

**PRG HOLDINGS BERHAD**  
**(Registration No: 200101005950 (541706-V))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2023**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2023 - UNAUDITED**

	Quarter ended 31 March		Period ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue</b>	<b>92,733</b>	59,528	<b>92,733</b>	59,528
Cost of sales	<b>(71,344)</b>	(40,933)	<b>(71,344)</b>	(40,933)
<b>Gross profit</b>	<b>21,389</b>	18,595	<b>21,389</b>	18,595
Other income	<b>1,177</b>	436	<b>1,177</b>	436
Selling and marketing expenses	<b>(611)</b>	(1,502)	<b>(611)</b>	(1,502)
Administrative expenses	<b>(10,590)</b>	(7,456)	<b>(10,590)</b>	(7,456)
Other expenses	<b>(392)</b>	(234)	<b>(392)</b>	(234)
Interest income	<b>763</b>	736	<b>763</b>	736
Finance costs	<b>(734)</b>	(433)	<b>(734)</b>	(433)
Share of profits of associates, net of tax	-	1,290	-	1,290
Share of (loss)/profit of a joint venture, net of tax	<b>(22)</b>	46	<b>(22)</b>	46
<b>Profit before tax</b>	<b>10,980</b>	11,478	<b>10,980</b>	11,478
Tax expense	<b>(2,508)</b>	(2,818)	<b>(2,508)</b>	(2,818)
<b>Profit for the financial period</b>	<b>8,472</b>	8,660	<b>8,472</b>	8,660
<b>Other comprehensive income</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Foreign currency translations	<b>947</b>	320	<b>947</b>	320
Share of other comprehensive income of associates	-	24	-	24
Share of other comprehensive income of a joint venture	-	5	-	5
<b>Total comprehensive income for the financial period</b>	<b>9,419</b>	9,009	<b>9,419</b>	9,009

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2023 - UNAUDITED**

	Quarter ended 31 March		Period ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit attributable to:</b>				
Owners of the parent	4,169	4,094	4,169	4,094
Non-controlling interests	4,303	4,566	4,303	4,566
	<u>8,472</u>	<u>8,660</u>	<u>8,472</u>	<u>8,660</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	4,644	4,267	4,644	4,267
Non-controlling interests	4,775	4,742	4,775	4,742
	<u>9,419</u>	<u>9,009</u>	<u>9,419</u>	<u>9,009</u>
<b>Basic/Diluted earnings per ordinary share attributable to owners of the parent (sen):</b>	<b>0.97</b>	<b>0.95</b>	<b>0.97</b>	<b>0.95</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023 - UNAUDITED**

	Notes	As at 31 March 2023 RM'000	(Audited) As at 31 December 2022 RM'000
<b>Non-current assets</b>			
Property, plant and equipment		21,137	25,272
Right-of-use assets		21,681	22,144
Intangible assets		15,333	15,617
Investment in a joint venture		954	1,411
Trade and other receivables		61,780	61,378
Contract assets		1,363	1,405
Deferred tax assets		-	20
<b>Total non-current assets</b>		<u>122,248</u>	<u>127,247</u>
<b>Current assets</b>			
Inventories		32,959	36,495
Biological assets		80,168	80,168
Trade and other receivables		72,718	75,833
Contract assets		90,117	92,604
Current tax assets		5,676	2,267
Cash and bank balances		62,025	71,469
<b>Total current assets</b>		<u>343,663</u>	<u>358,836</u>
<b>Total assets</b>		<u>465,911</u>	<u>486,083</u>
<b>Equity</b>			
Share capital		144,530	144,530
Treasury shares		(87)	(87)
Exchange translation differences		122	(353)
Fair value reserve		(28,327)	(28,327)
Retained earnings		57,890	53,721
<b>Equity attributable to owners of the parent</b>		<u>174,128</u>	169,484
Non-controlling interests		87,386	82,611
<b>Total equity</b>		<u>261,514</u>	<u>252,095</u>
<b>Non-current liabilities</b>			
Borrowings	B7	41,497	42,127
Trade and other payables		15,453	15,569
Lease liabilities		5,440	5,802
Deferred tax liabilities		2,203	2,338
<b>Total non-current liabilities</b>		<u>64,593</u>	<u>65,836</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**AS AT 31 MARCH 2023 - UNAUDITED**

		<b>As at 31 March 2023 RM'000</b>	(Audited) As at 31 December 2022 RM'000
<b>Current liabilities</b>			
Borrowings	B7	<b>14,927</b>	23,375
Trade and other payables		<b>107,486</b>	129,631
Contract liabilities		<b>9,689</b>	7,325
Lease liabilities		<b>1,506</b>	1,492
Current tax liabilities		<b>6,196</b>	6,329
<b>Total current liabilities</b>		<b><u>139,804</u></b>	<u>168,152</u>
<b>Total liabilities</b>		<b><u>204,397</u></b>	<u>233,988</u>
<b>Total equity and liabilities</b>		<b><u>465,911</u></b>	<u>486,083</u>
Net assets per share attributable to owners of the parent (RM)	B12	<b><u>0.4055</u></b>	<u>0.3947</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2023 - UNAUDITED**

	<----- Attributable to owners of the parent ----->							
	<-----Non-distributable----->			Distributable				
	Share capital RM'000	Treasury shares RM'000	Exchange translation differences RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<u>3 months ended 31 March 2022</u>								
Balance as at 1 January 2022	144,530	(87)	(1,325)	(28,327)	35,769	150,560	51,145	201,705
Profit for the financial period	-	-	-	-	4,094	4,094	4,566	8,660
Foreign currency translations	-	-	144	-	-	144	176	320
Share of other comprehensive income of associates, net of tax	-	-	24	-	-	24	-	24
Share of other comprehensive income of a joint venture, net of tax	-	-	5	-	-	5	-	5
Total comprehensive income	-	-	173	-	4,094	4,267	4,742	9,009
Balance as at 31 March 2022	<u>144,530</u>	<u>(87)</u>	<u>(1,152)</u>	<u>(28,327)</u>	<u>39,863</u>	<u>154,827</u>	<u>55,887</u>	<u>210,714</u>
<b>3 months ended 31 March 2023</b>								
<b>Balance as at 1 January 2023</b>	<b>144,530</b>	<b>(87)</b>	<b>(353)</b>	<b>(28,327)</b>	<b>53,721</b>	<b>169,484</b>	<b>82,611</b>	<b>252,095</b>
<b>Profit for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,169</b>	<b>4,169</b>	<b>4,303</b>	<b>8,472</b>
<b>Foreign currency translations</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>472</b>	<b>947</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>-</b>	<b>4,169</b>	<b>4,644</b>	<b>4,775</b>	<b>9,419</b>
<b>Balance as at 31 March 2023</b>	<b><u>144,530</u></b>	<b><u>(87)</u></b>	<b><u>122</u></b>	<b><u>(28,327)</u></b>	<b><u>57,890</u></b>	<b><u>174,128</u></b>	<b><u>87,386</u></b>	<b><u>261,514</u></b>

Note 1

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2023 - UNAUDITED**

	Period ended 31 March	
	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,980	11,478
Adjustments for:		
Non-cash items	116	1,653
Finance costs	734	433
Interest income	(763)	(736)
Share of profits of associates	-	(1,290)
Share of profit of a joint venture	22	(46)
Operating profit before changes in working capital	<u>11,089</u>	11,492
Change in inventories	3,488	5,835
Change in trade and other receivables	3,050	(9,037)
Change in contract assets	3,271	(6,847)
Change in trade and other payables	(18,910)	2,192
Change in contract liabilities	<u>2,347</u>	656
Cash generated from operations	4,335	4,291
Tax paid (net)	<u>(6,149)</u>	(1,971)
Net cash (used in)/generated from operating activities	<u>(1,814)</u>	2,320
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(566)	(1,390)
Repayment from a joint venture	-	6
Interest received	137	107
Proceeds from disposals of property, plant and equipment	828	9
Deposits placed with financial institutions with original maturity of more than three (3) months	(4,305)	(2,064)
Withdrawal of restricted cash	-	527
Net cash used in investing activities	<u>(3,906)</u>	(2,805)
<b>Cash flows from financing activities</b>		
Interest paid	(625)	(289)
Drawdown of borrowings	8,070	-
Repayments of borrowings	(17,229)	(3,151)
Repayments of lease liabilities	(365)	(102)
Advances from shareholders	<u>1,200</u>	623
Net cash used in financing activities	<u>(8,949)</u>	(2,919)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2023 - UNAUDITED**

	Period ended 31 March	
	2023 RM'000	2022 RM'000
<b>Net decrease in cash and cash equivalents</b>	<b>(14,669)</b>	(3,404)
Effects of exchange rate changes	929	(13)
Cash and cash equivalents at beginning of financial period	<b>59,726</b>	30,487
<b>Cash and cash equivalents at end of financial period</b>	<b><u>45,986</u></b>	<u>27,070</u>
Cash and cash equivalents comprise:		
Cash and bank balances	<b>62,025</b>	35,897
Less: Bank overdraft	<b>(157)</b>	(439)
Deposits placed with financial institutions with original maturity of more than three (3) months	<b>(15,682)</b>	(8,188)
Restricted cash	<b>(200)</b>	(200)
	<b><u>45,986</u></b>	<u>27,070</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached 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 MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022. 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 the financial position and performance of the Group since the financial year ended 31 December 2022.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2022 except for the new Malaysian Financial Reporting Standards ("MFRS"), interpretation and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2023:

<b>Title</b>	<b>Effective Date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contract</i> )	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
<i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to MFRS 112 <i>Income Taxes</i> )	1 January 2023

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application.



**A2 AUDITORS' REPORT ON PRECEDING YEAR'S FINANCIAL STATEMENTS**

The report of the auditors to members of the Company dated 28 March 2023 on the audited financial statements for the financial year ended 31 December 2022 did not contain any qualification.

**A3 SEASONALITY OF OPERATIONS**

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

**A4 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 period under review.

**A5 CHANGES IN ACCOUNTING ESTIMATES**

There were no changes in accounting estimates that have had a material effect in the results of the current quarter and financial period under review.

**A6 DEBT AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during current financial period under review.

**A7 DIVIDENDS PAID**

No dividend was paid in current financial period under review.

**A8 OPERATING SEGMENTS**

Information on reportable segments is presented as follows:

	<b>Property development &amp; construction RM'000</b>	<b>Manufacturing RM'000</b>	<b>Energy efficiency RM'000</b>	<b>Agriculture RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<u>For the period ended 31 March 2022 (restated)</u>							
Revenue							
Revenue from external customers	29,445	30,019	-	-	64	-	59,528
Inter-segment revenue	353	16	-	-	-	(369)	-
Total revenue	<u>29,798</u>	<u>30,035</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>(369)</u>	<u>59,528</u>
Segment results	8,147	3,225	-	(526)	(704)	-	10,142
Share of profit of a joint venture, net of tax	-	46	-	-	-	-	46
Share of profit of associates, net of tax	-	-	1,290	-	-	-	1,290
Profit/(Loss) before tax	<u>8,147</u>	<u>3,271</u>	<u>1,290</u>	<u>(526)</u>	<u>(704)</u>	<u>-</u>	<u>11,478</u>
Tax expense							<u>(2,818)</u>
Profit for the financial period							<u><u>8,660</u></u>
 <u>For the period ended 31 March 2023</u>							
Revenue							
Revenue from external customers	<b>32,346</b>	<b>22,768</b>	<b>37,409</b>	<b>153</b>	<b>57</b>	<b>-</b>	<b>92,733</b>
Inter-segment revenue	<b>306</b>	<b>29</b>	<b>8,394</b>	<b>-</b>	<b>8,164</b>	<b>(16,893)</b>	<b>-</b>
Total revenue	<u><b>32,652</b></u>	<u><b>22,797</b></u>	<u><b>45,803</b></u>	<u><b>153</b></u>	<u><b>8,221</b></u>	<u><b>(16,893)</b></u>	<u><b>92,733</b></u>
Segment results	<b>6,870</b>	<b>1,226</b>	<b>4,452</b>	<b>(952)</b>	<b>(594)</b>	<b>-</b>	<b>11,002</b>
Share of loss of a joint venture, net of tax	<b>-</b>	<b>(22)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22)</b>
Profit/(Loss) before tax	<u><b>6,870</b></u>	<u><b>1,204</b></u>	<u><b>4,452</b></u>	<u><b>(952)</b></u>	<u><b>(594)</b></u>	<u><b>-</b></u>	<u><b>10,980</b></u>
Tax expense							<u><b>(2,508)</b></u>
Profit for the financial period							<u><u><b>8,472</b></u></u>

**A9 EVENTS AFTER BALANCE SHEET DATE**

There were no material events subsequent to the end of the financial period other than those disclosed in Note B6(b).

**A10 CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the financial period.

**A11 CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no changes in contingent liabilities and contingent assets since the last annual balance sheet as at 31 December 2022.

**A12 CAPITAL COMMITMENTS**

	<b>As at 31 March 2023 RM'000</b>
Contracted but not provided for:	
- Acquisition of property, plant and equipment	4,194

**A13 MATERIAL RELATED PARTY TRANSACTIONS**

	<b>Quarter ended 31 March</b>		<b>Period ended 31 March</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<u>Transaction with joint venture partner</u>				
Sale of goods	-	288	-	288
	-	288	-	288

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

**B1 ANALYSIS OF PERFORMANCE**

The Group's revenue of RM92.7 million for current quarter and period ended 31 March 2023 was RM33.2 million higher than the RM59.5 million revenue reported in the corresponding quarter and period of 2022. The Group recorded a profit before tax of RM11.0 million for current quarter and period ended 31 March 2023 was RM0.5 million lower than the RM11.5 million profit before tax reported in the corresponding quarter and period of 2022.

Increase in the Group's revenue during the current quarter and period ended 31 March 2023 as compared to the corresponding period and quarter of 2022 was mainly due to revenue contributed from the energy efficiency business and higher revenue recognition resulted from higher sales and construction progress from ongoing projects.

The decrease in the Group's profit before tax for the current quarter and period ended 31 March 2023 was mainly due to lower profit generated from property and construction segment and manufacturing segment, offset with the profit contributed by the energy efficiency business.

a) Property development & construction

The property development & construction segment recorded RM32.3 million revenue for the current quarter and period ended 31 March 2023, which was RM2.9 million higher than RM29.4 million recorded in the corresponding quarter and period of 2022. Profit before tax of RM6.9 million from property development & construction segment for the current quarter and period ended 31 March 2023 was RM1.2 million lower than profit before tax of RM8.1 million recorded in the corresponding quarter and period of 2022.

The increase in revenue for the current quarter and period ended 31 March 2023 for property development & construction segment was mainly contributed by higher sales and construction progress from ongoing projects. Lower profit before tax for the current quarter and period ended 31 March 2023 resulted from lower profit margin of construction projects.

b) Manufacturing

The revenue of RM22.8 million from manufacturing segment for current quarter and period ended 31 March 2023 was RM7.2 million lower than RM30.0 million recorded in the corresponding quarter and period of 2022. The profit before tax of RM1.2 million from manufacturing segment for current quarter and period ended 31 March 2023 was RM2.1 million lower than RM3.3 million recorded in the corresponding quarter and period of 2022.

The decrease in revenue and profit before tax for manufacturing segment for the current quarter and period ended 31 March 2023 was mainly due to slowdown in global demand and rising inflation.

c) Energy efficiency

The energy efficiency segment recorded a revenue of RM37.4 million (2022: RM Nil) and profit before tax of RM4.5 million (2022: share of profit from associate of RM1.3 million) in current quarter and period ended 31 March 2023, generated from energy solution contracts and maintenance service contracts.

d) Agriculture

The agriculture segment recorded RM0.2 million revenue in current quarter and period ended 31 March 2023 while no revenue was reported in corresponding quarter and period of 2022.

The agriculture segment's loss before tax of RM1.0 million for the current quarter and period ended 31 March 2023 was RM0.5 million higher than loss before tax of RM0.5 million recorded in the corresponding quarter and period of 2022.

Lower revenue and loss before tax reported in both quarter and period ended 31 March 2022 and 31 March 2023 was due to seasonal rainfall occurred in beginning of every year in Kelantan . The logging activities in current quarter and period ended 31 March 2023 were also temporary stopped while waiting for renewal of logging licence which subsequently obtained in April 2023.

**B1 ANALYSIS OF PERFORMANCE (continued)**

e) Others

The revenue and loss before tax from others segment for current quarter and period ended 31 March 2023 of RM0.1 million and RM0.6 million respectively are consistent with revenue and loss before tax recorded in corresponding quarter and period of 2022.

**B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER**

The Group recorded revenue of RM92.7 million and profit before tax of RM11.0 million for the current quarter ended 31 March 2023 as compared to revenue of RM113.7 million and profit before tax of RM20.9 million for the immediate preceding quarter. The decrease in revenue was resulted from slowdown in global demand and rising inflation from manufacturing segment. The lower profit before tax was due to lower revenue and higher administrative expenses recorded in current quarter and period ended 31 March 2023.

**B3 PROSPECTS FOR CURRENT FINANCIAL YEAR**

The property market in Malaysia remains challenging. The recent increases in overnight policy rate in year 2023 will have a significant impact on the property market. Further, the shortage of skilled manpower, increase in construction material prices and labour cost will affect the progress and performance of property development and construction segment. The Group will continue to monitor and implement appropriate business strategies and cost rationalisation strategies in order to address the challenges and risks.

The supply chain disruption coupled with the rising costs of material and slow demand remain the major challenges that affect manufacturing operations. In view of the uncertainty of the global economy, the Group will continue to operate within the constraints, revisit the market demand, pricing strategies as well as rationalise the cost structure in order to stay competitive in the market.

The agriculture segment will continue facing challenges from the weather uncertainty, operating costs escalation and labour shortages issues. As such, the Group will continue to manage its risks and improve its operating processes as the Group believes agriculture segment will contribute positively to the Group with the anticipation of increasing demand and teak wood prices.

Global energy consumption is expected to continue growing in 2023. The energy prices remaining high and possible contraction in gas and oil supplies from Russia have driven the needs and urgency to reduce energy consumption globally. The Group is of the view that governments will move towards the direction of reducing greenhouse gas emissions, establishing climate change mitigation policies and promoting energy efficiency initiatives. With the support from governments, rising energy costs and the global push for environmental, social and governance initiatives, the Group believes the newly ventured energy efficiency business will contribute positively to the Group's results.

The global economy is facing an increasingly gloomy and uncertain outlook, the Group will remain resilient and vigilant to manage the associated risks in order to maintain the sustainability of the businesses.

**B4 PROFIT FORECAST**

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

**B5 TAX EXPENSE**

	Quarter ended 31 March		Period ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current tax expense</b>				
- Malaysia	1,492	2,510	1,492	2,510
- Overseas	1,046	308	1,046	308
	<b>2,538</b>	2,818	<b>2,538</b>	2,818
<b>Deferred tax</b>				
	(30)	-	(30)	-
	<b>2,508</b>	2,818	<b>2,508</b>	2,818

The effective tax rates of the Group for the current quarter and period ended 31 March 2023 were lower than the statutory tax rate as certain subsidiaries are in loss making position and certain income was not taxable.

**B6 STATUS OF CORPORATE PROPOSALS****a) Proposed disposal and joint venture in relation to a piece of land located in Taman Gading, Batu Gajah, Perak ("Batu Gajah Land")**

On 26 August 2020, PRG announced that Premier Construction Sdn Bhd ("PCSB"), a wholly-owned subsidiary of PRG Property which in turn is a wholly-owned subsidiary of PRG, had on even date entered into a sale & purchase agreement ("SPA") with Semangat Hikmat Sdn Bhd ("SHSB") for the disposal of Batu Gajah Land for a total consideration of RM7,200,000. ("Proposed Disposal")

On 30 March 2021, PRG announced that PCSB has on 30 March 2021 entered into a Deed of Termination with SHSB whereby PCSB and SHSB have mutually agreed to terminate the SPA and the Proposed Disposal. On 30 March 2021, PCSB has entered into a Joint Venture Agreement with SHSB for the proposed development of Batu Gajah Land for residential developments scheme together with all the necessary infrastructure and public utilities.

Up to the date of this announcement, the first and second further sum of RM6.4 million was received from SHSB.

**b) Proposed disposal by PRG of 50 Units Of Picasso Residence Condominium ("Subject Properties") to PRG Land Sdn Bhd ("PLSB"), a wholly-owned subsidiary of Furniweb Holdings Limited ("Furniweb") which in turn is a 50.45%-owned subsidiary of PRG, for a total consideration of RM61,982,000 ("Proposed Disposal")****c) Proposed diversification of the business Of PRG and its subsidiaries ("PRG Group") to include the property investment business**

PRG had on 27 April 2023 entered into a master agreement with Furniweb and PLSB in respect of the Proposed Disposal for a total consideration of RM61,982,000 which is partly in cash and partly satisfied by the allotment and issue of new shares of Furniweb to PRG. The shareholding of PRG in Furniweb would be increased from 50.45% to 67.97% upon the completion of the Proposed Disposal.

On the same date, PRG entered into a settlement letter with Premier De Muara Sdn Bhd, PRG Property Sdn Bhd and Liveintent Sdn Bhd in respect of the share sale agreement dated 26 July 2019 which was completed in July 2020, to settle the shareholder's advances made by PRG Group (together with the agreed interests accrued or accruing thereon) to PDMSB by exercising its option to accept the final settlement sum of RM61,982,000 for an entitlement of 50 units of condominium at Picasso Residence.

PRG had also on the even date entered into a non-competition undertakings supplemental deed between PRG and Furniweb to revise the deed of non-competition undertaking dated 28 September 2017 entered into between PRG and Furniweb to exclude property investment business as restricted activity in order to provide flexibility to PRG to involve or engage directly or indirectly the property investment business in the future (if any).

Following the Proposed Disposal, it is anticipated that Furniweb intends to utilise the Subject Properties for property investment purposes, PRG proposes to seek shareholders' approval for the Proposed Diversification at the forthcoming EGM pursuant to Paragraph 10.13(1) of the Main Market Listing Requirements.

Please refer to the announcement dated 27 April 2023 for details.

Save for the above, there were no corporate proposals announced but not completed as at the date of this report.

**B7 BORROWINGS**

The Group's borrowings are as follows:

	As at	
	31 March 2023 RM'000	31 December 2022 RM'000
Current liabilities	14,927	23,375
Non-current liabilities	41,497	42,127
	<b>56,424</b>	<b>65,502</b>

The borrowings are denominated in the following currencies:

- Ringgit Malaysia	43,036	44,506
- Singapore Dollar	13,388	20,996
	<b>56,424</b>	<b>65,502</b>

The bank borrowings are secured by way of debentures on the fixed and floating assets of the Group and a director of a subsidiary and corporate guarantees of the Company and personal guarantee of directors of a subsidiary.

**B8 DIVIDENDS**

No dividend has been proposed by the Board of Directors for the financial year ending 31 December 2023.

**B9 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

	Quarter ended 31 March		Period ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating income is arrived at after charging/(crediting):				
Depreciation and amortisation	1,070	741	1,070	741
Interest expense	734	433	734	433
Inventories written down	159	67	159	67
Net loss on foreign exchange	(38)	117	(38)	117
Interest income	(763)	(736)	(763)	(736)
Gain on disposals of property, plant and equipment	(590)	(5)	(590)	(5)
Gain on fair value adjustment on trade and other receivables	(26)	-	(26)	-
Reversal of inventories written down	-	(101)	-	(101)

a) Apart from the above, there were no impairment of other assets during the current quarter and financial period under review.

b) There were no gain or loss on derivatives during the current quarter and financial period under review.

c) There were no exceptional items during the current quarter and financial period 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 as at the date of this report.

**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).

	Quarter ended 31 March		Period ended 31 March	
	2023	2022	2023	2022
Profit attributable to owners of the parent (RM'000)	<b>4,169</b>	4,094	<b>4,169</b>	4,094
Weighted average number of ordinary shares in issue ('000)	<b>429,439</b>	429,439	<b>429,439</b>	429,439
Basic earnings per ordinary share (sen)	<b>0.97</b>	0.95	<b>0.97</b>	0.95

b) Diluted earnings per ordinary share

Diluted 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 adjusted for the effects of dilutive potential ordinary shares.

The diluted earnings per share is same as the basic earnings per share because there were no dilutive potential ordinary shares outstanding as at the end of the financial periods ended 31 March 2023 and 31 March 2022.

**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).

	As at	
	31 March 2023	31 December 2022 (Audited)
Total equity attributable to owners of the parent (RM'000)	<b>174,128</b>	169,484
Number of ordinary shares in issue ('000)	429,857	429,857
Number of shares repurchased ('000)	(418)	(418)
Number of ordinary shares in issue (excluding treasury shares) ('000)	<b>429,439</b>	429,439
Net assets per share attributable to owners of the parent (RM)	<b>0.4055</b>	0.3947

**B13 AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2023.