

PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2024 - UNAUDITED

	Quarter ended 31 March		Period ended 31 March	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	61,837	92,733	61,837	92,733
Cost of sales	(48,703)	(71,344)	(48,703)	(71,344)
Gross profit	13,134	21,389	13,134	21,389
Other income	2,085	1,177	2,085	1,177
Selling and marketing expenses	(471)	(611)	(471)	(611)
Administrative expenses	(10,412)	(10,590)	(10,412)	(10,590)
Other expenses	(872)	(392)	(872)	(392)
Interest income	1,092	763	1,092	763
Finance costs	(886)	(734)	(886)	(734)
Share of profit/(loss) of a joint venture, net of tax	118	(22)	118	(22)
Profit before tax	3,788	10,980	3,788	10,980
Tax expense	(1,116)	(2,508)	(1,116)	(2,508)
Profit for the quarter/financial period	2,672	8,472	2,672	8,472
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translations	1,299	947	1,299	947
Share of other comprehensive (loss)/income of a joint venture	14	-	14	-
Total comprehensive income for the quarter/financial period	3,985	9,419	3,985	9,419
Profit attributable to:				
Owners of the parent	1,467	4,169	1,467	4,169
Non-controlling interests	1,205	4,303	1,205	4,303
	2,672	8,472	2,672	8,472
Total comprehensive income attributable to:				
Owners of the parent	2,130	4,644	2,130	4,644
Non-controlling interests	1,855	4,775	1,855	4,775
	3,985	9,419	3,985	9,419
Earnings per ordinary share attributable to owners of the parent (sen):				
Basic and Diluted	0.34	0.97	0.34	0.97

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 - UNAUDITED

	Notes	As at 31 March 2024 RM'000	(Audited) As at 31 December 2023 RM'000
Non-current assets			
Property, plant and equipment		33,038	31,773
Right-of-use assets		21,458	22,099
Intangible assets		15,634	15,423
Investments in associates		-	-
Investment in a joint venture		1,166	1,270
Trade and other receivables		7,224	7,224
Deferred tax assets		9	9
Total non-current assets		<u>78,529</u>	<u>77,798</u>
Current assets			
Inventories		31,256	30,583
Biological assets		57,510	58,367
Trade and other receivables		166,740	173,476
Contract assets		26,280	20,604
Current tax assets		4,253	4,261
Cash and bank balances		91,515	101,108
Total current assets		<u>377,554</u>	<u>388,399</u>
Total assets		<u>456,083</u>	<u>466,197</u>
Equity			
Share capital		144,935	144,800
Treasury shares		(87)	(87)
Exchange translation differences		902	239
Share option reserve		685	724
Fair value reserve		(28,327)	(28,327)
Retained earnings		43,813	42,346
Total attributable to owners of the parent		<u>161,921</u>	<u>159,695</u>
Non-controlling interests		88,792	96,737
Total equity		<u>250,713</u>	<u>256,432</u>
Non-current liabilities			
Borrowings	B7	38,723	36,736
Lease liabilities		4,709	5,216
Deferred tax liabilities		2,927	2,940
Total non-current liabilities		<u>46,359</u>	<u>44,892</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 - UNAUDITED (continued)

		As at 31 March 2024 RM'000	(Audited) As at 31 December 2023 RM'000
Current liabilities			
Borrowings	B7	10,238	8,825
Trade and other payables		123,385	135,768
Contract liabilities		19,341	14,219
Lease liabilities		2,489	2,515
Current tax liabilities		3,558	3,546
Total current liabilities		<u>159,011</u>	<u>164,873</u>
Total liabilities		<u>205,370</u>	<u>209,765</u>
Total equity and liabilities		<u>456,083</u>	<u>466,197</u>
Net assets per share attributable to owners of the parent (RM)	B12	<u>0.3755</u>	<u>0.3708</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2024 - UNAUDITED

	<----- Attributable to owners of the parent ----->								
	<-----Non-distributable----->					Distributable			
	Share capital	Treasury shares	Exchange translation differences	Share option reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>3 months ended 31 March 2023</u>									
Balance as at 1 January 2023	144,530	(87)	(353)	-	(28,327)	53,721	169,484	82,611	252,095
Profit for the financial period	-	-	-	-	-	4,169	4,169	4,303	8,472
Foreign currency translations	-	-	475	-	-	-	475	472	947
Total comprehensive income	-	-	475	-	-	4,169	4,644	4,775	9,419
Balance as at 31 March 2023	<u>144,530</u>	<u>(87)</u>	<u>122</u>	<u>-</u>	<u>(28,327)</u>	<u>57,890</u>	<u>174,128</u>	<u>87,386</u>	<u>261,514</u>
<u>3 months ended 31 March 2024</u>									
Balance as at 1 January 2024	144,800	(87)	239	724	(28,327)	42,346	159,695	96,737	256,432
Profit for the financial year	-	-	-	-	-	1,467	1,467	1,205	2,672
Foreign currency translations	-	-	656	-	-	-	656	643	1,299
Share of other comprehensive income of a joint venture, net of tax	-	-	7	-	-	-	7	7	14
Total comprehensive income	-	-	663	-	-	1,467	2,130	1,855	3,985
Transactions with owners									
Issuance of ordinary shares pursuant to Share Option Plan ("SOP") option exercised	135	-	-	(39)	-	-	96	-	96
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	(9,800)	(9,800)
	135	-	-	(39)	-	-	96	(9,800)	(9,704)
Balance as at 31 March 2024	<u>144,935</u>	<u>(87)</u>	<u>902</u>	<u>685</u>	<u>(28,327)</u>	<u>43,813</u>	<u>161,921</u>	<u>88,792</u>	<u>250,713</u>

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024 - UNAUDITED

	Period ended	
	31 March	
	2024	2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	3,788	10,980
Adjustments for:		
Non-cash items	1,745	116
Finance costs	886	734
Interest income	(1,092)	(763)
Share of (profit)/loss of a joint venture	(118)	22
Operating profit before changes in working capital	5,209	11,089
Change in inventories	299	3,488
Change in trade and other receivables	8,036	3,050
Change in contract assets	(5,643)	3,271
Change in trade and other payables	(12,484)	(18,910)
Change in contract liabilities	5,122	2,347
Cash generated from operations	539	4,335
Tax paid, net	(1,152)	(6,149)
Net cash used in operating activities	(613)	(1,814)
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1,848)	(566)
Repayments from a joint venture	66	-
Dividends received from a joint venture	236	137
Interest received	459	828
Proceeds from disposals of property, plant and equipment	4	-
Placement of restricted cash	(11,593)	-
Deposits placed with financial institutions with original maturity of more than three (3) months	(1,445)	(4,305)
Net cash used in investing activities	(14,121)	(3,906)
Cash flows from financing activities		
Interest paid	(781)	(625)
Proceeds from issuance of ordinary shares pursuant to SOP exercised	135	-
Drawdown of borrowings	5,480	8,070
Repayments of borrowings	(2,736)	(17,229)
Repayments of lease liabilities	(818)	(365)
Dividends paid to non-controlling interest	(9,800)	-
Advances from shareholders	-	1,200
Net cash used in financing activities	(8,520)	(8,949)

PRG HOLDINGS BERHAD
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024 - UNAUDITED (continued)

	Period ended 31 March	
	2024 RM'000	2023 RM'000
Net decrease in cash and cash equivalents	(23,254)	(14,669)
Effects of exchange rate changes	315	929
Cash and cash equivalents at beginning of financial period	85,682	59,726
Cash and cash equivalents at end of financial period	<u>62,743</u>	<u>45,986</u>
Cash and cash equivalents comprise:		
Cash and bank balances	91,515	62,025
Less: Bank overdraft	(410)	(157)
Deposits placed with financial institutions with original maturity of more than three (3) months	(16,569)	(15,682)
Restricted cash	(11,793)	(200)
	<u>62,743</u>	<u>45,986</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 2023 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 2023. 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 2023.

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 2023 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 2024:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024

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 29 April 2024 on the audited financial statements for the financial year ended 31 December 2023 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 except for the exercise of 553,781 share options under SOP.

A7 DIVIDENDS PAID

No dividend was paid in current financial period under review.

A8 PRG's LONG TERM INCENTIVE PLAN ("LTIP SCHEME")

The Company has implemented LTIP scheme to recognise the contributions and services of the eligible persons and to attract and retain high-calibre eligible persons. The LTIP scheme comprised of grant of Share Grant Plan ("SGP") Award(s) and Share Option Plan ("SOP") Award(s) to any eligible person in accordance with the provisions of By-Laws. The LTIP scheme was approved by the shareholders at the Extraordinary General Meeting held on 8 August 2022 and came into effect on 1 November 2022. The LTIP scheme shall be in force for a period of five (5) years until 30 October 2027.

PRG HOLDINGS BERHAD (Registration No: 200101005950 (541706-V))
PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

A9 OPERATING SEGMENTS

Information on reportable segments is presented as follows:

	Property development & construction RM'000	Manufacturing RM'000	Energy efficiency RM'000	Agriculture RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>For the period ended 31 March 2023</u>							
Revenue							
Revenue from external customers	32,346	22,768	37,409	153	57	-	92,733
Inter-segment revenue	306	29	8,394	-	8,164	(16,893)	-
Total revenue	32,652	22,797	49,965	153	8,221	(16,893)	92,733
Segment results	6,870	1,226	4,452	(952)	(594)	-	11,002
Share of loss of a joint venture, net of tax	-	(22)	-	-	-	-	(22)
Profit/(Loss) before tax	6,870	1,204	4,452	(952)	(594)	-	10,980
Tax expense							(2,508)
Profit for the financial period							8,472
<u>For the period ended 31 March 2024</u>							
Revenue							
Revenue from external customers	19,399	20,787	21,570	-	81	-	61,837
Inter-segment revenue	15	38	12	-	94	(159)	-
Total revenue	19,414	20,825	21,582	-	175	(159)	61,837
Segment results	581	3,380	1,670	(1,122)	(839)	-	3,670
Share of profit of a joint venture, net of tax	-	118	-	-	-	-	118
Profit/(Loss) before tax	581	3,498	1,670	(1,122)	(839)	-	3,788
Tax expense							(1,116)
Profit for the financial period							2,672

PRG HOLDINGS BERHAD (Registration No: 200101005950 (541706-V))
PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

A10 EVENTS AFTER BALANCE SHEET DATE

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

A11 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group since the last annual balance sheet as at 31 December 2023.

A12 CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no significant changes in contingent liabilities and contingent assets since the last annual balance sheet as at 31 December 2023.

A13 CAPITAL COMMITMENTS

Contracted but not provided for:
 - Acquisition of property, plant and equipment

**As at
 31 March
 2024
 RM'000**

1,763

A14 MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended 31 March		Period ended 31 March	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Transaction with joint venture partner</u> Sale of goods	230	-	230	-
<u>Transaction with a corporation in which a Director has interest</u> Rental expenses	(60)	-	(60)	-
<u>Transaction with corporations in which a Director of a subsidiary has interest</u> Rental expenses	(170)	-	(170)	-

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 RM61.8 million for current quarter and period ended 31 March 2024 was RM30.9 million lower than the RM92.7 million revenue reported in the corresponding quarter and period of 2023.

The Group recorded a profit before tax of RM3.8 million in the current quarter and period ended 31 March 2024, which decreased by RM7.2 million as compared to profit before tax of RM11.0 million reported in the corresponding quarter and period of 2023.

The decrease of revenue and profit before tax during the current quarter and period as compared to corresponding quarter and period of 2023 was mainly due to lower revenue recognition from property development project which was handed over in the fourth quarter of 2023 and lower progress billing as a few major projects were at completion stage in 2023 from energy efficiency segment.

The detailed analysis by business segment as follows:

a) Property development & construction

The property development & construction segment recorded RM19.4 million revenue for the current quarter and period ended 31 March 2024, which was RM12.9 million lower than RM32.3 million recorded in the corresponding quarter and period of 2023.

Profit before tax of RM0.6 million from property development & construction segment for the current quarter and period ended 31 March 2024 was RM6.3 million lower than profit before tax of RM6.9 million recorded in the corresponding quarter and period of 2023.

Decrease in revenue and profit before tax for the current quarter and period as compared to the corresponding quarter and period of 2023 were mainly due to a property development project was handed over in December 2023, most of the revenue and profit were recognised in year 2023. The profit before tax for the period ended 31 March 2024 was contributed by construction projects.

b) Manufacturing

The revenue of RM20.8 million from manufacturing segment for the current quarter and period ended 31 March 2024 was RM2.0 million lower than RM22.8 million recorded in the corresponding quarter and period of 2023.

The profit before tax of RM3.5 million from manufacturing segment for current quarter and period ended 31 March 2024 was RM2.3 million higher than RM1.2 million recorded in the corresponding quarter and period of 2023.

The decrease in revenue for manufacturing segment for the current quarter and period ended 31 March 2024 was mainly due to the Group has disposed off a manufacturing plant in China in September 2023 which contributed RM3.0 million to the revenue in the corresponding period of 2023. There are certain products contributed higher sales than corresponding quarter, which mitigated the impact of disposal.

Despite lower revenue, the profit before tax for the current quarter and period ended 31 March 2024 was higher than corresponding quarter, mainly due to lower production costs and higher sales from certain products with higher gross profit margin.

c) Energy efficiency

The energy efficiency segment recorded RM21.6 million revenue for the current quarter and period ended 31 March 2024, which was RM15.8 million lower than RM37.4 million recorded in the corresponding quarter and period of 2023.

Profit before tax of RM1.7 million from energy efficiency segment for the current quarter and period ended 31 March 2024 was RM2.8 million lower than RM4.5 million recorded in the corresponding quarter and period of 2023.

The lower revenue and profit before tax for the current quarter and period for energy efficiency segment as compared to corresponding quarter and period of 2023 was mainly due to lower project billings as a few major projects were at completion stage in 2023.

B1 ANALYSIS OF PERFORMANCE (continued)

d) Agriculture

The agriculture segment recorded a decrease of RM0.2 million revenue in the current quarter and period ended 31 March 2024 as compared to the corresponding quarter and period of 2023.

The agriculture segment's loss before tax of RM1.1 million for the current quarter and period ended 31 March 2024 was RM0.1 million higher than loss before tax of RM1.0 million recorded in the corresponding quarter and period of 2023.

No revenue reported in the current quarter and period ended 31 March 2024 mainly due to the renewal of logging licence was only obtained on 25 March 2024. The delivery of teak logs will be resumed in the next quarter 2024. The loss before tax reported was consistent with the corresponding quarter and period of 2023.

e) Others

The revenue and loss before tax from others segment for current quarter and period ended 31 March 2024 of RM0.1 million and RM0.8 million respectively were consistent with the revenue and loss before tax recorded in the corresponding quarter and period of 2023.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM61.8 million and profit before tax of RM3.8 million for the current quarter ended 31 March 2024 as compared to revenue of RM85.9 million and loss before tax of RM11.4 million for the immediate preceding quarter. The lower revenue for the current quarter was mainly due to property development project was completed in the fourth quarter of 2023 whilst the loss before tax for the fourth quarter of 2023 was mainly due to one-off fair value adjustment of RM20.4 million on biological assets from agriculture segment.

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 prevailing economic conditions, marked by higher-than-anticipated inflation rates and interest rate hikes have triggered a ripple effect across global household consumption patterns. The economic condition is further compounded by negative spillovers emanating from the conflict in Ukraine and the sluggish recovery trajectory of China, which collectively contribute to heightened uncertainty in the global economic landscape. For manufacturing sector, grappling with supply chain disruptions, escalating cost due to inflation, and subdued demand due to higher interest rates poses formidable challenges to sustaining operational efficacy and profitability. In response to this dynamic landscape, the Group has adopted a strategic approach, recalibrating market strategies, revisiting pricing frameworks, and streamline cost structures to maintain competitiveness.

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.

In parallel, the energy efficiency sector witnesses a surge in global energy consumption amidst higher energy prices and apprehensions surrounding potential disruptions in oil and gas supplies. Simultaneously, escalating concerns about climate change drives governments worldwide to enact stringent policies emphasizing energy efficiency, greenhouse gas reduction, and sustainability. Within this shifting paradigm, the growth prospects for businesses operating in the energy efficiency sector remain promising, buoyed by government support for environment initiative and increasing focus on environmental, social, and governance considerations.

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 INCOME TAX EXPENSE

	Quarter ended 31 March		Period ended 31 March	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense				
- Malaysia	940	1,492	940	1,492
- Overseas	-	1,046	-	1,046
- Under provision in prior years	208	-	208	-
	1,148	2,538	1,148	2,538
Deferred tax	(32)	(30)	(32)	(30)
	1,116	2,508	1,116	2,508

The effective tax rates of the Group for the current quarter and period ended 31 March 2024 were higher than the statutory tax rate as certain expenses were not deductible.

B6 STATUS OF CORPORATE PROPOSALS

- a) **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, for a total consideration of RM61,982,000 ("Proposed Disposal of Properties"); and**

Proposed diversification of the business of PRG and its subsidiaries ("PRG Group") to include the property investment business ("Proposed Diversification")

PRG had on 27 April 2023 entered into a Master Agreement as supplemented by a supplemental master agreement dated 7 June 2023 with Furniweb and PLSB in respect of the Proposed Disposal of Properties for a total consideration of RM61,982,000 which is partly payable 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 of Properties.

On the same date, PRG entered into a settlement letter with Premier De Muara Sdn Bhd ("PDMSB"), PRG Property Sdn Bhd and Liveinent 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 prior to its disposal 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 with 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). The Supplemental Deed was subsequently terminated by both parties via the execution of a deed of termination on 7 June 2023.

Following the Proposed Disposal of Properties, it is anticipated that Furniweb intends to utilise the Subject Properties for property investment purposes. PRG proposes to seek shareholders' approval for the Proposed Disposal of Properties and Proposed Diversification at an extraordinary general meeting ("EGM") to be convened.

Please refer to the announcements dated 27 April 2023, 7 June 2023, 3 July 2023, 2 January 2024, 19 January 2024, 13 March 2024 and 20 March 2024 for details.

B6 STATUS OF CORPORATE PROPOSALS (continued)

b) Proposed debt settlements of Dato' Lua Choon Hann and Dato' Ng Yan Cheng ("Proposed Debt Settlements")

On 25 August 2023, PRG announced that the Group is proposing to undertake the following:

i) proposed partial settlement of debt owing by the Group to Dato' Lua Choon Hann, being the Group Executive Vice Chairman and a shareholder of the Company amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new ordinary shares of the Company; and

ii) proposed partial settlement of debt owing by the Group to Dato' Ng Yan Cheng, being the Director of Energy Solution Global Limited, a wholly owned subsidiary of Furniweb and a substantial shareholder of the Company amounting to RM4,993,271.46 to be satisfied via issuance of 23,365,800 new ordinary shares of the Company.

The Proposed Debt Settlements are subject to the approval from shareholders of the Company at an EGM to be convened and the approval from Bursa Securities for the listing and quotation for the settlement shares on the Main Market of Bursa Securities.

Please refer to the announcements dated 25 August 2023 and 22 September 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 2024	31 December 2023
	RM'000	RM'000
Current liabilities	10,238	8,825
Non-current liabilities	38,723	36,736
	48,961	45,561

The borrowings are denominated in the following currencies:

- Ringgit Malaysia	45,826	41,843
- Singapore Dollar	3,135	3,718
	48,961	45,561

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 2024.

B9 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 March		Period ended 31 March	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating profit is arrived at after charging/(crediting):				
Depreciation and amortisation	1,580	1,070	1,580	1,070
Interest expense	886	734	886	734
(Reversal of inventories written down)/Inventories written down, net	(50)	159	(50)	159
Gain on fair value adjustment on trade and other receivables	-	(26)	-	(26)
Net unrealised loss/(gain) on foreign exchange	258	(38)	258	(38)
Interest income	(1,092)	(763)	(1,092)	(763)
Gain on disposals of property, plant and equipment	(4)	(590)	(4)	(590)

- Apart from the above, there were no impairment of other assets during the current quarter and financial period under review.
- There were no gain or loss on derivatives during the current quarter and financial period under review.
- 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

- 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	
	2024	2023	2024	2023
Profit attributable to owners of the parent (RM'000)	1,467	4,169	1,467	4,169
Weighted average number of ordinary shares in issue ('000)	431,153	429,439	431,153	429,439
Basic earnings per ordinary share (sen)	0.34	0.97	0.34	0.97

- Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by dividing the 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.

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 2024 and 31 March 2023.

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 2024	31 December 2023 (Audited)
Total equity attributable to owners of the parent (RM'000)	161,921	159,695
Number of ordinary shares in issue ('000)	431,638	431,084
Number of shares repurchased ('000)	(418)	(418)
Number of ordinary shares in issue (excluding treasury shares) ('000)	431,220	430,666
Net assets per share attributable to owners of the parent (RM)	0.3755	0.3708

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 27 May 2024.