

**PRG HOLDINGS BERHAD (541706-V)**  
(Incorporated in Malaysia)

Minutes of the Seventeenth Annual General Meeting (“AGM”) of the Company held at Arcadia I, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 6 June 2018 at 10.00 a.m.

Directors Present: Dato’ Dr. Awang Adek Bin Hussin (*Independent Non-Executive Chairman*)  
Dato’ Yau Kok Seng (*Group Executive Vice Chairman*)  
Dato’ Lua Choon Hann (*Group Managing Director*)  
Dato’ Wee Cheng Kwan (*Managing Director - Property & Construction*)  
Datuk Dr Wong Lai Sum (*Independent Non-Executive Director*)  
Dato’ Hamzah Mohd Salleh (*Independent Non-Executive Director*)  
Mr. Lim Chee Hoong (*Independent Non-Executive Director*)  
Mr. Na Chun Wee (*Executive Director*)

In Attendance: Mr. Yeoh Chong Keat (*Company Secretary*)  
Ms. Lim Fei Chia (*Company Secretary*)

Representatives from Messrs BDO

Ms. Audrey Chan  
Mr. Law Kian Huat  
Ms. Foo Pui Kuan

1. **CHAIRMAN AND QUORUM**

The Chairman of the Board, Dato’ Dr. Awang Adek Bin Hussin presided as the Chairman of the meeting and welcomed all shareholders to the Company’s Seventeenth AGM.

The Chairman proceeded to introduce to the shareholders his fellow Directors and Secretary who were in attendance.

Upon confirming the presence of a quorum with the Secretary, the Chairman called the meeting to order.

2. **NOTICE**

The Chairman informed that the Notice convening the Seventeenth AGM had been sent to all the shareholders of the Company and was published in The New Straits Times on 12 April 2018.

There being no objection from the floor, the notice convening the AGM was taken as read.

3. **SHAREHOLDERS’ VOTING RIGHTS AND VOTING PROCEDURE**

The Chairman informed that all shareholders present in person or by proxy or authorised representative or attorney were entitled to vote by poll and shall have one (1) vote for each share held. All the resolutions tabled for shareholders’ approval at the AGM would be decided on a poll.

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The Chairman further informed that the Company has appointed VotesApp Sdn Bhd as the Poll Administrator to conduct the polling and All-In Worldwide Sdn Bhd as the Independent Scrutineer to verify the poll results.

The Chairman informed that in order to facilitate the orderly conduct of the Meeting, question & answer sessions would be held after the Meeting had procedurally moved each motion.

Upon the invitation by the Chairman, the representative of VotesApp Sdn Bhd explained to the shareholders the procedures for the conduct of electronic live voting using handheld e-voting device and a trial resolution was demonstrated to the Meeting.

4. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements of the Company for the financial year ended 31 December 2017 (“AFS”) and the Reports of the Directors and Auditors thereon which had been circulated to all the members of the Company within the statutory period were tabled before the meeting.

With the unanimous consent of the members, the Auditors’ Report contained in the AFS was taken as read.

The Chairman informed the shareholders that the Company has received questions from the Minority Shareholders Watchdog Group (MSWG) on 1 June 2018 and upon the invitation of the Chairman, the Chief Financial Officer presented the slide on the responses by the Company to the questions posted by MSWG as annex to the minutes.

Ms. Rebecca Yap of MSWG enquired of Management the outlook for the healthcare business and sought clarifications on the decline in revenue contribution by the manufacturing division of the Group as reported in the first quarter interim results for the period ended 31 March 2018.

Dato’ Yau Kok Seng, the Group Executive Vice Chairman responded that the Group has been in constant lookout for new business ventures and opportunities that seek to enhance and diversify the revenue stream of the Group. The proposed undertaking of healthcare business is part of the Group’s strategy to tap into the healthcare industry which is comparatively stable. The Board believes that the proposed venture into healthcare industry is an attractive business proposition as the obstetrics and gynaecology market in Malaysia is growing and with constant demand, the healthcare industry will provide the Group with good long-term viability and growth opportunity.

Dato’ Yau added that the proposed acquisition of 25% of the issued and paid up share capital in Esther Postpartum Care Sdn Bhd which is in the business of providing confinement service based on Taiwanese postpartum concept is in line with the Group’s business strategies to invest in the healthcare and related industry and is expected to provide a good opportunity to diversify the earnings of the Group.

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Mr Tan Chuan Dyi, the Executive Director of Furniweb Holdings Limited who spearheads the manufacturing activities of the Group, replied that the lower revenue contribution from the manufacturing segment in the first quarter interim results for the period ended 31 March 2018 was partly due to reduced sales for certain existing products as the customers were developing new specifications for their products besides the depreciation of USD against RM which lowered the revenue reported in RM for the sales denominated in USD.

Mr Ng Soo Har @ Ng Seet Kow, a shareholder commended the Company for its improved performance recorded for the financial year 2017 compared to the previous financial year. Mr Ng enquired of the Board the prospect and outlook for the next 5 years amidst the challenging business and new political environment.

The Chairman responded, despite the challenging business and economic environment, the outlook of the country has been brightened following the change of government and is heading into the right direction. Overall, it will be good for the business environment, market place and the country and the Group, with dedicated and experience team is well positioned to overcome the challenges and is confident of achieving further progress moving forward.

Dato' Lua Choon Hann, the Group Managing Director added that the Group has over the last few years transform from manufacturing to include property development and construction in its business portfolios and the latest into healthcare industry to unlock shareholders' value. Dato' Lua remarked, with Dato' Yau joining the Board, his vast experience and industry knowledge in the property sector and business credentials would be helpful to the Board and would contribute to the Group's objective as well as growth moving forward.

Dato' Yau remarked that the Group has a team of dedicated enthusiasts to strategise, lead and drive the business growth of the Group and Management is optimistic that the Group will achieve quantum leap in its performance for the next 3 to 5 years.

There being no further questions raised, the AFS of the Company and the Reports of the Directors and Auditors thereon as laid before the meeting were declared by the Chairman to be duly received.

5. **RESOLUTION 1**

**APPROVAL OF INCREASE AND PAYMENT OF DIRECTORS' FEES AND BENEFITS**

Mr. Kok Chi Ken proposed and Dato' Yau Kok Seng seconded the following motion:

“THAT the increase and payment of Directors' fees and benefits payable to the Non-Executive Directors up to RM459,600 from 7 June 2018 until the next AGM of the Company be hereby approved.”

There being no questions from the shareholders, the resolution was put to the Meeting for a vote vide live voting guided by the Poll Administrator.

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Based on the poll results displayed on the screen, the Chairman declared Resolution 1 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	141,440,760	100.0	0	0

6. **RESOLUTIONS 2 AND 3****RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 84 OF THE COMPANY'S CONSTITUTION**

The Chairman informed that in accordance with Article 84 of the Company's Constitution, Dato' Hamzah bin Mohd Salleh and Mr. Lim Chee Hoong are retiring by rotation and being eligible, have offered themselves for re-election.

Mr. Ng Soo Har @ Ng Seet Kow proposed and Mr. Kok Chi Ken seconded the following motion:

“THAT Dato' Hamzah bin Mohd Salleh who is retiring pursuant to Article 84 of the Company's Constitution and being eligible, be hereby re-elected to office.”

There being no questions from the shareholders, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

Based on the poll results displayed on the screen, the Chairman declared Resolution 2 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	141,442,910	99.9999	100	0.0001

The Chairman proceeded to the next resolution on the re-election of Mr. Lim Chee Hoong.

Mr. Ng Soo Har @ Ng Seet Kow proposed and Mr. Kok Chi Ken seconded the following motion:

“THAT Lim Chee Hoong who is retiring pursuant to Article 84 of the Company's Constitution and being eligible, be hereby re-elected to office.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

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Based on the poll results displayed on the screen, the Chairman declared Resolution 3 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	141,439,310	99.9999	100	0.0001

7. **RESOLUTIONS 4, 5 AND 6****RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 91 OF THE COMPANY'S CONSTITUTION**

Being interested in the proposed Ordinary Resolution 4, the Chairman hands over the chair to Dato' Yau Kok Seng, the Group Executive Vice Chairman to present the proposed resolution.

Dato' Yau took the chair and informed that the next item on the agenda was to seek the approval of the shareholders for the re-election of Dato' Dr Awang Adek bin Hussin who is retiring in accordance with Article 91 of the Company's Constitution and being eligible, has offered himself for re-election.

Ms. Chen Sze Huey proposed and Mr. Liew Ching Hoong seconded the following motion:

"THAT Dato' Dr Awang Adek bin Hussin who is retiring pursuant to Article 91 of the Company's Constitution and being eligible, be hereby re-elected to office."

There being no questions raised, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

Based on the poll results displayed on the screen, the presiding Chairman declared Resolution 4 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	141,443,010	100.0	0	0

Dato' Yau handed back the chair to Dato' Dr Awang Adek for the next agenda.

The Chairman proceeded to the next resolution on the re-election of Mr. Na Chun Wee.

Mr. Kok Chi Ken proposed and Mr. Liew Ching Hoong seconded the following motion:

"THAT Na Chun Wee who is retiring pursuant to Article 91 of the Company's Constitution and being eligible, be hereby re-elected to office."

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There being no questions raised, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

Based on the poll results displayed on the screen, the Chairman declared Resolution 5 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	141,439,410	100.0	0	0

The Chairman proceeded to the next resolution on the re-election of Dato' Yau Kok Seng.

Mr. Liew Ching Hoong proposed and Ms. Chen Sze Huey seconded the following motion:

“THAT Dato' Yau Kok Seng who is retiring pursuant to Article 91 of the Company's Constitution and being eligible, be hereby re-elected to office.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

Based on the poll results displayed on the screen, the Chairman declared Resolution 6 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	141,443,008	100.0	0	0

8. **RESOLUTION 7**

**RE-APPOINTMENT OF AUDITORS**

The Chairman proceeded to the next item of the agenda which was to seek shareholders' approval for the re-appointment of Messrs BDO who had given their consent for re-appointment as the Auditors of the Company.

Mr. Ng Soo Har @ Ng Seet Kow proposed and Mr. Kok Chi Ken seconded the following motion:

“THAT Messrs BDO be re-appointed the Auditors of the Company AND THAT the Directors be authorised to fix their remuneration.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

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Based on the poll results displayed on the screen, the Chairman declared Resolution 7 carried as follows:

<b>Resolution</b>	<b>For</b>		<b>Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Ordinary Resolution 7	141,439,408	100.0	0	0

9. **RESOLUTIONS 8 & 9**

**RETENTION OF INDEPENDENT DIRECTORS**

The Chairman informed that the next item on the agenda was to seek the approval of the shareholders for the retention of Mr. Lim Chee Hoong and Dato' Hamzah bin Mohd Salleh as Independent Directors who had served the Board for a cumulative period of more than 12 years respectively.

The Board is of the view that the independence of a director cannot be decided subjectively with reference to a fixed period of time. The Group benefits from having long serving directors who have accumulated incumbent knowledge of the Group's operations and have demonstrated objectivity in advising and overseeing the management of the Group.

The Chairman further informed that the Board of Directors of the Company, after having assessed the independence of Mr. Lim Chee Hoong and Dato' Hamzah bin Mohd Salleh, considers them to be independent based on the justifications stated in the Notice of this AGM. The Board is of the view that they will continue to provide invaluable contributions to the Board and recommend that they be retained as Independent Non-Executive Directors of the Company and to hold office until the conclusion of the next AGM.

The shareholders were informed that the resolutions on the proposed retention of Mr. Lim and Dato' Hamzah will be voted through a two-tier voting process.

Upon the invitation of the Chairman, the shareholders were briefed by the representative of VotesApp Sdn Bhd the procedures for two-tier voting process.

Ms. Chen Sze Huey proposed and Mr. Kok Chi Ken seconded the following motion:

“THAT in accordance with the Malaysian Code on Corporate Governance (“MCCG”), subject to the passing of Resolution No. 3, Lim Chee Hoong who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”

There being no questions raised, the resolution was put to the meeting for a vote through a two-tier voting process guided by the Poll Administrator.

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Based on the voting results of Tier-1 and Tier-2 displayed on the screen, the Chairman declared Resolution 8 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8				
- Tier 1	55,275,400	100.0	0	0
- Tier 2	86,163,910	99.9999	100	0.0001

The Chairman proceeded to the next resolution on the retention of Dato' Hamzah Bin Mohd Salleh.

Mr. Liew Ching Hoong proposed and Dato' Lua Choon Hann seconded the following motion:

“THAT in accordance with the MCCG, subject to the passing of Resolution No. 2, Dato' Hamzah bin Mohd Salleh who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”

There being no questions raised, the resolution was put to the meeting for a vote through a two-tier voting process guided by the Poll Administrator.

Based on the voting results of Tier-1 and Tier-2 displayed on the screen, the Chairman declared Resolution 9 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 9				
- Tier 1	55,275,400	100.0	0	0
- Tier 2	86,165,258	99.9999	100	0.0001

10. **RESOLUTION 10****AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES**

The Chairman proceeded to the next item on the agenda which was to seek shareholders' approval for the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

Mr. Ng Soo Har @ Ng Seet Kow proposed and Mr. Kok Chi Ken seconded the following motion:

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“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”), and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares of the Company at the time of issue AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

Based on the poll results displayed on the screen, the Chairman declared Resolution 10 carried as follows:

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 10	141,443,010	100.0	0	0

11. **RESOLUTION 11**

**PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

The Chairman proceeded to the next item on the agenda which was to seek shareholders’ approval for the renewal of the authority for share buy-back, the relevant information of which was set out in the Share Buy-Back Statement dated 12 April 2018.

Mr. Kok Chi Ken proposed and Mr. Ng Soo Har @ Ng Seet Kow seconded the following motion:

“THAT subject always to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors from time to time through Bursa Securities, subject to the following:

- a) The aggregate number of shares which may be purchased by the Company shall not exceed 10% of the total issued and paid-up share capital of the Company at any point in time;
- b) The maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the retained earnings of the Company. The audited retained earnings of the Company as at 31 December 2017 stood at RM60.13 million;

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- c) The authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:
- i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed, at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;
- whichever is earlier;
- d) Upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manners:
- i) to cancel the shares so purchased;
  - ii) to retain the shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act);
  - iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
  - iv) in any other manner as may be permitted and prescribed by the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps and to do all acts and things as may be required (including executing all documents) to implement, finalise and give full effect to the purchase of the Company's own shares, with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as may be deemed necessary or expedient by the Board of Directors and in the best interests of the Company."

In response to the question raised by Mr. Ng Soo Har @ Ng Seet Kow, Dato' Yau explained that the Proposed Share Buy Back will be undertaken only when the share price is perceived to be low. The Proposed Share Buy Back is an avenue for the Company to return cash to its shareholders and shares will be purchased subject to pricing conditions imposed by Bursa Securities, the liquidity of the shares and cashflow position of the Group.

The shareholders were further informed that the Board shall endeavour to ensure that the Proposed Share Buy Back will be undertaken when necessary and appropriate, subject to the availability of financial resources, working capital requirements for the operations as well as funding requirements for new business ventures of the Group. To-date, the Company has purchased a total of 417,800 of its own shares and retained the shares purchased as treasury shares.

There being no further questions raised, the resolution was put to the meeting for a vote vide live voting guided by the Poll Administrator.

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Based on the poll results displayed on the screen, the Chairman declared Resolution 11 carried as follows:

<b>Resolution</b>	<b>For</b>		<b>Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Ordinary Resolution 11	141,443,010	100.0	0	0

12. **CLOSURE OF MEETING**

There being no further business, the AGM was closed at 11.05 a.m. with a vote of thanks to the Chairman.

READ AND CONFIRMED BY

**-SIGNED-**

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CHAIRMAN

Date: 20 June 2018



**PRG**  
HOLDINGS BERHAD

**Q&A with MSWG**  
**6 June 2018**

Should you have any queries, please contact:

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1) The Group through its 51% owned subsidiary company, Premier BayCity Sdn Bhd has completed the acquisition of 6.49 acres of leasehold land in Subang U5, Selangor. The Group is planning to develop 650 residential apartment units on that piece of leasehold land with the aim of commencing development works and sales by 3rd quarter of this year.

(i) What was the acquisition price for the leasehold land?

The total land cost is RM21.57 million, PRG Group paid RM11million for its 51% stakes.

(ii) What is the Gross Development Cost for the project?

The GDV for this project is expected to be approximately RM260 million.

(iii) When is the targeted completion date for the project?

We expect to launch the project in the 2<sup>nd</sup> half of the year. This project will take approximately about 3 years.

(iv) Has the Company received all the necessary approvals from the authorities?

We have obtained the Development Order in April this year. We are currently working on the building plan and applying for the APDL.



2) The Group has recently completed the acquisition of 213 sub-divided parcels of 99-year leasehold totalling approximately 8.7 acres in Batu Gajah, Perak. The Group is currently in the planning phase of the development with intentions to develop affordable residential link-house units on this parcel of land.

(i) What was the acquisition price for the leasehold land?

The acquisition price for the leasehold land is RM9.98 million.

(ii) What is the Gross Development Value and Gross Development Cost for the project?

The GDV of the project is expected to be approximately RM41 million.

(iii) When is the project expected to commence development and when is the targeted completion date?

We expect to launch the project in 2<sup>nd</sup> half of the year. This project will take approximately about 24 months.

(iv) When does the Company expect to procure all the necessary approvals from the authority?

We have obtained the Development Order and are now working on the building plan and APDL.



- (v) **Has there been any market research done in the area to determine the demand for the type of properties that the Group intends to develop?**

Yes, market study has been conducted. Since we are developing affordable homes, we believe that the demand is still high in the coming few years.

3) **Picasso Residence is the Group's maiden property development project. It is a high-rise residential development project which comprises 472 units of residential units on a 3.5 acre leasehold land along Jalan Jelatek, Kuala Lumpur.**

- (i) **What is the Gross Development Value and Gross Development Cost for the project?**

The GDV for this project is approximately RM700million.

- (ii) **What is the take-up rate for the units to-date? Is the take-up rate in line with its expectation given the glut in high rise apartment units in Kiang Valley?**

The take up rate is about 65%. It is within our expectations, however, we have been embarking on various overseas marketing activities to boost the sales.



4) As reported in the Group Managing Director's Management Discussion and Analysis on page 18 of the Annual Report, the Group's construction division is expected to be busy for the next few years with housing development projects worth a potential RM5 billion from Syarikat Perumahan Negara Berhad ("SPNB").

(i) **What is the current order book value from SPNB for its construction division and how long will this order book last?**

We are not rushing to take up all developments under the RM5 bil project, in fact we are very careful in selecting the site of development at the moment. The current order book is the Batu Gajah's project with approximately RM41 mil.

(ii) **What is the profit margin from SPNB project?**

The profit margin of this project is consistent with the market's affordable home profit margin of 8% to 10%.

(iii) **Is the Group expecting to receive any new construction projects from SPNB over the next 12 months?**

We are in the process of evaluating the viability of the projects and we will only embark on those projects which is viable.



- (iv) Please elaborate on the partnership with Jiangsu Provincial Construction (M) Sdn Bhd to deliver the housing projects with SPNB. Will there be any equity participation in the collaboration?**

This consortium is set up to accelerate this project and to provide funding if needed. We have not exercised the equity participation as we are in the midst of evaluating & exploring work together.

**5) The Group has also entered into a collaboration with Mingfa, a Hong Kong based property developer.**

- (i) What is the nature of this collaboration and will it involve any equity participation by both partners?**

As announced early this year, JPC, PRG and Mingfa have agreed to work together in a long-term strategic partnership in a JV company, Premier JPC. This consortium will venture into highway, bridge, port, project investment and financing, and housing development projects in Malaysia.

A JV company will be set up as a result of the collaboration, with JPC, PRG and Mingfa holding 34%, 33% and 33% stake respectively.

The strategic collaboration with Mingfa represents a major leap forward in conjunction with PRG's intention to leverage the know-how and resources to extract maximum value from the derivable synergy flow. We are pleased to have Mingfa onboard, which will take the projects to be undertaken by Premier JPC to greater heights in terms of quality performance.



6) As reported on page 17 of the Annual Report, the Group's Manufacturing Division will continue with its expansion plan to increase the production capacity for narrow elastic fabrics, covered elastic yarn and seat belt webbing to cater for growing demand for these products.

(i) What is the current production capacity for narrow elastic, covered plastic yarn and seat belt webbing respectively?

The current production capacity for narrow elastic, covered plastic yarn and seat belt webbing are 95.4 mil meter, 0.9 mil kg and 15.4 mil meter respectively.

(ii) What will be the production capacity for the above products once the capacity expansion program is completed?

The production capacity for narrow elastic, covered plastic yarn and seat belt webbing after the capacity expansion program completed are 116.5 mil meter, 1.1 mil kg and 21.5 mil meter respectively.

(iii) What is the estimated cost of the capacity expansion and when is it expected to be completed?

The overall estimated cost of the capacity expansion is around RM16million and it is expected to be completed by year 2019.

(iv) Where are the markets for each of the above product?

The markets of these products are Vietnam, Malaysia, Asia Pacific and United Kingdom.

(v) What is the current capacity utilisation for each of the above product?

The current capacity utilisation for these products range from 70 - 90%.



**7) It was reported on page 18 of the Annual Report that the recent surge in crude oil price may increase the price of certain crude-oil based raw materials, such as polyester high tenacity filament yarn, polypropylene multifilament yarn and synthetic rubber.**

**(i) Has there been any increase in the price of these crude-oil based raw materials?**

These crude-oil based raw material prices are in increasing trend currently.

**(ii) Is the Group planning to pass on the increment in raw material prices to its customers?**

The Company will try to pass on the cost if markets condition allows it. However, we are mindful of the strong competition and we may also maintain the price to maintain as well as increase our market shares. Management always reviews the cost structure in order to increase the efficiency and maintain the gross profit margin.

**8) The Group is proposing to enter into healthcare business by acquiring 100% stake in Roopi Medical Centre Sdn Bhd and 25% stake in Esther Postpartum Core Sdn Bhd respectively.**

**(i) Will these acquisitions be earnings accretive to the Group this financial year?**

For Roopi, the acquisition is expected to be completed in the 2nd half of the year and the earning will be contributed since then. As for Esther, we are in the process of negotiation on the final terms.

**1) The Company is seeking shareholders' approval for the increase and payment of Directors' fees and benefits payable to the Non-Executive Directors of up to RM459,600 for the period from 7 June 2018 until the next AGM of the Company.**

**(i) Please provide the breakdown of the fees and benefits to be approved by shareholders?**

This is to recognise their efforts in fulfilling their responsibilities as an independent director. Our action to review the remuneration package is with the intention to make it more on par with the market.

Out of the proposed Directors' fees and benefits of RM459,600, RM 330,000 is for the Directors fees and RM 53,000 is for the meeting allowance. The balance is allocated for potential increase from this AGM until the next AGM of the company.

**2) The non-audit fees incurred for services rendered to the Company and its subsidiaries by the auditors of the Company amounting to RM936,000 was higher than the statutory audit fee of RM453,000 for FY2017.**

**(i) What was the nature of these non-audit fees?**

RM14,000 is related to the review of Housing Development Accounts, and Statement of Risk Management & Internal Control (SORMIC). The other RM922,000 is for the reporting accounting fees related to the Hong Kong Listing exercise.



**(ii) Is there any policy in the amount of non-audit work to be given to the Company's auditor to preserve its independence?**

This is an one off-transaction and is performed by BDO Hong Kong which is a different team from the audit team. With this, BDO Malaysia's independence would not be affected by this one-off non-audit fee.

**3) The Company did not disclose the senior management's remuneration component in bands of RM50.000 under Practice 7.2 of MCGG and there was no explanation of a suitable alternative practice to meet the intended outcome. Under Paragraph 3.2A (b), Practice Note 9 of the Main Market Listing Requirements, the Company must disclose the alternative practice it has adopted and how such alternative practice achieves the Intended Outcome as set out in the MCGG.**

**Please take note of this.**

Please refer to our explanation under Practice 7.2 (page 32) in the Corporate Governance Report published together with the Annual Report 2017 on Bursa on 12 April 2018.

**4) The Company in its Corporate Governance Report has stated that it has applied Practice 12.3 of MCGG. Practice 12.3 refers to facilitating or providing platform for shareholders to vote remotely without being physically present at the Company's AGM. Based on the Company's explanation given on the application of Practice 12.3, we wish to highlight that The Company has not applied the Practice.**

**Please take note of this.**

Thank you for the highlight. We will take note on this.



**PRG**

HOLDINGS BERHAD

**Thank You**