

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 - UNAUDITED**

	Quarter ended 30 September		Period ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	75,238	88,470	194,457	275,819
Cost of sales	(59,109)	(68,574)	(152,020)	(213,878)
Gross profit	16,129	19,896	42,437	61,941
Other income	165	1,123	3,106	3,871
Selling and marketing expenses	(940)	(504)	(2,053)	(1,768)
Administrative expenses	(7,959)	(13,772)	(30,982)	(38,703)
Other expenses	(1,206)	(295)	(2,278)	(955)
Interest income	696	957	2,880	2,785
Finance costs	(860)	(715)	(2,724)	(2,214)
Share of profit of a joint venture, net of tax	204	79	394	138
Profit before tax	7,223	6,769	11,774	25,095
Tax expense	(3,185)	(2,296)	(5,795)	(8,298)
Profit for the quarter/ financial period	4,038	4,473	5,979	16,797
Other comprehensive (loss)/ income				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translations	(8,913)	(1,095)	(8,878)	2,888
Realisation of reserves from disposal of subsidiaries	-	(1,151)	-	(1,151)
Share of other comprehensive (loss)/ income of a joint venture	(131)	(27)	(153)	28
Total comprehensive (loss)/ income for the quarter/ financial period	(5,006)	2,200	(3,052)	18,562
(Loss)/ Profit attributable to:				
Owners of the parent	(329)	1,513	(60)	7,045
Non-controlling interests	4,367	2,960	6,039	9,752
	4,038	4,473	5,979	16,797
Total comprehensive (loss)/ income attributable to:				
Owners of the parent	(4,892)	368	(4,616)	7,935
Non-controlling interests	(114)	1,832	1,564	10,627
	(5,006)	2,200	(3,052)	18,562
(Loss)/ Earnings per ordinary share to owners of the parent (sen):				
Basic and Diluted	(0.08)	0.35	(0.01)	1.64

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 THIRD QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024 - UNAUDITED

	Notes	As at 30 September 2024 RM'000	(Audited) As at 31 December 2023 RM'000
Non-current assets			
Property, plant and equipment		39,409	31,773
Right-of-use assets		19,911	22,099
Intangible assets		13,492	15,423
Investment in a joint venture		1,274	1,270
Other investment		1,353	-
Trade and other receivables		7,224	7,224
Deferred tax assets		8	9
Total non-current assets		82,671	77,798
Current assets			
Inventories		28,289	30,583
Biological assets		57,097	58,367
Trade and other receivables		144,175	173,476
Contract assets		21,140	20,604
Current tax assets		2,604	4,261
Cash and bank balances		61,268	101,108
Total current assets		314,573	388,399
Total assets		397,244	466,197
Equity			
Share capital		156,666	144,800
Treasury shares		(87)	(87)
Exchange translation differences		(4,317)	239
Share options reserve		1,021	724
Fair value reserve		(28,327)	(28,327)
Retained earnings		42,286	42,346
Total attributable to owners of the parent		167,242	159,695
Non-controlling interests		74,283	96,737
Total equity		241,525	256,432
Non-current liabilities			
Borrowings	B7	41,297	36,736
Lease liabilities		3,407	5,216
Deferred tax liabilities		2,819	2,940
Total non-current liabilities		47,523	44,892

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024 - UNAUDITED (continued)

	Notes	As at 30 September 2024 RM'000	(Audited) As at 31 December 2023 RM'000
Current liabilities			
Borrowings	B7	4,431	8,825
Trade and other payables		83,809	135,768
Contract liabilities		15,525	14,219
Lease liabilities		2,373	2,515
Current tax liabilities		2,058	3,546
Total current liabilities		<u>108,196</u>	<u>164,873</u>
Total liabilities		<u>155,719</u>	<u>209,765</u>
Total equity and liabilities		<u>397,244</u>	<u>466,197</u>
Net assets per share attributable to owners of the parent (RM)	B12	<u>0.3445</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
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 - UNAUDITED

	Period ended 30 September	
	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Profit before tax	11,774	25,095
Adjustments for:		
Non-cash items	5,337	8,400
Finance costs	2,724	2,214
Interest income	(2,880)	(2,785)
Share of profit of a joint venture	(394)	(138)
Share options granted under SOP	687	821
Operating profit before changes in working capital	<u>16,561</u>	<u>33,607</u>
Change in inventories	2,890	11,634
Change in trade and other receivables	28,363	(3,492)
Change in contract assets	(1,521)	6,926
Change in trade and other payables	(14,323)	(17,940)
Change in contract liabilities	1,479	(6,313)
Cash generated from operations	<u>33,449</u>	<u>24,422</u>
Tax paid, net	(5,506)	(12,679)
Net cash from operating activities	<u>27,943</u>	<u>11,743</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(10,142)	(11,022)
Acquisition of right-of-use assets	-	(20)
Repayments from/ (to) a joint venture	17	(3)
Dividends received from a joint venture	236	435
Interest received	1,149	887
Purchase of keyman insurance	(1,453)	-
Payment of balance consideration on acquisition of subsidiaries	(17,152)	-
Proceeds from disposals of property, plant and equipment	11	5,379
Net cash flows from disposal of subsidiaries	-	(2,721)
Placement of restricted cash	(9,743)	-
Deposits lifted from/ (placed with) financial institutions with original maturity of more than three (3) months	<u>7,397</u>	<u>(5,934)</u>
Net cash used in investing activities	<u>(29,680)</u>	<u>(12,999)</u>
Cash flows from financing activities		
Interest paid	(2,456)	(1,896)
Proceeds from issuance of ordinary shares pursuant to SOP exercised	-	122
Drawdown of borrowings	6,457	9,217
Repayments of borrowings	(7,884)	(26,199)
Repayments of lease liabilities	(2,440)	(1,285)
Dividends paid to non-controlling interest	(24,018)	-
(Repayments to)/ Advances from shareholders	<u>(6,346)</u>	<u>890</u>
Net cash used in financing activities	<u>(36,687)</u>	<u>(19,151)</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 - UNAUDITED (continued)

	Period ended	
	30 September	
	2024	2023
	RM'000	RM'000
Net decrease in cash and cash equivalents	(38,424)	(20,407)
Effects of exchange rate changes	(3,144)	3,822
Cash and cash equivalents at beginning of financial period	85,682	59,726
Cash and cash equivalents at end of financial period	<u>44,114</u>	<u>43,141</u>
 Cash and cash equivalents comprise:		
Cash and bank balances	61,268	61,329
Less: Bank overdraft	(472)	(377)
Deposits placed with financial institutions with original maturity of more than three (3) months	(6,739)	(17,611)
Restricted cash	<u>(9,943)</u>	<u>(200)</u>
	<u>44,114</u>	<u>43,141</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.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 - UNAUDITED**

	<----- Attributable to owners of the parent ----->								
	<-----Non-distributable----->				Distributable				
	Share capital RM'000	Treasury shares RM'000	Exchange translation differences RM'000	Share options reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<u>9 months ended 30 September 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	-	-	-	-	-	7,045	7,045	9,752	16,797
Foreign currency translations	-	-	1,457	-	-	-	1,457	1,431	2,888
Realisation of reserves from disposal of subsidi	-	-	(581)	-	-	-	(581)	(570)	(1,151)
Share of other comprehensive income of a joint venture, net of tax	-	-	14	-	-	-	14	14	28
Total comprehensive income	-	-	890	-	-	7,045	7,935	10,627	18,562
Transactions with owners									
Issuance of ordinary shares pursuant to Share Option Plan ("SOP") option exercised	163	-	-	(41)	-	-	122	-	122
Share Options granted under SOP	-	-	-	821	-	-	821	-	821
	163	-	-	780	-	-	943	-	943
Balance as at 30 September 2023	<u>144,693</u>	<u>(87)</u>	<u>537</u>	<u>780</u>	<u>(28,327)</u>	<u>60,766</u>	<u>178,362</u>	<u>93,238</u>	<u>271,600</u>
<u>9 months ended 30 September 2024</u>									
Balance as at 1 January 2024	144,800	(87)	239	724	(28,327)	42,346	159,695	96,737	256,432
(Loss)/Profit for the financial period	-	-	-	-	-	(60)	(60)	6,039	5,979
Foreign currency translations	-	-	(4,479)	-	-	-	(4,479)	(4,399)	(8,878)
Share of other comprehensive loss of a joint venture, net of tax	-	-	(77)	-	-	-	(77)	(76)	(153)
Total comprehensive (loss)/income	-	-	(4,556)	-	-	(60)	(4,616)	1,564	(3,052)
Transactions with owners									
Issuance of ordinary shares pursuant to Share Option Plan ("SOP") option exercised	390	-	-	(159)	-	-	231	-	231
Share Options granted under SOP	-	-	-	456	-	-	456	-	456
Ordinary shares issued pursuant to debt settlement	11,476	-	-	-	-	-	11,476	-	11,476
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	(24,018)	(24,018)
	11,866	-	-	297	-	-	12,163	(24,018)	(11,855)
Balance as at 30 September 2024	<u>156,666</u>	<u>(87)</u>	<u>(4,317)</u>	<u>1,021</u>	<u>(28,327)</u>	<u>42,286</u>	<u>167,242</u>	<u>74,283</u>	<u>241,525</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))
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 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 107 and MFRS 7 <i>Supplier Finance Arrangements</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.

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

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 1,502,830 share options under SOP and issuance of 54,699,400 shares under Debt Settlement corporate exercise disclosed in Note B6(b).

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.

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 30 September 2023</u>							
Revenue							
Revenue from external customers	121,209	74,900	78,876	659	175	-	275,819
Inter-segment revenue	1,239	7,588	12,709	-	19,836	(41,372)	-
Total revenue	<u>122,448</u>	<u>82,488</u>	<u>91,585</u>	<u>659</u>	<u>20,011</u>	<u>(41,372)</u>	<u>275,819</u>
Segment results	19,190	1,746	9,759	(3,392)	(2,346)	-	24,957
Share of profit of a joint venture, net of tax	-	138	-	-	-	-	138
Profit/(Loss) before tax	<u>19,190</u>	<u>1,884</u>	<u>9,759</u>	<u>(3,392)</u>	<u>(2,346)</u>	<u>-</u>	<u>25,095</u>
Tax expense							(8,298)
Profit for the financial period							<u>16,797</u>
 <u>For the period ended 30 September 2024</u>							
Revenue							
Revenue from external customers	62,812	70,027	61,057	297	264	-	194,457
Inter-segment revenue	7,920	6,605	11,186	-	16,827	(42,538)	-
Total revenue	<u>70,732</u>	<u>76,632</u>	<u>72,243</u>	<u>297</u>	<u>17,091</u>	<u>(42,538)</u>	<u>194,457</u>
Segment results	4,301	6,122	6,909	(3,633)	(2,319)	-	11,380
Share of profit of a joint venture, net of tax	-	394	-	-	-	-	394
Profit/(Loss) before tax	<u>4,301</u>	<u>6,516</u>	<u>6,909</u>	<u>(3,633)</u>	<u>(2,319)</u>	<u>-</u>	<u>11,774</u>
Tax expense							(5,795)
Profit for the financial period							<u>5,979</u>

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

	As at 30 September 2024 RM'000
Contracted but not provided for:	
- Acquisition of property, plant and equipment	<u>547</u>

A14 MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended 30 September		Period ended 30 September	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Transaction with joint venture partner</u>				
Sale of goods	1,278	87	2,743	536
<u>Transaction with a corporation in which a Director has interest</u>				
Rental expenses	(60)	(20)	(180)	(20)
<u>Transaction with corporations in which a Director of a subsidiary has interest</u>				
Rental expenses	(183)	(486)	(552)	(486)

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

For the third quarter of 2024, the Group's revenue recorded at RM75.2 million, a decrease of RM13.3 million from the RM88.5 million reported in the same quarter of the preceding year. For the nine months ended 30 September 2024, revenue reported at RM194.5 million, lower by RM81.3 million from RM275.8 million reported for the same period in 2023.

Profit before tax for third quarter of 2024 was RM7.2 million, a slight increase of RM0.5 million compared to the RM6.7 million achieved in the corresponding quarter of the previous year. The profit before tax for the nine months ended 30 September 2024 was RM11.8 million, a decline of RM13.3 million from RM25.1 million in the corresponding period in 2023.

The revenue decline for both the current quarter and the nine months period compared to 2023 is primarily attributed to the completion and handover of a property development project in Q4 2023. Additionally, the energy efficiency segment recorded a lower revenue, as several major projects were completed in 2023, with delays in awarding of new projects impacting revenue generation for the current period.

The detailed analysis by business segment as follows:

a) Property development & construction

The property development & construction segment recorded revenue of RM29.3 million in the third quarter of 2024, a decrease of RM11.7 million compared to RM41.0 million in the corresponding quarter of the preceding year. For the nine months period ended 30 September 2024, the segment's revenue was RM62.8 million, down by RM58.4 million from RM121.2 million in the corresponding period in 2023.

Profit before tax for this segment recorded RM3.8 million in the third quarter of 2024, a slight decrease of RM0.2 million compared to the RM4.0 million achieved in the corresponding quarter of preceding year. For the nine months period ended 30 September 2024, the segment's profit before tax was RM4.3 million, a significant decrease of RM14.9 million from RM19.2 million recorded in the corresponding period in 2023.

This reduction in revenue and profit before tax for the current quarter and the nine months period, compared to 2023, is mainly due to a property development project handed over in December 2023, with the majority of revenue and profit recognised in year 2023. For the current quarter and period ended 30 September 2024, revenue and profit before tax were mainly driven by ongoing construction projects.

b) Manufacturing

The manufacturing segment recorded revenue of RM25.5 million in the third quarter of 2024, an increase of RM0.6 million compared to RM24.9 million recorded in the corresponding quarter of 2023. For the nine months ended 30 September 2024, the segment's revenue totalled RM70.0 million, down by RM4.9 million from RM74.9 million in the corresponding period of preceding year.

Profit before tax was RM1.2 million in the third quarter of 2024, a decrease of RM1.6 million from RM2.8 million in the corresponding quarter of 2023. However, for the nine months ended 30 September 2024, the segment's profit before tax improved significantly to RM6.5 million, an increase of RM4.6 million from RM1.9 million recorded in the corresponding period of preceding year.

The revenue declined in the current quarter and nine months period was mainly due to the disposal of a manufacturing plant in China in September 2023, which had contributed RM9.7 million revenue in 2023. This impact was partially offset by higher sales from elastic textile and webbing products.

Despite the lower revenue, the profit before tax for the nine months period ended 30 September 2024 was higher than previous year. This improvement was primarily due to a net loss of RM6.5 million related to the manufacturing plant in China, which was recognised upon the disposal by the Group in September 2023.

B1 ANALYSIS OF PERFORMANCE (continued)

c) Energy efficiency

The energy efficiency segment reported revenue of RM20.3 million in the third quarter of 2024, a decrease of RM1.7 million from RM22.0 million in the corresponding quarter of 2023. For the nine months ended 30 September 2024, the segment's revenue recorded at RM61.1 million, decrease by RM17.8 million compared to RM78.9 million in the corresponding period of 2023.

Profit before tax for this segment increase by RM1.5 million to RM3.4 million in the third quarter of 2024, up from RM1.9 million recorded in the same quarter of 2023. However, for the nine months period ended 30 September 2024, the profit before tax was RM6.9 million, representing a decrease of RM2.9 million from RM9.8 million in the corresponding period of 2023.

The decline in revenue for the energy efficiency segment in both current quarter and nine months period ended 30 September 2024, compared to the same quarter and period in 2023, was mainly due to the completion of several major projects in 2023 and delays in awarding of new projects in 2024. However, the decrease was partially offset by an increase in maintenance service income, which contributed an additional RM5.7 million in 2024. The decrease in profit before tax aligned with the revenue decrease, except in the current quarter, where a reversal of certain expenses contributed to an improvement in profit before tax.

d) Agriculture

The agriculture segment recorded revenue of RM0.1 million in the third quarter of 2024, a decrease of RM0.4 million from RM0.5 million in the corresponding quarter of 2023. For the nine months period ended 30 September 2024, revenue was RM0.3 million, down by RM0.4 million compared to RM0.7 million in the corresponding period of 2023.

The segment reported a loss before tax of RM1.4 million in the third quarter of 2024, an increase of RM0.1 million compared to a loss before tax of RM1.3 million in the corresponding quarter of 2023. For the nine months period ended 30 September 2024, the loss before tax was RM3.6 million, additional loss of RM0.2 million from the RM3.4 million loss recorded in the corresponding period of 2023.

The lower revenue in the current quarter and nine months period ended 30 September 2024 was mainly due to delays in buyer's application for an export license. Pineapples were harvested since June 2024, have been contributing to revenue since then. The agriculture segment continued to report losses for both 2024 and 2023, as teak wood logging remains limited, depending on market demand and teak wood prices.

e) Others

This segment recorded revenue of RM0.1 million in the third quarter of 2024, consistent with the corresponding quarter of 2023. For the nine months period 30 September 2024, revenue was RM0.3 million, an increase of RM0.1 million compared to RM0.2 million in the corresponding period of 2023.

Profit before tax for this segment was RM1.1 million lower in the third quarter of 2024 compared to the profit tax of RM1.1 million in the same quarter of 2023. The loss before tax for the nine months period ended 30 September 2024 was RM2.3 million, consistent with the corresponding period of 2023. This decrease was primarily attributed to higher corporate expenses and unrealised foreign exchange losses resulting from the strengthening of the Ringgit Malaysia during the period.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER

In the current quarter ended 30 September 2024, the Group achieved a revenue of RM75.2 million and a profit before tax of RM7.2 million, reflecting a significant improvement compared to the immediate preceding quarter, where revenue was RM57.4 million and profit before tax was RM0.8 million. This increase in revenue and profit was attributed to higher progress billings from construction projects and the revenue recognition from property development projects for unsold units.

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 segment, 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.

Further, the foreign currency volatility, especially changes in the USD against RM, may affect the Group's profitability of manufacturing segment. To manage this, the Group is closely monitoring currency trends and may use financial instruments for hedging to minimise the impact of currency fluctuations on profitability, ensuring sustainable operations amidst these challenging conditions.

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 segment 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 segment 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 30 September		Period ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense				
- Malaysia	1,883	1,567	3,001	5,664
- Overseas	811	679	1,922	2,645
- Under provision in prior years	521	82	930	82
	3,215	2,328	5,853	8,391
Deferred tax	(30)	(32)	(58)	(93)
	3,185	2,296	5,795	8,298

The effective tax rates of the Group for the current quarter and period ended 30 September 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 ("PPSB") and Liveintent Sdn Bhd ("Liveintent") 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.

On 29 June 2024, PRG entered into a supplemental agreement with Furniweb and PLSB, postponing the original conditional period from 30 June 2024 to 30 June 2025, or such longer period as PRG, Furniweb and PLSB may agree in writing. On the same date, PRG also entered into a letter of extension of time with PDMSB, PPSB and Liveintent, extending the date to obtain the Certificate of Completion and Compliance ("CCC") from 30 June 2024 to 31 December 2024. PDMSB shall deliver the vacant possession of the Properties to PRG within 30 days from the date of issuance of CCC and agrees to pay interest of 5% per annum, calculated daily until the CCC is issued. The Proposed Disposal of Properties and Proposed Diversification were approved by shareholders at the extraordinary general meeting on 16 August 2024.

Please refer to the announcements dated 27 April 2023, 7 June 2023, 3 July 2023, 2 January 2024, 19 January 2024, 13 March 2024, 20 March 2024, 20 June 2024, 1 July 2024, 12 July 2024 and 16 August 2024 for details.

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.

On 16 August 2024, the Proposed Debt Settlements was approved by shareholders at the extraordinary general meeting.

The listing of the 30,333,600 and 23,365,800 Settlement Shares of the Debt Settlement of Dato Lua and Dato' Ng at issue price of RM0.2137 was completed on 23 August 2024 and 24 Sep 2024 respectively.

Please refer to the announcements dated 25 August 2023, 22 September 2023, 1 July 2024, 22 July 2024, 16 August 2024, 22 Aug 2024 and 23 Sep 2024 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	
	30 September 2024	31 December 2023
	RM'000	RM'000
Current liabilities	4,431	8,825
Non-current liabilities	41,297	36,736
	45,728	45,561

The borrowings are denominated in the following currencies:

- Ringgit Malaysia	43,641	41,843
- Singapore Dollar	2,087	3,718
	45,728	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 30 September		Period ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating profit is arrived at after charging/(crediting):				
Depreciation and amortisation	1,736	1,156	4,894	3,430
Interest expense	860	715	2,724	2,214
(Reversal of inventories written down)/Inventories written down, net	(173)	(138)	(246)	2,452
(Reversal)/Impairment losses on trade and other receivables	-	(48)	-	3,475
Gain on fair value adjustment on trade and other receivables	-	-	-	(26)
Net unrealised (gain)/loss on foreign exchange	(513)	291	(21)	62
Gain on disposal of subsidiaries	-	-	-	(347)
Property, plant and equipment written off	-	-	3	-
Interest income	(696)	(957)	(2,880)	(2,785)
Gain on disposals of property, plant and equipment	(1)	(2)	(11)	(645)

- 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 (LOSS)/ EARNINGS PER ORDINARY SHARE

a) Basic (loss)/ earnings per ordinary share

Basic (loss)/ earnings per ordinary share is calculated by dividing the (loss)/ profit attributable to owners of the parent for the quarter/ period by the weighted average number of ordinary shares in issue during the quarter/ period (excluding treasury shares).

	Quarter ended 30 September		Period ended 30 September	
	2024	2023	2024	2023
(Loss)/ Profit attributable to owners of the parent (RM'000)	(329)	1,513	(60)	7,045
Weighted average number of ordinary shares in issue ('000)	446,817	429,439	436,704	429,439
Basic (loss)/ earnings per ordinary share (sen)	(0.07)	0.35	(0.01)	1.64

b) Diluted (loss)/ earnings per ordinary share

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

The diluted (loss)/ earnings per share is same as the basic (loss)/ earnings per ordinary share because there were no dilutive potential ordinary shares outstanding as at the end of the financial periods ended 30 September 2024 and 30 September 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	
	30 September 2024	31 December 2023 (Audited)
Total equity attributable to owners of the parent (RM'000)	167,242	159,695
Number of ordinary shares in issue ('000)	485,909	431,084
Number of shares repurchased ('000)	(418)	(418)
Number of ordinary shares in issue (excluding treasury shares) ('000)	485,491	430,666
Net assets per share attributable to owners of the parent (RM)	0.3445	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 19 November 2024.