PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019 - UNAUDITED

	Quarter ended 31 December		Year ended 31 December	
	2019	2018	**2019**	2018
	RM'000	RM'000 (restated)	**RM'000**	RM'000 (restated)
Continuing operations				
Revenue	**57,324**	26,880	**132,695**	84,125
Cost of sales	**(44,335)**	(22,817)	**(98,013)**	(63,404)
Gross profit	**12,989**	4,063	**34,682**	20,721
Other income	**1,887**	797	**3,580**	2,990
Selling and marketing expenses	**(4,528)**	(701)	**(12,280)**	(2,435)
Administrative expenses	**(54,105)**	(10,142)	**(79,374)**	(32,633)
Other expenses	**(219)**	(67)	**(1,223)**	(99)
Interest income	**149**	171	**479**	654
Finance costs	**(931)**	(222)	**(3,472)**	(820)
Share of losses of associates (net of tax)	**(905)**	(311)	**(1,778)**	(1,169)
Share of profits/(loss) of joint ventures (net of tax)	**128**	(34)	**245**	160
Loss before tax	**(45,535)**	(6,446)	**(59,141)**	(12,631)
Tax expense	**(1,841)**	(397)	**(2,874)**	(1,274)
Loss from continuing operations	**(47,376)**	(6,843)	**(62,015)**	(13,905)
Discontinued operations				
(Loss)/Profit from discontinued operations	**(1,563)**	464	**(4,459)**	5,825
Loss for the financial year	**(48,939)**	(6,379)	**(66,474)**	(8,080)
Other comprehensive (loss)/income				
Continuing operations				
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	**(6,304)**	-	**(21,775)**	-
Item that will be reclassified subsequently to profit of loss				
Foreign currency translations	**(1,084)**	571	**(1,274)**	462
Share of other comprehensive income/(loss) of an associate	**36**	(48)	**28**	(32)
Share of other comprehensive (loss)/income of a joint venture	**(18)**	16	**(21)**	(4)
Discontinued operations				
Other comprehensive (loss)/income from discontinued operations	**(11)**	49	**(27)**	(70)
Total comprehensive loss for the financial year	**(56,320)**	(5,791)	**(89,543)**	(7,724)
(Loss)/Profit attributable to:				
Owners of the parent				
- from continuing operations	**(31,349)**	(6,668)	**(44,273)**	(14,311)
- from discontinued operations	**(824)**	768	**(1,916)**	5,333
Non-controlling interests				
- from continuing operations	**(16,027)**	(174)	**(17,742)**	406
- from discontinued operations	**(739)**	(305)	**(2,543)**	492
	(48,939)	(6,379)	**(66,474)**	(8,080)

PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019 - UNAUDITED (continued)

	Quarter ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	RM'000	RM'000 (restated)	**RM'000**	RM'000 (restated)
Total comprehensive (loss)/income attributable to:				
Owners of the parent				
- from continuing operations	**(38,275)**	(5,656)	**(66,807)**	(13,383)
- from discontinued operations	**(831)**	126	**(1,934)**	4,601
Non-controlling interests				
- from continuing operations	**(16,470)**	(648)	**(18,250)**	(96)
- from discontinued operations	**(744)**	387	**(2,552)**	1,154
	(56,320)	(5,791)	**(89,543)**	(7,724)
Basic/Diluted (loss)/earnings per ordinary share attributable to owners of the parent (sen):				
- from continuing operations	**(8.31)**	(2.15)	**(12.85)**	(4.68)
- from discontinued operations	**(0.22)**	0.24	**(0.55)**	1.74
	(8.53)	(1.91)	**(13.40)**	(2.94)

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
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 - UNAUDITED

	Notes	As at 31 December 2019 RM'000	(Audited) As at 31 December 2018 RM'000
Non-current assets			
Property, plant and equipment		**43,069**	43,789
Right-of-use assets		**18,874**	-
Intangible assets		**34,366**	1,328
Investments in associates		**1,934**	7,883
Investments in joint ventures		**1,111**	5,099
Other investments		**6,452**	-
Trade and other receivables		**4,730**	17,285
Deferred tax assets		**381**	4,964
Total non-current assets		**110,917**	80,348
Current assets			
Inventories		**59,788**	205,756
Biological assets		**83,100**	-
Trade and other receivables		**63,898**	83,945
Contract assets		**5,625**	25,725
Current tax assets		**585**	2,876
Cash and bank balances		**23,386**	35,079
Total current assets		**236,382**	353,381
Non-current assets held for sale		**244,377**	-
Total assets		**591,676**	433,729
Equity			
Share capital		**134,975**	83,289
Treasury shares		**(87)**	(87)
Exchange translation differences		**(3,658)**	(2,881)
Warrants reserve		**-**	3,713
Fair value reserve		**(21,775)**	-
Retained earnings		**50,143**	47,924
Total attributable to owners of the parent		**159,598**	131,958
Non-controlling interests ("NCI")		**61,951**	40,199
Total equity		**221,549**	172,157
Non-current liabilities			
Borrowings	B7	**20,514**	18,868
Trade and other payables		**11,990**	3,339
Lease liabilities		**14,359**	-
Deferred tax liabilities		**1,364**	747
Total non-current liabilities		**48,227**	22,954

PRG HOLDINGS BERHAD
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 - UNAUDITED (continued)

	Notes	As at 31 December 2019 RM'000	(Audited) As at 31 December 2018 RM'000
Current liabilities			
Borrowings	B7	**13,026**	27,725
Trade and other payables		**122,676**	150,385
Contract liabilities		**1,077**	59,912
Lease liabilities		**5,491**	-
Current tax liabilities		**2,964**	596
Total current liabilities		**145,234**	238,618
Liabilities directly associated with the assets held for sale		**176,666**	-
Total liabilities		**370,127**	261,572
Total equity and liabilities		**591,676**	433,729
Net assets per share attributable to owners of the parent (RM)	B12	**0.3961**	0.4252

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
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019 - UNAUDITED

	<------ Attributable to owners of the parent ------>								
	<------Non-distributable------>					Distributable			
12 months ended 31 December 2018	Share capital RM'000	Treasury shares RM'000	Exchange translation differences RM'000	Warrants reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 January 2018 (Restated)	77,730	(87)	(3,077)	3,851	-	53,248	131,665	26,763	158,428
(Loss)/Profit for the financial year	-	-	-	-	-	(8,978)	(8,978)	898	(8,080)
Foreign currency translations, net of tax	-	-	232	-	-	-	232	160	392
Share of other comprehensive loss of an associate, net of tax	-	-	(32)	-	-	-	(32)	-	(32)
Share of other comprehensive loss of a joint venture, net of tax	-	-	(4)	-	-	-	(4)	-	(4)
Total comprehensive income/(loss)	-	-	196	-	-	(8,978)	(8,782)	1,058	(7,724)
Ordinary shares issued pursuant to acquisition of a joint venture	4,125	-	-	-	-	-	4,125	-	4,125
Shares acquired by non-controlling interests	-	-	-	-	-	3,654	3,654	12,378	16,032
Ordinary shares issued pursuant to exercise of Warrants	1,434	-	-	(138)	-	-	1,296	-	1,296
Balance at 31 December 2018	83,289	(87)	(2,881)	3,713	-	47,924	131,958	40,199	172,157
12 months ended 31 December 2019									
Balance at 1 January 2019	**83,289**	**(87)**	**(2,881)**	**3,713**	**-**	**47,924**	**131,958**	**40,199**	**172,157**
Effect of initial adoption of MFRS 16	**-**	**-**	**-**	**-**	**-**	**(229)**	**(229)**	**(193)**	**(422)**
	83,289	**(87)**	**(2,881)**	**3,713**	**-**	**47,695**	**131,729**	**40,006**	**171,735**
Loss for the financial year	**-**	**-**	**-**	**-**	**-**	**(46,189)**	**(46,189)**	**(20,285)**	**(66,474)**
Change in the fair value of equity investments at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**(21,775)**	**-**	**(21,775)**	**-**	**(21,775)**
Foreign currency translations	**-**	**-**	**(784)**	**-**	**-**	**-**	**(784)**	**(517)**	**(1,301)**
Share of other comprehensive income of an associate, net of tax	**-**	**-**	**28**	**-**	**-**	**-**	**28**	**-**	**28**
Share of other comprehensive loss of a joint venture, net of tax	**-**	**-**	**(21)**	**-**	**-**	**-**	**(21)**	**-**	**(21)**
Total comprehensive loss	**-**	**-**	**(777)**	**-**	**(21,775)**	**(46,189)**	**(68,741)**	**(20,802)**	**(89,543)**
Ordinary shares issued pursuant to acquisition of lands by a subsidiary	**30,000**	**-**	**-**	**-**	**-**	**-**	**30,000**	**-**	**30,000**
Change in stake in a subsidiary	**-**	**-**	**-**	**-**	**-**	**47,015**	**47,015**	**42,747**	**89,762**
Ordinary shares issued pursuant to exercise of Warrants	**21,686**	**-**	**-**	**(2,091)**	**-**	**-**	**19,595**	**-**	**19,595**
Transfer of warrant reserve upon expiry of warrants to retained earnings	**-**	**-**	**-**	**(1,622)**	**-**	**1,622**	**-**	**-**	**-**
Balance at 31 December 2019	**134,975**	**(87)**	**(3,658)**	**-**	**(21,775)**	**50,143**	**159,598**	**61,951**	**221,549**

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019 - UNAUDITED

	Year ended 31 December	
	2019	2018
Cash flows from operating activities	**RM'000**	RM'000
(Loss)/Profit before tax from:		
Continuing operations	**(59,141)**	(12,631)
Discontinued operations	**(2,632)**	7,371
Adjustments for:		
Non-cash items	**58,197**	4,785
Finance costs	**4,311**	1,268
Interest income	**(520)**	(709)
Share of losses of associates	**1,778**	1,169
Share of profits of joint ventures	**(245)**	(160)
Operating profit before changes in working capital	**1,748**	1,093
(Increase)/Decrease in inventories	**(24,184)**	5,157
Decrease/(Increase) in trade and other receivables	**2,440**	(8,384)
Increase/(Decrease) in trade and other payables	**22,570**	(27,083)
Cash generated from/(used in) operations	**2,574**	(29,217)
Tax paid (net with tax refunded)	**(1,213)**	(4,455)
Net cash generated from/(used in) operating activities	**1,361**	(33,672)
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	**(7,758)**	(5,188)
Acquisition of intangible assets	**(36)**	-
Investment in a quoted share	**(28,227)**	-
Acquisition of subsidiaries	**1,043**	-
Acquisition of associates	**(842)**	(3,755)
Repayments from/(advances to) joint ventures	**939**	(1,307)
Advances to associates	**(3,080)**	-
Dividends received from a joint venture	**309**	291
Interest received	**380**	572
Proceeds from disposals of property, plant and equipment	**114**	1,674
Proceeds from disposals of shares in a subsidiary	**15,505**	15,909
Deposits (placed)/uplift from financial institutions with original maturity of more than three (3) months	**(7,333)**	1,170
(Placement)/Withdrawal of restricted cash	**(845)**	505
Net cash (used in)/generated from investing activities	**(29,831)**	9,871
Cash flows from financing activities		
Interest paid	**(4,278)**	(1,177)
Drawdown of borrowings	**41,341**	21,329
Repayments of borrowings	**(41,714)**	(7,998)
Repayments of hire purchase creditors	**(641)**	(1,640)
Repayments of lease liabilities	**(1,582)**	-
Proceeds from issuance of ordinary shares pursuant to exercise of Warrants	**19,595**	1,296
Proceeds from issuance of ordinary shares to non-controlling interests	**-**	122
Net cash generated from financing activities	**12,721**	11,932
Net decrease in cash and cash equivalents	**(15,749)**	(11,869)
Effects of exchange rate changes	**(892)**	216
Cash and cash equivalents at beginning of financial year	**25,768**	37,421
Less: Cash and bank balances reclassified to non-current assets held for sale	**(2,562)**	-
Add: Bank overdraft reclassified to liabilities directly associated with the assets held for sale	**7,730**	-
Cash and cash equivalents at end of financial year	**14,295**	25,768

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019 - UNAUDITED

	Year ended 31 December	
	2019	2018
	RM'000	RM'000
Cash and cash equivalents comprise:		
Cash and bank balances	**23,386**	35,079
Less: Bank overdraft	**(384)**	(8,582)
Deposits placed with financial institutions with original maturity of more than three (3) months	**(7,980)**	(647)
Restricted cash	**(727)**	(82)
	14,295	25,768
Reconciliation of liabilities arising from financing activities		
Borrowings at 1 January **	**38,011**	28,569
Cash flows	**(1,014)**	11,691
Non-cash flows:		
- Settlement of term loan through restricted cash	**-**	(2,198)
- Borrowings reclassified to liabilities directly associated with the assets held for sale	**(4,001)**	-
- Acquisition of property, plant and equipment	**241**	113
- Effect of foreign exchange	**(81)**	(164)
Borrowings at 31 December **	**33,156**	38,011

** 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 *Leases*	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	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	**Effect of Adoption**	**MFRS 16**
	RM'000	**RM'000**	**RM'000**
Right-of use assets	-	5,810	5,810
Deferred tax assets	-	17	17
Lease liabilities	-	(6,208)	(6,208)
Trade and other payables	-	(41)	(41)
Retained earnings b/f	-	422	422

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 year 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 year under review.

A6 DEBT AND EQUITY SECURITIES

During the financial year ended 31 December 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.

On 29 November 2019, the Company further increased its issued and paid up share capital from 362,587,221 to 402,882,721 by way of issuance of 40,295,500 consideration shares at an issue price of RM0.7445 each pursuant to the acquisition by PRG Agro Sdn Bhd ("PRG Agro"), a wholly-owned subsidiary of the Company, of 2 parcels of agricultural land planted with teak trees in Kelantan, Malaysia from Alifya Forestry Sdn Bhd ("Kelantan Acquisition").

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 year under review.

A8 OPERATING SEGMENTS

Information on reportable segments is presented as follows:

	Continuing operations							Discontinued operations	
	Manufacturing RM'000	Retail RM'000	Property development & construction RM'000	Healthcare RM'000	Others RM'000	Eliminations RM'000	Total RM'000	RM'000	Total RM'000
For the year ended 31 December 2018 (restated)									
Revenue									
Revenue from external customers	73,639	-	10,486	-	-	-	84,125	64,501	148,626
Inter-segment revenue	252	-	33,313	-	-	(33,565)	-	-	-
Total revenue	73,891	-	43,799	-	-	(33,565)	84,125	64,501	148,626
Segment results	5,698	(762)	(12,158)	(770)	(3,630)	-	(11,622)	7,371	(4,251)
Share of profit/(loss) of a joint venture (net of tax)	332	-	-	(172)	-	-	160	-	160
Share of loss of associates (net of tax)	(1,029)	-	(84)	(56)	-	-	(1,169)	-	(1,169)
Profit/(Loss) before tax	5,001	(762)	(12,242)	(998)	(3,630)	-	(12,631)	7,371	(5,260)
Tax expense							(1,274)	(1,546)	(2,820)
Loss for the financial year							(13,905)	5,825	(8,080)
For the year ended 31 December 2019									
Revenue									
Revenue from external customers	**120,211**	**6,376**	**6,108**	**-**	**-**	**-**	**132,695**	**16,498**	**149,193**
Inter-segment revenue	**17,660**	**-**	**6,568**	**-**	**-**	**(24,228)**	**-**	**-**	**-**
Total revenue	**137,871**	**6,376**	**12,676**	**-**	**-**	**(24,228)**	**132,695**	**16,498**	**149,193**
Segment results	**(29,373)**	**(6,890)**	**(11,455)**	**(5,705)**	**(4,185)**	**-**	**(57,608)**	**(2,632)**	**(60,240)**
Share of profit/(loss) of joint ventures (net of tax)	**294**	**-**	**-**	**(49)**	**-**	**-**	**245**	**-**	**245**
Share of loss of associates (net of tax)	**(591)**	**(798)**	**(15)**	**(374)**	**-**	**-**	**(1,778)**	**-**	**(1,778)**
Profit/(Loss) before tax	**(29,670)**	**(7,688)**	**(11,470)**	**(6,128)**	**(4,185)**	**-**	**(59,141)**	**(2,632)**	**(61,773)**
Tax expense							**(2,874)**	**(1,827)**	**(4,701)**
Loss for the financial year							**(62,015)**	**(4,459)**	**(66,474)**

A9 EVENTS AFTER BALANCE SHEET DATE

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

A10 CHANGES IN COMPOSITION OF THE GROUP

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

Internal reorganisation

On 12 November 2019, the Group had undertaken an internal reorganisation and the following transactions had taken place:

- PRG Asset Sdn Bhd ("PRG Asset") had on 7 November 2019 acquired the entire equity interest of PRG Agro comprising 250,000 ordinary shares from the Company at a total consideration of RM250,000.00;

- PRG Asset had on 12 November 2019 acquired the entire equity interest of Premier International Marketing Sdn Bhd comprising 250,000 ordinary shares from PRG Agro at a total consideration of RM250,000.00 via the duly executed and stamped instrument of transfer;

- PRG Asset had on 12 November 2019 acquired the entire equity interest of Premier Food Processing Sdn Bhd comprising 1 ordinary share from PRG Agro at a total consideration of RM1.00; and

- the Company had on 12 November 2019 acquired the entire equity interest of Premier Electrify Sdn Bhd comprising 2 ordinary shares from PRG Agro at a total consideration of RM2.00.

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

	31/12/2019
	RM'000
Commitment for acquisition of agriculture lands	54,740

A13 MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	RM'000	RM'000	**RM'000**	RM'000
Transaction with joint venture partner				
Sale of goods	**571**	709	**2,207**	2,366
Transaction with corporation in which Director of an associate has interest				
Sale of goods	**257**	51	**701**	785

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

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

B1 ANALYSIS OF PERFORMANCE

Following the proposed disposal of Premier De Muara Sdn Bhd ("PDMSB") and Premier Elastic Webbing & Accessories Co., Ltd. ("PEWA") by the Group during current financial year, the results of PDMSB and PEWA for the current and previous financial years have been classified as discontinued operations. Please refer to Note B6(c) and Note B6(e) respectively for further details of the proposed disposal of PDMSB and PEWA.

The Group's revenue of RM57.3 million for fourth quarter of 2019 was RM30.4 million higher than the RM26.9 million revenue reported in the corresponding quarter of the preceding year. The Group's revenue for the 12 months ended 31 December 2019 was RM132.7 million, representing RM48.6 million increase as compared to revenue of RM84.1 million recorded in preceding year.

The Group recorded a loss before tax of RM45.5 million in the fourth quarter of 2019, which was RM39.1 million higher than loss before tax of RM6.4 million reported in the corresponding quarter of the preceding year. Loss before tax for the 12 months ended 31 December 2019 was RM59.1 million, representing RM46.5 million increase as compared to loss before tax of RM12.6 million recorded in preceding year.

Increase in the Group's revenue during the current quarter and financial year ended 31 December 2019 was mainly due to increase in revenue from manufacturing segment, mainly arising from the newly acquired subsidiaries during current financial year. Nonetheless, increase in the Group's loss before tax was mainly due to the loss from retail segment due to slower sales as the new business needs to undergo a gestation period, loss from healthcare segment due to impairment losses of investment in associate and joint venture and loss from manufacturing segment due to impairment losses of goodwill, receivables and investment in associate during the year.

a) Manufacturing

The revenue of RM52.1 million from manufacturing segment for the current quarter of year 2019 was RM31.6 million higher than RM20.5 million recorded in the corresponding quarter of 2018. The segment's revenue for the 12 months ended 31 December 2019 of RM120.2 million was RM46.6 million higher than RM73.6 million recorded in preceding year.

Loss before tax from manufacturing segment for the current quarter of year 2019 was RM33.1 million, representing higher loss of RM35.4 million as compared to profit before tax of RM2.3 million recorded in the corresponding quarter of 2018. The segment's loss before tax for the 12 months ended 31 December 2019 was RM29.7 million, representing higher loss of RM34.7 million as compared to profit before tax of RM5.0 million recorded in preceding year.

Revenue from manufacturing segment has increased by RM46.6 million for financial year ended 31 December 2019, mainly due to additional revenue contributed by the newly acquired subsidiary starting from third quarter of 2019 of approximately RM38.6 million (2018: Nil) as well as increase in sales volume for covered elastic yarn and webbing products during the financial year under review as compared to preceding year.

The increase in loss before tax of RM34.7 million in manufacturing segment for the financial year ended 31 December 2019 was mainly due to the impairment losses of goodwill, receivables and investment in associate amounted to RM30.2 million, RM5.6 million and RM3.2 million respectively and the higher corporate expenses of RM2.7 million (2019: RM4.2 million; 2018: RM1.5 million), mainly due to higher professional fee of RM1.8 million including the professional fees for the acquisition of Meinaide of RM1.5 million as well as a few corporate exercises and transactions carried out during the financial year. The overall decrease in profit was partially offset by the profit contributed by the newly acquired subsidiaries of RM6.4 million (2018: Nil).

b) Retail

Loss before tax of RM7.7 million for retail segment (2018: RM0.8 million) was due to slower sales during the year as the new business needs to undergo a gestation period. The performance of retail segment was impacted by start-up cost and pre-operating overhead cost, marketing expenses to promote the brands and grand opening expenses of shops as well as higher depreciation of right of use assets and interest on lease liabilities arising from adoption of MFRS 16 Leases as compared to rental expense.

c) Property development & construction

The property development & construction segment recorded revenue of RM3.5 million for the current quarter of 2019, which is RM4.2 million lower than RM7.7 million recorded in the corresponding quarter of 2018. The segment's revenue for the 12 months ended 31 December 2019 of RM6.1 million was RM4.4 million lower than RM10.5 million recorded in preceding year.

Loss before tax of RM3.0 million from property development & construction segment for the current quarter of year 2019 was RM1.5 million lower than loss before tax of RM4.5 million recorded in the corresponding quarter of 2018. The segment's loss before tax for the 12 months ended 31 December 2019 was RM11.5 million, representing RM0.7 million decrease as compared to loss before tax of RM12.2 million recorded in preceding year.

Decrease in revenue for the current quarter and for the financial year ended 31 December 2019 was mainly due to lower contribution of construction revenue from Picasso Residence project, as a result of slow project progress for Picasso Residence compared to corresponding period of 2018. The overall decrease in revenue was partially offset by the revenue generated from Embayu @ Damansara West project starting from third quarter of 2019.

d) Healthcare

The healthcare segment recorded loss before tax of RM5.7 million in the current quarter and loss before tax of RM6.1 million for the financial year ended 31 December 2019. The loss before tax position for the financial year ended 31 December 2019 was mainly due to impairment losses of investment in associate amounted to RM1.8 million and impairment losses of investment in joint venture amounted to RM3.9 million.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM57.3 million and loss before tax of RM45.5 million for the current quarter ended 31 December 2019 as compared to revenue of RM33.3 million and loss before tax of RM3.5 million for the preceding quarter. Increase in revenue as compared to the preceding quarter is mainly due to higher revenue contributed by manufacturing segment, mainly arising from the newly acquired subsidiaries. Increase in loss before tax as compared to preceding quarter is mainly due to impairment losses of goodwill, receivables and investment in associate amounted to RM30.2 million, RM5.6 million and RM3.2 million respectively by manufacturing segment and impairment losses of investment in associate and joint venture amounted to RM1.8 million and RM3.9 million respectively by healthcare segment in current quarter.

B3 PROSPECTS FOR NEXT FINANCIAL YEAR

The outbreak of the novel coronavirus (COVID-19) has adversely affect the global supply chain. The uncertainty in the global economies, impact on supply chain, unresolved trade war, volatility in currency and the intensifying regional business competition have made our operating environment very challenging. Global economy is expected to be even weaker in 2020.

In view of the rapid change of global economy and competition landscape, the Manufacturing Division will 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. 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 sector is suffering from further headwinds with the outbreak of COVID-19. The visitor arrivals and overall consumption have deteriorated, the retail outlook is expected to be extremely challenging. During the current adverse climate, the Retail Division has negotiated with landlords for rental concessions, shorten store operational hours, marketing support for both retailer-driven promotions and mall-wide marketing initiatives. The Group hopes that with the holistic support from landlords, exploring different sales channels such as digital retailing and social medias as well as cost-saving strategies would overcome this challenging time.

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 third 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.

The Group has also been constantly reviewing potential opportunities to enhance its income stream beyond its current revenue base in order to improve the Group's financial performance. Currently, the Group had ventured into the harvesting/logging of teak trees through the acquisition by PRG Agro from Alifya Forestry Sdn Bhd of 2 parcels of agriculture land planted with teak trees in Kelantan. The Group shall closely monitor and take the necessary steps to sustain the performance of the new business ventures as well as continuing to explore and consider new ventures or new business activities which are synergistic to the operations of the Group.

B4 PROFIT FORECAST

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

B5 INCOME TAX EXPENSE

	Quarter ended 31 December		Year ended 31 December	
	2019 RM'000	2018 RM'000 (Restated)	**2019 RM'000**	2018 RM'000 (Restated)
Continuing operations:				
Current tax expense				
- Malaysia	**256**	416	**458**	620
- Overseas	**1,002**	240	**1,845**	913
	1,258	656	**2,303**	1,533
Deferred tax	**583**	(259)	**571**	(259)
	1,841	397	**2,874**	1,274
Discontinued operations	**1,835**	550	**1,827**	1,546

The effective tax rates of the Group for the current quarter and for the year ended 31 December 2019 were higher than the statutory tax rate as certain subsidiaries were making losses and certain expenses were not deductible for tax purposes.

B6 STATUS OF CORPORATE PROPOSAL

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

On 28 December 2018, the Company announced that the Company and its wholly-owned subsidiary, PRG Agro 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 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 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 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 Kelantan Acquisition. The Kelantan Acquisition was completed on 29 November 2019.

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 Mandate"). The Disposal Mandate from its shareholders is valid for a period of 12 months from 16 January 2019.

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.

B6 STATUS OF CORPORATE PROPOSAL (continued)

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

The status of the utilisation of the disposal proceeds as at 15 January 2020 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
	92,101	15,501	15,501	-		-	

* 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).

The Disposal Mandate had expired on 15 January 2020.

c) Proposed Disposal of 60% equity interest in 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 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").

On 19 February 2020, PRG, PRG Property, PDMSB and Liveintent had executed a supplemental agreement to vary the clauses in relation to the manner of payment of the Disposal Consideration and to extend the Cut-Off Date for a further period of 6 months to fulfil the Conditions Precedent as stated in the SSA dated 26 July 2019. As at the date of announcement, the proposed disposal has not been completed.

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 PEWA

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 PEWA, 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 FHL and the balance consideration will be determined at a later stage by the parties. 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.

On 13 January 2020, PRG announced that PEWA, Furniweb Vietnam Shareholdings Co., Ltd. ("Furniweb Vietnam") (an indirect wholly-owned subsidiary of FHL) and Webtex Trading Sdn Bhd ("Webtex") (an indirect wholly-owned subsidiary of FHL) had on 10 January 2020 entered into a capital transfer agreement with Four K Investment Limited ("Four K") for the transfer of the entire registered and paid-in charter capital of USD2,100,000 of PEWA, which is contributed and held as to 57.14% by Furniweb Vietnam and 42.86% by Webtex for a cash consideration of VND68,212,569,205 (equivalent to approximately USD2,945,911). Upon completion of the Proposed Disposal of PEWA, PEWA will cease to be an indirect wholly-owned subsidiary of FHL. As at the date of announcement, the Proposed Disposal of PEWA has not been completed.

B6 STATUS OF CORPORATE PROPOSAL (continued)

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).

g) Proposed Private Placement of up to 40,288,200 new ordinary shares in PRG ("Placement Shares") ("Private Placement")

On 3 December 2019, TA Securities Holdings Berhad announced on behalf of the Board on the Private Placement of 40,288,200 Placement Shares representing up to 10% of the total number of 402,882,721 issued shares of PRG (excluding 417,800 treasury shares). Bursa Malaysia Securities Berhad had, vide its letter dated 10 December 2019, approved the listing of and quotation for the Placement Shares to be issued pursuant to the Private Placement. The Proposed Private Placement is valid for 6 months from 10 December 2019 and is expired on 9 June 2020.

On 26 February 2020, a total number of 5,737,700 of PRG shares were alloted and issued pursuant to the Private Placement, representing 14.24% of the Placement Shares for a total cash consideration of RM3,499,997.00 at issue price of RM0.61 per PRG share.

The status of the utilisation of the Private Placement proceeds as at 28 February 2020 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**
Repayment of borrowing	2,211	-	-	-	0%	-	Within 12 months
Working capital	8,433	-	-	-	0%	-	Within 36 months
Part payment for the Kelantan Acquisition	10,600	3,482	3,482	-	0%	-	Within 12 months
Future potential investment/acquisition	1,500	-	-	-	0%	-	Within 12 months
Expenses in relation to the Private Placement	220	18	18	-	0%	-	Within 1 months
	22,964	3,500	3,500	-		-	

* Based on maximum scenario assuming the Placement Shares are issued at RM0.57 each (being the 5D-VWAP of PRG Shares at RM0.6246 each at a discount of RM0.0546 or approximately 8.74% to the 5D-VWAP up to 2 December 2019, being the latest practicable date prior to the announcement for Private Placement dated 3 December 2019).

As at the date of announcement, the Private Placement has not been completed.

h) Proposed subscription of 51% equity interest in MSK Plantation Sdn Bhd ("MSK")

On 4 December 2019, the Company announced that PRG Asset had on even date entered into a subscription agreement with MSK and Teh Choon Yean. MSK is principally involved in the business of mixed farming mainly on plantation estate and tropical fruit orchard management. Pursuant to the subscription agreement, PRG Asset had agreed to subscribe for 510 ordinary shares in MSK representing 51% of the equity interests in MSK at the subscription price of RM450,330 ("MSK Subscription").

On 10 February 2020, the Company announced that PRG Asset, MSK and Teh Choon Yean had mutually agreed in writing to extend the period for fulfilment of the condition precedent stipulated in the subscription agreement for a further period of three months from 5 February 2020 to 5 May 2020. Upon completion of the MSK Subscription, PRG Asset will hold 51% of the equity interest in MSK which will become a 51%-owned subsidiary of PRG Asset. As at the date of announcement, the MSK Subscription has not been completed.

i) Share sale agreement in respect of the 45% of the issue share capital of PRG Active Sdn Bhd ("PRG Active")

On 13 December 2019, PRG Healthcare Sdn Bhd (PRG Healthcare), a wholly-owned subsidiary of PRG entered into a shares sale agreement with Bernard Chin Sze Piaw ("BC") to acquire 450 ordinary shares representing 45% of the issued and paid-up share capital of PRG Active from BC for a purchase consideration of RM1.00. Upon completion of the shares sale agreement on 14 January 2020, PRG Active has become a wholly-owned subsidiary of PRG Healthcare.

j) Proposed acquisition of RSI Securities Limited

On 18 December 2019, the Company announced that FHL's wholly-owned subsidiary, Rich Day Global Limited had on 17 December 2019 proposed to acquire the entire issued share capital of RSI Securities Limited ("RSI Securities") for a total consideration of HKD8.50 million from RSI Capital Limited ("RSI Capital") ("RSI Securities Acquisition"). Subsequently, Rich Day Global Limited had on 18 December 2019 entered into an agreement with RSI Capital (as the vendor) and Cheung Hoi Tik Eddie (as the guarantor) for the RSI Securities Acquisition. Upon completion of the RSI Securities Acquisition, RSI Securities will become a wholly-owned indirect subsidiary of FHL. As at the date of announcement, the RSI Securities Acquisition has not been completed.

B6 STATUS OF CORPORATE PROPOSAL (continued)

k) Proposed issuance of irredeemable cumulative convertible preference shares by PRG Asset

On 17 January 2020, the Company announced that PRG Asset had on even date issued an Information Memorandum to sophisticated investors within the meaning of Section 230 of the Capital Markets and Services Act 2007 for the proposed issuance of irredeemable cumulative convertible preference shares ("ICCPS") ("ICCPS Issuance"). The ICCPS Issuance involves the issuance of up to 30,000,000 ICCPS at an issue price of RM1.00 each. The ICCPS bears a maturity period of 3 years (from the date of ICCPS issue respectively, or until 16 January 2023, whichever is earlier) and a dividend rate of 8% per annum. The ICCPS shall not be listed or quoted on the Main Market of Bursa Securities. The ICCPS are convertible into new ordinary shares of PRG Asset ("PRG Asset Shares") on the basis of 1 PRG Asset Share for every 1 ICCPS held by the subscriber on the maturity date of the ICCPS. Upon conversion, all the ICCPS shall become PRG Asset Shares and rank equally in all respects with PRG Asset Shares. As at the date of announcement, the ICCPS Issuance has not been completed.

l) Proposed debt settlement and proposed issue of free warrants

On 31 January 2020, TA Securities Holdings Berhad announced on behalf of the Board that the Company proposed to undertake the followings:

i. settlement of debt amounting to RM6,999,964.29 owing to a director of the Company, namely Dato' Lua Choon Hann through the issuance of 12,651,300 new ordinary shares in PRG at the issue price of RM0.5533 each ("Proposed Debt Settlement"); and

ii. issuance of up to 227,911,110 free warrants on the basis of 1 Warrant for every 2 PRG Shares held by entitled shareholders on an entitlement date to be determined later ("Proposed Issue of Free Warrants").

As at the date of announcement, the Proposed Debt Settlement and Proposed Issue of Free Warrants has not been completed.

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

B7 BORROWINGS

	As at	
The Group's borrowings are as follows:	**31/12/2019**	31/12/2018
	RM'000	RM'000
Current liabilities	**13,026**	27,725
Non-current liabilities	**20,514**	18,868
	33,540	46,593
The borrowings are denominated in the following currencies:		
- Ringgit Malaysia	**18,135**	28,436
- Hong Kong Dollar	**8,637**	15,060
- Singapore Dollar	**2,890**	-
- Vietnamese Dong	**3,878**	3,097
	33,540	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 31 December		Year ended 31 December	
	2019	2018	**2019**	2018
	RM'000	RM'000	**RM'000**	RM'000
Operating (loss)/profit is arrived at after charging/(crediting):				
Depreciation and amortisation	**3,010**	1,146	**8,601**	4,761
Impairment losses on trade and other receivables	**7,703**	465	**7,708**	467
Impairment losses on investment in associates	**4,630**	118	**4,630**	118
Impairment losses on investment in joint ventures	**3,903**	-	**3,903**	-
Impairment of goodwill	**30,259**	-	**30,259**	-
Interest expense	**1,155**	355	**4,311**	1,250
Inventories written down	**1,322**	200	**1,624**	402
Net loss on foreign exchange	**68**	250	**710**	-
Net loss/(gain) on disposals of property, plant and equipment	**36**	208	**(22)**	9
Interest income	**(134)**	(155)	**(520)**	(709)
Reversal of inventories written down	**(83)**	210	**(118)**	(41)
Reversal of impairment losses on trade and other receivables	**(402)**	(249)	**(402)**	(249)

a) Apart from the above, there were no impairment of other assets during the current quarter and financial year under review.
b) There were no gain or loss on derivatives during the current quarter and financial year under review.
c) There were no exceptional items during the current quarter and financial year 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 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 December		**Year ended 31 December**	
	2019	2018 (restated)	**2019**	2018 (restated)
(Loss)/Profit attributable to owners of the parent: (RM'000)				
- from continuing operations	**(31,349)**	(6,668)	**(44,273)**	(14,311)
- from discontinued operations	**(824)**	768	**(1,916)**	5,333
	(32,173)	(5,900)	**(46,189)**	(8,978)
Weighted average number of ordinary shares in issue ('000)	**377,041**	309,600	**344,573**	305,500
Basic (loss)/earnings per ordinary share: (sen)				
- from continuing operations	**(8.31)**	(2.15)	**(12.85)**	(4.68)
- from discontinued operations	**(0.22)**	0.24	**(0.55)**	1.74
	(8.53)	(1.91)	**(13.40)**	(2.94)

b) Diluted (loss)/earnings per ordinary share

Diluted (loss)/earnings 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 31 December		**Year ended 31 December**	
	2019	2018 (restated)	**2019**	2018 (restated)
(Loss)/Profit attributable to owners of the parent: (RM'000)				
- from continuing operations	**(31,349)**	(6,668)	**(44,273)**	(14,311)
- from discontinued operations	**(824)**	768	**(1,916)**	5,333
	(32,173)	(5,900)	**(46,189)**	(8,978)
Weighted average number of ordinary shares in issue ('000)	**377,041**	309,600	**344,573**	305,500
Effect of dilution ('000)	**-**	47,221	**-**	50,854
Adjusted weighted average number of ordinary shares in issue ('000)	**377,041**	356,821	**344,573**	356,354
Diluted loss per ordinary share: (sen)*				
- from continuing operations	**(8.31)**	(2.15)	**(12.85)**	(4.68)
- from discontinued operations	**(0.22)**	0.24	**(0.55)**	1.74
	(8.53)	(1.91)	**(13.40)**	(2.94)

* The diluted loss per share for quarter and financial year ended 31 December 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 year ended 31 December 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 year by the number of ordinary shares in issue at the end of the year (excluding treasury shares).

	As at	
	31/12/2019	31/12/2018 (Audited)
Total equity attributable to owners of the parent (RM'000)	**159,598**	131,958
Number of ordinary shares in issue ('000)	**403,301**	310,751
Number of shares repurchased ('000)	**(418)**	(418)
Number of ordinary shares in issue (excluding treasury shares) ('000)	**402,883**	310,333
Net assets per share attributable to owners of the parent (RM)	**0.3961**	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 February 2020.