

Company Name : **PASUKHAS GROUP BERHAD**  
 Stock Name : **PASUKGB**  
 Type : **General Announcement – Transactions (Non-RPT)**  
 Subject : **Pasukhas Group Berhad ("PGB" or "the Company")**  
           - **Execution of Joint Venture Agreement between Yayasan Veteran ATM and Bunga Majujaya Sdn Bhd, a wholly-owned subsidiary of PGB**

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**1. Introduction**

The Board of Directors of PGB is pleased to announce that its wholly-owned subsidiary, Bungar Majujaya Sdn Bhd ("BMSB" or "the Developer") had on 9 June 2017 entered into a Joint Venture Agreement ("JV Agreement") with Yayasan Veteran ATM (Company No. 464179-T) (hereinafter referred to as "the Yayasan") (The Yayasan and BMSB collectively referred to as the "Parties") in collaborating in a joint venture to undertake the development of a piece of State leasehold land held under Lot 385, Seksyen 87A Bandar Kuala Lumpur measuring approximately 5,142 square metres ("the said Land") by constructing and completing a commercial development comprising of office towers or such other type of buildings at the sole discretion of BMSB ("the said Project").

**2. Brief information on Yayasan**

The Yayasan was incorporated on 23 July 2003 under the Companies Act, 1965 as a company limited by guarantee in Malaysia and having its registered office at Tingkat 20, Menara TH Perdana, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur. The Yayasan is governed by a Board of Trustees chaired by the Secretary General of the Ministry of Defence.

The Yayasan was established by the primary objective of strengthening the welfare programs being undertaken by the Department of Veterans' Affairs through the contribution of financial resources from the public, including corporate and investment foundations.

**3. Brief information on BMSB**

BMSB was incorporated on 22 March 2017 pursuant to the Companies Act 2016 as a private limited company with an issued share capital of RM1.00 with one (1) ordinary share. BMSB is presently dormant and its intended principal activity is property development.

**4. Information on the Land**

The category of land use of the Land is "building" with an express condition that the land is to be used for the purpose of commercial office building only. A summary of the details of the said Land is set out below:

	Particulars
Lot Number and Location	Lot 385, Seksyen 87A Bandar Kuala Lumpur
Land Area	5,142 square metres ( 1.27 acres)
Land tenure	State leasehold of 99 years
Existing usage	Vacant
Proposed usage	Commercial office building
Encumbrances	Free from encumbrances

5. **Salient Terms of the JV Agreement**

- (a) The Yayasan hereby agreed to grant unto the Developer the exclusive right to carry out and complete the entire development of the said Land and the Project and to construct and erect thereon the Units in accordance with the approved plans and to sell as developer the Units (referred to as “Development Rights”) in the manner stipulated in the JV Agreement.
- (b) In addition to the Developer agreeing to pay the Land Premium amounting to RM15,450,458.00 (Ringgit Malaysia Fifteen Million Four Hundred Fifty Thousand Four Hundred and Fifty Eight) as per the JV Agreement, the Yayasan shall also be entitled to 72,000 square feet of partial office space and functions rooms together with RM2,000,000.00 cash payable to the Yayasan.

6. **Rationale for the JV Agreement**

PGB Group believes that the Project would contribute positively to the future earnings of PGB Group and improve the financial position of PGB Group via additional revenue and earnings contribution from the Project.

7. **Source of Funding**

PGB intends to finance the Project via internally generated funds and/or borrowings. The exact breakdown of funds will be determined by at a later date.

8. **Financial Effects**

The JV Agreement is not expected to have any material effects on the share capital and substantial shareholding structure of the Company. However, it is expected to have positive contribution to the earnings per share and net assets per share of the Group should the JV Agreement be subsequently commercialised.

9. **Risk Factors**

The risks associated with the JV Agreement are mainly operational risks, inter-alia, inefficiency of operations and competition, as well as subject to challenges and risks arising from the property construction business.

The Project, upon commencement, will be subject to market risk, industry risk and also economy risk which may affect the property construction industry. Nevertheless, PGB Group believes that since the Project is in a strategic location, it will be able to mitigate the said risks.

10. **Expected completion of the Project**

The Developer shall complete the said Project within 5 (five) years from date of obtaining the development order from the relevant authority.

11. **Percentage Ratios**

The highest percentage ratio applicable for the JV, pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is 16.96%.

12. **Approvals Required**

The JV Agreement is not subject to the approval of the shareholders of PGB. However, necessary approvals from the relevant government authorities in relation to the Project shall be obtained.

13. **Directors' and Major Shareholders' interest**

None of the directors, major shareholders of PGB and/or persons connected to them has any interest, direct or indirect in the JV Agreement.

14. **Statement by Directors**

The Board of Director of PGB having taken into consideration all aspects of the JV Agreement, is of the opinion that the JV Agreement is in the best interest of the Group.

15. **Documents available for inspection**

A copy of the JV Agreement is available for inspection at the registered office of PGB at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur during the normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 9 June 2017.