

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016 - UNAUDITED

	Notes	Quarter ended 31 December		Cumulative period ended 31 December	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	A10	35,129	40,039	132,062	129,323
Cost of sales		(26,200)	(28,323)	(93,457)	(99,363)
Gross profit		8,929	11,716	38,605	29,960
Other income		185	1	1,549	3,390
Administrative expenses		(8,556)	(5,253)	(25,388)	(19,673)
Selling and marketing expenses		(2,824)	(1,064)	(5,548)	(3,795)
Other expenses		(283)	(763)	(2,256)	(1,887)
Finance costs		(344)	(288)	(1,420)	(1,200)
Interest income		40	56	175	211
Share of profit of a joint venture (net of tax)		34	77	215	235
(Loss)/Profit before tax	A10	(2,819)	4,482	5,932	7,241
Tax expense	B5	930	(1,523)	(885)	(2,611)
(Loss)/Profit for the period	A10	(1,889)	2,959	5,047	4,630
Other comprehensive income					
Foreign currency translations		2,248	254	1,235	3,955
Total comprehensive income for the period		359	3,213	6,282	8,585
(Loss)/Profit attributable to:					
Owners of the parent		(2,095)	3,281	4,263	6,075
Non-controlling interest		206	(322)	784	(1,445)
		(1,889)	2,959	5,047	4,630
Total comprehensive income/(loss) attributable to:					
Owners of the parent		151	3,530	5,502	9,988
Non-controlling interest		208	(317)	780	(1,403)
		359	3,213	6,282	8,585
Earnings per ordinary share attributable to owners of the parent (sen):	B11				
Basic		(0.70)	1.13	1.44	2.10
Diluted		(0.62)	1.13	1.29	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 - UNAUDITED

	Notes	As at 31 December 2016 RM'000	As at 31 December 2015 RM'000
Non-current assets			
Property, plant and equipment		50,165	47,958
Investment in a joint venture		1,355	1,413
Deferred tax assets		566	15
Intangible assets		1,457	1,534
Total non-current assets		<u>53,543</u>	<u>50,920</u>
Current assets			
Inventories		23,888	22,035
Property development costs		156,923	146,297
Trade and other receivables		31,698	24,273
Current tax assets		959	537
Cash and bank balances		20,504	24,057
Total current assets		<u>233,972</u>	<u>217,199</u>
Total assets		<u><u>287,515</u></u>	<u><u>268,119</u></u>
Equity			
Share capital		74,555	72,531
Share premium		1,404	68
Exchange translation differences		21	(1,218)
Warrants reserve		4,022	4,346
Treasury shares		(87)	(87)
Retained earnings	B13	43,982	41,197
Total attributable to owners of the parent		123,897	116,837
Non-controlling interests		(978)	(1,758)
Total equity		<u>122,919</u>	<u>115,079</u>
Non-current liabilities			
Borrowings	B7	18,831	35,316
Trade and other payables		-	28,754
Deferred tax liabilities		1,089	1,179
Total non-current liabilities		<u>19,920</u>	<u>65,249</u>
Current liabilities			
Trade and other payables		111,886	43,119
Borrowings	B7	32,121	44,239
Current tax liabilities		669	433
Total current liabilities		<u>144,676</u>	<u>87,791</u>
Total liabilities		<u>164,596</u>	<u>153,040</u>
Total equity and liabilities		<u><u>287,515</u></u>	<u><u>268,119</u></u>
Net assets per share attributable to owners of the parent (RM)	B12	<u>0.4160</u>	<u>0.4033</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016 - UNAUDITED

Notes	<----- Attributable to owners of the parent ----->							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	Total RM'000		
Balance at 1 January 2015	72,531	68	(5,131)	4,346	(87)	36,571	108,298	(355)	107,943
Profit/(Loss) for the period	-	-	-	-	-	6,075	6,075	(1,445)	4,630
Dividend paid	-	-	-	-	-	(1,449)	(1,449)	-	(1,449)
Foreign currency translations	-	-	3,913	-	-	-	3,913	42	3,955
Balance at 31 December 2015	<u>72,531</u>	<u>68</u>	<u>(1,218)</u>	<u>4,346</u>	<u>(87)</u>	<u>41,197</u>	<u>116,837</u>	<u>(1,758)</u>	<u>115,079</u>
Balance at 1 January 2016	72,531	68	(1,218)	4,346	(87)	41,197	116,837	(1,758)	115,079
Profit for the period	-	-	-	-	-	4,263	4,263	784	5,047
Foreign currency translations	-	-	1,239	-	-	-	1,239	(4)	1,235
Issuance of shares pursuant to exercise of warrants	2,024	1,336	-	(324)	-	-	3,036	-	3,036
Dividend paid	-	-	-	-	-	(1,478)	(1,478)	-	(1,478)
Balance at 31 December 2016	<u>74,555</u>	<u>1,404</u>	<u>21</u>	<u>4,022</u>	<u>(87)</u>	<u>43,982</u>	<u>123,897</u>	<u>(978)</u>	<u>122,919</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016 - UNAUDITED

	Year-to-date ended	
	31 December	
	2016	2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	5,932	7,241
Adjustments for:		
Non-cash items	5,229	4,624
Finance costs	1,420	1,200
Interest income	(175)	(211)
Share of profit of a joint venture	(215)	(235)
Operating profit before changes in working capital	12,191	12,619
(Increase)/ Decrease in inventories	(1,912)	958
Increase in trade and other receivables	(4,918)	(1,223)
Increase in property development costs	(14,605)	(17,829)
Increase in trade and other payables	41,662	8,738
Cash generated from operations	32,418	3,263
Tax paid net with tax refunded	(1,725)	(2,301)
Net cash from operating activities	30,693	962
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,720)	(5,167)
Dividends received from a joint venture	319	703
Interest received	175	211
Proceeds from disposal of property, plant and equipment	644	136
Deposits placed with financial institutions with original maturity of more than three (3) months	(99)	(3)
Placement of restricted cash	(77)	(71)
Net cash used in investing activities	(3,758)	(4,191)
Cash flows from financing activities		
Dividends paid to owners of the parent	(1,478)	(1,449)
Interest paid	(1,420)	(1,200)
Drawdown of borrowings	22,881	29,478
Repayments of borrowings	(53,172)	(17,369)
Repayments of hire purchase creditors	(1,028)	(433)
Proceeds from issuance of shares pursuant to exercise of warrants	3,036	-
Net cash (used in)/from financing activities	(31,181)	9,027
Net (decrease)/increase in cash and cash equivalents	(4,246)	5,798
Effects of exchange rate changes	506	1,454
Cash and cash equivalents at beginning of period	20,743	13,491
Cash and cash equivalents at end of period	17,003	20,743
Cash and cash equivalents comprise:		
Cash and bank balances	20,504	24,057
Less: Bank overdraft	(659)	(648)
Deposits placed with financial institutions with original maturity of more than three (3) months	(127)	(28)
Restricted cash	(2,715)	(2,638)
	17,003	20,743

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

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 2015 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 2015 and should be read in conjunction with the Company’s audited financial statements for the financial year ended 31 December 2015.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and IC Interpretations which are applicable for the Group’s financial period beginning on or after 1 January 2016.

- FRS 14 Regulatory Deferral Accounts
- Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127 Equity Method in Separate Financial Statements
- Amendments to FRSs Annual Improvements to 2012-2014 Cycle
- Amendments to FRS 101 Disclosure Initiative
- Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception

Adoption of the above pronouncements does not have any significant impact to the Group.

The following are Standards of the FRS Framework that have been issued by MASB but have not been early adopted by the Group.

- FRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)*

The Group is in the process of assessing the impact of implementing these Amendments and Standards, since the effects would only be observable for future financial years.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

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

The report of the auditors to members of the Company dated 11 April 2016 on the audited financial statements for the financial year ended 31 December 2015 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

Share Split

Every one (1) existing ordinary share of RM0.50 each held on 13 September 2016 was subdivided into two (2) ordinary shares of RM0.25 each.

Saves as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial year-to-date under review.

A8. DIVIDENDS PAID

During the financial period ended 30 September 2016, RM1,478,403 was paid on 23 July 2016 as a final single tier dividend of 1.0 sen per share for the financial year ended 31 December 2015.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

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.

(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.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

A10. OPERATING SEGMENTS

Information on reportable segments is presented as follows:

For the period ended 31 December	Manufacturing		Property development & construction		Others		Eliminations		Consolidated	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue										
Revenue from external customers	97,937	89,034	34,125	40,289	-	-	-	-	132,062	129,323
Inter-segment revenue	828	737	20,204	2,360	10,506	2,918	(31,538)	(6,015)	-	-
Total revenue	98,765	89,771	54,329	42,649	10,506	2,918	(31,538)	(6,015)	132,062	129,323
Segment Results	9,967	7,064	(286)	1,510	(3,964)	(1,568)	-	-	5,717	7,006
Share of profit of a joint venture (net of tax)	215	235	-	-	-	-	-	-	215	235
Profit/(loss) before tax	10,182	7,299	(286)	1,510	(3,964)	(1,568)	-	-	5,932	7,241
Taxation									(885)	(2,611)
Profit for the financial period									5,047	4,630

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

A11. EVENTS AFTER BALANCE SHEET DATE

There were no material events subsequent to the end of the financial period.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review except for the following:

- a) A wholly-owned subsidiary, namely FIPB International Limited (“FIL”), has been incorporated on 28 December 2016 under the PRG Group.

FIL was incorporated in the British Virgin Islands as a BVI Business Company with an issued and paid up capital of USD1.00.

A13. 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 2015.

A14. CAPITAL COMMITMENTS

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

A15. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended 31 December		Cumulative period ended 31 December	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Sale of goods	396	200	1,665	1,341

The above sales transactions are with a company in which directors 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.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

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

B1. ANALYSIS OF PERFORMANCE

The Group's revenue of RM35.1 million for current quarter of 2016 was RM4.9 million lower than the RM40.0 million reported in the corresponding quarter of the previous year. Revenue for the financial year-to-date under review was RM132.1 million, RM2.8 million higher than the RM129.3 million recorded in the same period of the preceding year.

The Group recorded a loss before tax of RM2.8 million in current quarter of 2016 as compared to profit before tax of RM4.5 million for same quarter of last year. Profit before tax for the current financial year-to-date of RM5.9 million was RM1.3 million lower than profit before taxation of RM7.2 million reported in the corresponding period of year 2015.

Increase in the Group's revenue during the financial year was mainly contributed by improved performance of manufacturing division by RM8.9 million. Lower revenue contributed by property development & construction division is mainly due to completion of a construction project during the year.

Decrease in Group's profit before tax was due to lower profit recognition from the property development & construction division, increased in marketing and selling expenses in the property development division and recognition of the corporate expenses for the Proposed Listing of the Group's manufacturing business on the Growth Enterprise market of the Stock Exchange of Hong Kong Limited ("Proposed Listing").

a) Manufacturing

The revenue of RM27.0 million from manufacturing segment for the current quarter was RM1.8 million higher than RM25.2 million recorded in the corresponding quarter of 2015. The segment's revenue for the financial year-to-date of RM97.9 million was also RM8.9 million higher than RM89.0 million recorded in the same period of last year.

Profit before tax recorded by manufacturing segment during the quarter under review was RM3.9 million, RM1.2 million higher than RM2.7 million reported in the same quarter of last year. The segment's profit before taxation of RM10.2 million for the financial year-to-date was RM2.9 million higher than RM7.3 million for the same period of year 2015.

Increase in revenue for the current quarter are mainly due to increased sales volume.

b) Property development & construction

The property development & construction segment recorded a revenue of RM8.1 million, RM6.7 million lower than RM14.8 million recorded in the same quarter of last year. The revenue for the financial year-to-date of RM34.1 million was also RM6.2 million lower than RM40.3 million recorded in the same period of last year.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

b) Property development & construction (cont'd)

Loss before tax of RM3.8 million in the current quarter as compared to profit before tax of RM1.9 million recorded in the corresponding quarter of last year. The loss before tax for financial year-to-date under review was RM0.3 million, RM1.45 million lower than profit before tax of RM1.80 million reported for the same period of year 2015.

Decrease in revenue during the quarter was mainly due to lower revenue contribution from the construction contract as compare to the same quarter of last year. However, the decrease was partially off-set by the increase in revenue from the sale of Picasso Residence.

The decrease in profit was due to increased marketing and sales expenses incurred on the Picasso Residence development project.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM35.1 million and loss before tax of RM2.8 million for the current quarter ended 31 December 2016 as compared to revenue of RM32.7 million and profit before tax of RM4.5 million achieved in the preceding quarter.

The decrease in profit before tax was due to the recognition from the corporate expenses for the Proposed Listing and increased marketing and selling expenses incurred on Picasso Residence.

B3. PROSPECTS

The manufacturing division expects to achieve a satisfactory performance.

The Malaysian property and construction market is expected to remain challenging. The Group will focus on marketing and sale of the Picasso Residence units and on timely construction of the development.

B4. PROFIT FORECAST

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

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

B5. TAX EXPENSE

	Quarter ended 31 December		Cumulative period ended 31 December	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current year taxation:				
- Malaysia	(537)	1,076	787	1,665
- Overseas	327	298	952	797
- Over provision in prior years – Malaysia	(68)	149	(202)	149
Deferred tax	(652)	-	(652)	-
	<u>(930)</u>	<u>1,523</u>	<u>885</u>	<u>2,611</u>

The effective tax rate of the Group for the period ended 31 December 2016 is lower than the statutory tax rate due to the utilisation of unabsorbed business allowances by certain subsidiary during the financial year-to-date under review.

B6. STATUS OF CORPORATE PROPOSALS

- 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**

The LTIP was implemented on 1 June 2015 and there was no allocation of options and shares pursuant to the LTIP as at the reporting date.

- b) **Share Split**

Share Split has been completed on 14 September 2016 following the listing of and quotation for 296,218,200 subdivided shares and 51,273,500 additional warrants arising from the adjustments made in accordance with the provisions under the deed poll constituting the warrants 2014/2019 dated 2 June 2014 consequential to the Share Split, on the Main Market of Bursa Securities.

- c) **Development Joint Venture Agreement (“DJVA”)**

The Company has announced on 19 July 2016 that its wholly owned subsidiary company; Premier Gesture Sdn Bhd (“PGSB”) has entered into a Development Joint Venture Agreement (“DJVA”) with Baycity Park Sdn Bhd (“BPSB”) and Premier Baycity Sdn Bhd (“PBSB”) in relation to the proposed development of a parcel of 99-year leasehold land known as Lot PT 46025, HSM 13499, Seksyen U5, Mukim of Sungai Buloh, Daerah Petaling, Negeri Selangor with an area of 26,254 m². PGSB has also entered into a Shareholders Agreement (“SA”) with BPSB to set out the terms governing their relationship as shareholders in PBSB. The completion DJVA and SA are not subjected to the Company’s shareholders’ approval.

The payment for the Development Rights Consideration under the DJVA has been partially paid and is expected to be fully paid on or before 31st March 2017 as mutually agreed between parties as provided under the terms of the DJVA.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

B6. STATUS OF CORPORATE PROPOSALS (CONT'D)

d) Proposed Listing of the Group's Manufacturing Business on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited ("Proposed Listing")

The Company has appointed Shenwan Hongyuan Capital (H.K.) Limited, a licensed corporate finance adviser under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and other professional advisers for the Proposed Listing. The Company will make further announcements in relation to the Proposed Listing as and when appropriate under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B7. BORROWINGS

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

	As at 31 December 2016 RM'000	As at 31 December 2015 RM'000
Current liabilities	32,121	44,239
Non-current liabilities	18,831	35,316
	<u>50,952</u>	<u>79,555</u>
The borrowings are denominated in the following currencies:		
- Ringgit Malaysia	40,107	69,924
- United States Dollar	4,894	4,936
- Vietnamese Dong	5,951	4,695
	<u>50,952</u>	<u>79,555</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, no dividend has been proposed by the Board of Directors for the financial period ended 31 December 2016.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

B9. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Cumulative period ended 31 December	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Operating profit is arrived at after charging/ (crediting):				
Interest expense	344	288	1,420	1,200
Depreciation and amortization	1,280	1,577	4,835	4,999
Inventories written down	154	168	524	861
Interest income	(40)	(56)	(175)	(211)
Net gain on foreign exchange	(1,021)	(192)	(443)	(2,686)
(Gain)/loss on disposal of property, plant and equipment	<u>(23)</u>	<u>(5)</u>	<u>(130)</u>	<u>120</u>

- (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.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

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 (excluding treasury shares).

The weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect retrospective adjustments arising from the Share Split which was completed on 14 September 2016, as required by FRS 133, Earnings Per Share.

	Quarter ended 31 December		Cumulative period ended 31 December	
	2016	2015	2016	2015
Profit attributable to owners of the parent (RM'000)	<u>(2,095)</u>	<u>3,281</u>	<u>4,263</u>	<u>6,075</u>
Weighted average number of ordinary shares in issue (‘000)	<u>297,803</u>	<u>289,707</u>	<u>295,575</u>	<u>289,707</u>
Basic earnings per ordinary share (sen)	<u>(0.70)</u>	<u>1.13</u>	<u>1.44</u>	<u>2.10</u>

PRG HOLDINGS BERHAD (541706-V)**QUARTERLY REPORT – 31 DECEMBER 2016**

B11. EARNINGS PER ORDINARY SHARE (CONT'D)

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by dividing by profit attributable to equity holders of the parent for the period by the weighted average number of ordinary shares in issue adjusted for the effects of dilutive potential ordinary shares.

	Quarter ended 31 December		Cumulative period ended 31 December	
	2016	2015 Restated	2016	2015 Restated
Profit attributable to owners of the parent (RM'000)	<u>(2,095)</u>	<u>3,281</u>	<u>4,263</u>	<u>6,075</u>
Weighted average number of ordinary shares in issue (‘000)	297,803	289,707	295,575	289,707
Effect of dilution	<u>41,572</u>	<u>737</u>	<u>35,952</u>	<u>-**</u>
Adjusted weighted average number of ordinary shares in issue (‘000)	<u>339,375</u>	<u>290,444</u>	<u>331,527</u>	<u>289,707</u>
Diluted earnings per ordinary share (sen)	<u>(0.62)</u>	<u>1.13</u>	<u>1.29</u>	<u>-**</u>

**The effect on the diluted earnings per share for the corresponding period of year 2015 arising from the warrants was anti-dilutive. Accordingly, the diluted EPS was not presented for the said period.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 31 DECEMBER 2016

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 (excluding treasury shares).

The number of ordinary shares in issue for the previous financial year has been restated to reflect retrospective adjustments arising from the Share Split which was completed on 14 September 2016.

	As at 31 December 2016	As at 31 December 2015
Total equity attributable to owners of the parent (RM'000)	<u>123,897</u>	<u>116,837</u>
Number of ordinary shares in issue ('000)	298,220	290,125
Number of shares repurchased ('000)	<u>(418)</u>	<u>(418)</u>
Number of ordinary shares in issue (excluding treasury shares) ('000)	<u>297,803</u>	<u>289,707</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.4160</u>	<u>0.4033</u>

PRG HOLDINGS BERHAD (541706-V)**QUARTERLY REPORT – 31 DECEMBER 2016**

B13. REALISED AND UNREALISED PROFITS OR LOSSES

	As at 31 December 2016 RM'000	As at 31 December 2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	68,755	58,167
- Unrealised	445	(441)
	<hr/> 69,200	<hr/> 57,726
Total share of retained earnings from a joint venture:		
- Realised	474	1,012
- Unrealised	8	4
	<hr/> 69,682	<hr/> 58,742
Less: Consolidation adjustments	(25,700)	(17,545)
Retained earnings as per Consolidated Statement of Financial Position	<hr/> <hr/> 43,982	<hr/> <hr/> 41,197

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 2017.