



PRECIOUS WOODS

Precious Woods Holding Ltd
Untermüli 6
CH-6300 Zug (Switzerland)
Phone: +41 41 726 13 13
www.preciouswoods.com

Zug, November 08, 2024

Invitation to the Extraordinary General Meeting

December 02, 2024, 10.00 a.m. in the

Park Hotel Zug, Industriestrasse 14, 6302 Zug

Dear shareholders

We are very pleased to invite you to the Extraordinary General Meeting of Precious Woods Holding Ltd. (PW Holding).

A brief overview of the agenda items:

1. Welcome, agenda, information on the Extraordinary General Meeting
2. Brief report on the current business situation with outlook
3. Reporting on refinancing
4. Partial amendment to the Articles of Association
5. Ordinary capital increase
6. Re-introduction / confirmation of capital band

**We would be delighted to welcome you in person.
The doors will open at 09.30 am.**

Yours faithfully

Markus Brüttsch, Chairman of the Board of Directors



Explanations of the agenda items and the proposals of the Board of Directors

General information from the Board of Directors

The high debt burden of CHF 43.5 million and the associated high interest payments have been an extraordinary burden on the company for several years. The Board of Directors has now reached an agreement with the lenders that all loans should be converted into equity, with the nominal value of the new preference shares to be created amounting to CHF 10.00, which is 10 times higher than that of the ordinary shares. The conversion price or issue price is CHF 50.00 per preference share. The Articles of Association are to be amended so that each share is entitled to one vote.

A preference share shall receive the following preferential rights:

In first priority, all dividends are allocated exclusively to the holders of preference shares on a pro rata basis up to an amount of CHF 1 per preference share.

In second priority, all dividends are allocated exclusively to the holders of ordinary shares on a pro rata basis up to an amount of CHF 0.10 per ordinary share.

After payment of the advance dividend in accordance with the above paragraphs, the remaining portion of the dividend is distributed among the holders of preference shares and ordinary shares in proportion to the nominal value of the shares concerned.

A dividend entitlement cannot be carried forward to the following financial year.

In the event of a (voluntary or involuntary) liquidation of the company, the liquidation proceeds will be allocated to the holders of preference shares on a pro rata basis up to the amount they paid when the preference registered shares were issued.

In addition, in the event of a share buyback by the company, each preference shareholder is entitled to sell their shares to the company before the ordinary shareholders.

The Board of Directors has invited shareholders to this Extraordinary General Meeting so that the above-mentioned restructuring measures can be implemented accordingly. The Board of Directors would like to point out that the lenders are already shareholders of the company and will vote in favor of the restructuring measures proposed by the Board of Directors together with the shareholders supporting these restructuring measures (together more than 2/3 of the total share capital).



Agenda item 3: Partial amendment of the Articles of Association

Explanations of the Board of Directors:

In order for the capital increase under agenda item 4 with the introduction of preference shares and the necessary amendments to the Articles of Association to be implemented, the Annual General Meeting must approve the following amendments to the Articles of Association.

Proposal of the Board of Directors: The Board of Directors proposes to the Annual General Meeting that Article 3, Article 12 para. 1 and Article 23 para. 3 of the Articles of Association be revised as follows:

Art. 3 - Aktienkapital

Das Aktienkapital beträgt CHF 7'052'745.00 und ist eingeteilt in 7'052'745 Namenaktien (Stimmrechtsaktien) zu CHF 1.00 und 0 Namenaktien (Vorzugsaktien) zu CHF 10.00. Die Namenaktien sind vollständig liberiert.

Die Vorzugsaktien gewähren die folgenden Vorzugsrechte:

In erster Priorität werden alle Dividenden ausschliesslich den Inhabern von Vorzugsaktien anteilig bis zu einem Betrag von 1 CHF je Vorzugsaktie zugewiesen.

In zweiter Priorität werden alle Dividenden ausschliesslich den Inhabern von Stammaktien anteilmässig bis zu einem Betrag von CHF 0.10 pro Stammaktie zugewiesen.

Nach Auszahlung der Vorabdividende gemäss den vorstehenden Absätzen wird der verbleibende Teil der Dividende unter den Inhabern von Vorzugsaktien und Stammaktien im Verhältnis zum Nennwert der betreffenden Aktien verteilt.

Ein Dividendenanspruch kann nicht auf das folgende Geschäftsjahr vorgetragen werden.

Im Falle einer (freiwilligen oder unfreiwilligen) Liquidation der Gesellschaft wird der Liquidationserlös den Inhabern von Vorzugsaktien anteilig bis zu dem Betrag zugeteilt, den sie bei der Ausgabe der Vorzugsnamenaktien gezahlt haben.

Darüber hinaus ist jeder Vorzugsaktionär im Falle eines Aktienrückkaufs durch die Gesellschaft berechtigt, seine Aktien vor den Stammaktionären an die Gesellschaft zu verkaufen

Art. 12 - Stimmrecht und Vertretung

Jede Aktie hat eine Stimme.

Art. 23- Auflösung und Liquidation

[...]

[...]

Das Vermögen der aufgelösten Gesellschaft wird nach Tilgung ihrer Schulden nach Massgabe von Artikel 3 dieser Statuten verteilt.

Art. 3 - Share Capital

The share capital is in the amount of CHF 7'052'745.00, subdivided into 7'052'745 registered voting shares of CHF 1.00 each and 0 registered preferred shares of CHF 10 each. The share capital is fully paid in.

The preferred shares grant the following preferential rights:

In first priority, all dividends shall be exclusively allocated to the holders of preferred shares pro rata up to an amount equal to CHF 1 per preferred share.

In second priority, all dividends shall be exclusively allocated to the holders of common shares pro rata up to an amount equal to CHF 0.10 per common share.

After payment of the upfront dividends according to the preceding paragraphs, any remaining part of the dividend shall be distributed among the holders of preferred shares and common shares pro rata in relation to the nominal value of the relevant shares.

No dividend entitlement shall be carried forward to the following business year.

In case of a (voluntary or involuntary) liquidation of the Company, the liquidation proceeds shall be allocated to the holders of preferred shares pro rata up to an amount they paid at the issuance of such preferred shares.

In addition, in the event of a share buyback by the company, each preference shareholder is entitled to sell his shares to the company before the ordinary shareholders.

Art. 12 - Voting Right and Proxy

Each share has one vote.

Art. 23- Dissolution and Liquidation

[...]

[...]

After all debts of the Company have been satisfied, the assets of the dissolved Company shall be distributed among the shareholders according to article 3 of these articles of association.



Agenda item 4: Ordinary capital increase

Explanation of the Board of Directors: In order to eliminate the debt burden and the associated high interest burden on the company, receivables from the company are to be converted into equity. An ordinary capital increase is necessary to implement this offsetting of loans. See also further comments by the Board of Directors under the general information on the planned capital increase.

Proposal of the Board of Directors: Provided that the Annual General Meeting approves the amendments to the Articles of Association listed under agenda item 3, the Board of Directors proposes to the Annual General Meeting that the existing share capital be increased from CHF 7,052,745 by a maximum of CHF 8,698,380 to a maximum of CHF 15,751,125 by way of an ordinary capital increase under the following conditions:

1. a) Total nominal amount by which the share capital is to be increased: maximum CHF 8,698,380.
b) Amount of the contributions to be made: maximum CHF 8,698,380.
2. a) Number, nominal value and type of new shares: a maximum of 869,838 registered shares (preference shares) with a nominal value of CHF 10.00 each.
b) Preferential rights of individual categories: The newly issued registered shares (preference shares) grant preferential rights with regard to dividends and liquidation proceeds as described in more detail in the Articles of Association.
3. a) The issue price is CHF 50 per registered share (preference share) at a nominal value of CHF 10.00 each.
b) Start of dividend entitlement: Entry in the commercial register.
4. Type of inserts:
5. by offsetting against offsettable claims against the company: offsetting in the maximum amount of CHF 43,491,900, for which the creditors¹ are entitled to a maximum of 869,838 preference shares at a nominal value of CHF 10 per share;
6. Allocation of subscription rights that have not been exercised or withdrawn and restriction or cancellation of subscription rights: Subscription rights are revoked for good cause (urgent restructuring measures by the company) in accordance with Art. 652b of the Swiss Code of Obligations. The Board of Directors allocates subscription rights at its own discretion, taking into account the interests of the company and ensuring equal treatment of shareholders.

¹ The list of offsetting creditors is attached to this invitation.



Agenda item 5: Re-introduction / confirmation of the capital band

Explanations from the Board of Directors: If the Annual General Meeting decides to increase the share capital during the authorization period of the Board of Directors under the capital band, the capital band automatically lapses in accordance with Art. 653v CO. For this reason, the capital band must be approved/confirmed again by the Annual General Meeting (including a new upper limit taking into account the above-mentioned capital increase, resulting in a new share capital).

Proposal of the Board of Directors: The Board of Directors proposes to the Annual General Meeting that the capital band under Article 3c of the Articles of Association be reintroduced / confirmed as follows:

Art. 3c – Kapitalband

Die Gesellschaft verfügt über ein Kapitalband zwischen CHF 15'751'125.00 (untere Grenze) und CHF 16'751'125.00 (obere Grenze).

Der Verwaltungsrat ist ermächtigt, bis zum 17.05.2028 das Aktienkapital jederzeit im Maximalbetrag von CHF 1'000'000.00 einmal oder mehrmals und in beliebigen Beträgen zu erhöhen. Die Kapitalerhöhung kann durch Ausgabe von höchstens 1'000'000 vollständig zu liberierenden Namenaktien (Stimmrechtsaktien) mit einem Nennwert von je CHF 1.00 erfolgen. Der Verwaltungsrat erlässt die notwendigen Bestimmungen, soweit sie nicht im Ermächtigungsbeschluss der Generalversammlung enthalten sind. Der Zeitpunkt der Ausgabe dieser neuen Aktien, der jeweilige Ausgabebetrag, die Bedingungen der Bezugsrechtsausübung, der Beginn der Dividendenberechtigung und die Art der Einlagen werden vom Verwaltungsrat bestimmt.

Der Verwaltungsrat ist berechtigt, das Bezugsrecht der Aktionäre einzuschränken oder aufzuheben und Dritten zuzuweisen, wenn solche neuen Aktien zur Finanzierung oder Re-finanzierung des Erwerbes von Unternehmen, Unternehmensteilen, Beteiligungen, neuen Investitionsvorhaben der Gesellschaft oder einer Konzerngesellschaft, zur Erweiterung des Aktionariates mittels strategischen Investoren, zur Begebung von Wandel- und Optionsanleihen oder aus anderen wichtigen Gründen gemäss Artikel 652b Abs. 2 OR verwendet werden. Werden im Zusammenhang mit Unternehmensübernahmen Verpflichtungen zur Bedienung von Wandel- oder Optionsanleihen übernommen, ist der Verwaltungsrat berechtigt, zwecks Erfüllung von Lieferverpflichtungen unter solchen Anleihen neue Aktien unter Ausschluss des Bezugsrechtes der Aktionäre auszugeben.

Nicht ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, im Interesse der Gesellschaft platzieren.

Art. 3c - Capital Band

The Company has a capital band between CHF 15'751'125.00 (lower limit) and CHF 16'751'125.00 (upper limit).

The Board of Directors is authorized to increase the share capital at any time until 17.05.2028 up to a maximum amount of CHF 1'000'000.00 once or several times and in any amounts. The capital increase can be carried out by issuing a maximum of 1'000'000 registered shares (voting shares) with a par value of CHF 1.00 each, to be fully paid up. The Board of Directors shall adopt the necessary provisions to the extent that they are not included in the authorizing resolution of the shareholders' meeting. The date of issue of these new shares, the respective issue amount, the conditions for exercising subscription rights, the commencement of dividend entitlement and the type of contributions shall be determined by the Board of Directors.

The Board of Directors is entitled to restrict or cancel the shareholders' subscription rights and to allocate them to third parties if such new shares are used to finance or refinance the acquisition of companies, parts of companies, participations, new investment projects of the Company or a Group company, to expand the shareholder base by means of strategic investors, to issue convertible bonds or bonds with warrants, or for other important reasons pursuant to Article 652b para. 2 CO. If, in connection with corporate acquisitions, obligations are assumed to service convertible bonds or bonds with warrants, the Board of Directors shall be entitled to issue new shares for the purpose of fulfilling delivery obligations under such bonds and thereby excluding shareholders' subscription rights.

The Board of Directors may allow subscription rights that have not been exercised to lapse, or it may sell these rights or the shares for which subscription rights have been granted but not exercised in the interest of the Company.



General information

Shareholders who do not attend the Annual General Meeting in person may be represented as follows:

1. by the independent proxy (Dr. Urs Egli, Suter Howald Attorneys at Law, Rffelstrasse 26, 8021 Zurich). The enclosed form "Registration / Proxy authorization" is sufficient for granting power of attorney (the admission card does not need to be requested);
2. by another person capable of acting (who does not have to be a shareholder). The admission card will be sent directly to the authorized representative;

Unless expressly instructed otherwise, voting rights are exercised in accordance with the proposals of the Board of Directors; this also applies in the event that additional motions or amendments are proposed at the Extraordinary General Meeting.

Depository representatives within the meaning of Art. 689e para. 3 of the Swiss Code of Obligations are requested to inform the company of the number and par value of the shares they represent as early as possible, but no later than at the time of admission control.

Shareholders entered in the share register with voting rights on November 15, 2024 are entitled to vote. In the period from November 16 to December 2, 2024, no further entries or withdrawals will be made in the share register.

Please return the enclosed registration card to sharecomm ag by November 29, 2024, 12 noon (time of receipt) at the latest.

Supplements:

- Registration card / proxy authorization for the extraordinary AGM
- Reply envelope to sharecomm ag
- List of lenders



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List of lenders

Lender	Amount in CHF
Sunvesta Holding AG	27'300'000
Thomas Gut	2'650'000
Ibau AG	1'040'000
AAGE Jensen Charity Fund	1'452'200
Fleischmann Liegenschaften AG	7'950'000
Blumer-Lehmann Holding AG	2'120'000
Kaspar von Braun	979'700
TOTAL	43'491'900