

PRG HOLDINGS BERHAD
(FORMERLY KNOWN AS FURNIWEB INDUSTRIAL PRODUCTS BERHAD)
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014 - UNAUDITED

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-12-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-12-13 RM'000	CURRENT YEAR TO DATE 31-12-14 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-12-13 RM'000
Revenue	A10	30,025	20,887	92,295	78,817
Cost of sales		(22,874)	(16,122)	(71,807)	(61,699)
Gross profit		7,151	4,765	20,488	17,118
Other income		1,258	481	2,291	2,189
Administrative expenses		(4,990)	(2,887)	(16,633)	(10,605)
Selling and marketing expenses		(1,030)	(470)	(2,670)	(1,888)
Other expenses		(127)	(725)	(594)	(956)
Finance costs		(389)	(108)	(850)	(483)
Interest income		55	59	203	252
Share of profit of a joint venture (net of tax)		-	31	154	265
Profit before tax	A10	1,928	1,146	2,389	5,892
Tax expense	B5	(351)	(60)	(993)	(1,206)
Profit for the period	A10	1,577	1,086	1,396	4,686
Other comprehensive income					
Foreign currency translations		1,827	100	1,347	1,496
Total comprehensive income for the period		3,404	1,186	2,743	6,182
Profit attributable to:					
Owners of the parent		2,123	1,060	2,374	4,746
Non-controlling interest		(546)	26	(978)	(60)
		1,577	1,086	1,396	4,686
Total comprehensive income attributable to:					
Owners of the parent		3,775	1,155	3,702	6,216
Non-controlling interest		(371)	31	(959)	(34)
		3,404	1,186	2,743	6,182
Earnings per ordinary share attributable to owners of the parent (sen):	B11				
Basic		1.47	1.09	1.98	4.89
Diluted		-	NA	1.98	NA

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 - UNAUDITED

	Notes	AS AT END OF CURRENT YEAR 31-12-14 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31-12-13 RM'000
Non-current assets			
Property, plant and equipment		46,043	35,992
Investment in a joint venture		1,012	1,635
Deferred tax assets		36	20
Goodwill on consolidation		1,233	1,233
Total non-current assets		<u>48,324</u>	<u>38,880</u>
Current assets			
Inventories		21,938	21,590
Property development costs		128,468	-
Trade and other receivables		22,063	25,648
Current tax assets		704	495
Deposits placed with financial institutions		1,743	1,184
Cash and bank balances		14,339	9,273
Total current assets		<u>189,255</u>	<u>58,190</u>
Total assets		<u><u>237,579</u></u>	<u><u>97,070</u></u>
Equity			
Share capital		72,531	45,371
Share premium		68	368
Warrant reserve		4,346	-
Treasury shares		(87)	(87)
Exchange translation differences		(5,131)	(6,459)
Retained earnings	B13	36,571	37,986
Total attributable to owners of the parent		108,298	77,179
Non-controlling interests		(355)	414
Total equity		<u>107,943</u>	<u>77,593</u>
Non-current liabilities			
Borrowings	B7	58,775	3,642
Deferred tax liabilities		1,030	1,144
Total non-current liabilities		<u>59,805</u>	<u>4,786</u>
Current liabilities			
Trade and other payables		62,377	8,723
Borrowings	B7	7,017	5,617
Current tax liabilities		437	351
Total current liabilities		<u>69,831</u>	<u>14,691</u>
Total liabilities		<u>129,636</u>	<u>19,477</u>
Total equity and liabilities		<u><u>237,579</u></u>	<u><u>97,070</u></u>
Net assets per share attributable to owners of the parent (RM)	B12	<u>0.7476</u>	<u>0.8525</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2014 - UNAUDITED

Notes	<----- Attributable to owners of the parent ----->						Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	translation differences RM'000	Warrants reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
Balance at 1 January 2013	45,371	368	(7,929)		(87)	35,956	73,679	448	74,127
Profit/(Loss) for the period	-	-	-		-	4,746	4,746	(60)	4,686
Dividend paid	-	-	-		-	(2,716)	(2,716)	-	(2,716)
Foreign currency translations	-	-	1,470		-	-	1,470	26	1,496
Balance at 31 December 2013	<u>45,371</u>	<u>368</u>	<u>(6,459)</u>	<u>-</u>	<u>(87)</u>	<u>37,986</u>	<u>77,179</u>	<u>414</u>	<u>77,593</u>
Balance at 1 January 2014	45,371	368	(6,459)	-	(87)	37,986	77,179	414	77,593
Change of equity interest in subsidiaries/ Increase of share capital in subsidiaries	-	-	-	-	-	14	14	190	204
Profit/(Loss) for the period	-	-	-	-	-	2,374	2,374	(978)	1,396
Foreign currency translations	-	-	1,328	-	-	-	1,328	19	1,347
Rights issue with warrants	27,160	-	-	4,346	-	(1,630)	29,876	-	29,876
Share issuance expenses	-	(300)	-	-	-	-	(300)	-	(300)
Dividend paid	-	-	-	-	-	(2,173)	(2,173)	-	(2,173)
Balance at 31 December 2014	<u>72,531</u>	<u>68</u>	<u>(5,131)</u>	<u>4,346</u>	<u>(87)</u>	<u>36,571</u>	<u>108,298</u>	<u>(355)</u>	<u>107,943</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2014 - UNAUDITED

	31-12-14	31-12-13
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	2,389	5,892
Adjustments for:		
Depreciation of property, plant and equipment	3,547	3,462
Inventories written down	308	822
Impairment of trade receivables	55	24
Finance costs	850	483
Gain on disposal of property, plant and equipment	-	(7)
Interest income	(203)	(252)
Impairment on goodwill on consolidation	-	691
Reversal of inventories written down	(530)	(175)
Net unrealised foreign exchange gain	-	(476)
Share of profit of a joint venture	(154)	(265)
Operating profit before changes in working capital	6,262	10,199
Decrease/(increase) in inventories	501	(987)
Increase in trade and other receivables	(6,360)	(10,402)
Increase in property development costs	(69,348)	-
Increase/(decrease) in trade and other payables	4,532	(117)
Cash used in operations	(64,413)	(1,307)
Tax paid (net with tax refunded)	(1,278)	(1,444)
Net cash used in operating activities	(65,691)	(2,751)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(10,713)	(476)
Dividends received from a joint venture	159	109
Interest received	203	252
Proceeds from disposal of property, plant and equipment	-	7
Acquisition of addition investment in a subsidiary	(103)	-
Deposits pledged	(4,157)	(23)
Net cash used in investing activities	(14,611)	(131)
Cash flows from financing activities		
Dividends paid to owners of the parent	(2,173)	(2,716)
Interest paid	(850)	(483)
Drawdown of borrowings	65,788	5,536
Repayments of borrowings	(11,389)	(6,546)
Repayments of hire purchase creditors	(192)	(66)
Proceeds from rights issue with warrants	29,876	-
Net cash generated from/(used in) financing activities	81,060	(4,275)
Net increase in cash and cash equivalents	758	(7,157)
Effects of exchange rate changes	765	318
Cash and cash equivalents at beginning of period	10,402	17,241
Cash and cash equivalents at end of period	11,925	10,402
Cash and cash equivalents comprise:		
Cash and bank balances	14,339	9,273
Deposits placed with financial institutions	1,743	1,184
Bank Overdraft	-	(32)
Deposit pledged	(4,157)	(23)
	11,925	10,402

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of *FRS 134 Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2013 except for those disclosed in Note A2.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2013 and should be read in conjunction with the Company’s audited financial statements for the financial year ended 31 December 2013.

A2. SIGNIFICANT ACCOUNTING POLICIES

In November 2011, The Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) Framework. The issuance was made in conjunction with the MASB’s plan to converge with International Financial Reporting Standards (“IFRS”) in 2012. The MFRS Framework is a fully IFRS-compliant framework and equivalents to IFRSs.

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate, including their parents, significant investor and venturers (“Transitioning Entities”). Transitioning Entities (“TE”) are allowed to continue applying the FRS Framework for annual periods beginning on or after 1 January 2014.

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A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

MASB's announcement and Implementation of MFRSs were issued on 2 September 2014 and 16 December 2014 respectively, further explained that MFRS 15 Revenue from Contracts with Customers and the Bearer Plants Amendments had been issued, it would be counter-intuitive for entities that have applied MFRSs to revert to FRSs. The non-reversion from MFRSs to FRSs is effective for financial statements with annual periods beginning on or after the MASB's announcement date of 2 September 2014.

The Group met the criteria as a TE before 2 September 2014, and has chosen to revert and apply the FRS Framework. The adoption of FRS Framework did not have any significant impacts on the financial statements of the Group.

Being a TE as defined above, the Group has elected to continue preparing its financial statements in accordance with the FRS Framework for the financial years ending 31 December 2014 to 2016 and will present its first MFRS financial statements for the financial year ending 31 December 2017.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except for the adoption of the following new Malaysian Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2014.

Amendments to FRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to FRS 12	<i>Disclosure of Interest in Other Entities: Investment Entities</i>
Amendments to FRS 127	<i>Separate Financial Statements (2011): Investment Entities</i>
Amendments to FRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to FRS 136	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to FRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financial of the Group.

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A3. AUDITORS' REPORT ON PRECEDING YEAR'S FINANCIAL STATEMENTS

The report of the auditors to members of the Company dated 10 April 2014 on the audited financial statements for the financial year ended 31 December 2013 did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965.

A4. SEASONALITY OF OPERATIONS

The Group's results were not materially affected by any major seasonal or cyclical factors.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year-to-date under review.

A6. CHANGES IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates that have had a material effect in the current quarter and financial year-to-date results.

A7. DEBT AND EQUITY SECURITIES

During the financial period ended 31 December 2014, the Company increased its issued and paid-up ordinary share capital by way of the issuance of 54,320,100 new ordinary shares of RM0.50 each pursuant to the rights issue with 54,320,100 warrants.

Save for the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current period under review.

A8. DIVIDENDS PAID

During the financial year ended 31 December 2014, RM2,172,803 was paid on 23 September 2014 as final single tier dividend of 1.5 sen per share for the financial year ended 31 December 2013.

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A9. PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions and disposals

There were no material acquisitions and disposals during the current quarter and financial year-to-date under review, except for the following:

- i) A wholly-owned subsidiary of the Company, Premier Gesture Sdn Bhd (“PGSB”), has on 22 August 2014 entered into a sale and purchase agreement (“SPA”) with KUB Malaysia Berhad (“the Vendor”) for the acquisition of a unit of office (“the Property”) for a purchase price of RM5,500,000.00.

(b) Impairment losses

There were no impairment losses during the current quarter and financial year-to-date under review.

(c) Valuation

The valuation of land and buildings has been brought forward without amendment from the previous year’s financial statements.

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A10. OPERATING SEGMENTS

Information on reportable segments is presented as follows:

For the period ended 31 December	Webbing, yarn & furniture components		Rubber strips & fabrics		Property development & construction		Others		Eliminations		Consolidated	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue												
Revenue from external customers	57,175	57,042	27,110	21,243	7,537	-	473	532	-	-	92,295	78,817
Inter-segment revenue	960	534	292	122	-	-	18	18	(1,270)	(674)	-	-
Total revenue	58,135	57,576	27,402	21,365	7,537	-	491	550	(1,270)	(674)	92,295	78,817
Segment Results	4,415	5,074	1,905	935	(2,727)	-	(1,358)	(382)	-	-	2,235	5,627
Share of profit of a joint venture (net of tax)	154	265	-	-	-	-	-	-	-	-	154	265
Profit before tax	4,569	5,339	1,905	935	(2,727)	-	(1,358)	(382)	-	-	2,389	5,892
Taxation											(993)	(1,206)
Profit for the financial period											1,396	4,686

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A11. EVENTS AFTER BALANCE SHEET DATE

There were no material events subsequent to the end of the financial period except as disclosed in Note B6 of the Status of Corporate Proposals.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review.

A13. CONTINGENT ASSETS

The Group does not have any contingent assets as at the end of the quarter under review.

A14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in other contingent liabilities and contingent assets since the last annual balance sheet as at 31 December 2014.

A15. CAPITAL COMMITMENTS

There were no capital commitments outstanding not provided for in the financial statements as at the end of the quarter under review.

A16. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended 31 December		Cumulative period ended 31 December	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Sale of goods	<u>470</u>	<u>338</u>	<u>1,792</u>	<u>1,113</u>

The above sales transactions are with a company in which a director of a subsidiary has an interest.

Apart from the above, there were no other material related party transactions entered into during the current quarter and financial year-to-date under review.

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. ANALYSIS OF PERFORMANCE

The Group's revenue of RM30.0 million for current quarter of 2014 was RM9.1 million higher than the RM20.9 million reported in the corresponding quarter of the previous year. Revenue for the financial year-to-date under review was RM92.3 million, RM13.5 million higher than the RM78.8 million recorded in the same period of the preceding year.

The Group recorded a profit before tax of RM1.9 million in fourth quarter of 2014 as compared to profit before tax of RM1.1 million for fourth quarter of last year. Profit before taxation for the current financial year-to-date of RM2.4 million was RM3.5 million lower than RM5.9 million reported for the same period of 2013. This was mainly due to an increase in administrative expenses which was attributable to the expenses incurred pursuant to the corporate exercises and costs for setting up the property development segment of the Group during the quarter under review.

a) Webbing, yarn & furniture components

The revenue of RM15.7 million from the webbings, yarn and furniture components segment for the current quarter was RM1.5 million higher than the RM14.2 million recorded in the corresponding quarter of 2013. The segment's revenue for the financial year-to-date of RM57.2 million was RM0.2 million higher than the RM57.0 million recorded in the same period of last year.

Profit before tax recorded by the webbings, yarn and furniture components segment during the quarter under review was RM2.2 million, RM1.2 million higher than the RM1.0 million reported for the fourth quarter of last year. The segment's profit before taxation of RM4.6 million for the financial year-to-date was RM0.7 million lower than the RM5.3 million recorded for the same period of last year. Higher profit for the current quarter is mainly due to lower material price and stronger US Dollar against the Ringgit which resulted in net foreign exchange gains for the export sales. However, the profit before tax for the year was lower than last year is mainly due to slower recovery of global economy.

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B1. ANALYSIS OF PERFORMANCE (CONT'D)

b) Rubber strips & fabric

The rubber strips and fabrics segment recorded revenue of RM7.7 million in the quarter under review, which was RM1.5 million higher than the RM6.2 million recorded in the corresponding quarter of the previous year. The segment's revenue for the financial year-to-date of RM27.1 million was RM5.9 million higher than RM21.2 million recorded in the corresponding period of last year.

The rubber strips and fabrics segment reported a profit before tax of RM0.9 million for the quarter under review compared to the profit before tax of RM0.7 million recorded in the corresponding quarter of the previous year. Profit before tax for the financial year-to-date of RM1.9 million was RM1.0 million higher than the profit of RM0.9 million recorded during the same period of the previous financial year. The increase in volume and enhancement in production efficiency contributed to the improved performance in the segment.

c) Property development & construction

The property development & construction segment recorded revenue of RM6.6 million and loss before tax of RM0.8 million in the current quarter. The revenue and loss before tax for financial year-to-date under review were RM7.5 million and RM2.7 million respectively.

Revenue from current quarter is mainly derived from the construction contract in Ipoh. The current year loss was mainly contributed by the startup operational costs for the property division which include staff costs, authority application and processing fees, professional fees and marketing expenses.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM30.0 million and profit before tax of RM1.9 million for the current quarter ended 31 December 2014 as compared to revenue of RM22.7 million and profit before tax of RM1.4 million achieved in the preceding quarter. The increase in revenue and profit was contributed by the improved performance of manufacturing segment and profit recognition from the construction contract in Ipoh.

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B3. PROSPECTS

The finalisation of the Trans-Pacific Partnership (“TPP”) agreement with member countries is likely to accelerate the relocation of textile and furniture related investment into the TPP member countries which includes Vietnam and Malaysia. This will enable us greater opportunity to supply our products to these companies. Over the past one year, the group has benefited from the higher sales partly as a result of the relocation of these industries and has also seen an increase in enquiries and sourcing activities from foreign buyers as a result of the anticipated lower cost of our products. On the currency volatility, as the Group derives substantial amount of its revenue in US dollars, any further strengthening in the USD/RM exchange rate will be positive to the group. However, further strengthening of USD vs other currencies may also affect sales to some of the export markets. Barring any unforeseen circumstances, the Group’s manufacturing performance is expected to remain satisfactory.

On the property front, the Malaysian property market remains challenging due to various fiscal measures taken by the government. However, the Group is confident due to the concept and location of the demand for its residential development called The Picasso Residence, due to be launched in the first quarter of 2015.

B4. PROFIT FORECAST

Not applicable as the Group did not publish any profit forecast.

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B5. TAX EXPENSE

	Quarter ended 31 December		Cumulative period ended 31 December	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Tax expense:				
Current year taxation:				
- Malaysia	136	79	289	602
- Overseas	213	254	768	760
Over provision in prior year – Malaysia	(6)	(186)	(5)	(69)
Deferred tax:				
Originating and reversal of temporary differences	(12)	(198)	(12)	(198)
Under provision in prior years	20	111	(47)	111
	<u>351</u>	<u>60</u>	<u>993</u>	<u>1,206</u>

The effective tax rate of the Group for the period ended 31 December 2014 is higher than the statutory income tax rate as certain subsidiary companies experienced losses during the financial year-to-date under review.

B6. STATUS OF CORPORATE PROPOSALS

- a) **Proposed establishment of a long term incentive plan (“LTIP”) of up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares, if any) for the eligible employees and directors of the Company and its subsidiary companies**

Proposed LTIP was approved by the shareholders at Extraordinary General Meeting on 26 January 2015. The LTIP has not been implemented up to the reporting date.

- b) **Proposed change of name of Furniweb Industrial Products Berhad to PRG Holdings Berhad**

The proposed change of name of the Company was approved by the shareholders at Extraordinary General Meeting and effective from 26 January 2015.

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B7. BORROWINGS

The Group's borrowings as at the end of the current quarter are as follows:

	At 31 December 2014 RM'000	At 31 December 2013 RM'000
Current liabilities	7,017	5,617
Non-current liabilities	58,775	3,642
	<u>65,792</u>	<u>9,259</u>
The borrowings are denominated in the following currencies:		
- Ringgit Malaysia	59,015	3,781
- United States Dollar	4,681	5,478
- Vietnamese Dong	2,096	-
	<u>65,792</u>	<u>9,259</u>

The bank borrowings are secured by way of debentures on the fixed and floating assets of the Group and corporate guarantees of the Company.

B8. DIVIDENDS

Other than the dividend paid as disclosed in Note A8, the Board of Director did not recommend any dividend for the quarter ended 31 December 2014.

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B9. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Cumulative period ended 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Operating profit is arrived at after charging/ (crediting):				
Interest expense	389	108	850	483
Depreciation and amortization	987	752	3,547	3,462
Inventories written down	(136)	310	(222)	647
Impairment on trade receivables	55	-	55	-
Impairment of goodwill	-	690	-	690
Interest income	(55)	(59)	(203)	(252)
Net gain on foreign exchange	(966)	(327)	(991)	(1,443)
Gain on disposal of property, plant and equipment	-	-	-	(7)

- (a) There were no gain or loss on disposal of quoted or unquoted investments or properties during the current quarter and financial year-to-date under review.
- (b) Apart from the above, there were no impairment of other assets during the current quarter and financial year-to-date under review.
- (c) There were no gain or loss on derivatives during the current quarter and financial year-to-date under review.
- (d) There were no exceptional items during the current quarter and financial year-to-date under review.

B10. MATERIAL LITIGATION

The Group is not involved in any claim or legal action that will have a material effect on the Group's financial position, results of operations or liquidity at the date of this report.

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B11. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the parent for the period by the weighted average number of ordinary shares in issue during the period after share buy back.

	Quarter ended		Cumulative period	
	31 December		ended 31 December	
	2014	2013	2014	2013
Profit attributable to owners of the parent (RM'000)	<u>2,123</u>	<u>1,060</u>	<u>2,374</u>	<u>4,746</u>
Weighted average number of ordinary shares in issue ('000)	<u>144,854</u>	<u>97,052</u>	<u>119,709</u>	<u>97,052</u>
Basic earnings per ordinary share (sen)	<u>1.47</u>	<u>1.09</u>	<u>1.98</u>	<u>4.89</u>

(b) Diluted earnings per ordinary share

	Quarter ended		Cumulative period	
	31 December		ended 31 December	
	2014	2013	2014	2013
Profit attributable to owners of the parent (RM'000)	<u>2,123</u>	<u>1,060</u>	<u>2,374</u>	<u>4,746</u>
Weighted average number of ordinary shares in issue ('000)	144,854	97,052	119,709	97,052
Effect of dilution	<u>-**</u>	<u>-</u>	<u>285</u>	<u>-</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>144,854</u>	<u>97,952</u>	<u>119,994</u>	<u>97,952</u>
Diluted earnings per ordinary share (sen)	<u>-</u>	<u>NA</u>	<u>1.98</u>	<u>NA</u>

**The effect on the diluted earnings per share for the current quarter arising from the warrants was anti-dilutive. Accordingly, the diluted EPS was not presented for the said period.

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B12. NET ASSETS PER SHARE

Net assets per share attributable to owners of the parent is arrived at by dividing the total equity attributable to owners of the parent at the end of the period by the number of ordinary shares in issue at the end of the period after share buy back.

	At 31 December 2014	At 31 December 2013
Total equity attributable to owners of the parent (RM'000)	<u>108,298</u>	<u>77,179</u>
Number of ordinary shares in issue ('000)	145,063	90,742
Number of shares repurchased ('000)	<u>(209)</u>	<u>(209)</u>
Number of ordinary shares in issue after share buy back ('000)	<u>144,854</u>	<u>90,533</u>
Net assets per share attributable to owners of the parent (RM)	<u><u>0.7476</u></u>	<u><u>0.8525</u></u>

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B13. REALISED AND UNREALISED PROFITS OR LOSSES

	At 31 December 2014 RM'000	At 31 December 2013 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	53,767	55,546
- Unrealised	(1,399)	(1,640)
	52,368	53,906
Total share of retained earnings from a joint venture:		
- Realised	784	1,492
- Unrealised	(3)	(2)
	53,149	55,396
Less: Consolidation adjustments	(16,578)	(17,410)
Retained earnings as per Consolidated Statement of Financial Position	36,571	37,986

B14. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2015.