

Type : **GENERAL ANNOUNCEMENT**

Subject : **MATERIAL LITIGATION**

Description : **PASUKHAS GROUP BERHAD ("PGB" OR "THE COMPANY")
WRIT OF SUMMONS AND STATEMENT OF CLAIMS BY EMERALD
CAPITAL (IPOH) SDN BHD IN THE IPOH HIGH COURT (CIVIL SUIT NO.
AA-22NCVC-61-05/2018)**

1. INTRODUCTION

We refer to the Company's announcement made on 23 May 2018 in respect of the litigation between Emerald Capital (Ipoh) Sdn. Bhd. ("ECISB" or "the Plaintiff") against PGB's wholly-owned subsidiary, Pasukhas Sdn. Bhd. ("PSB" or "First Defendant") and PSB's 55%-owned subsidiary, Essential Value Sdn. Bhd. ("EVSB" or "Second Defendant").

(The First Defendant and Second Defendant are collectively referred as "the Defendants" and ECISB, PSB and EVSB are collectively referred as "the Parties" in this announcement)

The Board of Directors of PGB wishes to announce that the Defendants had on 7 January 2020 entered into a Settlement Agreement ("Agreement") with the Plaintiff to settle the following disputes ("Disputes") and all matters as aforesaid and incidental to and occasioned thereof including all current and future claims between the Parties at a settlement sum of Ringgit Malaysia Two Million Two Hundred Seventy-Nine Thousand and Five Hundred (RM2,279,500.00) only ("Settlement Sum"), upon and subject to the terms and conditions of the Agreement ("Proposed Settlement").

2. DETAILS OF THE PROPOSED SETTLEMENT

Pursuant to the Agreement, the Parties have agreed to fully and finally settle the Disputes and all matters as aforesaid and incidental to and occasioned thereof including all current and future claims between the Parties in the following manner, upon and subject to the terms and conditions as stated in the Agreement: -

- a) PSB undertaking to rectify the defects of the remaining 141 units; and
- b) PSB agree to purchase 2 units of D'Festivo Residences ("Properties"), free from any encumbrances from ECISB for a total nett purchase price of RM1,779,500.00 with a right of nomination.

The Parties shall execute Sale and Purchase Agreements and the Deed of Mutual Covenants in relation to the Properties simultaneous with the execution of the Agreement.

The Settlement Sum of RM2,279,500.00 shall be paid by the Plaintiff in the manner as follows: -

- (i) The sum of RM1,779,500.00 payable by ECISB shall be set off against the total nett purchase price of the Properties at a total consideration of RM1,779,500.00 payable by PSB; and
- (ii) Subject to PSB complying with Paragraph 2(b) and ECISB's rights under the Agreement, the balance sum of RM500,000.00 shall be paid by ECISB to PSB by way of ten (10) equal post-dated cheques commencing from 15 December 2019.

3. EFFECTS OF THE PROPOSED SETTLEMENT

The Proposed Settlement will not have any material effect on the gearing, share capital, net assets per share, earnings per share and the substantial shareholders' shareholdings in PGB for the financial year ending 31 December 2020.

4. LIABILITIES TO BE ASSUMED

There are no liabilities (including any contingent liabilities and guarantees) to be assumed by PGB arising from the Proposed Settlement.

5. RISK FACTORS

Save for the normal business and global economic risk, the Board of Directors of PGB is not aware of any other risk factors which may arise from the Proposed Settlement.

6. APPROVAL REQUIRED

The Proposed Settlement is not subject to the approval of the shareholders of PGB and/or any other regulatory authorities.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders and/or any person connected to Directors and/or major shareholders of PGB has any interest, either direct or indirect in the Proposed Settlement.

8. STATEMENT BY DIRECTORS

The Board of Directors of PGB having considered all aspects of the Proposed Settlement, is of the opinion that the Proposed Settlement is in the best interest of PGB Group.

This announcement is dated 7 January 2020.