

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2019 - UNAUDITED

| | Quarter ended 30 September | | Period ended 30 September | |
|--|---------------------------------------|---------------|--------------------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 38,218 | 30,580 | 89,825 | 104,423 |
| Cost of sales | (28,737) | (23,366) | (68,891) | (78,578) |
| Gross profit | 9,481 | 7,214 | 20,934 | 25,845 |
| Other income | 709 | 963 | 1,799 | 2,491 |
| Selling and marketing expenses | (4,009) | (873) | (8,261) | (2,805) |
| Administrative expenses | (8,568) | (8,508) | (26,383) | (24,069) |
| Other expenses | (791) | 53 | (1,073) | (285) |
| Interest income | 109 | 172 | 386 | 554 |
| Finance costs | (1,256) | (339) | (3,156) | (895) |
| Share of losses of associates (net of tax) | (218) | (276) | (873) | (858) |
| Share of profits of joint ventures (net of tax) | 140 | 144 | 117 | 194 |
| (Loss)/Profit before tax | (4,403) | (1,450) | (16,510) | 172 |
| Tax expense | (357) | (562) | (1,025) | (1,873) |
| Loss for the financial period | (4,760) | (2,012) | (17,535) | (1,701) |
| Other comprehensive (loss)/income | | | | |
| Item that will not be reclassified subsequently to profit of loss | | | | |
| Change in the fair value of equity instruments at fair value through other comprehensive income | (1,733) | - | (15,471) | - |
| Item that will be reclassified subsequently to profit of loss | | | | |
| Foreign currency translations | 286 | 1,554 | (206) | (228) |
| Share of other comprehensive income of an associate | (47) | (75) | (8) | 16 |
| Share of other comprehensive loss of a joint venture | 12 | 21 | (3) | (20) |
| Total comprehensive loss for the financial period | (6,242) | (512) | (33,223) | (1,933) |
| (Loss)/Profit attributable to: | | | | |
| Owners of the parent | (3,941) | (2,106) | (14,016) | (3,078) |
| Non-controlling interests | (819) | 94 | (3,519) | 1,377 |
| | (4,760) | (2,012) | (17,535) | (1,701) |
| Total comprehensive (loss)/income attributable to: | | | | |
| Owners of the parent | (5,542) | (981) | (29,635) | (3,252) |
| Non-controlling interests | (700) | 469 | (3,588) | 1,319 |
| | (6,242) | (512) | (33,223) | (1,933) |
| Loss per ordinary share attributable to owners of the parent (sen): | | | | |
| Basic | (1.09) | (0.68) | (4.20) | (1.01) |
| Diluted | (1.09) | (0.68) | (4.20) | (1.01) |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019 - UNAUDITED

| | Notes | As at 30 September 2019 RM'000 | (Audited) As at 31 December 2018 RM'000 |
|---|-------|---|---|
| Non-current assets | | | |
| Property, plant and equipment | | 49,826 | 43,789 |
| Right-of-use assets | | 27,052 | - |
| Intangible assets | | 66,961 | 1,328 |
| Investments in associates | | 7,004 | 7,883 |
| Investments in joint ventures | | 5,008 | 5,099 |
| Other investments | | 12,856 | - |
| Trade and other receivables | | 17,539 | 17,285 |
| Deferred tax assets | | 683 | 4,964 |
| Total non-current assets | | <u>186,929</u> | <u>80,348</u> |
| Current assets | | | |
| Inventories | | 60,716 | 205,756 |
| Trade and other receivables | | 33,390 | 83,945 |
| Contract assets | | 4,853 | 25,725 |
| Current tax assets | | 1,093 | 2,876 |
| Cash and bank balances | | 31,332 | 35,079 |
| Total current assets | | <u>131,384</u> | <u>353,381</u> |
| Non-current assets held for sale | | <u>227,376</u> | <u>-</u> |
| Total assets | | <u><u>545,689</u></u> | <u><u>433,729</u></u> |
| Equity | | | |
| Share capital | | 104,975 | 83,289 |
| Treasury shares | | (87) | (87) |
| Exchange translation differences | | (3,029) | (2,881) |
| Warrants reserve | | - | 3,713 |
| Fair value reserve | | (15,471) | - |
| Retained earnings | | 82,545 | 47,924 |
| Total attributable to owners of the parent | | <u>168,933</u> | <u>131,958</u> |
| Non-controlling interests ("NCI") | | 80,235 | 40,199 |
| Total equity | | <u>249,168</u> | <u>172,157</u> |
| Non-current liabilities | | | |
| Borrowings | B7 | 19,749 | 18,868 |
| Trade and other payables | | 2,050 | 3,339 |
| Lease liabilities | | 22,166 | - |
| Deferred tax liabilities | | 747 | 747 |
| Total non-current liabilities | | <u>44,712</u> | <u>22,954</u> |

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019 - UNAUDITED (continued)

| | | As at 30 September 2019 RM'000 | (Audited) As at 31 December 2018 RM'000 |
|--|-------|---|---|
| | Notes | | |
| Current liabilities | | | |
| Borrowings | B7 | 15,710 | 27,725 |
| Trade and other payables | | 59,806 | 150,385 |
| Contract liabilities | | 1,830 | 59,912 |
| Lease liabilities | | 5,198 | - |
| Current tax liabilities | | 2,413 | 596 |
| Total current liabilities | | <u>84,957</u> | <u>238,618</u> |
| Liabilities directly associated with the assets held for sale | | <u>166,852</u> | <u>-</u> |
| Total liabilities | | <u>296,521</u> | <u>261,572</u> |
| Total equity and liabilities | | <u>545,689</u> | <u>433,729</u> |
| Net assets per share attributable to owners of the parent (RM) | B12 | <u>0.4659</u> | <u>0.4252</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2019 - UNAUDITED

| | <----- Attributable to owners of the parent -----> | | | | | | | |
|--|--|--------------------|--|---------------------|-----------------------|----------------------|-----------------|----------------------------------|
| | <-----Non-distributable-----> | | | | Distributable | | | |
| | Share capital | Treasury shares | Exchange translation differences | Warrants reserve | Fair value reserve | Retained earnings | Total | Non- controlling interests |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 9 months ended 30 September 2018 | | | | | | | | |
| Balance at 1 January 2018 (Restated) | 77,730 | (87) | (3,077) | 3,851 | - | 53,248 | 131,665 | 26,763 |
| Profit for the financial period | - | - | - | - | - | (3,078) | (3,078) | 1,377 |
| Foreign currency translations, net of tax | - | - | (170) | - | - | - | (170) | (58) |
| Share of other comprehensive income of an associate, net of tax | - | - | 16 | - | - | - | 16 | - |
| Share of other comprehensive loss of a joint venture, net of tax | - | - | (20) | - | - | - | (20) | - |
| Total comprehensive (loss)/income | - | - | (174) | - | - | (3,078) | (3,252) | 1,319 |
| Ordinary shares issued pursuant to acquisition of a joint venture | 4,125 | - | - | - | - | - | 4,125 | - |
| Shares acquired by non-controlling interests | - | - | - | - | - | - | - | 123 |
| Ordinary shares issued pursuant to exercise of Warrants | 857 | - | - | (83) | - | - | 774 | - |
| Balance at 30 September 2018 | 82,712 | (87) | (3,251) | 3,768 | - | 50,170 | 133,312 | 28,205 |
| 9 months ended 30 September 2019 | | | | | | | | |
| Balance at 1 January 2019 | 83,289 | (87) | (2,881) | 3,713 | - | 47,924 | 131,958 | 40,199 |
| Loss for the financial period | - | - | - | - | - | (14,016) | (14,016) | (3,519) |
| Change in the fair value of equity investments at fair value through other comprehensive income | - | - | - | - | (15,471) | - | (15,471) | - |
| Foreign currency translations | - | - | (137) | - | - | - | (137) | (69) |
| Share of other comprehensive income of an associate, net of tax | - | - | (8) | - | - | - | (8) | - |
| Share of other comprehensive loss of a joint venture, net of tax | - | - | (3) | - | - | - | (3) | - |
| Total comprehensive loss | - | - | (148) | - | (15,471) | (14,016) | (29,635) | (3,588) |
| NCI acquired in a new subsidiary | - | - | - | - | - | - | - | 877 |
| Change in stake in a subsidiary | - | - | - | - | - | 47,015 | 47,015 | 42,747 |
| Ordinary shares issued pursuant to exercise of Warrants | 21,686 | - | - | (2,091) | - | - | 19,595 | - |
| Transfer of warrant reserve upon expiry of warrants to retained earnings | - | - | - | (1,622) | - | 1,622 | - | - |
| Balance at 30 September 2019 | 104,975 | (87) | (3,029) | - | (15,471) | 82,545 | 168,933 | 80,235 |

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019 - UNAUDITED

| | Period ended 30 September | |
|---|--------------------------------------|----------------|
| | 2019 | 2018 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| (Loss)/Profit before tax | (16,510) | 172 |
| Adjustments for: | | |
| Non-cash items | 5,892 | 3,265 |
| Finance costs | 3,156 | 895 |
| Interest income | (386) | (554) |
| Share of losses of associates | 873 | 858 |
| Share of profits of joint ventures | (117) | (194) |
| Operating (loss)/profit before changes in working capital | (7,092) | 4,442 |
| Increase in inventories | (6,615) | (4,102) |
| (Decrease)/Increase in trade and other receivables | 1,487 | (20,326) |
| Increase in trade and other payables | 17,428 | 14,653 |
| Cash generated from/(used in) operations | 5,208 | (5,333) |
| Tax paid (net with tax refunded) | (1,456) | (4,229) |
| Net cash generated from/(used in) operating activities | 3,752 | (9,562) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment and intangible assets | (9,208) | (2,905) |
| Acquisition of intangible assets | (88) | - |
| Investment in a quoted share | (28,327) | - |
| Acquisitions of subsidiaries | 2,143 | (252) |
| Advances from/(repayments to) joint ventures | 293 | (160) |
| Dividends received from a joint venture | 205 | 291 |
| Interest received | 386 | 554 |
| Proceeds from disposals of property, plant and equipment | 110 | 938 |
| Proceeds from disposals of shares in a subsidiary | 15,505 | - |
| Deposits (placed)/uplift from financial institutions with original maturity of more than three (3) months | (19) | 966 |
| Withdrawal of restricted cash | - | 680 |
| Net cash (used in)/generated from investing activities | (19,000) | 112 |
| Cash flows from financing activities | | |
| Interest paid | (3,156) | (897) |
| Drawdown of borrowings | 35,238 | 4,266 |
| Drawdown of hire purchase creditors | 241 | - |
| Repayments of borrowings | (37,997) | (7,005) |
| Repayments of hire purchase creditors | (546) | (880) |
| Repayments of lease liabilities | (1,200) | - |
| Proceeds from issuance of ordinary shares pursuant to exercise of Warrants | 19,595 | 774 |
| Proceeds from issuance of ordinary shares to non-controlling interests | - | 123 |
| Net cash generated from/(used in) financing activities | 12,175 | (3,619) |
| Net decrease in cash and cash equivalents | (3,073) | (13,069) |
| Effects of exchange rate changes | (240) | 244 |
| Cash and cash equivalents at beginning of financial period | 25,768 | 37,422 |
| Less: Cash and bank balances reclassified to non-current assets held for sale | (31) | - |
| Add: Bank overdraft reclassified to liabilities directly associated with the assets held for sale | 7,738 | - |
| Cash and cash equivalents at end of financial period | 30,162 | 24,597 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 31,332 | 33,652 |
| Less: Bank overdraft | (422) | (8,337) |
| Deposits placed with financial institutions with original maturity of more than three (3) months | (666) | (812) |
| Restricted cash | (82) | 94 |
| | 30,162 | 24,597 |

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2019 - UNAUDITED

Reconciliation of liabilities arising from financing activities

| | Period ended 30 September | |
|--|--------------------------------------|------------------------|
| | 2019 RM'000 | 2018 RM'000 |
| Borrowings at 1 January ** | 38,011 | 28,569 |
| Cash flows | (3,064) | (3,619) |
| Non-cash flows: | | |
| - Settlement of term loan through restricted cash | - | (2,198) |
| - Borrowings of subsidiary acquired | 43 | - |
| - Borrowings reclassified to liabilities directly associated with the assets held for sale | (130) | - |
| - Effect of foreign exchange | 177 | (113) |
| Borrowings at 30 September ** | <u>35,037</u> | <u>22,639</u> |

** Borrowings exclude bank overdraft

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2018. The explanatory notes attached to the interim financial report 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 2018.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2018 except for the newly-issued 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 2019:

| Title | Effective Date |
|--|-----------------------|
| MFRS 16 <i>Leases</i> | 1 January 2019 |
| IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i> | 1 January 2019 |
| Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures | 1 January 2019 |
| Amendments to MFRS 9 Prepayment Features with Negative Compensation | 1 January 2019 |
| Amendments to MFRS 3 Annual Improvements to MFRS Standards 2015 - 2017 Cycle | 1 January 2019 |
| Amendments to MFRS 11 Annual Improvements to MFRS Standards 2015 - 2017 Cycle | 1 January 2019 |
| Amendments to MFRS 112 Annual Improvements to MFRS Standards 2015 - 2017 Cycle | 1 January 2019 |
| Amendments to MFRS 123 Annual Improvements to MFRS Standards 2015 - 2017 Cycle | 1 January 2019 |
| Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement | 1 January 2019 |

The adoption of the above did not have any significant effects on the interim financial report upon their initial application, other than as disclosed below:

MFRS 16 *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group applied MFRS 16 with effect from 1 January 2019, using the modified retrospective approach, with no restatement of comparative information in accordance with the transition requirements under the Appendix C, paragraph 5(b) of MFRS 16 and cumulative effect of initial application of MFRS 16 will be recognised as an adjustment to the opening balance of following components at 1 January 2019.

Condensed Consolidated Statement of Financial Position as at 1 January 2019

| | MFRS 117 RM'000 | Effect of Adoption RM'000 | MFRS 16 RM'000 |
|---------------------|----------------------------|--------------------------------------|---------------------------|
| Right-of use assets | - | 23,109 | 23,109 |
| Lease liabilities | - | 23,109 | 23,109 |

A2 AUDITORS' REPORT ON PRECEDING YEAR'S FINANCIAL STATEMENTS

The report of the auditors to members of the Company dated 20 March 2019 on the audited financial statements for the financial year ended 31 December 2018 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

During the financial period ended 30 September 2019, the Company increased its issued and paid up share capital from 310,333,474 to 362,587,221 by way of issuance of 52,253,747 new ordinary shares pursuant to the exercise of Warrants 2014/2019 at an issue price of RM0.375 per ordinary share. The remaining 40,566,179 warrants have since expired on 5 July 2019 and the corresponding warrants reserve of RM1.62 million has been transferred to retained earnings.

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

A7 DIVIDENDS PAID

No dividend was paid in current financial period under review.

PRG HOLDINGS BERHAD (541706-V)
PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

A8 OPERATING SEGMENTS

Information on reportable segments is presented as follows:

| | Manufacturing RM'000 | Retail RM'000 | Property development & construction RM'000 | Healthcare RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|--|---------------------------------|--------------------------|---|------------------------------|--------------------------|--------------------------------|--------------------------------|
| <u>For the period ended 30 September 2018</u> | | | | | | | |
| Revenue | | | | | | | |
| Revenue from external customers | 67,535 | - | 35,616 | 1,272 | - | - | 104,423 |
| Inter-segment revenue | - | - | - | - | - | - | - |
| Total revenue | <u>67,535</u> | <u>-</u> | <u>35,616</u> | <u>1,272</u> | <u>-</u> | <u>-</u> | <u>104,423</u> |
| Segment results | 2,185 | (9) | (150) | (606) | (584) | - | 836 |
| Share of profit of a joint venture (net of tax) | 194 | - | - | - | - | - | 194 |
| Share of losses of associates (net of tax) | (808) | - | (50) | - | - | - | (858) |
| Profit/(Loss) before tax | <u>1,571</u> | <u>(9)</u> | <u>(200)</u> | <u>(606)</u> | <u>(584)</u> | <u>-</u> | <u>172</u> |
| Tax expense | | | | | | | (1,873) |
| Loss for the financial period | | | | | | | <u>(1,701)</u> |
| <u>For the period ended 30 September 2019</u> | | | | | | | |
| Revenue | | | | | | | |
| Revenue from external customers | 80,999 | 4,696 | 4,130 | - | - | - | 89,825 |
| Inter-segment revenue | - | - | - | - | - | - | - |
| Total revenue | <u>80,999</u> | <u>4,696</u> | <u>4,130</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>89,825</u> |
| Segment results | 1,227 | (4,250) | (8,850) | (109) | (3,772) | - | (15,754) |
| Share of profits/(losses) of joint ventures (net of tax) | 164 | - | - | (47) | - | - | 117 |
| Share of losses of associates (net of tax) | (553) | - | (15) | (305) | - | - | (873) |
| Profit/(Loss) before tax | <u>838</u> | <u>(4,250)</u> | <u>(8,865)</u> | <u>(461)</u> | <u>(3,772)</u> | <u>-</u> | <u>(16,510)</u> |
| Tax expense | | | | | | | (1,025) |
| Loss for the financial period | | | | | | | <u>(17,535)</u> |

A9 EVENTS AFTER BALANCE SHEET DATE

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

A10 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period under review except for the followings:

Acquisition of new subsidiaries

- On 12 March 2019, a sale and purchase agreement ("S&P Agreement") was entered into among the Company's subsidiary, Furniweb Holdings Limited ("FHL"), Triumph Star Global Limited (the "Vendor") and Ms. Jim Ka Man, the guarantor. Pursuant to the S&P Agreement, FHL has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the entire issued share capital of Meinaide Holdings Group Limited for the consideration of HKD140,000,000, which shall be satisfied by FHL by way of allotment and issue of 56,000,000 shares of FHL at the issue price of HKD2.50 per share to the Vendor or its nominee credited as fully paid upon completion in accordance with the terms and conditions of the S&P Agreement.

The Proposed Acquisition was completed on 28 June 2019 and following the completion, Meinaide Holdings Group Limited has become a wholly-owned subsidiary of FHL under the PRG Group.

- On 8 April 2019, FHL acquired 50,000 ordinary share representing 100% equity interest in Delightful Grace Holdings Limited ("DGHL"), a limited liability company incorporated in British Virgin Islands, from Au Yeung Yiu Chung for a consideration of HKD1.00.
- On 11 April 2019, the Company's subsidiary, PP Retail Pte Ltd injected THB6,419,000 (equivalent to approximately RM874,244) in Skilltrain Co., Ltd ("Skilltrain") by way of subscribing 64,190 shares of Skilltrain which representing 49% equity interest in Skilltrain, a limited liability company incorporated in Thailand, at the issue price of THB100 per shares.
- On 25 April 2019, the Company's subsidiary, DGHL acquired one (1) ordinary share representing 100% equity interest in Fly High Finance Limited, a limited liability company incorporated in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), from Au Yeung Yiu Chung for a consideration of HKD1.00.

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 2018.

A12 CAPITAL COMMITMENTS

| | 30/9/2019 |
|--|------------------|
| | RM'000 |
| Commitment for proposed acquisition of agriculture lands | <u>84,740</u> |

A13 MATERIAL RELATED PARTY TRANSACTIONS

| | Quarter ended | | Period ended | |
|--|----------------------|---------------|---------------------|---------------|
| | 30 September | | 30 September | |
| | 2019 | 2018 | 2019 | 2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Transaction with joint venture partner</u> | | | | |
| Sale of goods | 288 | 1,042 | 1,636 | 1,657 |
| <u>Transaction with corporation in which Director of an associate has interest</u> | | | | |
| Sale of goods | 81 | 244 | 444 | 734 |

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

PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1 ANALYSIS OF PERFORMANCE**

The Group's revenue of RM38.2 million for third quarter of 2019 was RM7.6 million higher than the RM30.6 million revenue reported in the corresponding quarter of the preceding year. The Group's revenue for the 9 months ended 30 September 2019 was RM89.8 million, representing RM14.6 million decrease as compared to revenue of RM104.4 million recorded in the same period of the preceding year.

The Group recorded a loss before tax of RM4.4 million in the third quarter of 2019, which was RM2.9 million higher than loss before tax of RM1.5 million reported in the corresponding quarter of the preceding year. Loss before tax for the 9 months ended 30 September 2019 was RM16.5 million, representing RM16.7 million increase in loss before tax as compared to profit before tax of RM0.2 million recorded in the same period of the preceding year.

Decrease in the Group's revenue and increase in the Group's loss before tax during the current quarter and financial period ended 30 September 2019 was mainly due to decrease in revenue from property development & construction segment, mainly arising from low number of units sold and slow project progress for Picasso Residence.

a) Manufacturing

The revenue of RM30.5 million from manufacturing segment for the current quarter of year 2019 was RM7.5 million higher than RM23.0 million recorded in the corresponding quarter of 2018. The segment's revenue for the 9 months ended 30 September 2019 of RM81.0 million was RM13.5 million higher than RM67.5 million recorded in the same period of the preceding year.

Profit before tax from manufacturing segment for the current quarter of year 2019 was RM4.4 million, representing higher profit before tax of RM3.8 million as compared to profit before tax of RM0.6 million recorded in the corresponding quarter of 2018. The segment's profit before tax for the 9 months ended 30 September 2019 was RM0.8 million, representing lower profit before tax of RM0.8 million as compared to profit before tax of RM1.6 million recorded in the same period of the preceding year.

Revenue from manufacturing segment has increased by RM13.5 million for financial period ended 30 September 2019, mainly due to additional revenue contributed by the newly acquired subsidiary during the third quarter of 2019 of approximately RM6.5 million (2018: Nil) as well as increase in sales volume for covered elastic yarn and webbing products during the financial period under review as compared to the corresponding period of 2018.

Decrease in profit before tax for manufacturing segment was mainly due to corporate expenses of total RM3.2 million (2018: RM0.9 million) including the one-off professional fee of RM1.5 million in relation to the acquisition of Meinaide Holdings Group Limited as well as additional headcount of managerial directors and staff. Setting aside the corporate expenses, the manufacturing segment was making a profit of RM4.0 million (2018: RM3.4 million) during the financial period under review.

b) Retail

The retail segment contributed revenue of approximately RM4.7 million to the Group (2018: Nil) upon the opening of its first flagship store in Singapore and second store in Thailand in April and July 2019 respectively. Loss before tax of RM4.25 million from retail segment for both the current quarter of year 2019 (2018: RM9k) and 9 months ended 30 September 2019 (2018: RM9k) was due to sales were unable to cover the fixed lease rental and overhead cost as well as marketing expenses to promote the brands and grand opening expenses of shops.

c) Property development & construction

The property development & construction segment recorded revenue of RM3.0 million for the current quarter of 2019, which is RM3.3 million lower than RM6.3 million recorded in the corresponding quarter of 2018. The segment's revenue for the 9 months ended 30 September 2019 of RM4.1 million was RM31.5 million lower than RM35.6 million recorded in the same period of the preceding year.

Loss before tax of RM2.9 million from property development & construction segment for the current quarter of year 2019 was RM1.6 million higher than loss before tax of RM1.3 million recorded in the corresponding quarter of 2018. The segment's loss before tax for the 9 months ended 30 September 2019 was RM8.9 million, representing RM8.7 million increase in loss before tax as compared to loss before tax of RM0.2 million recorded in the same period of the preceding year.

Decrease in revenue and increase in loss before tax for the current quarter and for the financial period ended 30 September 2019 was mainly due to lower revenue contribution from Picasso Residence project, as a result of slow project progress for Picasso Residence and lower number of units sold compared to corresponding period of 2018 as property market outlook in Malaysia for 2019 remain challenging with the overall economy sentiments affected by the threat of global and local slowdown and uncertainties in the financial markets.

d) Healthcare

The healthcare segment recorded loss before tax of RM19k in the current quarter and loss before tax of RM0.5 million for the financial period ended 30 September 2019. The loss before tax position for the financial period ended 30 September 2019 was mainly due to share of loss for an associate amounted to RM305k, share of loss for a joint venture amounted to RM47k and professional fees incurred for healthcare segment.

PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)**B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER**

The Group recorded revenue of RM38.2 million and loss before tax of RM4.4 million for the current quarter ended 30 September 2019 as compared to revenue of RM27.1 million and loss before tax of RM7.1 million for the preceding quarter. Increase in revenue and decrease in loss before tax as compared to the preceding quarter is mainly due to additional revenue contributed by the newly acquired subsidiary during the third quarter of 2019 of approximately RM6.5 million as well as revenue contributed by retail segment upon the opening of its first flagship store in Singapore and second store in Thailand in April and July 2019 respectively.

B3 PROSPECTS FOR CURRENT FINANCIAL YEAR

The Group anticipates the prospect of the Manufacturing Division in the near future to remain challenging as customers remain cautious on purchases amidst weaker demand in their respective markets. In view of the rapid change of global economy and competition landscape, the Group is continue to explore new potential export markets, broadening its products application and potential strategic partnership. The Group will be cautious in implementing its business strategies, closely monitor the volatility of raw material prices, regularly review its pricing strategies and cost structure as well as take more effective measures to control its overhead costs and expenses. To streamline the Group's Manufacturing Division and as disclosed in its announcement dated 4 October 2019, FHL has entered into a term sheet with a potential purchaser ("the Purchaser") for the sale of Premier Elastic Webbing & Accessories (Vietnam) Co., Ltd, a member of the Group principally engaged in the manufacture and sale of narrow elastic fabrics, to the Purchaser. As at the date of this announcement, no formal agreement regarding the above sale has been entered into by the parties. Notwithstanding the above, the Group is also constantly reviewing its portfolio and identifying opportunities in investing into new potential business and joint venture or divesting on current non-profitable entity in order to enhance its overall profitability.

The retail outlook is expected to be challenging. As the brand is still new to South East Asia, the Group takes cognizance of luxury brand building and development is important. With the support from the principal of the brand, a series of branding and marketing strategies were planned and to be rolled out by stages. The Group will continue exploring the overseas market for opportunities to increase our market presence within the region as well as extending the purchasing channels for consumers such as digital retailing and social medias. Under these dynamics and fast-changing fashion market, the Group will closely monitor outlets' performance by studying and analysing the customers' consumption behaviour and habits to improve performance and earnings. The Group will continue to be vigilant to the changes in fashion market and trend, including reviewing the cost structure, enhance the operational efficiency in order to maintain long term sustainable growth.

Property market outlook in Malaysia for 2019 remain challenging. Market sentiments are adversely influenced by the rising cost of living, affordability issue and property supply-demand imbalance. We strongly believe that the affordable properties will be in demand especially in the prime areas of Selangor and Kuala Lumpur. The Group has unveiled its second property development called Embayu @ Damansara West (formerly known as Subang U5 Land, Selangor) in the 3rd quarter of 2019. Embayu is an affordable condominium project with three towers condominium blocks that comprises 650 units with unit's floor area ranges from 800 to 1,000 sq ft in size and are priced below RM500,000. The Group is optimistic on the demand for this project as the pricing is targeted at middle-income households, which is in line with the government's increased efforts to enable people to buy homes for own occupancy. The Embayu project represents the Group's intention to swift its focus to the development of projects which are generally more affordable to purchase in light of tighter borrowing conditions imposed by the banks and financial institutions.

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 | |
|---------------------|-------------------------------|----------------|------------------------------|----------------|
| | 2019 RM'000 | 2018 RM'000 | 2019 RM'000 | 2018 RM'000 |
| Current tax expense | | | | |
| - Malaysia | 97 | (250) | 202 | 736 |
| - Overseas | 260 | 348 | 843 | 673 |
| | 357 | 98 | 1,045 | 1,409 |
| Deferred tax | - | 464 | (20) | 464 |
| | 357 | 562 | 1,025 | 1,873 |

The effective tax rates of the Group for the current quarter and for the period ended 30 September 2019 were higher than the statutory tax rate as certain subsidiaries were making losses and certain expenses were not deductible for tax purposes.

PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B6 STATUS OF CORPORATE PROPOSAL

a) Proposed acquisition of two parcels of agriculture land planted with teak trees in Kelantan ("Proposed Acquisition")

On 28 December 2018, the Company announced that the Company and its wholly-owned subsidiary, PRG Agro Sdn. Bhd. had entered into conditional sale and purchase agreement with Alifya Forestry Sdn Bhd ("Alifya") ("SPA") to acquire:

(i) a parcel of agriculture land planted with teak trees held under HSD 858, PT 4921, Mukim Ulu Nenggiri, Jajahan Gua Musang, Negeri Kelantan Darul Naim, measuring approximately 137.0 hectares for a purchase consideration of RM33,800,000 ("PT 4921"); and

(ii) a parcel of agriculture land planted with teak trees held under HSD 27062, PT 12, Mukim Blau, Jajahan Kecil Lojing, Negeri Kelantan Darul Naim, measuring approximately 227.79 hectares for a purchase consideration of RM56,200,000 ("PT 12").

The total purchase consideration of RM90,000,000 ("Purchase Consideration") will be satisfied via a combination of RM60,000,000 in cash ("Cash Consideration") and the issuance of 40,295,500 new ordinary shares in PRG ("PRG Shares") ("Consideration Shares") at an issue price of RM0.7445 each.

On 28 March 2019, the Company, PRG Agro Sdn. Bhd. and Alifya had executed a supplemental letter to the SPA, whereby the Purchase Consideration has been revised downwards from RM90,000,000 to RM89,118,181.82, in accordance with Clause 6.2 of the SPA where in the event following the Valuation Exercise that the Fair Value as shown in the Valuation Report is less than Ringgit Malaysia Ninety Nine Million (RM99,000,000.00) only ("Agreed Value"), the parties hereby agree that the Purchase Price shall be revised and adjusted as follows:

$$\frac{\text{Fair Value}}{\text{Agreed Value}} \times \text{Current Purchase Price} = \text{Revised Purchase Price}$$

On 10 June 2019, the Company, PRG Agro Sdn. Bhd. and Alifya had executed a supplemental letter to both the SPA dated 28 December 2018 and to the 1st supplemental letter dated 28 March 2019. The Purchase Consideration is thereby revised to RM89,200,000.00, in accordance with Clause 6.2 of the SPA as set out in Section 2.3.3 (iii) of the Company's announcement dated 28 December 2018.

The Fair Value of the Lands of RM98,120,000.00 as assessed by Raine & Horne International Zaki+Partners Sdn Bhd (the independent valuer) in its Valuation Report dated 16 May 2019, is higher than the Fair Value announced on 28 March 2019 of RM98,030,000.00, resulting in the higher Purchase Consideration.

The revised Purchase Consideration of RM89,200,000.00 will be satisfied via a combination of RM59,200,000.00 in cash and the issuance of 40,295,500 new PRG Shares at an issue price of RM0.7445 each (i.e., RM30,000,000).

On 11 September 2019, TA Securities announced on behalf of the Board that the Company, PRG Agro and Alifya Forestry Sdn Bhd had executed a supplemental letter ("3rd Supplemental Letter") to both the sale and purchase agreement dated 28 December 2018 as well as to the 1st Supplemental Letter dated 28 March 2019 and 2nd Supplement Letter dated 10 June 2019 to mutually vary certain terms and conditions contained in the sale and purchase agreement dated 28 December 2018, including, amongst other, the payment terms for the purchase consideration.

On 8 October 2019, the Company obtained approval from its shareholders for the Proposed Acquisition.

b) Proposed variation to the utilisation of proceeds arising from the Disposal of up to 60,480,000 ordinary shares in FHL

On 16 January 2019, the Company obtained approval from its shareholders to dispose up to 60,480,000 ordinary shares in FHL ("Furniweb Shares") ("Disposal Shares"), representing up to 12% equity interest in FHL, to buyer(s) to be identified and at price(s) to be determined later in the open market and/or via direct business transactions, in cash ("Disposal").

On 30 May 2019, the Company had disposed of 13,000,000 Furniweb Shares, representing 2.58% equity interest in FHL via direct business transactions for a total cash consideration of HKD26,000,000 (equivalent to RM13,900,042) at HKD2.00 (equivalent to RM1.0692) per Furniweb Share ("Disposal Price") ("Disposal").

On 4 June 2019, the Company had sold 1,052,000 Furniweb Shares, representing 0.21% equity interest in FHL in the open market for a total cash consideration of HKD2,998,200 (equivalent to RM1,600,679) at HKD2.85 (equivalent to RM1.5216) per Furniweb Share ("Disposal Price") ("Disposal").

On 20 June 2019, the Company announced that it proposes to vary the utilisation of proceeds arising from the Disposal ("Proposed Variation") from the purposes set out in the Company's circular to shareholders dated 31 December 2018 ("Circular for Disposal"). The Company proposes to utilise up to HKD28.5 million (equivalent to approximately RM15.13 million based on the exchange rate of HKD100: RM53.0962 (being the middle rate of Bank Negara Malaysia as at 5.00 p.m. on 4 July 2019, being the LPD)) to repay its borrowing with a licensed lender. The borrowing was utilised to finance PRG's subscription of ordinary shares in Capital World Limited, as announced on 21 December 2018.

On 24 July 2019, the Company obtained approval from its shareholders for the Proposed Variation.

PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)**B6 STATUS OF CORPORATE PROPOSAL (cont'd)**

- b) Proposed variation to the utilisation of proceeds arising from the Disposal of up to 60,480,000 ordinary shares in FHL (cont'd)

The status of the utilisation of the disposal proceeds as at 22 November 2019 is as follows:

| | Proposed utilisation* RM'000 | Proceeds received to -date RM'000 | Actual utilisation RM'000 | Deviation RM'000 | % | Balance unutilised RM'000 | Expected time frame |
|---|------------------------------------|---|---------------------------------|---------------------|----|---------------------------------|------------------------|
| Working capital for on-going property | 11,279 | - | - | - | 0% | - | Within 12 months |
| Working capital | 9,000 | - | - | - | 0% | - | Within 12 months |
| Future potential investment/acquisition | 50,914 | - | - | - | 0% | - | Within 12 months |
| Repayment of borrowing | 15,132 | 15,132 | 15,132 | - | 0% | - | Within 12 months |
| Expenses in relation to the Disposal | 5,776 | 369 | 369 | - | 0% | - | Within 2 months |
| | <u>92,101</u> | <u>15,501</u> | <u>15,501</u> | <u>-</u> | | <u>-</u> | |

* Based on maximum scenario assuming the Disposal Shares are disposed at HKD2.8611 each (equivalent to approximately RM1.5228, being the 5D-VWAP of Furniweb Shares up to 27 December 2018, being the latest practicable date prior to the printing of the Circular for Disposal dated 31 December 2018).

- c) Proposed Disposal of 60% equity interest in Premier De Muara Sdn. Bhd. ("PDMSB") by PRG Property Sdn. Bhd. ("PRG Property")

On 18 June 2019, PRG Property, a wholly-owned subsidiary of PRG, had received a letter of intent from Liveintent Sdn Bhd ("Liveintent" or the "Purchaser") for a conditional offer to purchase 150,000 ordinary shares in PDMSB, representing 60% equity interest in PDMSB.

On 26 July 2019, PRG, PRG Property Sdn. Bhd. and PDMSB had entered into a conditional share sale agreement ("SSA") with Liveintent for the proposed disposal of 150,000 ordinary shares representing 60% equity interest in PDMSB ("Sale Shares") by PRG Property to Liveintent for a cash consideration of RM7,200,000 ("Disposal Consideration"). The remaining 100,000 ordinary shares in PDMSB, representing 40% equity interest in PDMSB, is held by Almaharta Sdn Bhd ("Almaharta"), which is not a company within the PRG group of companies ("PRG Group").

The proposed disposal has not been completed as at the date of announcement.

- d) Proposed acquisition of entire issued and paid up capital of Premier Management International Limited ("PMIL")

On 7 August 2019, the Company entered into a shares sale agreement with FHL ("Vendor") pursuant to which the Vendor agreed to sell, and the Company agreed to purchase, the entire equity interest of PMIL, a wholly-owned subsidiary of FHL, which comprises of one (1) ordinary share of HKD1.00 ("PMIL Sale Share"), at the consideration of RM608,581.21 (the "Disposal") subject to, among others, (i) the settlement of the intercompany balances, due and owing by the Company to FHL, pursuant to an assignment of debt agreement to be entered into among the Company, FHL and Premier Management International Limited in the sum of RM15,891,418.79 in full and (ii) the satisfaction of the conditions precedent contained in the shares sale agreement. Upon completion of the Proposed Acquisition of PMIL Sale Share, the Company will become the immediate holding company of PMIL Group.

On 8 November 2019, PRG announced that it had entered into a deed of mutual termination ("Termination Deed") with FHL whereby the parties have mutually agreed to terminate the share sale agreement and the transactions contemplated thereunder with effect from 8 November 2019.

- e) Proposed Disposal of Premier Elastic Webbing & Accessories (Vietnam) Co., Ltd.

On 7 October 2019, PRG announced that FHL had entered into a binding term sheet with an independent third party potential purchaser on 4 October 2019 for the sale of Premier Elastic Webbing & Accessories (Vietnam) Co., Ltd., a subsidiary of FHL, principally engaged in the manufacture and sale of narrow elastic fabrics ("Premier Elastic Disposal"). A deposit of USD192,500.00 was paid by the potential purchaser to Furniweb and the balance consideration will be determined at a later stage by the parties. As at the LPD, the Premier Elastic Disposal is subject to, among others, the signing of a definitive capital transfer agreement, the terms of which are to be agreed by FHL and the potential purchaser.

- f) Proposed disposal or subscription of 35% equity interest in PMIL

On 8 November 2019, post mutual termination between PRG and FHL as mentioned in (d) above, PRG announced that FHL had entered into a subscription agreement with Ignatius International Private Limited (formerly known as JFCA Pte Ltd ("Ignatius")) as the subscriber to subscribe for 35% of the equity interests of the PMIL, the wholly-owned subsidiary of FHL at the subscription price of RM6,450,000 (equivalent to approximately HK\$12,180,000).

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

PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)**B7 BORROWINGS**

The Group's borrowings are as follows:

Current liabilities
Non-current liabilities

| As at | |
|------------------|-------------------|
| 30/9/2019 | 31/12/2018 |
| RM'000 | RM'000 |
| 15,710 | 27,725 |
| 19,749 | 18,868 |
| 35,459 | 46,593 |

The borrowings are denominated in the following currencies:

- Ringgit Malaysia
- Hong Kong Dollar
- Singapore Dollar
- Chinese Renminbi
- Vietnamese Dong

| | |
|---------------|---------------|
| 20,071 | 28,436 |
| 8,693 | 15,060 |
| 2,713 | - |
| 26 | - |
| 3,956 | 3,097 |
| 35,459 | 46,593 |

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

B8 DIVIDENDS

No dividend has been proposed by the Board of Directors for the financial year ending 31 December 2019.

B9 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

| | Quarter ended 30 September | | Period ended 30 September | |
|---|---------------------------------------|---------------|--------------------------------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Operating (loss)/profit is arrived at after charging/(crediting): | | | | |
| Depreciation and amortisation | 2,852 | 1,232 | 5,591 | 3,615 |
| Impairment losses on trade receivables | - | - | 5 | 2 |
| Interest expense | 1,256 | 339 | 3,156 | 895 |
| Inventories written down | 67 | 6 | 302 | 202 |
| Net loss/(gain) on foreign exchange | 610 | (411) | 642 | (250) |
| Net gain on disposals of property, plant and equipment | 1 | (8) | (58) | (199) |
| Interest income | (109) | (172) | (386) | (554) |
| Reversal of inventories written down | (33) | (203) | (35) | (251) |

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 LOSS PER ORDINARY SHARE

a) Basic loss per ordinary share

Basic loss per ordinary share is calculated by dividing the loss 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 30 September | | Period ended 30 September | |
|--|---------------------------------------|-------------|--------------------------------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| | | | | |
| Loss attributable to owners of the parent (RM'000) | (3,941) | (2,106) | (14,016) | (3,078) |
| Weighted average number of ordinary shares in issue ('000) | 360,525 | 307,505 | 333,631 | 304,118 |
| Basic loss per ordinary share (sen) | (1.09) | (0.68) | (4.20) | (1.01) |

B11 LOSS PER ORDINARY SHARE (cont'd)

b) Diluted loss per ordinary share

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

| | Quarter ended 30 September | | Period ended 30 September | |
|---|---------------------------------------|-------------|--------------------------------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| Loss attributable to owners of the parent (RM'000) | (3,941) | (2,106) | (14,016) | (3,078) |
| Weighted average number of ordinary shares in issue ('000) | 360,525 | 307,505 | 333,631 | 304,118 |
| Effect of dilution ('000) | - | 49,404 | - | 52,741 |
| Adjusted weighted average number of ordinary shares in issue ('000) | 360,525 | 356,909 | 333,631 | 356,859 |
| Diluted loss per ordinary share (sen)* | (1.09) | (0.68) | (4.20) | (1.01) |

* The diluted loss per share for quarter and financial period ended 30 September 2018 is same as the basic loss per share because the effect of the assumed conversion of warrants outstanding will be anti-dilutive and the Company has no other dilutive potential ordinary share in issue as at the end of the current quarter and financial period ended 30 September 2019.

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 30/9/2019 | 31/12/2018 (Audited) |
|---|----------------------------|---------------------------------|
| Total equity attributable to owners of the parent (RM'000) | 168,933 | 131,958 |
| Number of ordinary shares in issue ('000) | 363,005 | 310,751 |
| Number of shares repurchased ('000) | (418) | (418) |
| Number of ordinary shares in issue (excluding treasury shares) ('000) | 362,587 | 310,333 |
| Net assets per share attributable to owners of the parent (RM) | 0.4659 | 0.4252 |

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 28 November 2019.