,695	159,948	164,565	171,047	175,761
Non-controlling interests	96,737	96,737	96,737	96,737	96,737
Total equity	256,432	256,685	261,302	267,784	272,498
No. of Shares in issue ⁽¹⁾ ('000)	430,666	432,099	454,685 ⁽⁵⁾	485,019 ⁽⁶⁾	508,385 ⁽⁷⁾
NA per Share ⁽²⁾ (RM)	0.37	0.37	0.36	0.35	0.35
Total borrowings (RM'000)	45,561	45,561	45,561	45,561	45,561
Gearing (times)	0.18	0.18	0.17	0.17	0.17
Cash and short-term deposits (RM'000)	101,108	101,108	104,558	104,558	104,558
Net gearing ⁽³⁾ (times)	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Excluding 417,800 treasury shares held by our Company.
- (2) Computed based on NA attributable to the owners of our Company divided by the number of Shares in issue.
- (3) Computed based on total net borrowings divided by total equity.
- (4) After taking into consideration of:
 - (i) the exercise of 1,157,663 LTIP Options at exercise price of RM0.179 per PRG Share; and
 - (ii) the exercise of 275,118 LTIP Options at exercise price of RM0.165 per PRG Share.
- (5) Assuming full exercise of the following:
 - (i) 15,612,119 outstanding LTIP Options into 15,612,119 new Shares with the exercise price of RM0.165 each;
 - (ii) 4,880,652 outstanding LTIP Options into 4,880,652 new Shares with the exercise price of RM0.179 each;
 - (iii) 161,900 outstanding LTIP Shares being vested into 161,900 new Shares at RM0.235 each; and
 - (iv) 1,931,800 outstanding LTIP Shares being vested into 1,931,800 new Shares at RM0.210 each.
- (6) After the issuance of 30,333,600 Settlement Shares at RM0.2137 each.
- (7) After the issuance of 23,365,800 Settlement Shares at RM0.2137 each.
- (8) After deducting estimated expenses of RM280,000 in relation to the Proposed Debt Settlement.

9.3 EPS

The Proposed Debt Settlements are not expected to have any material effect on our Group's earnings for the FYE 31 December 2023. The EPS of our Group is expected to be diluted as a result of the increase in the number of issued PRG Shares upon issuance of the Settlement Shares.

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 Debt Settlements had been effected on 1 January 2023, the pro forma effects of the Proposed Debt Settlements on the consolidated earnings of our Company and EPS are as follows:

Minimum Scenario

	(Audited) As at 31 December 2023	(I) After the Proposed Debt Settlements
Profit after tax attributable to owners of our Company (RM'000)	(11,375)	(11,655) ⁽²⁾
Number of PRG Shares in issued ('000)	430,666	485,798
Earnings per Share ⁽¹⁾ (sen)	(2.64)	(2.40)

Maximum Scenario

	(Audited) As at 31 December 2023	(I) Assuming full exercise of LTIP Options
Profit after tax attributable to owners of our Company (RM'000)	(11,375)	(11,375)
Number of PRG Shares in issued ('000)	430,666	454,685
Earnings per Share ⁽¹⁾ (sen)	(2.64)	(2.50)

	(II) After (I) and the Proposed Debt Settlements
Profit after tax attributable to owners of our Company (RM'000)	(11,655) ⁽²⁾
Number of PRG Shares in issued ('000)	508,385
Earnings per Share ⁽¹⁾ (sen)	(2.29)

Notes:

- (1) Computed based on audited profit after tax attributable to owners of PRG divided by number of PRG Shares in issue.
- (2) After deducting estimated expenses of RM280,000 in relation to the Proposed Debt Settlements.

9.4 Substantial shareholders' shareholdings

For illustrative purposes, the pro forma effects of the Proposed Debt Settlements on the substantial shareholders' shareholdings in our Company as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD				(I) After the Proposed Debt Settlement of Dato' Lua			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dato' Ng	56,863,027	13.16	2,178,600	0.50	56,863,027	12.30	2,178,600	0.47
Wang Jing	28,232,800	6.53	-	-	28,232,800	6.11	-	-

Name	(II) After (I) and the Proposed Debt Settlement of Dato' Ng			
	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dato' Ng	80,228,827	16.51	2,178,600	0.45
Wang Jing	28,232,800	5.81	-	-

Maximum Scenario

Name	As at the LPD				(I) Assuming full exercise of LTIP			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dato' Ng	56,863,027	13.16	2,178,600	0.50	57,701,163 ⁽²⁾	12.69	2,178,600	0.48
Wang Jing	28,232,800	6.53	-	-	28,232,800	6.21	-	-

Name	(II) After (I) and the Proposed Debt Settlement of Dato' Lua				(III) After (II) and the Proposed Settlement of Dato' Ng			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dato' Ng	57,701,163	11.90	2,178,600	0.45	81,066,963	15.95	2,178,600	0.43
Wang Jing	28,232,800	5.82	-	-	28,232,800	5.55	-	-

Notes:

- (1) Excluding treasury shares.
(2) Assuming full exercise of 262,509 LTIP Options held by Dato' Ng as at the LPD.

9.5 Convertible securities

As at the LPD, save for 20,492,771 LTIP Options which are exercisable into new PRG Shares and 2,093,700 LTIP Shares pending vesting, our Company does not have any outstanding convertible securities.

[The rest of this page has been intentionally left blank]

10. HISTORICAL FINANCIAL PERFORMANCE OF OUR GROUP

The audited revenue and profit before tax of our Group for the audited FYE 31 December 2021 to FYE 31 December 2023 are as follows:

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

Commentaries:

(i) FPE 31 March 2024 vs FPE 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 ESGL and its subsidiaries becoming 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).

11. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of the PRG Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
<u>2023</u>		
July	0.245	0.200
August	0.255	0.200
September	0.225	0.195
October	0.210	0.180
November	0.200	0.175
December	0.180	0.155
<u>2024</u>		
January	0.180	0.155
February	0.165	0.155
March	0.155	0.130
April	0.150	0.130
May	0.155	0.135
June	0.185	0.135

The last transacted market price of the PRG Shares on 24 August 2023 (being the last trading date prior to the Announcement) was RM0.235.

The last transacted market price of the PRG Shares on 28 June 2024 (being the LPD) was RM0.17.

(Source: Bloomberg Finance L.P.)

12. APPROVALS REQUIRED

The Proposed Debt Settlements are subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the Settlement Shares on the Main Market of Bursa Securities in relation to the Proposed Debt Settlements, which was obtained through its letter dated 1 July 2024.

The approval of Bursa Securities for the Proposed Debt Settlements is subject to the following conditions:

	Conditions	Status of compliance
(a)	PRG and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Debt Settlements;	To be complied
(b)	PRG is required to furnish Bursa Securities with a certified true copy of the resolutions passed by its shareholders at a general meeting for the Proposed Debt Settlements;	To be complied

	Conditions	Status of compliance
(c)	TA Securities and PRG are required to inform Bursa Securities upon the completion of the Proposed Debt Settlements; and	To be complied
(d)	PRG is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Debt Settlements are completed.	To be complied

(ii) the shareholders of our Company at the EGM II to be convened.

The Proposed Debt Settlement of Dato' Lua and Proposed Debt Settlement of Dato' Ng are not inter-conditional upon each other. In addition, the Proposed Debt Settlements are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

13. CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

Save for this Proposed Debt Settlements, the Proposed Disposal and the Proposed Diversification, our Board is not aware of any corporate exercise which was announced but not yet completed prior to the printing of this Circular.

14. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Debt Settlement of Dato' Lua pursuant to Paragraph 10.02(g)(iii) of the Listing Requirement, being the Settlement Sum with Dato' Lua against the market capitalisation of our Company as at the Announcement LPD is 6.35%.

Whilst the highest percentage ratio applicable for the Proposed Debt Settlement of Dato' Ng pursuant to Paragraph 10.02(g)(iii) of the Listing Requirement, being the Settlement Sum with Dato' Ng against the market capitalisation of our Company as at the Announcement LPD is 4.89%.

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

Save for Dato' Lua, the Group Executive Vice Chairman of our Company and the spouse of Dato' Lua, who are deemed interested in the Proposed Debt Settlement of Dato' Lua, none of the other directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposed Debt Settlement of Dato' Lua.

Save for Dato' Ng, a Major Shareholder of our Company and the Director of ESG (an indirect wholly owned subsidiary of our Company), Ng Tzee Penn, being the Executive Director of our Company, who is the son of Dato' Ng and Andrew Chan Lim-Fai, the Group Managing Director of our Company and Executive Director of Furniweb being the son-in-law of Dato' Ng, who are deemed interested in the Proposed Debt Settlement of Dato' Ng, none of the other directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposed Debt Settlement of Dato' Ng.

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

Name	Direct		Indirect	
	No. of PRG Shares	% ⁽¹⁾	No. of PRG Shares	% ⁽¹⁾
<u>Directors of our Company</u>				
Dato' Lua	10,234,291	2.37	300,000 ⁽²⁾	0.07
Andrew Chan Lim-Fai	-	-	-	-
Dato' Wee Cheng Kwan	11,494,079	2.66	-	-
Lim Chee Hoong	154,000	0.04	134,000 ⁽²⁾	0.03
Ng Tzee Penn	-	-	-	-
Ji Haitao	1,417,000	0.33	-	-
Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim	275,800	0.06	-	-
Datin Arlina Binti Ariff	-	-	-	-
Ng Khang Chyi	2,206,000	0.51	-	-
Joyce Tan Soo Yuen	-	-	-	-
<u>Director of ESGL</u>				
Dato' Ng	56,863,027	13.16	2,178,600 ⁽³⁾	0.50

Notes:

- (1) Excluding treasury shares.
- (2) Deemed interested by virtue of their spouse's shareholdings, pursuant to Section 59 of Act.
- (3) Deemed interested by virtue of his shareholdings in Kenanga Nominees (Asing) Sdn Bhd Exempt An for Guotai Junan Securities (Hong Kong) Limited, pursuant to Section 8 of the Act.

In view of the above, the Interested Directors have abstained and will continue to abstain from deliberating and voting, expressing an opinion and making any recommendations at all relevant Board meetings in respect of the Proposed Debt Settlement of Dato' Lua and Proposed Debt Settlement of Dato' Ng, respectively.

Further, the Interested Shareholders and the Interested Directors will abstain 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 Proposed Debt Settlement of Dato' Lua and Proposed Debt Settlement of Dato' Ng, respectively, to be tabled at the EGM II to be convened.

16. TRANSACTION WITH THE SAME RELATED PARTIES

Save for the Proposed Disposal, there was no other transaction between our Company and the Interested Shareholders in the 12 months preceding the date of this Circular.

17. DIRECTORS' STATEMENT

Our Board (save for the Interested Directors) is of the opinion that the Proposed Debt Settlements 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, our Board (save for the Interested Directors) has considered various factors including the evaluation of the Independent Adviser, the terms and conditions of the Settlement Agreements as well as the rationale and effects of the Proposed Debt Settlements.

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

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

18. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The Audit and Risk Management Committee is of the opinion that the Proposed Debt Settlements 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 of the Independent Adviser, the terms and conditions of the Settlement Agreements as well as the rationale and effects of the Proposed Debt Settlements.

19. TENTATIVE TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals set out in **Part A, Section 12** of this Circular being obtained and the fulfilment of all the conditions precedent set out in the Settlement Agreements, our Board expects the Proposed Debt Settlements to be completed in the 4th quarter of 2024.

20. ADVISERS

TA Securities has been appointed as the Principal Adviser to our Company for the Proposed Debt Settlements.

In view of the interests of the Interested Shareholders and Interested Directors, the Proposed Debt Settlements are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, AER has been appointed to act as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of our Company in respect of the Proposed Debt Settlements.

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

- (i) whether the Proposed Debt Settlements are fair and reasonable insofar as the non-interested shareholders are concerned;
- (ii) whether the Proposed Debt Settlements 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 Proposed Debt Settlements.

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

21. EGM

The EGM II, 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 10.30 a.m. or immediately after the conclusion or adjournment of the EGM scheduled to be held on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposed Debt Settlements.

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

If shareholders are unable to participate and vote at the EGM II, 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 II. The lodging of the Form of Proxy will not preclude shareholders from participating and voting at the EGM II if they subsequently wish to do so.

22. FURTHER INFORMATION

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

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

DATO' WEE CHENG KWAN
Managing Director – Property & Construction

PART B

**INDEPENDENT ADVICE LETTER FROM AER TO THE NON-INTERESTED SHAREHOLDERS
OF PRG IN RELATION TO THE PROPOSED DEBT SETTLEMENTS**

EXECUTIVE SUMMARY

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. 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 Asia Equity Research Sdn Bhd (“AER”), being the Independent Adviser for the Proposed Debt Settlements.

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 Debt Settlements. 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 Debt Settlements, before voting on the resolution pertaining to the Proposed Debt Settlements at the forthcoming EGM II.

1. INTRODUCTION

On 25 August 2023, TA Securities had on behalf of the Board, announced that the Company had entered into a Settlement Agreement with Dato’ Lua and a Settlement Agreement with Dato’ Ng for the proposed partial settlements of amount owing by your Company to Dato’ Lua and Dato’ Ng amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new Settlement Shares and RM4,993,271.46 to be satisfied via issuance of 23,365,800 Settlement Shares respectively.

Interested Shareholders	Amount owing as at 30 June 2023 ¹ , RM	Amount to be settled, RM	Amount outstanding after Proposed Debt Settlements, RM	No. of Settlement Shares to be issued
Dato’ Lua	7,501,915.31	6,482,290.32	1,019,624.99	30,333,600
Dato’ Ng	26,695,375.87	4,993,271.46	21,702,104.41	23,365,800
Total	34,197,291.18	11,475,561.78	22,721,729.40	53,699,400

1. The cut-off date of 30 June 2023 was mutually agreed upon as the suitable date to determine the respective outstanding sums.

As extracted from the announcement dated 25 August 2023, Dato’ Lua holds 32,322,800 PRG Shares (7.53% equity interest in the Company) and 981,453 LTIP Options with an indirect equity interest of 300,000 PRG Shares (0.07% equity interest in the Company). As at the LPD, Dato’ Lua holds 10,234,291 PRG Shares (2.37% equity interest in the Company) and 889,162 LTIP Options with an indirect equity interest of 300,000 PRG Shares (0.07% equity interest in the Company).

As extracted from the announcement dated 25 August 2023, Dato’ Ng holds 56,797,400 Shares (13.22% equity interest in the Company) and 838,136 LTIP Options with an indirect equity interest of 2,178,600 Shares (0.51% equity interest in the Company). As at the LPD, Dato’ Ng holds 56,863,027 Shares (13.16% equity interest in the Company) and 262,509 LTIP Options with an indirect equity interest of 2,178,600 Shares (0.50% equity interest in the Company).

The Proposed Debt Settlements are deemed a related party transaction pursuant to Paragraph 10.08(2) of the Listing Requirement as disclosed in Section 15 of Part A of this Circular.

Accordingly, AER has been appointed as the Independent Adviser to advise the non-interested shareholders in relation to the Proposed Debt Settlements on whether the Proposed Debt Settlements are fair and reasonable and whether they are to the detriment of the non-interested shareholders.

The Board had appointed AER on 3 August 2023, as the Independent Adviser to advise the non-interested shareholders of the Company in relation to the Proposed Debt Settlements, that involves the interest of the Interested Major Shareholder, to provide the non-interested shareholders with:

- (i) comments as to: -

EXECUTIVE SUMMARY

- (a) whether the Proposed Debt Settlements, that involves the Interested Major Shareholder, is fair and reasonable as far as the non-interested shareholders are concerned; and
- (b) whether the Proposed Debt Settlements, is detrimental to the interest of the minority shareholders; and

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

- (ii) advise minority shareholders on whether they should vote in favour of the Proposed Debt Settlements; 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 DEBT SETTLEMENTS

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

Section in the IAL	Area of evaluation	AER's comments
Section 6.1	Evaluation of the advances and the nature of the advances made by Dato' Lua to your Company from the period of January 2018 to December 2023	<p>Total Advances We noted that the Dato' Lua had made a total cash advance of RM22,783,139 between the period from January 2018 to December 2023.</p> <p>The advances were made for working capital requirements, partial loan settlement and also the acquisition of two pieces of land in Kelantan.</p> <p>Total Repayment Total repayment to Dato' Lua by the Company was RM15,781,224 between the period from January 2018 to December 2023.</p> <p>Net Balance The net amount balance owing by the Company to Dato' Lua as at 30 June 2024 was RM7,001,915.</p> <p>Interest There is no interest being charged by Dato' Lua for the advances made.</p> <p>For FYE 31 December 2018, FYE 31 December 2019, and FYE 31 December 2020, the Company had been reporting annual Loss After Tax attributable to owners ("LAT") of RM8,978,000, RM49,684,000 and RM12,793,000 respectively. Generally, for a company with consecutive past historical losses, there will be difficulty in raising money from financial institutions.</p> <p>We conclude that the advances by Dato' Lua to the Company is <u>reasonable</u>.</p>

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's comments
Section 6.2	Evaluation of the advances and the nature of the advances made by Dato' Ng to your Company from the period of January 2020 to June 2024	<p>Total Advances We noted that Dato' Ng had made a total cash advance of RM41,316,847, between the period from January 2020 to June 2024.</p> <p>The advances were made for working capital requirements, partial loan settlement and also for the acquisition of two pieces of land in Kelantan.</p> <p>Total Repayment Total repayment to Dato' Ng by the Company was RM16,470,220 between the period from January 2020 to June 2024.</p> <p>Interest As at 30 June 2024, the Group had received financial support amounting to RM41,316,847 from Dato' Ng in the form of cash advances which were unsecured, interest free and repayable on demand, except for the amount of RM10,351,133 which bears interest ranging from 4% and 6% per annum and is payable within next twelve (12) months in cash and cash equivalents.</p> <p>Aggregate interest being charged by Dato' Ng for the advances made was RM1,844,094.</p> <p>Foreign currency loss An aggregate realised foreign currency exchange loss of RM304,699 arising from the settlement sum is high due to the depreciation of RM relative to HKD, at the time of cash repayment.</p> <p>Net Balance The net amount balance owing by the Company to Dato' Ng based on the cut-off date was RM26,995,420.</p> <p>For FYE 31 December 2020, and FYE 31 December 2021, we noted that the Company had been reporting annual losses after tax of RM12,793,000 and RM1,853,000 respectively. For FYE 31 December 2022, the Company reported a PAT of RM19,483,000. We noted that the advances were made at the time when the Company reported historical losses except for FYE 31 December 2022. Generally, for a company with consecutive past historical losses, there will be difficulty in raising money from financial institutions.</p> <p>We conclude that the advances by Dato' Ng to the Company is <u>reasonable</u>.</p>

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's comments
Section 6.3	Rationale for the Proposed Debt Settlements	<p>The Proposed Debt Settlements will reduce the Group's liabilities whilst preserving the Group's cash and bank balances which can be used for other purposes such as working capital and administrative expenses.</p> <p>If your Company had taken on bank borrowings to repay its Interested Shareholders, your Group would need to comply with bank borrowing requirements such as pledging its existing assets as collateral, potentially significant covenants being imposed by banks and/or fixed payment schedules which would affect its flexibility as well as control over its assets and cash flow and the transaction cost such as legal fees and stamp duty for loan documentation as well as other processing and administrative fees in addition to interest cost.</p> <p>The Proposed Debt Settlements shall provide a larger equity base which allows the Company to have a higher capacity to borrow in the future for future funding requirements.</p> <p>The Proposed Debt Settlements will avoid the need to incur additional borrowings (if borrowing is chosen as an option instead) and thereon shall avoid any increase in future financing cost.</p> <p>For all the above reasons, we conclude that the rationale by the Board is reasonable and not detrimental to the non-interested shareholders.</p>

The remainder of this page is left blank intentionally.

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's comments
Section 6.4	Basis of determining and justification for the issue price of the Settlement Shares	<p>(i) Comparison between issue price and past 24 months share prices.</p> <p>We noted that the issue price of RM0.2137 is within the range of PRG share price for the past 24 months prior to the 25 August 2023, ranging of between RM0.130 to RM0.255 per share.</p> <p>(ii) Comparison between issue price of RM0.2137 and the historical VWAP up to 24 August 2023.</p> <p>We noted that the issue price of RM0.2137 represents a discount of 9.98%, 5.61%, 4.26%, 2.55% 0.47% over 5 days VWAP, 30 days VWAP, 60 days VWAP, 90 days VWAP and 180 days VWAP respectively determined on 24 August 2023, being one day preceding to the date of the Settlement Agreements.</p> <p>The issue price of RM0.2137 represents a premium of 1.81% over 360 days VWAP determined on 24 August 2023, being one day preceding to the date of the Settlement Agreements.</p> <p>The issue price with a discount of less than 10% is common in commercial practice.</p> <p>For all the above reasons, we conclude that the issue price of RM0.2137 per share is fair, reasonable and not detrimental to the non-interested shareholders.</p>

Section in the IAL	Area of evaluation	AER's comments
Section 6.5	Salient terms of the Settlement Agreements	<p>We also reviewed the salient terms of the Settlement Agreements such as the condition precedents, rights to terminate the Settlement Agreement and manner of fixing the issue price. We conclude that the salient terms of the Settlement Agreements are reasonable and not detrimental to the non-interested shareholders.</p>

The remainder of this page is left blank intentionally.

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's comments
Section 6.6	Effects of the Proposed Debt Settlements on direct substantial holders shareholdings	<p>Dato Ng's direct shareholding shall increase from 13.16% (as at LPD) to 16.51% and 15.95% upon completion of the Proposed Debt Settlements, in the minimum and maximum scenario respectively.</p> <p>The shareholdings of other substantial shareholders shall be diluted as a result of the Proposed Debt Settlements.</p>

Section in the IAL	Area of evaluation	AER's comments
Section 6.7	Effects of the Proposed Debt Settlements on NA, gearing, earnings and EPS of PRG	<p>Effects on NA The Proposed Debt Settlements has a dilutive effect of reducing the NA per Share from RM0.36 per share (based on audited financial statements as at 31 December 2023 after assuming all the LTIP Options are exercised) to RM0.35 per share under both the minimum and maximum scenarios, upon completion of the Proposed Debt Settlements.</p> <p>The estimated expenses for the Proposed Debt Settlements is RM280,000.</p> <p>Effects on gearing As at 31 December 2023, total borrowings of PRG stood at RM45,561,000. The Proposed Debt Settlements has the effect of reducing the gearing with a larger equity base.</p> <p>Effects on Earnings The Proposed Debt Settlements shall have no material effects on the earnings.</p> <p>Effects on EPS The Proposed Debt Settlements is expected to reduce the EPS as a result of increasing number of Shares in the Company.</p> <p>We conclude that as an overall, the effects of NA, gearing, earnings and EPS on the Company are reasonable and not detrimental to the non-interested shareholders.</p>

Section in the IAL	Area of evaluation	AER's comments
Section 6.8	Risk Factors Non-Completion of the Proposed Debt Settlements	<p>The non-completion of the Proposed Debt Settlements shall immediately become due and payable by the Company to the Interested Shareholders as and when such repayment is requested by Interested Shareholders under the existing arrangement as previously agreed between the parties.</p> <p>We noted that the Board shall take reasonable steps to ensure completion of the Proposed Debt Settlements ensuring timely fulfilment of the conditions precedent within the cut-off date as stipulated in the Settlement Agreements.</p> <p>We conclude that the risk factors and mitigation plans by the Company are reasonable and not detrimental to the non-interested shareholders.</p>

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Debt Settlements 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 Debt Settlements 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 Debt Settlements and based on the information made available to us, we are of the opinion that the Proposed Debt Settlements are **fair and reasonable** insofar as the non-interested shareholders are concerned and it is **not detrimental** to the minority shareholders.

Accordingly, we recommend the non-interested shareholders to **vote in favour** of the ordinary resolution pertaining to the Proposed Debt Settlements that is to be tabled at the Company's forthcoming EGM II.

The remainder of this page is left blank intentionally.

**ASIA EQUITY RESEARCH SDN BHD**

Registration No.: 201401027762 (1103848-M)

(License Number: eCMSL/A0330/2015)

Licensed to provide advisory services in corporate finance and investment advice

Registered Office:-

46-3 Jalan PJU 8/5B

Damansara Perdana

47820 Petaling Jaya

Email: contact@aer.financeWebsite: www.aer.finance**22 July 2024****To: The non-interested shareholders**

Dear Sir/Madam,

PRG BERHAD**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED DEBT SETTLEMENTS THAT INVOLVES THE INTEREST OF THE INTERESTED MAJOR SHAREHOLDERS****1. INTRODUCTION**

On 25 August 2023, TA Securities had on behalf of the Board, announced that the Company had entered into Settlement Agreement with Dato' Lua and Settlement Agreement with Dato' Ng for the proposed partial settlements of amount owing by your Company to Dato' Lua and Dato' Ng amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new Settlement Shares and RM4,993,271.46 to be satisfied via issuance of 23,365,800 Settlement Shares respectively.

Interested Shareholders	Amount owing as at 30 June 2023¹, RM	Amount to be settled, RM	Amount outstanding after Proposed Debt Settlements, RM	No. of Settlement Shares to be issued
Dato' Lua	7,501,915.31	6,482,290.32	1,019,624.99	30,333,600
Dato' Ng	26,695,375.87	4,993,271.46	21,702,104.41	23,365,800
Total	34,197,291.18	11,475,561.78	22,721,729.40	53,699,400

¹ The cut-off date of 30 June 2023 was mutually agreed upon as the suitable date to determine the respective outstanding sums.

As extracted from the announcement dated 25 August 2023, Dato' Lua holds 32,322,800 PRG Shares (7.53% equity interest in the Company) and 981,453 LTIP Options with an indirect equity interest of 300,000 PRG Shares (0.07% equity interest in the Company). As at the LPD, Dato' Lua holds 10,234,291 PRG Shares (2.37% equity interest in the Company) and 889,162 LTIP Options with an indirect equity interest of 300,000 PRG Shares (0.07% equity interest in the Company).

As extracted from the announcement dated 25 August 2023, Dato' Ng holds 56,797,400 Shares (13.22% equity interest in the Company) and 838,136 LTIP Options with an indirect equity interest of 2,178,600 Shares (0.51% equity interest in the Company). As at the LPD, Dato' Ng holds 56,863,027 Shares (13.16% equity interest in the Company) and 262,509 LTIP Options with an indirect equity interest of 2,178,600 Shares (0.50% equity interest in the Company).

The Proposed Debt Settlements is deemed a related party transaction pursuant to Paragraph 10.08(2) of the Listing Requirement in view of the interest of the Interested Major Shareholder of the Company, as disclosed in Section 15 of Part A of this Circular.

Accordingly, the Board had appointed AER on 3 August 2023, as the Independent Adviser to advise the non-interested shareholders in relation to the Proposed Debt Settlements that involves the interest of the Interested Major Shareholders, to provide the non-interested shareholders with:

- (i) comments as to: -
 - (a) whether the Proposed Debt Settlements, that involves the Interested Major Shareholders, is fair and reasonable as far as the non-interested shareholders are concerned; and
 - (b) whether the Proposed Debt Settlements, is detrimental to the interest of the minority shareholders; and

our opinion with reasons for the key assumptions made and the factors taken into consideration in forming our opinion;
- (ii) advise minority shareholders on whether they should vote in favour of the Proposed Debt Settlements; 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.

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 DEBT SETTLEMENTS AT THE FORTHCOMING EGM II 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 DEBT SETTLEMENTS, TO BE TABLED AT THE FORTHCOMING EGM II.

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:

- (a) Proposed disposal by PRG Holdings Berhad (“PRG”) of 50 units of condominiums to PRG Land Sdn Bhd, a wholly-owned subsidiary of Furniweb Holdings Limited (“Furniweb”) which is a 50.45% owned subsidiary of PRG for a total consideration of RM61,982,000 to be satisfied by cash and new ordinary shares of Furniweb at an issue price of HKD0.30 each, in which the independent letter was issued on 12 July 2024.
- (b) 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 RM1 and the waiver of trade receivables owing by Lunas to BHIC and its relevant subsidiaries for the amount of approximately RM334.76 million, in which the independent advice letter was issued on 18 April 2024.

- (c) 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 RM3,324,902 in which the independent advice letter was issued on 15 May 2024.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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 non-interested shareholders of Euro Holdings Bhd where the independent advice letter was issued and dated 13 April 2023.
- (j) 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 non-interested shareholders of Nexgram Holdings Bhd where the independent advice letter was issued and dated 7 March 2023.
- (k) 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.
- (l) 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 Listing Requirements 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 Debt Settlements.

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 Debt Settlements.

4. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSED DEBT SETTLEMENTS

We were previously appointed on 13 March 2023, for acting as an Independent Adviser, in respect of a proposed disposal by PRG of 50 units of condominiums to PRG Land Sdn Bhd, a wholly-owned subsidiary of Furniweb Holdings Limited (“Furniweb”) which is a 50.45% owned subsidiary of PRG for a total consideration of RM61,982,000 to be satisfied by cash consideration of RM 7,437,840 and issuance of 321,756,000 new ordinary shares of Furniweb at an issue price of HKD0.30 each, in which, the independent letter was issued on 12 July 2024 (“**Previous Engagement**”). In the past two (2) years prior to the date of this IAL, except for the Previous Engagement, 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 engagements, 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 Board and management of PRG;
- (c) discussions and consultations with the management of PRG on 7 August 2023, 20 September 2023, 27 September 2023 and 2 October 2023;
- (d) a copy of the Settlement Agreement with Dato’ Lua;
- (e) a copy of the Settlement Agreement with Dato’ Ng;
- (f) 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 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 Debt Settlements (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 Debt Settlements, 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 the management of PRG 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 Debt Settlements 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 Debt Settlements. Comments or points of consideration which may be commercially oriented such as the rationale, financial effects, potential benefits, and prospects of the Proposed Debt Settlements 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 Debt Settlements.
- (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 non-interested 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 non-interested 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 Debt Settlements 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 DEBT SETTLEMENTS WHICH INVOLVE THE INTEREST OF THE INTERESTED SHAREHOLDERS OF PRG

The summary of the Proposed Debt Settlements, extracted from Part A of this Circular.

Summarised by AER on the Proposed Debt Settlements
--

5.1 Proposed Debt Settlements

On 25 August 2023, TA Securities had on behalf of the Board, announced that the Company had entered into a Settlement Agreement with Dato' Lua and a Settlement Agreement with Dato' Ng for the proposed partial settlements of amount owing by your Company to Dato' Lua and Dato' Ng amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new Settlement Shares and RM4,993,271.46 to be satisfied via issuance of 23,365,800 Settlement Shares respectively. The issue price is RM0.2137 per share.

Interested Shareholders	Amount owing as at 30 June 2023 ¹ , RM	Amount to be settled, RM	Amount outstanding after Proposed Debt Settlements, RM	No. of Settlement Shares to be issued
Dato' Lua	7,501,915.31	6,482,290.32	1,019,624.99	30,333,600
Dato' Ng	26,695,375.87	4,993,271.46	21,702,104.41	23,365,800
Total	34,197,291.18	11,475,561.78	22,721,729.40	53,699,400

¹ The cut-off date of 30 June 2023 was mutually agreed upon as the suitable date to determine the respective outstanding sums.

As extracted from the announcement dated 25 August 2023, Dato' Lua holds 32,322,800 PRG Shares (7.53% equity interest in the Company) and 981,453 LTIP Options with an indirect equity interest of 300,000 PRG Shares (0.07% equity interest in the Company).

As at the LPD, Dato' Lua holds 10,234,291 PRG Shares (2.37% equity interest in the Company) and 889,162 LTIP Options with an indirect equity interest of 300,000 PRG Shares (0.07% equity interest in the Company).

As extracted from the announcement dated 25 August 2023, Dato' Ng holds 56,797,400 Shares (13.22% equity interest in the Company) and 838,136 LTIP Options with an indirect equity interest of 2,178,600 Shares (0.51% equity interest in the Company).

As at the LPD, Dato' Ng holds 56,863,027 Shares (13.16% equity interest in the Company) and 262,509 LTIP Options with an indirect equity interest of 2,178,600 Shares (0.50% equity interest in the Company).

5.2a) Nature of debt owing to Dato' Lua

As extracted from **Section 2.2**, Part A of this Circular:-

As at 30 June 2024, the Group had received financial support amounting to RM7,001,915.31 from Dato' Lua in the form of cash advances. The advances provided were unsecured, interest free and repayable on demand.

5.2b) Nature of debt owing to Dato' Ng

As extracted from **Section 3.2**, Part A of this Circular:-

As at 30 June 2024, our Group had received financial support amounting to RM26,695,420.22 from Dato' Ng in the form of cash advances. The advances provided were unsecured, interest free and repayable on demand, except for the amount of RM10,351,133.22 which bears interest ranging from 4% to 6% per annum and is payable within next twelve (12) months in cash and cash equivalents ("Interest-Bearing Advances").

5.3a) Salient terms of the Settlement Agreement with Dato' Lua

As extracted from **Section 2.3**, Part A of this Circular:-

The Settlement Agreement with Dato' Lua is conditional upon the following conditions precedent being fulfilled within the Conditional Period with Dato' Lua:

- (i) our Company having obtained the approval-in-principle of Bursa Securities for the listing of and quotation for the Settlement Shares to Dato' Lua on the Main Market of Bursa Securities; and*
- (ii) our Company having obtained approval from the shareholders of our Company for the Proposed Debt Settlement of Dato' Lua.*

The Settlement Agreement with Dato' Lua shall become unconditional upon the satisfaction or fulfilment of all the abovementioned conditions precedent. In the event any of the conditions precedent is not satisfied or fulfilled within the Conditional Period with Dato' Lua, either party shall have the option, at its discretion, by notice in writing to the other party to terminate the Settlement Agreement with Dato' Lua.

Upon termination of the Settlement Agreement, owing by the Company to Dato' Lua shall remain outstanding and both PRG and Dato' Lua, shall have the liberty to deal with the Settlement Sum with Dato' Lua in the manner as they mutually deem fit.

5.3b) Salient terms of the Settlement Agreement with Dato' Ng

As extracted from **Section 3.3**, Part A of this Circular:-

The Settlement Agreement with Dato' Ng is conditional upon the following conditions precedent being fulfilled within the Conditional Period with Dato' Ng:

- (i) the Company having obtained the approval-in-principle of Bursa Securities for the listing of and quotation for the Settlement Shares to Dato' Ng on the Main Market of Bursa Securities; and*
- (ii) the Company having obtained approval from the Shareholders for the Proposed Debt Settlement of Dato' Ng.*

Upon termination of the Settlement Agreement, owing by the Company to Dato' Ng shall remain outstanding and both PRG and Dato' Ng, shall have the liberty to deal with the Settlement Sum with Dato' Ng in the manner as they mutually deem fit.

5.4) Ordinary Resolutions

The Ordinary Resolution no. 1, as tabled in the notice of the Company's ordinary resolution seeks to obtain your approval with regards to the partial debt settlement of debt owing by your Company and its subsidiaries to Dato' Lua for the amount of RM6,482,290.32 by the issuance of 30,333,600 new ordinary shares of PRG.

The Ordinary Resolution no. 2, as tabled in the notice of the Company's ordinary resolution seeks to obtain your approval with regards to the partial debt settlement of debt owing by your Company and its subsidiaries to Dato' Ng for the amount of RM4,993,271.46 by the issuance of 23,365,800 new ordinary shares of PRG.

6 EVALUATION OF THE PROPOSED DEBT SETTLEMENTS

In evaluating the Proposed Debt Settlements, we have taken into consideration the following factors in forming our opinion:

Factors	Section reference in IAL
Evaluation of the outstanding advances and the nature of the advance made by Dato' Lua to your Company from the period of January 2018 to December 2023	6.1
Evaluation of the outstanding advances and the nature of the advance made by Dato' Ng to your Company from the period of January 2020 to June 2024	6.2
Rationale for the Proposed Debt Settlements	6.3
Basis of determining and justification for the issue price of the Settlement Shares	6.4
Evaluation on the salient terms of the Settlement Agreements	6.5
Evaluation on the Proposed Debt Settlements on direct substantial holders shareholdings	6.6
Effects of the Proposed Debt Settlements on NA, gearing, earnings and EPS of PRG	6.7
Risk Factor - Non-Completion of the Proposed Debt Settlements	6.8
Overall	6.9

6.1 Evaluation of the outstanding advances and the nature of the advances made by Dato' Lua to your Company from the period of January 2018 to December 2023

As extracted from Part A, **Section 2.2** of this Circular, reproduced below:-

Period of transaction	Description of amounts	Amount (RM)	Notes by AER
January 2018 – December 2018	Advances to the Group for its working capital purposes such as payments to Group's trade payables for property development and construction business	300,000	1
January 2019 – December 2019	Advance to the Group for partial loan settlement arising from subscription of shares in Capital World Limited and loan instalment for purchase of office building	6,890,563	2
	Advances to the Group for its working capital purposes such as payments to Group's trade payables for property development & construction business, staffs related expenses, fees to professional and authorities for transfer of land acquired	5,585,950	1
	Advance to the Company in relation to the subscription of shares in Capital World Limited	4,500,000	3
	Repayments to Dato' Lua via cash	(7,856,858)	
January 2020 – December 2020	Advances to the Group in relation to the acquisition of 2 parcels of land in Kelantan	3,700,000	4
	Advances to the Group for its working capital purposes such as payments to Group's trade payables for property development & construction business and staffs related expenses	447,000	1
	Advance to the Group for loan instalment for purchase of office building	30,000	2
	Repayments to Dato' Lua via cash	(4,612,016)	
January 2021 – December 2021	Advances to the Group for its working capital purposes such as payments to Group's trade payables for property development & construction business and staffs related expenses	1,329,626	1
	Repayments to Dato' Lua via cash	(2,060,000)	
January 2022 – December 2022	Repayments to Dato' Lua via cash	(752,350)	
January 2023 – December 2023	Repayments to Dato' Lua via cash	(500,000)	
Total		7,001,915	

Notes by AER

Total cash advances made by Dato' Lua was RM22,783,139 and total cash repayment to Dato' Lua was RM15,781,224 between the period from January 2018 to December 2023, resulting a net balance of RM7,001,915.

1. Total aggregate sum of RM7,662,576 for working capital related expenses or 33.6% of the advances.
2. Total aggregate sum of RM6,920,563 for the partial loan instalment or 30.4% of the advances.
3. Total aggregate sum of RM4,500,000 for investment (subscription of shares in Capital World Limited) or 19.8% of the advances.
4. Total aggregate sum of RM3,700,000 for the acquisition of 2 parcels of land in Kelantan or 16.2% of the advances.

AER's Commentary

- a. From the analysis of the advances as extracted from **Part A, Section 2.2** of this Circular, we noted that the advances from Dato' Lua was during the period from January 2018 to December 2021, of which 33.6%, 30.4%, 19.8% and 16.2% of the advances were for working capital related expenses, partial loan installment repayment, investment and the partial cash acquisition cost for two (2) parcels of land in Kelantan. We noted that all the advances were incurred by the PRG Group.
- b. We noted that the advances were *unsecured, interest free and repayable on demand*.
- c. From the analysis of the historical financial statements from FYE 31 December 2018 to FYE 31 December 2022, the Company had been reporting annual LAT of RM8,978,000, RM49,684,000 , RM12,793,000 and RM1,853,000 respectively. Generally, for a company with consecutive past historical losses, there will be difficulty in raising money from the financial institutions.

Tabulated below are the key summary highlights of the Company:-

Item number	Description	Audited				
		FYE 31 December 2018 RM'000	FYE 31 December 2019 RM'000	FYE 31 December 2020 RM'000	FYE 31 December 2021 RM'000	FYE 31 December 2022 RM'000
1	Revenue	148,626	148,542	195,614	190,532	307,532
2	Profit /(loss) after tax attributable to shareholders	(8,978)	(49,684)	(12,793)	(1,853)	19,483

Source: Annual Reports

- d. We noted that the advances made by Dato' Lua to the Company coincides with the period when the Company was reporting losses, and hence we conclude that the advances were **reasonable**.

The remainder of this page is left blank intentionally.

6.2 Evaluation of the outstanding advances and the nature of the advance made by Dato' Ng to your Company from the period of January 2020 to June 2024

Period of transaction	Description of amounts	Amount (RM)	Notes by AER
January 2020 – December 2020	Advance to the Group for partial loan settlement arising from subscription of shares in Capital World Limited	9,342,111	2
	Advances to the Group for its working capital purposes such as payments to Group's trade payables for property development & construction business, staffs related expenses and professional/consultancy fee (i.e., legal fee for acquisition of land as well as fees for secretary, auditors and tax agent)	6,783,649	1
	Advances to the Group for the acquisition of land (Gua Musang)	5,640,128	3
	Interests to Dato' Ng	173,453	4
	Foreign exchange gains due to appreciation of RM against HKD	(553,036)	5
January 2021 – December 2021	Advances to the Group for its working capital purposes such as payments to Group's trade payables for property development and construction business, staffs related expenses and professional /consultancy fee (i.e., legal fee for acquisition of land as well as fees for secretary, auditors and tax agent)	8,646,702	1
	Advance to PRG Agro Sdn Bhd for payments to trade and other payables in agriculture business	147,943	1
	Interests to Dato' Ng	387,414	4
	Foreign exchange loss due to depreciation of RM against HKD	277,070	5
January 2022 – December 2022	Advance to PRG Agro Sdn Bhd for loan instalment for the acquisition of land	1,746,945	2
	Advances to the Group for its working capital purposes such as payments to Group's trade payables for property development & construction business and staffs related expenses	1,103,000	1
	Advance to PRG Agro Sdn Bhd for payments to trade and other payables in agriculture business	650,000	1
	Interests to Dato' Ng	488,847	4
	Repayment to Dato' Ng via cash	(8,073,350)	
	Foreign exchange loss due to depreciation of RM against HKD	523,451	5
January 2023 – December 2023	Advance to PRG Agro Sdn Bhd for payments to trade and other payables in agriculture business	6,163,804	1
	Advances to the Group for its working capital purposes such as professional /consultancy fee (i.e., legal fee for acquisition of land as well as fees for secretary, auditors and tax agent)	1,092,565	1
	Interests to Dato' Ng	479,321	4
	Repayment to Dato' Ng via cash	(2,050,000)	
	Foreign exchange loss due to depreciation of RM against HKD	34,616	5
January 2024 – June 2024	Repayment to Dato' Ng via cash	(6,346,870)	
	Interests to Dato' Ng	315,059	4

Period of transaction	Description of amounts	Amount (RM)	Notes by AER
	Foreign exchange loss due to depreciation of RM against HKD	22,598	5
	Total	26,995,420	

Total cash advances made by Dato' Ng was RM41,316,847 and total cash repayment to Dato' Ng was RM16,470,220, with total interest charged for the sum of RM1,844,094 (Note 4) and foreign currency loss of RM304,699 (Note 5) between the period from January 2020 to June 2024, resulting a net balance of RM26,995,420.

Notes by AER

1. Total aggregate sum of RM24,587,663 for working capital related expenses or 59.5% of the advances
2. Total aggregate sum of RM11,089,056 for the partial loan installment or 26.8% of the advances
3. Total aggregate sum of RM5,640,128 for the acquisition of 2 parcels of land in Kelantan or 13.7% of the advances

AER's Commentary

Evaluation on the reasonableness of interest rate charged by Dato' Ng to PRG

Upon our inquiry, we were informed by PRG that as at 30 June 2024, net amount owing by PRG to Dato' Ng was RM26,995,420. A sum equivalent to RM10,315,133 bears interest ranging from 4% and 6% per annum and is payable within next twelve (12) months in cash and cash equivalents. The remaining sum of RM16,644,287 is interest free. We noted that the average Base Lending Rate (“BLR”) by commercial banks in Malaysia for calendar year 2020 to August 2023, was between 5.50% to 6.68% (“Range”) per annum. When compared with the advances by Dato Ng’ which has three portions, i.e. no interest, 4% per annum and 6% per annum. We conclude that for the portion of advances that bears an interest of 4% per annum is lower than the Range and 6% is within the Range. Hence, we conclude that the rate of interest charged is reasonable.



Malaysia Monthly Base Lending Rate of Commercial Banks. Source: Bloomberg Finance L.P

1. From the analysis of the advances as extracted from Part A, Section 2.2 of this Circular, we noted that the advances from Dato' Ng was during the period from January 2018 to December 2023, of which 59.5%, 26.8% and 13.7% of the advances were for working capital related expenses, partial loan instalment repayment and the partial cash acquisition cost for two (2) parcels of land in Kelantan.
2. We noted that the advances were unsecured.
3. From the analysis of the historical financial statements from FYE 31 December 2020 to FYE 31 December 2023, the Company had been reporting annual LAT of RM12,793,000, RM1,853,000, annual PAT of RM19,483,000 and annual LAT of RM 11,375,000 respectively. However, as shown in the above table under Section 6.1 of this IAL, the Company has also been reported LAT

of RM8,978,000 and RM49,684,000 for FYE 31 December 2018 and FYE 31 December 2019 respectively.

We noted that the advances made by Dato' Ng were made at the time when the Company reported historical losses except for FYE 31 December 2022. Generally, for a company with consecutive past historical losses, there will be difficulty in raising money from financial institutions. and hence we conclude that the advances were **reasonable**.

6.3 Rationale for the Proposed Debt Settlements

As extracted from Part A, Section 6 of this Circular	AER's commentary
<p><i>The Proposed Debt Settlements are intended to partly settle the Group's debts owing to the Interested Shareholders.</i></p> <p><i>The Board has considered other available options and is of the opinion that the settlement via the issuance of Settlement Shares to the Interested Shareholders is the most appropriate option to settle the outstanding debt, for the following reasons:</i></p> <p><i>(i) if the Group had taken on bank borrowings to repay its Interested Shareholders:</i></p> <p><i>(a) the Group would need to comply with bank borrowing requirements such as pledging its existing assets as collateral, potentially significant covenants being imposed by banks and/or fixed payment schedules which would affect its flexibility as well as control over its assets and cash flow; and</i></p> <p><i>(b) the Group would incur miscellaneous fees such as legal fees and stamp duty for loan documentation as well as other processing and administrative fees in addition to interest cost.</i></p> <p><i>As at 31 March 2024, the Group's bank borrowings stood at approximately RM49.0 million;</i></p> <p><i>(ii) the repayment to its Interested Shareholders via issuance of Settlement Shares is expected to reduce the Group's debt whilst preserving the Group's cash and bank balances. As at 31 March 2024, the Group has cash and bank balances of approximately RM91.5 million which can be utilised for other purposes such as working capital and existing businesses;</i></p> <p><i>(iii) the issuance of Settlement Shares is expected to further strengthen the Company's</i></p>	<p>The Proposed Debt Settlements will reduce the Group's liabilities whilst preserving the Group's cash and bank balances which can be used for other purposes such as working capital and administrative expenses.</p> <p>In addition to the administrative compliance and additional one-off cost to repay the amount owed to Dato' Lua and Dato' Ng by external bank borrowings, PRG Group could avoid the need to increase its borrowing to repay the amount owed and this represents a "savings" (avoidance to pay for additional finance cost).</p> <p>The Proposed Debt Settlements shall provide a larger equity base which allows the Company to have a higher capacity to borrow in the future for future funding requirements.</p> <p>The Proposed Debt Settlements will avoid the need to incur additional borrowings (if borrowing is chosen as an option instead) and thereon shall avoid any increase in future financing cost.</p> <p>We concur with the Board's views that the rationale for Proposed Debt Settlements is reasonable and not detrimental to the interest of the non-interested shareholders.</p>

As extracted from Part A, Section 6 of this Circular	AER's commentary
<p><i>equity base as well as the NA and gearing ratio of the Group as a result of the increase in the Company's issued share capital upon the issuance of Settlement Shares as well as the settlement of debts owing to the Interested Shareholders; and</i></p> <p><i>(iv) the issuance of Settlement Shares is able to increase the equity participation of the Interested Shareholders in the Company, who are also the Directors of the Group (excluding dormant subsidiaries) and enables the Interested Shareholders to provide further commitment to enhance the future financial performance of the Group, which would ultimately benefit all shareholders of the Company.</i></p> <p><i>The estimated expenses for the Proposed Debt Settlements of RM280,000 will be funded by the Group via internally generated funds.</i></p>	

6.4 Basis of determining and justification for the issue price of the Settlement Shares

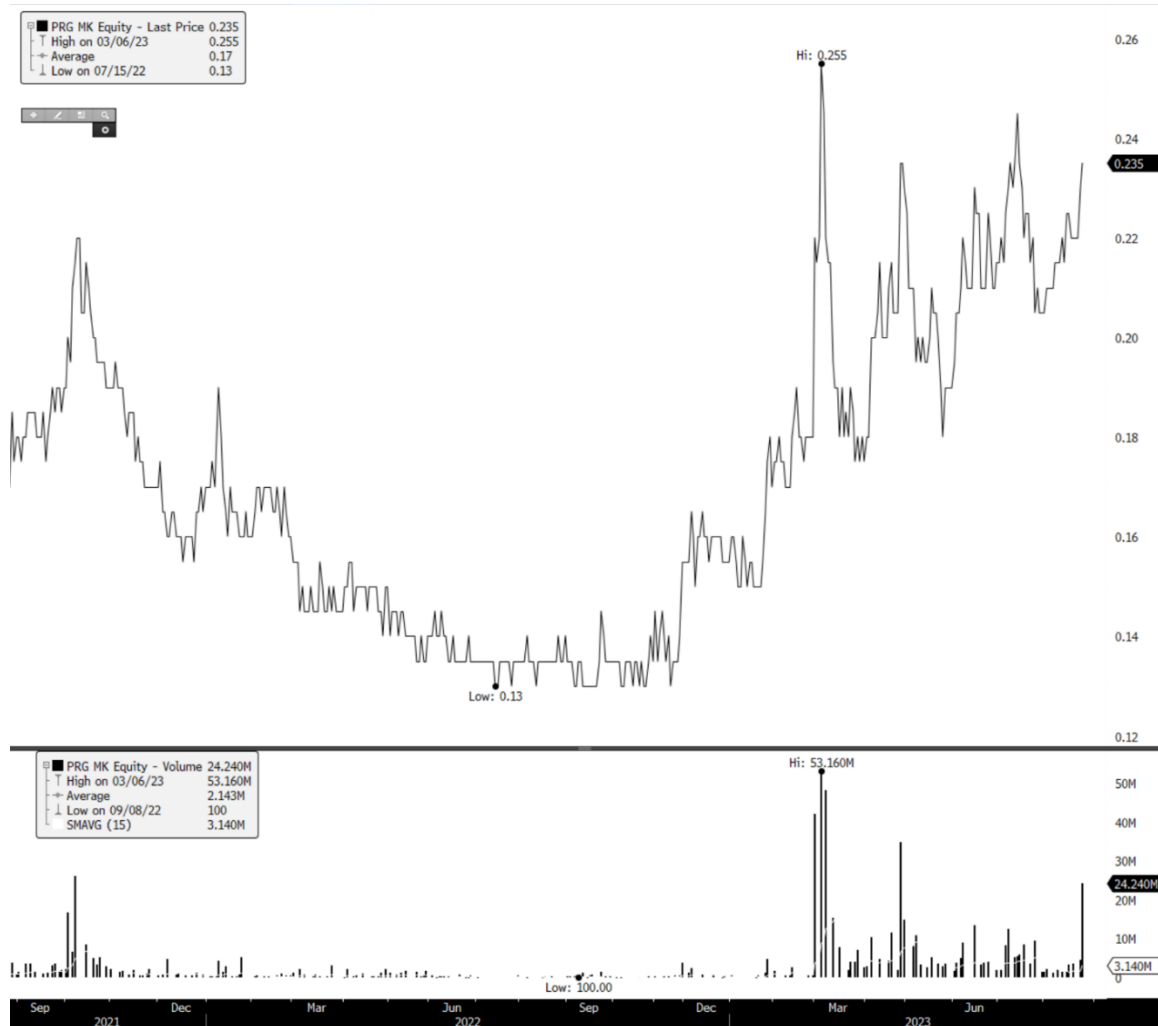
As extracted from **Part A, Section 4** of this Circular, we noted that the basis for the issue price of RM0.2137 by the Company is as presented below:-

The Board had fixed the issue price of the Settlement Shares at RM0.2137 each, after taking into consideration the following:

- (i) the rationale for the Proposed Debt Settlements as set out in **Section 6** of this Circular;*
- (ii) a discount of approximately 9.98% to the 5-day VWAP of the Shares up to and including the LPD of RM0.2374 was arrived at after taking into consideration of the following;*
 - (a) the negotiation between our Company and the Interested Shareholders as well as the basis in determining the issue price under a general mandate pursuant to Paragraph 6.04(a) of the Listing Requirements whereby shares issued pursuant to general mandate shall not priced at more than 10% discount to the 5D-VWAP immediately before the price fixing date;*
 - (b) the historical share price movement of PRG Shares in the past 12 months prior to the Announcement LPD as shown in **Section 4.1(iii)** below; and*
 - (c) the opportunity cost which may potentially arising from the advances from the Interested Shareholders and their support towards our Group as well as potential risk faced by the Interested Shareholders for receiving Settlement Shares as oppose to cash as stated in **Section 4.1(iv)** below;*
- (iii) the historical share price movement of PRG Shares in the past 12 months prior to the LPD ranging from RM0.130 to RM0.255 as follow:*

AER's Commentary

- (i) Analysis of the historical share price performance by comparing between issue price of RM0.2137 and the historical share price movement between 24 August 2021 to 25 August 2023 (date of Settlement Agreements).



We noted that the issue price of RM0.2137 is within the range from RM0.130 (15 July 2022) to RM0.255 (6 March 2023) of past 12 months.

We also noted the issue price of RM0.2137 is within the range from RM0.130 (15 July 2022) to RM0.255 (6 March 2023) of past 24 months.

As the issue price of RM0.2137 is **within** the range of RM0.130 to RM0.255 per share within the past 24 months, we conclude that the issue price is **reasonable** and **not detrimental** to the non-interested shareholders of the Company.

- (ii) Analysis of the historical share price performance by comparison between issue price of RM0.2137 and its historical VWAP as at 24 August 2023

Issue price of each Settlement Share, RM	VWAP internal in days measured with 24 August 2023 as the last date.	PRG's share price at different VWAP	(Discount) / Premium on the VWAP, in RM	(Discount) / Premium on the VWAP, in %
A		B	A – B	(A-B)/B
0.2137	5 days -VWAP	0.2374	(0.0237)	-9.98%
0.2137	30 days -VWAP	0.2264	(0.0127)	-5.61%
0.2137	60 days - VWAP	0.2232	(0.0095)	-4.26%
0.2137	90 days - VWAP	0.2193	(0.0056)	-2.55%
0.2137	180 days - VWAP	0.2147	(0.0010)	-0.47%
0.2137	360 days - VWAP	0.2099	0.0038	1.81%

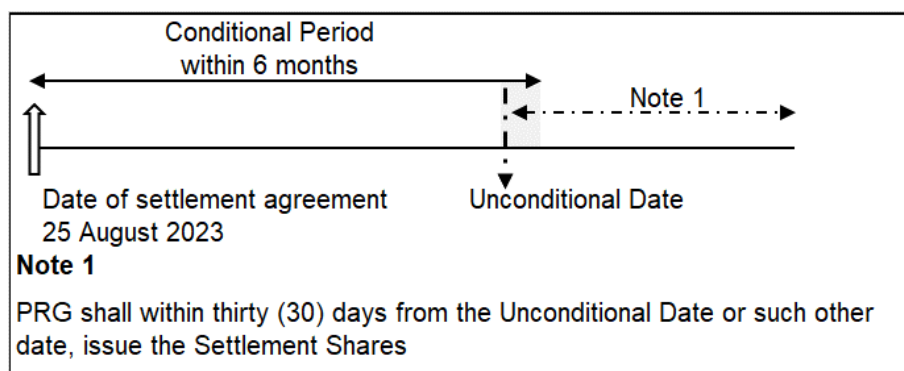
We noted that the issue price of RM0.2137 represents a discount of 9.98%, 5.61%, 4.26%, 2.55% 0.47% over 5 days VWAP, 30 days VWAP, 60 days VWAP, 90 days VWAP and 180 days VWAP respectively determined on 24 August 2023, being one day preceding to the date of the Settlement Agreements.

The issue price of RM0.2137 represents a premium of 1.81% over 360 days VWAP determined on 24 August 2023, being one day preceding to the date of the Settlement Agreements.

The issue price with a discount of less than 9.98% shall mean that more shares are being issued because of the debt settlement as compared to issuing share price without any discount. We also noted that it is common in commercial practice for listed companies to issue shares at a discount of not more than 10% of the weighted average price of the shares for 5 market days immediately before the price-fixing date in private placement exercise. As the issuance price is at a discount of 9.98% which is below 10%, we conclude that the issue price of RM0.2137 is **fair, reasonable** and **not detrimental** to the non-interested shareholders of the Company.

6.5 Salient terms of the Settlement Agreement with Dato' Lua and Settlement Agreement with Dato' Ng

The salient terms of the Settlement Agreement with Dato' Lua and Settlement Agreement with Dato' Ng are as presented under **Part A, Section 2.3** of this Circular and the diagram below illustrates the key timelines as defined in both Settlement Agreement with Dato' Lua and Settlement Agreement with Dato' Ng, and it is presented solely for cross referencing purpose only.



As extracted from part A, Section 2.3 and of this Circular for the salient terms of Settlement Agreement with Dato' Lua	AER's commentary
<i>The Settlement Agreement with Dato' Lua is conditional upon the following conditions precedent being fulfilled within the Conditional Period with Dato' Lua:</i>	We reviewed the salient terms of the Settlement Agreement with Dato' Lua such as the condition precedents and the situation that result in

As extracted from part A, Section 2.3 and of this Circular for the salient terms of Settlement Agreement with Dato' Lua	AER's commentary
<p>(i) <i>the Company having obtained the approval-in-principle of Bursa Securities for the listing of and quotation for the Settlement Shares to Dato' Lua on the Main Market of Bursa Securities; and</i></p> <p>(ii) <i>the Company having obtained approval from the Shareholders for the Proposed Debt Settlement of Dato' Lua.</i></p> <p><i>The Settlement Agreement with Dato' Lua shall become unconditional upon the satisfaction or fulfilment of all the abovementioned conditions precedent. In the event any of the conditions precedent is not satisfied or fulfilled within the Conditional Period with Dato' Lua, either party shall have the option, at its discretion, by notice in writing to the other party to terminate the Settlement Agreement with Dato' Lua.</i></p> <p><i>Upon termination of the Settlement Agreement with Dato' Lua in accordance to the paragraph above, all obligations and liabilities of both parties shall cease to have effect and none of them shall have any claims against the other for costs, damages, compensation or otherwise save for any antecedent breaches, and the Settlement Sum with Dato' Lua owing by the Company to Dato' Lua shall remain outstanding and both parties shall have the liberty to deal with the Settlement Sum with Dato' Lua in the manner as they mutually deem fit.</i></p>	<p>termination of the Settlement Agreement with Dato' Lua if the condition precedent were not fulfilled, rights to terminate the Settlement Agreement with Dato' Lua and manner of fixing the issue price.</p> <p>We conclude that the salient terms of the Settlement Agreement with Dato' Lua are normal commercial terms and are reasonable and not detrimental to the non-interested shareholders.</p>

As extracted from part A, section 3.3 of this Circular for the salient terms of Settlement Agreement with Dato' Ng	AER's commentary
<p><i>Salient terms of Settlement Agreement with Dato' Ng</i></p> <p><i>The Settlement Agreement with Dato' Ng is conditional upon the following conditions precedent being fulfilled within the Conditional Period with Dato' Ng:</i></p> <p>(i) <i>the Company having obtained the approval-in-principle of Bursa Securities for the listing of and quotation for the Settlement Shares to Dato' Ng on the Main Market of Bursa Securities; and</i></p> <p>(ii) <i>the Company having obtained approval from the Shareholders for the Proposed Debt Settlement of Dato' Ng.</i></p> <p><i>The Settlement Agreement with Dato' Ng shall become unconditional upon the satisfaction or fulfilment of all the abovementioned conditions precedent. In the event any of the conditions precedent is not satisfied or fulfilled within the</i></p>	<p>We reviewed the salient terms of the Settlement Agreement with Dato' Ng such as the condition precedents and the situation that result in termination of the Settlement Agreement with Dato' Ng if the condition precedent were not fulfilled, rights to terminate the Settlement Agreement with Dato' Ng and manner of fixing the issue price.</p> <p>We conclude that the salient terms of the Settlement Agreement with Dato' Ng are normal commercial terms and are reasonable and not detrimental to the non-interested shareholders.</p>

As extracted from part A, section 3.3 of this Circular for the salient terms of Settlement Agreement with Dato' Ng	AER's commentary
<p><i>Conditional Period with Dato' Ng, either party shall have the option, at its discretion, by notice in writing to the other party to terminate the Settlement Agreement with Dato' Ng.</i></p> <p><i>Upon termination of the Settlement Agreement with Dato' Ng in accordance to the paragraph above, all obligations and liabilities of both parties shall cease to have effect and none of them shall have any claims against the other for costs, damages, compensation or otherwise save for any antecedent breaches, and the Settlement Sum with Dato' Ng owing by the Company to Dato' Ng shall remain outstanding and both parties shall have the liberty to deal with the Settlement Sum with Dato' Ng in the manner as they mutually deem fit.</i></p>	

6.6 Effects of the Proposed Debt Settlements on direct Substantial Shareholder's Shareholdings

As extracted from **Part A, Section 9.4** of this Circular:-

As at LPD, the total number of issued shares of the Company is 432,516,856 ("**A1**") and 22,586,471¹ ("**A3**") outstanding LTIP exercisable at varying exercise price. The Proposed Debt Settlements shall result in the issuance of 53,699,400 ("**A2**") new Shares.

Note 1 – As extracted from **part A, Section 13** of this Circular comprising of 25,851,942 LTIP Options, 6,695,315 LTIP Options, 196,800 LTIP Options exercisable at RM0.165 each, RM0.179 each and RM0.20 each respectively. In addition, 196,800 LTIP Shares granted that are pending vesting.

In the Minimum Scenario, the enlarged share capital shall increase to 486,216,256 Shares (A1 + A2).

In the Maximum Scenario, the enlarged share capital shall increase to 508,802,727 Shares (A1 + A2 + A3), on assumption that all the LTIP Options are exercised.

The issuance new shares shall have a diluting effect on the interest of shareholder's shareholding of the non-interested shareholders as a result of the increase in new Shares of PRG to both Dato' Lua and Dato' Ng following the completion of the Proposed Debt Settlements.

For illustration purposes only as summarised from **Part A, Section 9.4** of this Circular.

Name	Direct percentage held after the different stages of completion		
	As at LPD	Upon completion of the Proposed Debt Settlements (Minimum Scenario)	Upon completion of the Proposed Debt Settlements and all outstanding LTIP Options are exercised (Maximum Scenario)
Dato' Ng	13.16%	16.51%	15.95%
Wang Jing	6.53%	5.81%	5.55%

6.7 Effects of the Proposed Debt Settlements on NA, gearing, earnings, and EPS of PRG

Section 6.9	Effects of the Proposed Debt Settlements on NA and gearing of the Company (Part A, Section 9.2)	<p>Effects on NA</p> <p><u>Minimum scenario</u> The Proposed Debt Settlements has a dilutive effect of reducing the NA per share from RM0.37 per share (based on the proforma NA as at 31 December 2023 after taking into consideration the exercise of 1,157,663 LTIP Options at RM0.179 per share and 275,118 LTIP Options at RM0.165 per share) to RM0.35 per share upon completion of the Proposed Debt Settlements.</p> <p><u>Maximum scenario</u> The Proposed Debt Settlements has a dilutive effect of reducing the NA per share from RM0.37 per share (based on the proforma NA as at 31 December 2023 after taking into consideration the exercise of 1,157,663 LTIP Options at RM0.179 per share and 275,118 LTIP Options at RM0.165 per share) to RM0.35 per share upon completion of the Proposed Debt Settlements and assuming all outstanding LTIP Options are exercised.</p> <p>The estimated expenses of the Proposed Debt Settlements are RM280,000.</p> <p>Effects on gearing As at 31 December 2023, total borrowings of PRG were RM45,561,000. As the Proposed Debt Settlements has the effect of increasing the equity base of the shareholders' fund by the total settlement sum, it has the effects of <u>reducing</u> the gearing when a comparison is made immediately before and after completion of the Proposed Debt Settlements.</p>
Section 6.5	Effects of the Proposed Debt Settlements on Earnings and EPS (Part A, Section 9.3)	<p>Effects on Earnings The completion of the Proposed Debt Settlements has no material effect on your Group's earnings.</p> <p>Effects on EPS The completion of the Proposed Debt Settlements has the dilutive effect on the earnings as a result of the increase in the number of issued PRG Shares upon issuance of the Settlement Shares, which has the effect of reducing the EPS of PRG.</p> <p>The benefit of the Proposed Debt Settlements is that your Company could avoid the need to take out a loan to repay to Dato' Lua and Dato' Ng. Hence, this is considered as an opportunity avoidance of incremental finance cost if the total debts owing to Dato' Lua and Dato' Ng were to be paid by external borrowings.</p> <p>As an overall assessment, we conclude that the overall effects of the Proposed Debt Settlements are <u>reasonable</u>.</p>

6.8 Risk Factor - Non-Completion of the Proposed Debt Settlements

As extracted from Part A, Section 8 of this Circular	AER's commentary
<p><i>Non-completion risk of the Proposed Debt Settlements</i></p> <p><i>The completion of the Proposed Debt Settlements is subject to, amongst others, the fulfilment of the conditions precedent within the period as stipulated in the Settlement Agreements, failing which may result in termination of the Settlement Agreements. As a result of such termination, the debts shall immediately become due and payable by the Company to the Interested Shareholders as and when such repayment is requested by Interested Shareholders under the existing arrangement as previously agreed between the parties. In this respect, the Company will take reasonable steps that are within its control to ensure completion of the Proposed Debt Settlements, including but not limited to closely monitoring the progress of the Proposed Debt Settlements and ensuring timely fulfilment of the conditions precedent within the Conditional Period as stipulated in the Settlement Agreements</i></p>	<p>The risk factor associated with the non-fulfilment of the Condition Precedent may result in the termination of the Settlement Agreements and the debts owing to Dato' Lua and Dato' Ng shall become due and payable immediately.</p> <p>We noted your Board shall take reasonable steps to ensure completion of the Proposed Debt Settlements, including but not limited to closely monitoring the progress of the Proposed Debt Settlements and ensuring timely fulfilment of the conditions precedent within the cut-off date as stipulated in the Settlement Agreements.</p> <p>We conclude that the risk factors and mitigation plans by the Company are reasonable and not detrimental to the non-interested shareholders.</p>

6.9 Overall

Section 6.9	Overall	Taken as a whole, we are of the view that the overall financial effect of the Proposed Debt Settlements is fair and reasonable and not detrimental to the interests of the non-interested shareholders as any effects are one-off in nature.
-------------	---------	---

7. CONCLUSION AND RECOMMENDATION

The non-interested shareholders, should consider all the merits and demerits of the Proposed Debt Settlements, 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 Debt Settlements and in arriving at our opinion, we have taken into consideration various factors as follows:

- (a) analysing the owing by the Company to Dato' Lua and Dato' Ng on the nature of the advances made from the period of January 2018 to December 2023 and January 2020 to June 2024 respectively.
- (b) the rationale for the Proposed Debt Settlements by the Board and the Company, are reasonable and not detrimental to the non-interested shareholders.
- (c) the basis and justification for determining the issue price of the Settlement Shares.
- (d) the salient terms of the Settlement Agreements are reasonable, and not detrimental to the non-interested shareholders.

- (e) the effects of the Proposed Debt Settlements on NA, gearing, earnings and EPS of PRG.
- (f) risk factors associated with non-completion of the Proposed Debt Settlements and overall assessment of the Proposed Debt Settlements.

After having considered all the various factors included in our evaluation for the Proposed Debt Settlements that is based on the information made available to us, we are of the opinion that the Proposed Debt Settlements is **fair and reasonable** insofar as to the non-interested shareholders are concerned and it is **not to the detriment** of the non-interested shareholders taking into consideration that the Proposed Debt Settlements undertaken by the Company is to reduce the burden of payment obligation by the Company while at the same time the Company is undertaking steps to improve the Company's financial position.

Accordingly, we recommend the non-interested shareholders to **vote in favour** of the ordinary resolution pertaining to the Proposed Debt Settlements which is to be tabled at the Company's forthcoming EGM II.

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

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 Proposed Debt Settlements, 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 Debt Settlements, 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 Proposed Debt Settlements.

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 Debt Settlements.

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.

5. MATERIAL CONTRACTS

Save as for the Settlement Agreements and the following as disclosed below, our Group has not entered into any material contract (not being contract entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

- (i) On 8 June 2022 and 13 June 2022, Furniweb and Dato' Ng 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 shares in Furniweb. The acquisition was completed on 29 August 2022.

ADDITIONAL INFORMATION (CONT'D)

- (ii) On 27 April 2023, 7 June 2023 and 29 June 2024, our Company, PRG Land and Furniweb entered into a master agreement which was supplemented by two (2) supplemental agreements for the disposal by our Company of 50 units of Picasso Residence condominium located along Jalan Jelatek, Kuala Lumpur to PRG Land with a total purchase consideration of RM61,982,000 to be satisfied via cash and issuance of new shares in Furniweb.

As at the date of this Circular, the Proposed Disposal has not yet been completed.

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.

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 our Company 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 II:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Company for the past 2 FYEs 31 December 2022 and 31 December 2023 as well as unaudited consolidated financial statements of our Company for the 3-month financial period ended 31 March 2024;
- (iii) the Settlement Agreements;
- (iv) the letters of consent and confirmation of no conflict of interest as referred to in **Sections 2 and 3** of this Appendix; and
- (v) the material contracts as referred to in **Section 5** of this Appendix.



PRG

HOLDINGS BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING II

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting II of **PRG Holdings Berhad** (“**PRG**” or “**Company**”) (“**EGM II**”) 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 10.30 a.m. or immediately after the conclusion or adjournment of the EGM scheduled to be held on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED PARTIAL SETTLEMENT OF DEBT OWING BY THE COMPANY AND ITS SUBSIDIARIES (“GROUP”) TO DATO’ LUA CHOON HANN, BEING THE GROUP EXECUTIVE VICE CHAIRMAN OF THE COMPANY (“DATO’ LUA”) AMOUNTING TO RM6,482,290.32 TO BE SATISFIED VIA ISSUANCE OF 30,333,600 NEW ORDINARY SHARES OF THE COMPANY (“PRG SHARES”) (“SETTLEMENT SHARES”) (“PROPOSED DEBT SETTLEMENT OF DATO’ LUA”)

“THAT subject to the approvals of the relevant authorities and/or parties having been obtained, and the relevant conditions precedent stipulated in the settlement agreement dated 25 August 2023 entered into between the Company and Dato’ Lua for the Proposed Debt Settlement of Dato’ Lua (“**Settlement Agreement with Dato’ Lua**”) being fulfilled or waived (as the case may be), approval be and is hereby granted to the Company to settle the debt owing to Dato’ Lua amounting to RM6,482,290.32 to be satisfied via the issuance of 30,333,600 Settlement Shares, subject to and upon such terms and conditions as set out in the Settlement Agreement with Dato’ Lua;

THAT approval be and is hereby granted to the Company to allot and issue 30,333,600 Settlement Shares to Dato’ Lua in accordance with the terms and conditions as set out in the Settlement Agreement with Dato’ Lua;

THAT such Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PRG Shares, save and except that the Settlement 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 the Company, the entitlement date of which is prior to the date of allotment and issuance of the Settlement Shares;

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 Debt Settlement of Dato’ Lua 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 PARTIAL SETTLEMENT OF DEBT OWING BY THE GROUP TO DATO’ NG YAN CHENG BEING THE DIRECTOR OF ENERGY SOLUTION GLOBAL LIMITED, AN INDIRECT WHOLLY OWNED SUBSIDIARY OF THE COMPANY AND A SUBSTANTIAL SHAREHOLDER OF THE COMPANY (“DATO’ NG”) AMOUNTING TO RM4,993,271.46 TO BE SATISFIED VIA ISSUANCE OF 23,365,800 SETTLEMENT SHARES (“PROPOSED DEBT SETTLEMENT OF DATO’ NG”)

“THAT subject to the approvals of the relevant authorities and/or parties having been obtained, and the relevant conditions precedent stipulated in the settlement agreement dated 25 August 2023 entered into between the Company and Dato’ Ng for the Proposed Debt Settlement of Dato’ Ng (“**Settlement Agreement with Dato’ Ng**”) being fulfilled or waived (as the case may be), approval be and is hereby granted to the Company to settle the debt owing to Dato’ Ng amounting to RM4,993,271.46 to be satisfied via the issuance of 23,365,800 Settlement Shares, subject to and upon such terms and conditions as set out in the Settlement Agreement with Dato’ Ng;

THAT approval be and is hereby granted to the Company to allot and issue 23,365,800 Settlement Shares to Dato’ Ng in accordance with the terms and conditions as set out in the Settlement Agreement with Dato’ Ng;

THAT such Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PRG Shares, save and except that the Settlement 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 the Company, the entitlement date of which is prior to the date of allotment and issuance of the Settlement Shares;

AND THAT the 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 Debt Settlement of Dato’ Ng 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.”

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: 22 July 2024

Notes:

1. *The Company’s EGM II 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 II in person at the Broadcast Venue on the day of the meeting.*

Shareholders are to participate and vote remotely at the EGM II 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 II and follow the procedures provided in order to participate and vote remotely at the EGM II.

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 II 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.*

[The rest of this page has been intentionally left blank]

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

For the Extraordinary General Meeting II of PRG Holdings Berhad (“EGM II”)

Day and Date	:	Friday, 16 August 2024
Time	:	10.30 a.m.
Broadcast Venue	:	Unit 4.02, Level 4, Plaza Damansara Block A, Bukit Damansara, 50490 Kuala Lumpur, WP Kuala Lumpur
Remote Participation and Voting Facilities	:	Vote2U at https://web.vote2u.my operated by Agmo Digital Solutions Sdn. Bhd.
Domain Registration	:	D6A471702
Numbers with MYNIC	:	

The EGM II 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 II is maintained.

Entitlement to Participate and Vote Remotely in the EGM II

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 II

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	<p>The registration will open from the day of notice</p> <ol style="list-style-type: none">Access website at https://web.vote2u.my.Click “Sign Up” to sign up as a user.Read the ‘Privacy Policy’ and ‘Terms & Conditions’ and indicate your acceptance of the ‘Privacy Policy’ and ‘Terms & Conditions’ on a small box <input type="checkbox"/>. Then click “Next”.*Fill-in your details (note: create your own password). Then click “Continue”.Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian).Click “Submit” to complete the registration.Your registration will be verified and an email notification will be sent to you. Please check your email.

		<p><u>Note:</u></p> <p>If you have registered as a user with Vote2U Online previously, you are not required to register again.</p> <p>*Check your email address is keyed in correctly.</p> <p>*Remember the password you have keyed-in.</p>
--	--	---

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Authorised Nominee / Exempt Authorised Nominee

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	<p>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.</p> <p>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 II i.e. no later than 14 August 2024 at 10.30 a.m..</p> <p>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 10.30 a.m..</p> <p><u>Note:</u> 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 representative(s) with a temporary password. The Proxy could use the temporary password to log in to Vote2U.</p>
ii.	Electronic Lodgement of Proxy Form (e-Proxy Form) (For individual shareholders only)	<p>a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U.</p> <p>b. Click “Register Proxy Now” for e-Proxy registration.</p> <p>c. Select the general meeting event that you wish to attend.</p> <p>d. Select/ add your Central Depository System (“CDS”) account number and number of shares.</p> <p>e. Select “Appoint Proxy”.</p> <p>f. Fill-in the details of your proxy(ies) – ensure proxy(ies) email address(es) is/are valid.</p> <p>g. Indicate your voting instruction should you prefer to do so.</p> <p>h. Thereafter, select “Submit”.</p> <p>i. Your submission will be verified.</p>

		<p>j. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.</p> <p><i>Note:</i> <i>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.</i></p>
iii.	Electronic Lodgement of Proxy Form (For Corporate Representatives/ Power of Attorney)	<p>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 10.30 a.m.</p> <p>b. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.</p>
iii.	Revocation of Proxy	For revocation of proxy(ies), please email to vote2u@agmostudio.com no later than 14 August 2024 at 10.30 a.m..

Shareholders who wishes to appoint proxy(ies) to participate in the EGM II 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 II

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	<p>The Vote2U online portal will open for log in starting from 9.30a.m., Friday, 16 August 2024, one (1) hour before the commencement of the EGM II.</p> <p>a. Login with your email and password b. Select the General Meeting event (for example, "PRG Holdings Berhad's EGM II"). c. Check your details. d. Click "Watch Live" button to view the live streaming.</p>

B: ASK QUESTION**Individual Shareholders & Proxies**

	Description	Procedures
i.	Ask Question during EGM II (real-time)	<p>Questions submitted online using <u>typed text</u> 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.</p> <p>a. Click “Ask Question” button to post question(s). b. Type in your question and click “Submit”.</p> <p>The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the EGM II.</p>

C: VOTING REMOTELY**Individual Shareholders & Proxies**

	Description	Procedures
i.	Online Remote Voting	<p>Once the Chairman announces the opening of remote voting:</p> <p>a. Click “Confirm Details & Start Voting”.</p> <p>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.</p> <p>c. To change your vote, click “Back” and select another voting choice.</p> <p>d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click “Confirm” to submit your vote.</p> <p>e. The live webcast will end following the announcement by the Chairman on the closure of the EGM II.</p> <p>[Please note that you are <u>not able</u> to change your voting choices after you have confirmed and submitted your votes.]</p>

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 II 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 II.

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



PRG

HOLDINGS BERHAD

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

No. of shares held	
CDS Account No.	

FORM OF PROXY

I/We _____ NRIC/Passport/Registration No. _____
 (FULL NAME IN BLOCK LETTERS)
 of _____
 (FULL ADDRESS)

being a member/members of **PRG HOLDINGS BERHAD**, do hereby appoint

Full name and NRIC/Passport No.	Address	Proportion of shareholding (%) to be represented
Contact No.	Email Address	

#or failing him/her,

Full name and NRIC/Passport No.	Address	Proportion of shareholding (%) to be represented
Contact No.	Email Address	

#or failing him/her, *the Chairman of the meeting as *my/our proxy(ies) to vote and act for me/us on my/our behalf at the Extraordinary General Meeting II (“**EGM II**”) of the Company to 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 10.30 a.m. or immediately after the conclusion or adjournment of the EGM scheduled to be held on the same day at 10.00 a.m., whichever is later on the following resolutions referred to in the Notice of EGM II:-

Ordinary Resolutions		FOR	AGAINST
1.	Proposed Debt Settlement of Dato’ Lua		
2.	Proposed Debt Settlement of Dato’ Ng		

Please indicate with an “X” in the space provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

* Delete if not applicable.

Dated this _____ day of _____ 2024.

Signature or Common Seal of Shareholder(s)



Notes:

1. *The Company's EGM II 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 II in person at the Broadcast Venue on the day of the meeting.*

Shareholders are to participate and vote remotely at the EGM II 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 II and follow the procedures provided in order to participate and vote remotely at the EGM II.

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 II 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.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

1st fold here

