

PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021 - UNAUDITED

	Quarter ended 31 December		Year ended 31 December	
	2021 RM'000	2020 RM'000 (restated)	2021 RM'000	2020 RM'000 (restated)
<u>Continuing operations</u>				
Revenue	61,431	35,686	191,367	196,397
Cost of sales	(46,956)	(26,098)	(125,823)	(159,713)
Gross profit	14,475	9,588	65,544	36,684
Other income	2,449	(7,770)	17,055	3,120
Selling and marketing expenses	(1,899)	(1,619)	(8,405)	(7,994)
Administrative expenses	(30,020)	(52,856)	(52,747)	(74,932)
Other expenses	(1,017)	432	(6,903)	(1,241)
Interest income	(225)	1,404	3,301	15,322
Finance costs	70	(908)	(2,704)	(3,418)
Share of profit/(loss) of associates (net of tax)	518	-	518	(345)
Share of profit of joint ventures (net of tax)	173	165	490	335
Loss/(Profit) before tax	(15,476)	(51,564)	16,149	(32,469)
Tax expense	(5,306)	1,227	(7,804)	(837)
(Loss)/Profit from continuing operations	(20,782)	(50,337)	8,345	(33,306)
<u>Discontinued operations</u>				
Profit from discontinued operations	-	7,328	-	5,710
(Loss)/Profit for the financial year	(20,782)	(43,009)	8,345	(27,596)
Other comprehensive (loss)/income				
<u>Continuing operations</u>				
Item that will not be reclassified subsequently to profit or loss				
Change in the fair value of equity instruments at fair value through other comprehensive income	(4,080)	7	(4,030)	(2,422)
Items that will be reclassified subsequently to profit or loss				
Foreign currency translations	(439)	(1,497)	3,554	1,030
Realisation of reserves from disposal of a subsidiary	51	2,775	(136)	1,393
Share of other comprehensive (loss)/income of an associate	(24)	-	(24)	11
Share of other comprehensive (loss)/income of a joint venture	(18)	(41)	61	(31)
Total comprehensive (loss)/income for the financial year	(25,292)	(41,765)	7,770	(27,615)

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	Quarter ended 31 December		Year ended 31 December	
	2021 RM'000	2020 RM'000 (restated)	2021 RM'000	2020 RM'000 (restated)
(Loss)/Profit attributable to:				
Owners of the parent				
- from continuing operations	(13,837)	(33,889)	(1,827)	(18,550)
- from discontinued operations	-	6,302	-	5,757
Non-controlling interests				
- from continuing operations	(6,945)	(16,448)	10,172	(14,756)
- from discontinued operations	-	1,026	-	(47)
	(20,782)	(43,009)	8,345	(27,596)
Total comprehensive (loss)/income attributable to:				
Owners of the parent				
- from continuing operations	(18,157)	(33,211)	(3,870)	(19,670)
- from discontinued operations	-	6,302	-	5,757
Non-controlling interests				
- from continuing operations	(7,135)	(15,882)	11,640	(13,655)
- from discontinued operations	-	1,026	-	(47)
	(25,292)	(41,765)	7,770	(27,615)
Basic/Diluted (loss)/earnings per ordinary share attributable to owners of the parent (sen):				
- from continuing operations	(3.22)	(7.89)	(0.42)	(4.42)
- from discontinued operations	-	1.47	-	1.37
	(3.22)	(6.42)	(0.42)	(3.05)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 - UNAUDITED

	Notes	As at 31 December 2021 RM'000	(Restated) As at 31 December 2020 RM'000
Non-current assets			
Property, plant and equipment		25,191	24,808
Right-of-use assets		18,248	21,187
Intangible assets		1,240	19,415
Investments in associates		6,382	1,894
Investments in joint ventures		931	1,414
Other investments		-	4,030
Trade and other receivables		59,537	58,113
Contract assets		4,082	-
Deferred tax assets		224	1,466
Total non-current assets		115,835	132,327
Current assets			
Inventories		62,148	60,204
Biological assets		81,048	82,060
Trade and other receivables		49,563	54,199
Contract assets		17,946	7,841
Current tax assets		596	476
Cash and bank balances		37,741	34,874
Bank balances held on behalf of clients		-	24,516
Total current assets		249,042	264,170
Total assets		364,877	396,497
Equity			
Share capital		144,530	144,530
Treasury shares		(87)	(87)
Exchange translation differences		(793)	(2,778)
Fair value reserve		(28,327)	(24,297)
Retained earnings		34,634	36,461
Total attributable to owners of the parent		149,957	153,829
Non-controlling interests		51,146	45,456
Total equity		201,103	199,285
Non-current liabilities			
Borrowings	B7	50,934	57,863
Trade and other payables		9,313	12,040
Lease liabilities		2,511	12,477
Deferred tax liabilities		1,260	1,854
Total non-current liabilities		64,018	84,234

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 - UNAUDITED

	Notes	As at 31 December 2021 RM'000	(Restated) As at 31 December 2020 RM'000
Current liabilities			
Borrowings	B7	6,464	3,355
Trade and other payables		85,487	99,368
Contract liabilities		2,270	3,169
Lease liabilities		1,017	4,605
Current tax liabilities		4,518	2,481
Total current liabilities		<u>99,756</u>	<u>112,978</u>
Total liabilities		<u>163,774</u>	<u>197,212</u>
Total equity and liabilities		<u>364,877</u>	<u>396,497</u>
Net assets per share attributable to owners of the parent (RM)	B12	<u>0.3495</u>	<u>0.3671</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2021

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021 - UNAUDITED**

	<----- Attributable to owners of the parent ----->					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Exchange translation differences RM'000	Fair value reserve RM'000	Retained earnings RM'000			
<u>12 months ended 31 December 2020 (restated)</u>								
Balance as at 1 January 2020	134,975	(87)	(4,080)	(21,875)	49,862	158,795	60,748	219,543
Adjustment on MFRS123 <i>Borrowing cost</i>	-	-	-	-	(608)	(608)	(723)	(1,331)
Restated balance as at 1 January 2020	134,975	(87)	(4,080)	(21,875)	49,254	158,187	60,025	218,212
Loss for the financial year	-	-	-	-	(12,793)	(12,793)	(14,803)	(27,596)
Change in the fair value of equity investments at fair value through other comprehensive income	-	-	-	(2,422)	-	(2,422)	-	(2,422)
Foreign currency translations	-	-	567	-	-	567	463	1,030
Realisation of reserves from disposal of a subsidiary	-	-	755	-	-	755	638	1,393
Share of other comprehensive loss of associates, net of tax	-	-	11	-	-	11	-	11
Share of other comprehensive loss of a joint venture, net of tax	-	-	(31)	-	-	(31)	-	(31)
Total comprehensive loss	-	-	1,302	(2,422)	(12,793)	(13,913)	(13,702)	(27,615)
Ordinary shares issued through private placement	9,555	-	-	-	-	9,555	-	9,555
Disposal of a non wholly-owned subsidiary	-	-	-	-	-	-	(990)	(990)
Non-controlling interests acquired in a subsidiary	-	-	-	-	-	-	123	123
Balance as at 31 December 2020	144,530	(87)	(2,778)	(24,297)	36,461	153,829	45,456	199,285
<u>12 months ended 31 December 2021</u>								
Balance as at 1 January 2021	144,530	(87)	(2,778)	(24,297)	36,461	153,829	45,456	199,285
(Loss)/Profit for the financial year	-	-	-	-	(1,827)	(1,827)	10,172	8,345
Change in the fair value of equity investments at fair value through other comprehensive income	-	-	-	(4,030)	-	(4,030)	-	(4,030)
Foreign currency translations	-	-	2,002	-	-	2,002	1,552	3,554
Realisation of reserves from disposal of a subsidiary	-	-	(54)	-	-	(54)	(82)	(136)
Share of other comprehensive loss of an associate, net of tax	-	-	(24)	-	-	(24)	-	(24)
Share of other comprehensive income of a joint venture, net of tax	-	-	61	-	-	61	-	61
Total comprehensive income/(loss)	-	-	1,985	(4,030)	(1,827)	(3,872)	11,642	7,770
Disposal of a non wholly-owned subsidiary	-	-	-	-	-	-	(12,371)	(12,371)
Non-controlling interests acquired in a subsidiary	-	-	-	-	-	-	6,419	6,419
Balance as at 31 December 2021	144,530	(87)	(793)	(28,327)	34,634	149,957	51,146	201,103

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021 - UNAUDITED

	Year ended	
	31 December	
	2021	2020
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before tax from:		
Continuing operations	16,149	(32,469)
Discontinued operations	-	5,710
Adjustments for:		
Non-cash items	16,058	42,759
Finance costs	2,914	3,609
Interest income	(3,151)	(15,324)
Share of (profit)/loss of associates	(518)	345
Share of profit of joint ventures	(490)	(335)
Operating profit before changes in working capital	30,962	4,295
Change in inventories	2,434	(3,621)
Change in bank balances held on behalf of clients	12,360	(19,379)
Change in trade and other receivables	(18,874)	19,661
Change in contract assets	(14,271)	(2,068)
Change in trade and other payables	(2,507)	(42,648)
Change in contract liabilities	(1,037)	6,751
Cash generated from/(used in) operations	9,067	(37,009)
Tax paid (net)	(3,552)	(688)
Net cash generated from/(used in) operating activities	5,515	(37,697)
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(2,932)	(1,728)
Acquisition of right-of-use assets	(97)	(3,759)
Acquisition of an associate	(5,187)	-
(Advances to)/Repayments from joint ventures	(1)	20
Advances/(Repayments from) to associates	6,095	(1,128)
Dividends received from a joint venture	1,035	-
Interest received	614	707
Proceeds from disposals of property, plant and equipment	180	60
Proceeds from disposals of shares in an associate	94	-
Net cash outflow from acquisition of subsidiaries	-	(2,499)
Net cash flows from disposal of subsidiaries	(7,770)	9,458
Deposits placed with financial institutions with original maturity of more than three (3) months	7,295	(5,174)
Net cash used in investing activities	(674)	(4,043)
Cash flows from financing activities		
Interest paid	(2,020)	(3,386)
Drawdown of borrowings	21,509	48,695
Repayments of borrowings	(26,899)	(20,908)
Repayments of lease liabilities	(1,043)	(1,362)
Proceeds from issuance of ordinary shares pursuant to Private Placement exercise	-	9,678
Proceeds from shares acquired by non-controlling interests	6,288	-
Advances from shareholders	6,803	21,190
Net cash generated from financing activities	4,638	53,907

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021 - UNAUDITED

	Year ended 31 December	
	2021 RM'000	2020 RM'000
Net increase in cash and cash equivalents	9,479	12,167
Effects of exchange rate changes	(13)	(273)
Cash and cash equivalents at beginning of financial year	21,021	14,295
Cash and cash equivalents reclassified as held for sale at beginning of financial year	-	(5,168)
Cash and cash equivalents at end of financial year	<u>30,487</u>	<u>21,021</u>
Cash and cash equivalents comprise:		
Cash and bank balances	37,741	34,874
Less: Bank overdraft	(433)	(272)
Deposits placed with financial institutions with original maturity of more than three (3) months	(6,094)	(12,854)
Restricted cash	(727)	(727)
	<u>30,487</u>	<u>21,021</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

A1 BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2020 except for the new Malaysian Financial Reporting Standards ("MFRS"), interpretation and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2021:

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Amendment to MFRS 16 <i>Leases Covid-19-Related Rent Concession beyond 30 June 2021</i>	1 April 2021

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

A2 AUDITORS' REPORT ON PRECEDING YEAR'S FINANCIAL STATEMENTS

The report of the auditors to members of the Company dated 24 March 2021 on the audited financial statements for the financial year ended 31 December 2020 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

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

A7 DIVIDENDS PAID

No dividend was paid in current financial year under review.

A8 OPERATING SEGMENTS

Information on reportable segments is presented as follows:

	Continuing operations						Discontinued operations	Total RM'000	
	Manufacturing RM'000	Property development & construction RM'000	Agriculture RM'000	Retail RM'000	Others RM'000	Eliminations RM'000	Total RM'000		RM'000
<u>For the year ended 31 December 2020 (restated)</u>									
Revenue									
Revenue from external customers	96,320	96,531	850	2,696	-	-	196,397	(783)	195,614
Inter-segment revenue	218	4,371	-	305	-	(4,894)	-	-	-
Total revenue	<u>96,538</u>	<u>100,902</u>	<u>850</u>	<u>3,001</u>	<u>-</u>	<u>(4,894)</u>	<u>196,397</u>	<u>(783)</u>	<u>195,614</u>
Segment results	(9,211)	(4,164)	(2,345)	(23,832)	7,093	-	(32,459)	5,710	(26,749)
Share of profit of joint ventures (net of tax)	335	-	-	-	-	-	335	-	335
Share of loss of associates (net of tax)	(345)	-	-	-	-	-	(345)	-	(345)
(Loss)/Profit before tax	<u>(9,221)</u>	<u>(4,164)</u>	<u>(2,345)</u>	<u>(23,832)</u>	<u>7,093</u>	<u>-</u>	<u>(32,469)</u>	<u>5,710</u>	<u>(26,759)</u>
Tax expense							(837)	-	(837)
(Loss)/Profit for the financial year							<u>(33,306)</u>	<u>5,710</u>	<u>(27,596)</u>
<u>For the year ended 31 December 2021</u>									
Revenue									
Revenue from external customers	116,994	54,973	2,227	2,197	14,976	-	191,367	-	191,367
Inter-segment revenue	8,111	2,313	-	200	-	(10,624)	-	-	-
Total revenue	<u>125,105</u>	<u>57,286</u>	<u>2,227</u>	<u>2,397</u>	<u>14,976</u>	<u>(10,624)</u>	<u>191,367</u>	<u>-</u>	<u>191,367</u>
Segment results	(9,759)	10,543	(1,900)	8,599	7,658	-	15,141	-	15,141
Share of profit of a joint venture (net of tax)	490	-	-	-	-	-	490	-	490
Share of profit of associates (net of tax)	518	-	-	-	-	-	518	-	518
(Loss)/Profit before tax	<u>(8,751)</u>	<u>10,543</u>	<u>(1,900)</u>	<u>8,599</u>	<u>7,658</u>	<u>-</u>	<u>16,149</u>	<u>-</u>	<u>16,149</u>
Tax expense							(7,804)	-	(7,804)
Profit for the financial year							<u>8,345</u>	<u>-</u>	<u>8,345</u>

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 period under review except for the following:

- a) In June 2021, the Group has completed the disposal of Furnitech Components (Vietnam) Co., Ltd, an associate of the Group which sells metal components for furniture.
- b) On 1 November 2021, PRG announced that Furniweb Holding Limited ("FHL") as purchaser and Ms. Pua Lay Cheng and Mr. Lee Eng Lock as vendors (the "Vendors") entered into the Share Sale Agreement ("SSA"), pursuant to which the Vendors have conditionally agreed to sell and FHL has conditionally agreed to acquire the 37.25% of issued share capital of Energy Solution Global Limited, whose two wholly-owned operating subsidiaries are principally engaging in provision of smart energy solution business at the total consideration of HK\$9,564,496 (approximately RM5,186,826). The SSA has been completed on 13 December 2021.

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 2020.

A12 CAPITAL COMMITMENTS

Contracted but not provided for:

- Acquisition of property, plant and equipment

**As at
31/12/2021
RM'000**

4,115

A13 MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Transaction with joint venture partner</u>				
Sale of goods	309	160	1,482	1,461
<u>Transaction with corporation in which Director of an associate has interest</u>				
Sale of goods	515	30	1,795	768

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

B1 ANALYSIS OF PERFORMANCE

The Group's revenue of RM61.4 million for fourth quarter of 2021 was RM25.7 million higher than the RM35.7 million revenue reported in the corresponding quarter of preceding year. The Group's revenue for the financial year ended 31 December 2021 was RM191.4 million, representing RM5.0 million decrease as compared to revenue of RM196.4 million recorded in preceding year.

The Group recorded a loss before tax of RM15.5 million in the fourth quarter of 2021, which was an improvement by RM36.1 million as compared to loss before tax RM51.6 million reported in the corresponding quarter of preceding year. Profit before tax for the financial year ended 31 December 2021 was RM16.1 million, representing improvement of RM48.6 million as compared to loss before tax of RM32.5 million recorded in preceding year.

Increase in the Group's revenue and lower loss before tax during the current quarter ended 31 December 2021 as compared to the corresponding quarter of preceding year was mainly due to higher revenue recognised from property development project, Embayu @ Damansara West ("Embayu Project") resulted from higher sales of property unit in fourth quarter of 2021. Lower loss before tax was mainly due to lower impairment losses on goodwill and other assets recorded in fourth quarter for 2021 of RM23.4 million as compared to corresponding quarter of preceding year (2020: RM44.0 million).

The decrease of revenue of RM5.0 million for financial year ended 31 December 2021 was due to one-off realisation of previously unrealised intercompany revenue of RM80.5 million in third quarter of 2020, and was offset by revenue of RM15.0 million generated by the security brokerage business and increase in revenue from manufacturing subsidiaries due to recovery of sales from the impact of coronavirus disease 2019 ("COVID-19") pandemic and increase in revenue from Embayu project.

The increase in the Group's profit before tax for the financial year ended 31 December 2021 which was due to lower impairment losses on goodwill and other assets recorded in financial year ended 31 December 2021 (RM23.4 million) as compared the preceding year (2020: RM44 million), and one-off recognition of reversal of lease liabilities arising from early termination of store tenancy of RM11.2 million, partially offset by the loss on disposal of subsidiaries that engaged in the security brokerage business of RM4.1 million.

a) Manufacturing

The revenue of RM33.3 million from manufacturing segment for the fourth quarter of 2021 was RM6.0 million higher than RM27.3 million recorded in the corresponding quarter of 2020. The segment's revenue for the financial year ended 31 December 2021 of RM117.0 million was RM20.7 million higher than RM96.3 million recorded in the preceding year.

The loss before tax of RM16.9 million from manufacturing segment for the fourth quarter of 2021 was improved by RM1.8 million than loss before tax of RM18.7 million recorded in the corresponding quarter of 2020. The segment's loss before tax for the financial year ended 31 December 2021 of RM8.7 million was RM0.5 million lower than the loss before tax of RM9.2 million recorded in the preceding year.

The increase in revenue in current quarter and financial year period ended 31 December 2021 was mainly due to rebound in sales orders for elastic textile, webbing, rubber tape and polyvinyl chloride products as the sales in corresponding quarter and financial year ended 2020 was affected by the lockdown implemented by various countries under the COVID-19 pandemic.

The lower loss before tax for manufacturing segment for the current quarter and financial year ended 31 December 2021 was mainly due to the lower impairment losses on goodwill and other assets as compared to the corresponding quarter and preceding year.

b) Property development & construction

The property development & construction segment recorded RM28.4 million revenue for the fourth quarter of 2021, which was RM21.2 million higher than RM7.2 million recorded in the corresponding quarter of 2020. The segment's revenue for the financial year ended 31 December 2021 of RM55.0 million was RM41.6 million lower than RM96.5 million recorded in the preceding year.

Profit before tax of RM3.6 million from property development & construction segment for the fourth quarter of 2021 was RM12.3 million higher than loss before tax of RM8.7 million recorded in the corresponding quarter of preceding year. The segment's profit before tax for the financial year ended 31 December 2021 of RM10.5 million was improved by RM14.7 million as compared to loss before tax of RM4.2 million recorded in the preceding year.

Excluded the one-off realisation of previously unrealised revenue and profits of RM80.5 million and RM3.6 million respectively on intercompany construction works for Picasso Residence upon the disposal of PDMSB to third party in the corresponding quarter and preceding year, the property development & construction segment has recorded a higher revenue and profit before tax in current quarter and financial year ended 31 December 2021, which was due to increase in revenue from Embayu project from the recognition of higher construction and sales progress of Embayu project.

B1 ANALYSIS OF PERFORMANCE (continued)

c) Agriculture

The agriculture segment recorded RM0.2 million revenue for the fourth quarter of 2021, which is a decline of RM0.3 million as compared to RM0.5 million recorded in corresponding quarter of 2020. The segment's revenue for the financial year ended 31 December 2021 of RM2.2 million was RM1.3 million higher than RM0.9 million recorded in the preceding year.

The agriculture segment's profit before tax of RM0.2 million for the fourth quarter of 2021 was RM0.9 million higher than loss before tax of RM0.7 million recorded in the corresponding quarter of 2020. The segment's loss before tax for the financial year ended 31 December 2021 of RM1.9 million was improved by RM0.4 million compared to RM2.3 million recorded in the preceding year.

Increase in revenue and decrease in loss before tax in financial year ended 31 December 2021 for agriculture segment was mainly due to higher sales of teak logs, offset with higher finance cost incurred in current financial year resulted from drawdown of a term loan on October 2020.

d) Retail

The retail segment recorded RM0.4 million revenue for the fourth quarter of 2021, which was RM0.2 million lower than RM0.6 million recorded in the corresponding quarter of 2020. The segment's revenue for the financial year ended 31 December 2021 of RM2.2 million was RM0.5 million lower than RM2.7 million recorded in the preceding year.

The retail segment's loss before tax of RM1.4 million for the fourth quarter of 2021 was improved by RM18.0 million as compared to RM19.4 million recorded in the corresponding quarter of 2020. The segment's profit before tax for the financial year ended 31 December 2021 of RM8.6 million was improved by RM32.4 million as compared to loss before tax of RM23.8 million recorded in the preceding year.

The decrease in revenue for retail segment for current quarter and financial year ended 31 December 2021 was mainly due to closure of retail store in the second quarter of 2021. The improved loss before tax and increase in profit before tax for retail segment for current period and financial year ended 31 December 2021 respectively was mainly due to one-off recognition of reversal of lease liabilities arising from early termination of store tenancy and decrease in operational expenses upon closure of retail store in view of the business will not be recovered in short term resulted from pandemic.

e) Others

The others segment recorded a revenue of RM15.0 million in financial year ended 31 December 2021 (2020: RM Nil) generated by the security brokerage business which being acquired in fourth quarter of 2020 and was subsequently disposed off in March 2021. The others segment recorded loss before tax of RM0.9 million and profit before tax of RM7.7 million for quarter and financial year ended 31 December 2021 respectively, which were increased by RM3.0 million and RM0.1 million respectively as compared to loss before tax of RM4.0 million and profit before tax of RM7.0 million recorded in the corresponding quarter and preceding year respectively, mainly due to lower impairment on other receivables recorded in fourth quarter of 2021.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM61.4 million and loss before tax of RM15.5 million for the current quarter, as compared to revenue of RM33.7 million and profit before tax of RM4.9 million for the immediate preceding quarter. The increase in revenue mainly due to higher revenue recognition from Embayu Project and an increase in sales orders for elastic textile, webbing, rubber tape and polyvinyl chloride products in current quarter as compared to immediate preceding quarter. Higher loss before tax mainly arising from one-off impairment losses on goodwill and other assets amounted to RM23.4 million in current quarter (2021 Q3: Nil).

B3 PROSPECTS FOR NEXT FINANCIAL YEAR

The global outlook remains challenging as the resurgence of the pandemic in many countries poses difficult economy versus health decisions. Additionally, the ongoing trade war, volatility in currency, disruption in global supply chain, global surge in shipping cost and the intensifying regional business competition have made our operating environment extremely challenging and difficult to predict.

The property market in Malaysia remains challenging with issues such as affordability, slower economic growth, high levels of unsold units as well as the property supply-demand imbalance. Fear over the impact of the COVID-19 pandemic on the economy slowdown and over supply situation is also delaying big-ticket item purchases as consumers take a wait-and-see approach. The Group will continue its focus on affordable property projects and believe that the affordable properties will be in demand especially in the prime areas of Selangor and Kuala Lumpur.

B3 PROSPECTS FOR NEXT FINANCIAL YEAR (continued)

The recent MCO also affected the logging operations. Despite the market uncertainty brought by the COVID-19 pandemic, the Group will endeavour to finalise and secure demand for the teak logs business and deliver all the sales contract as soon as the operations resume full capacity. The Group is also exploring other collaboration opportunity to expedite the sale of teak logs.

The Group will continue to strive to operate within the constraints as well as looking into risk mitigation measures to ensure business continuity and long term sustainability.

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Continuing operations:				
Current tax expense				
- Malaysia	2,476	(767)	4,973	485
- Overseas	2,048	(190)	2,218	726
	4,524	(957)	7,191	1,211
Deferred tax	782	(1,024)	613	(1,128)
Real property gain tax	-	754	-	754
	5,306	(1,227)	7,804	837

The effective tax rates of the Group for the current quarter and year ended 31 December 2021 were higher than the statutory tax rate as certain expenses was not tax deductible.

B6 STATUS OF CORPORATE PROPOSALS

a) Proposed subscription of 35% equity interest in Premier Management International Limited ("PMIL")

On 8 November 2019, 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 HK\$12,180,000 (equivalent to approximately RM6,450,000). ("Proposed subscription")

The Proposed Subscription was terminated on 20 December 2021 after serving notice to Ignatius due to non-fulfillment of subscription.

b) Proposed disposal and joint venture in relation to a piece of land located in Taman Gading, Batu Gajah, Perak ("Batu Gajah Land")

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

B6 STATUS OF CORPORATE PROPOSALS (continued)

- b) Proposed disposal and joint venture in relation to a piece of land located in Taman Gading, Batu Gajah, Perak ("Batu Gajah Land") (continued)

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

- c) Proposed acquisition of 37.25% equity interest in Energy Solution Global Limited

On 1 November 2021, PRG announced that FHL as purchaser and Ms. Pua Lay Cheng and Mr. Lee Eng Lock as vendors (the "Vendors") entered into the Share Sale Agreement ("SSA"), pursuant to which the Vendors have conditionally agreed to sell and FHL has conditionally agreed to acquire the 37.25% of issued share capital of Energy Solution Global Limited, whose two wholly-owned operating subsidiaries are principally engaging in provision of smart energy solution business at the total consideration of HK\$9,564,496 (approximately RM5,142,202). ("Proposed acquisition")

FHL has on 17 November 2021 executed a supplemental letter with the Vendors to revise the payment terms of the Consideration stipulated under clause 5.2 of the SSA to be satisfied entirely by cash ("Revision"). Save for the Revision, all the terms and conditions of the SSA remain unchanged and in full force and effect.

The SSA has been completed on 13 December 2021.

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

B7 BORROWINGS

The Group's borrowings are as follows:

	As at	
	31/12/2021	31/12/2020
	RM'000	RM'000
Current liabilities	6,464	3,355
Non-current liabilities	50,934	57,863
	57,398	61,218

The borrowings are denominated in the following currencies:

- Ringgit Malaysia	57,398	59,344
- Singapore Dollar	-	1,874
	57,398	61,218

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 ended 31 December 2021.

B9 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Year ended 31 December	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating loss is arrived at after charging/(crediting):				
Depreciation and amortisation	1,197	2,397	6,132	9,578
Interest expense	759	867	2,914	3,609
Inventories written down	10	3,164	10	3,164
Impairment losses on trade and other receivables	2,689	9,483	2,689	9,553
Impairment loss on contract assets	200	-	200	-
Impairment loss on investment in an associate	1,895	40	1,895	40
Impairment loss on goodwill	12,110	16,310	12,110	16,310
Impairment loss on property, plant and equipment	-	429	-	429
Impairment loss on right-of-use assets	-	13,599	-	13,599
Impairment loss on customer relationship	3,619	-	3,619	-
Impairment loss on amount owing by an associate	-	4,053	-	4,053
Fair value adjustments on trade and other receivables	424	1,261	424	1,875
Net (gain)/loss on foreign exchange	(53)	(876)	346	(486)
Property, plant and equipment written off	-	-	123	1
Written off of amount due from associate	1,421	-	1,421	-
Interest income	(13)	(1,404)	(3,301)	(15,324)
Gain on disposals of property, plant and equipment	(25)	1	(78)	(55)
(Gain)/Loss on disposal of subsidiaries	(894)	1,579	4,081	(7,328)
Loss of disposal of an associate	130	-	130	-
Lease modification - early termination	(130)	-	(11,244)	-
Reversal of impairment loss on receivables	-	(40)	-	(40)
Reversal of impairment loss on contract assets	-	(15)	-	(15)
Reversal of provision for restoration costs	-	-	(713)	-
Reversal of impairment loss on trade and other receivables	-	-	(493)	-
Reversal of inventories written down	(538)	(1,118)	(2,572)	(1,915)

- 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 year by the weighted average number of ordinary shares in issue during the year (excluding treasury shares).

	Quarter ended 31 December		Year ended 31 December	
	2021	2020 (restated)	2021	2020 (restated)
(Loss)/Profit attributable to owners of the parent: (RM'000)				
- from continuing operations	(13,837)	(33,889)	(1,827)	(18,550)
- from discontinued operations	-	6,302	-	5,757
	(13,837)	(27,587)	(1,827)	(12,793)
Weighted average number of ordinary shares in issue ('000)	429,439	429,439	429,439	419,418
Basic (loss)/earnings per ordinary share: (sen)				
- from continuing operations	(3.22)	(7.89)	(0.42)	(4.42)
- from discontinued operations	-	1.47	-	1.37
	(3.22)	(6.42)	(0.42)	(3.05)

b) Diluted (loss)/earnings per ordinary share

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

The diluted (loss)/earnings per share is same as the basic (loss)/earnings per share because there were no dilutive potential ordinary shares outstanding as at the end of the financial years ended 31 December 2021 and 31 December 2020.

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	
	31/12/2021	31/12/2020 (restated)
Total equity attributable to owners of the parent (RM'000)	149,957	153,829
Number of ordinary shares in issue ('000)	429,439	419,418
Number of shares repurchased ('000)	(418)	(418)
Number of ordinary shares in issue (excluding treasury shares) ('000)	429,021	419,000
Net assets per share attributable to owners of the parent (RM)	0.3495	0.3671

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 2022.