

PRG HOLDINGS BERHAD
(Registration No: 200101005950 (541706-V))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023 - UNAUDITED

	Quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
				(Audited)
Revenue	85,905	113,748	361,724	307,532
Cost of sales	(62,620)	(81,985)	(276,498)	(217,549)
Gross profit	23,285	31,763	85,226	89,983
Other income	217	3,260	4,088	6,471
Selling and marketing expenses	(477)	(827)	(2,245)	(4,264)
Administrative expenses	(8,332)	(11,045)	(47,035)	(34,140)
Other expenses	(21,112)	(1,926)	(22,067)	(3,561)
Interest income	1,049	1,007	3,834	3,325
Finance costs	(2,052)	(2,280)	(4,266)	(4,262)
Net (losses)/gains on impairment of financial assets	(4,140)	353	(4,140)	353
Share of profits of associates, net of tax	-	494	-	3,669
Share of profit of a joint venture, net of tax	153	132	291	462
(Loss)/Profit before tax	(11,409)	20,931	13,686	58,036
Tax expense	(3,014)	(5,468)	(11,312)	(14,914)
(Loss)/Profit for the quarter/financial year	(14,423)	15,463	2,374	43,122
Other comprehensive (loss)/income				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translations	(557)	(162)	2,331	1,831
Realisation of reserves from deemed disposal of an associate	-	(189)	-	(189)
Realisation of reserves from disposal of subsidiaries	-	-	(1,151)	-
Share of other comprehensive income of associates	-	9	-	138
Share of other comprehensive (loss)/income of a joint venture	(26)	(48)	2	18
Total comprehensive (loss)/income for the quarter/financial year	(15,006)	15,073	3,556	44,920

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023 - UNAUDITED (continued)

	Quarter ended 31 December		Year ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000 (Audited)
(Loss)/Profit attributable to:				
Owners of the parent	(18,143)	6,567	(11,098)	19,483
Non-controlling interests	3,720	8,896	13,472	23,639
	(14,423)	15,463	2,374	43,122
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(18,437)	6,370	(10,502)	20,455
Non-controlling interests	3,431	8,703	14,058	24,465
	(15,006)	15,073	3,556	44,920
(Loss)/Earnings per ordinary share to owners of the parent (sen):				
Basic	(4.21)	1.53	(2.58)	4.54
Diluted	(4.20)	1.53	(2.56)	4.54

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 - UNAUDITED

	Notes	As at 31 December 2023 RM'000	(Audited) As at 31 December 2022 RM'000
Non-current assets			
Property, plant and equipment		31,773	25,272
Right-of-use assets		22,004	22,144
Intangible assets		15,423	15,617
Investments in associates		-	-
Investment in a joint venture		1,269	1,411
Trade and other receivables		7,224	61,378
Contract assets		-	1,405
Deferred tax assets		9	20
Total non-current assets		<u>77,702</u>	<u>127,247</u>
Current assets			
Inventories		30,583	36,495
Biological assets		58,367	80,168
Trade and other receivables		164,183	75,833
Contract assets		20,131	92,604
Current tax assets		4,496	2,267
Cash and bank balances		101,108	71,469
Total current assets		<u>378,868</u>	<u>358,836</u>
Total assets		<u><u>456,570</u></u>	<u><u>486,083</u></u>
Equity			
Share capital		144,800	144,530
Treasury shares		(87)	(87)
Exchange translation differences		243	(353)
Share option reserve		724	-
Fair value reserve		(28,327)	(28,327)
Retained earnings		42,623	53,721
Total attributable to owners of the parent		<u>159,976</u>	<u>169,484</u>
Non-controlling interests		96,669	82,611
Total equity		<u>256,645</u>	<u>252,095</u>
Non-current liabilities			
Borrowings	B7	34,143	42,127
Trade and other payables		-	15,569
Lease liabilities		5,134	5,802
Deferred tax liabilities		3,102	2,338
Total non-current liabilities		<u>42,379</u>	<u>65,836</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 - UNAUDITED (continued)

		As at 31 December 2023 RM'000	(Audited) As at 31 December 2022 RM'000
	Notes		
Current liabilities			
Borrowings	B7	11,358	23,375
Trade and other payables		136,556	129,631
Contract liabilities		3,599	7,325
Lease liabilities		2,493	1,492
Current tax liabilities		3,540	6,329
Total current liabilities		157,546	168,152
Total liabilities		199,925	233,988
Total equity and liabilities		456,570	486,083
Net assets per share attributable to owners of the parent (RM)	B12	0.3715	0.3950

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023 - UNAUDITED

	<----- Attributable to owners of the parent ----->								
	<-----Non-distributable----->			Distributable					
	Share capital RM'000	Treasury shares RM'000	Exchange translation differences RM'000	Share option reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<u>12 months ended 31 December 2022</u>									
Balance as at 1 January 2022	144,530	(87)	(1,325)	-	(28,327)	35,769	150,560	51,145	201,705
Profit for the financial year	-	-	-	-	-	19,483	19,483	23,639	43,122
Foreign currency translations	-	-	911	-	-	-	911	920	1,831
Realisation of reserves from deemed disposal of an associate	-	-	(95)	-	-	-	(95)	(94)	(189)
Share of other comprehensive income of associates, net of tax	-	-	138	-	-	-	138	-	138
Share of other comprehensive income of a joint venture, net of tax	-	-	18	-	-	-	18	-	18
Total comprehensive income	-	-	972	-	-	19,483	20,455	24,465	44,920
Dilution on changes in stake in a subsidiary	-	-	-	-	-	(1,531)	(1,531)	7,001	5,470
Balance as at 31 December 2022	144,530	(87)	(353)	-	(28,327)	53,721	169,484	82,611	252,095
<u>12 months ended 31 December 2023</u>									
Balance as at 1 January 2023	144,530	(87)	(353)	-	(28,327)	53,721	169,484	82,611	252,095
(Loss)/Profit for the financial year	-	-	-	-	-	(11,098)	(11,098)	13,472	2,374
Foreign currency translations	-	-	1,176	-	-	-	1,176	1,155	2,331
Realisation of reserves from disposal of subsidiaries	-	-	(581)	-	-	-	(581)	(570)	(1,151)
Share of other comprehensive income of a joint venture, net of tax	-	-	1	-	-	-	1	1	2
Total comprehensive income/(loss)	-	-	596	-	-	(11,098)	(10,502)	14,058	3,556
Transactions with owners									
Share options granted under Share Option Plan ("SOP")	-	-	-	792	-	-	792	-	792
Issuance of ordinary shares pursuant to SOP option exercised	270	-	-	(68)	-	-	202	-	202
	270	-	-	724	-	-	994	-	994
Balance as at 31 December 2023	144,800	(87)	243	724	(28,327)	42,623	159,976	96,669	256,645

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 2022 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 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023 - UNAUDITED

	Year ended 31 December	
	2023	2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	13,686	58,036
Adjustments for:		
Non-cash items	33,498	4,418
Finance costs	4,266	4,262
Interest income	(3,834)	(3,325)
Share of profits of associates	-	(3,669)
Share of profit of a joint venture	(291)	(462)
Operating profit before changes in working capital	47,325	59,260
Change in inventories	1,881	27,392
Change in trade and other receivables	(36,769)	(17,098)
Change in contract assets	75,222	(43,591)
Change in trade and other payables	(13,834)	13,386
Change in contract liabilities	(2,726)	5,090
Cash generated from operations	71,099	44,439
Tax paid, net	(14,144)	(16,841)
Net cash generated from operating activities	56,955	27,598
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(13,699)	(3,599)
Acquisition of right-of-use assets	(27)	(160)
Repayments to a joint venture	(43)	(25)
Dividends received from a joint venture	435	-
Interest received	1,297	788
Proceeds from disposals of property, plant and equipment	5,387	37
Net cash inflow from acquisition of a subsidiary	-	24,112
Net cash outflow from disposal of subsidiaries	(2,721)	-
Withdrawal of restricted cash	-	527
Deposits placed with financial institutions with original maturity of more than three (3) months	(3,638)	(4,528)
Net cash (used in)/generated from investing activities	(13,009)	17,152
Cash flows from financing activities		
Interest paid	(2,494)	(2,198)
Proceeds from issuance of ordinary shares pursuant to SOP exercised	202	-
Drawdown of borrowings	10,303	6,206
Drawdown of leases	-	1,896
Repayments of borrowings	(33,248)	(13,049)
Repayments of lease liabilities	(2,132)	(1,063)
Advances from/(Repayments to) shareholders, net	4,742	(7,882)
Net cash used in financing activities	(22,627)	(16,090)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023 - UNAUDITED (continued)

	Year ended 31 December	
	2023	2022
	RM'000	RM'000
Net increase in cash and cash equivalents	21,319	28,660
Effects of exchange rate changes	4,637	579
Cash and cash equivalents at beginning of financial year	59,726	30,487
Cash and cash equivalents at end of financial year	<u>85,682</u>	<u>59,726</u>
 Cash and cash equivalents comprise:		
Cash and bank balances	101,108	71,469
Less: Bank overdraft	(243)	(269)
Deposits placed with financial institutions with original maturity of more than three (3) months	(14,983)	(11,274)
Restricted cash	(200)	(200)
	<u>85,682</u>	<u>59,726</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 2022 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 2022. 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 2022.

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 2022 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 2023:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform – Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024 (early adopt)

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 28 March 2023 on the audited financial statements for the financial year ended 31 December 2022 did not contain any qualification.

A3 SEASONALITY OF OPERATIONS

The Group's results were not materially affected by any major seasonal or cyclical factors.

A4 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period under review.

A5 CHANGES IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates that have had a material effect in the results of the current quarter and financial period under review.

A6 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during current financial year under review except for the exercise of 1,226,854 share options under SOP.

A7 DIVIDENDS PAID

No dividend was paid in current financial period under review.

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

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

A9 OPERATING SEGMENTS

Information on reportable segments is presented as follows:

	Property development & construction RM'000	Manufacturing RM'000	Energy efficiency RM'000	Agriculture RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>For the year ended 31 December 2022 (Restated)</u>							
Revenue							
Revenue from external customers	144,146	112,145	49,754	1,231	256	-	307,532
Inter-segment revenue	1,413	2,788	211	-	5,003	(9,415)	-
Total revenue	145,559	114,933	49,965	1,231	5,259	(9,415)	307,532
Segment results	41,684	11,902	9,349	(4,501)	(4,529)	-	53,905
Share of profit of a joint venture, net of tax	-	462	-	-	-	-	462
Share of profits of associates, net of tax	-	-	3,669	-	-	-	3,669
Profit/(Loss) before tax	41,684	12,364	13,018	(4,501)	(4,529)	-	58,036
Tax expense							(14,914)
Profit for the financial year							43,122
<u>For the year ended 31 December 2023</u>							
Revenue							
Revenue from external customers	144,056	96,113	120,546	778	231	-	361,724
Inter-segment revenue	1,254	7,653	13,298	-	21,349	(43,554)	-
Total revenue	145,310	103,766	133,844	778	21,580	(43,554)	361,724
Segment results	22,216	5,364	16,459	(25,201)	(5,443)	-	13,395
Share of profit of a joint venture, net of tax	-	291	-	-	-	-	291
Profit/(Loss) before tax	22,216	5,655	16,459	(25,201)	(5,443)	-	13,686
Tax expense							(11,312)
Profit for the financial year							2,374

A10 EVENTS AFTER BALANCE SHEET DATE

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

A11 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group since the last annual balance sheet as at 31 December 2022 except for the disposal of entire issued share capital of Meinaide Holdings Group Limited ("Meinaide") on 30 September 2023.

A12 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 2022.

A13 CAPITAL COMMITMENTS

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

**As at
31 December
2023
RM'000**

5,115

A14 MATERIAL RELATED PARTY TRANSACTIONS

Transaction with joint venture partner
Sale of goods

Quarter ended 31 December 2023 RM'000		Year ended 31 December 2023 RM'000	
2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
178	383	714	1,391

Transaction with a corporation in which a
Director has interest
Rental expenses

(60)	-	(80)	-
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Transaction with corporations in which a
Director of a subsidiary has interest
Rental expenses

(166)	-	(652)	-
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Apart from the above, there were no other material related party transactions entered into during the current quarter and financial period under review.

B1 ANALYSIS OF PERFORMANCE

The Group's revenue of RM85.9 million for fourth quarter of 2023 was RM27.8 million lower than the RM113.7 million revenue reported in the corresponding quarter of preceding year. The Group's revenue for the financial year ended 31 December 2023 was RM361.7 million, representing RM54.2 million increase as compared to revenue of RM307.5 million recorded in preceding year.

The Group recorded a loss before tax of RM11.4 million in the fourth quarter of 2023, which was decreased by RM32.3 million as compared to profit before tax of RM20.9 million reported in the corresponding quarter of preceding year. Profit before tax for the financial year ended 31 December 2023 was RM13.7 million, representing a decrease of RM44.3 million as compared to RM58.0 million recorded in preceding year.

The decrease of revenue and profit before tax during the quarter as compared to preceding quarter was mainly due to lower revenue recognition from a property development project was at completion stage in fourth quarter of 2023, lower sales orders for certain manufacturing products, lower progress billing for energy efficiency segment and one-off fair value adjustment on biological assets of RM20.4 million.

The increase of revenue during the financial year ended 31 December 2023 as compared to preceding year was mainly due to full year consolidation of energy efficiency segment's revenue as compared to only 4 months consolidation in last year as Energy Solution Global Limited and its subsidiaries became wholly-owned subsidiaries of the Group on 29 August 2023.

The detailed analysis by business segment as follows:

a) Property development & construction

The property development & construction segment recorded RM22.8 million revenue for the fourth quarter of 2023, which was RM18.8 million lower than RM41.6 million recorded in the corresponding quarter of 2022. The segment's revenue for the financial year ended 31 December 2023 was consistent with the preceding year.

Profit before tax of RM3.0 million from property development & construction segment for the fourth quarter of 2023 was RM10.0 million lower than profit before tax of RM13.0 million recorded in the corresponding quarter of preceding year. The segment's profit before tax for the financial year ended 31 December 2023 of RM22.2 million was decreased by RM19.5 million as compared to RM41.7 million recorded in the preceding year.

Both decrease in revenue and profit before tax of the current quarter as compared to preceding quarter were mainly due to a property development project was at completion stage in fourth quarter of 2023. The revenue for the financial year ended 31 December 2023 was consistent with revenue for preceding year due to higher contribution of revenue from construction segment offset with lower revenue from property development segment in 2023. Lower profit before tax for the financial year ended 31 December 2023 was mainly due to construction projects with lower profit margin as compare to development project.

b) Manufacturing

The revenue of RM21.2 million from manufacturing segment for the fourth quarter of 2023 was RM6.8 million lower than RM28.0 million recorded in the corresponding quarter of 2022. The segment's revenue for the financial year ended 31 December 2023 of RM96.1 million was RM16.0 million lower than RM112.1 million recorded in the preceding year.

The profit before tax of RM3.8 million from manufacturing segment for the fourth quarter of 2023 was RM1.2 million higher than profit before tax of RM2.6 million recorded in the corresponding quarter of 2022. The segment's profit before tax for the financial year ended 31 December 2023 of RM5.7 million was RM6.7 million lower than the profit before tax of RM12.4 million recorded in the preceding year.

The decrease in revenue in current quarter and financial year ended 31 December 2023 was mainly due to the disposal of Meinaide which selling polyvinyl chloride related products in September 2023. Further, certain products related to furniture and textile industry had lower sales orders due to the slowdown in global demand in both industries and rising inflation.

The higher profit for the current quarter was mainly due to the disposal of the loss making polyvinyl chloride related products in September 2023 as compared to fourth quarter of 2022. Lower profit before tax for manufacturing segment for the current financial year ended 31 December 2023 was mainly due to one-off impairment losses on trade and other receivables and inventories written down with total amount of RM6.1 million.

B1 ANALYSIS OF PERFORMANCE (continued)

c) Energy efficiency

The energy efficiency segment recorded RM41.7 million revenue for the fourth quarter of 2023, which was RM2.0 million lower than RM43.7 million recorded in the corresponding quarter of 2022. The segment's revenue for the financial year ended 31 December 2023 of RM120.5 million was RM70.8 million higher than RM49.7 million recorded in the preceding year.

Profit before tax of RM6.7 million from energy efficiency segment for the fourth quarter of 2023 was RM2.0 million lower than RM8.7 million recorded in the corresponding quarter of preceding year. The segment's profit before tax for the financial year ended 31 December 2023 of RM16.5 million was increased by RM3.5 million as compared to profit before tax of RM13.0 million recorded in the preceding year.

Lower revenue and profit before tax for the current quarter for energy efficiency segment was mainly due to lower project billings in fourth quarter as compared to corresponding quarter of 2022. Higher revenue and profit before tax for the financial year ended 31 December 2023 was mainly due to Energy Solution Global Limited and its subsidiaries became wholly-owned subsidiaries of the Group on 29 August 2023, hence, there was only 4 months results being consolidated into the Group for the preceding year. During the financial year ended 31 December 2023, the energy efficiency segment recorded a strong revenue by recognising progress completion and delivery of projects.

d) Agriculture

The agriculture segment recorded RM0.1 million revenue for the fourth quarter of 2023, which was RM0.2 million lower than corresponding quarter of 2022. The segment's revenue for the financial year ended 31 December 2023 of RM0.8 million was RM0.4 million lower than RM1.2 million recorded in the preceding year.

The agriculture segment's loss before tax of RM21.8 million for the fourth quarter of 2023 was RM19.6 million higher than loss before tax of RM2.2 million recorded in the corresponding quarter of 2022 whereas the segment's loss before tax for the financial year ended 31 December 2023 of RM25.2 million was RM20.7 million higher than RM4.5 million loss before tax in the preceding year.

Decrease in revenue for the current quarter and financial year ended 31 December 2023 for agriculture segment was mainly due to the logging operations and planning were affected by seasonal rainfall. The logging plan was scheduled at lower pace due to the global demand for teak wood remained soft in year 2023.

Higher loss for the current quarter and financial year ended 31 December 2023 for agriculture segment was mainly due to one-off fair value adjustment on biological assets of RM20.4 million recognised for the current quarter and financial year ended 31 December 2023.

e) Others

The revenue from others segment for current quarter and financial year ended 31 December 2023 was fairly consistent with corresponding quarter of 2022 and preceding year.

Included in others segment is mainly corporate expenses and professional fee incurred by investment holding companies. Higher loss for the current quarter and financial year ended 31 December 2023 was mainly due to higher staff costs and corporate expenses.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM85.9 million and loss before tax of RM11.4 million for the current quarter, as compared to revenue of RM88.5 million and profit before tax of RM6.8 million for the immediate preceding quarter. Lower revenue for the current quarter was mainly due to property development project was at completion stage in fourth quarter of 2023 while loss before tax for the current quarter was mainly due to one-off fair value adjustment on biological assets of RM20.4 million offset with profit contributed from energy efficiency segment.

B3 PROSPECTS FOR NEXT FINANCIAL YEAR

The property market in Malaysia remains challenging. The recent increases in overnight policy rate in year 2023 will have a significant impact on the property market. Further, the shortage of skilled manpower, increase in construction material prices and labour cost will affect the progress and performance of property development and construction segment. The Group will continue to monitor and implement appropriate business strategies and cost rationalisation strategies in order to address the challenges and risks.

The supply chain disruption coupled with the rising costs of material and slow demand remain the major challenges that affect manufacturing operations. In view of the uncertainty of the global economy, the Group will continue to operate within the constraints, reassess the market demand, pricing strategies as well as rationalise the cost structure in order to stay competitive in the market.

The agriculture segment will continue facing challenges from the weather uncertainty, operating costs escalation and labour shortages issues. As such, the Group will continue to manage its risks and improve its operating processes as the Group believes agriculture segment will contribute positively to the Group with the anticipation of increasing demand and teak wood prices.

Global energy consumption continues to rise in 2023. The energy prices remain high. There is also a growing urgency to reduce energy consumption globally, especially with the potential disruptions in gas and oil supplies. Governments are increasingly emphasizing climate change mitigation policies, greenhouse gas emission reduction, and energy efficiency initiatives. Amidst those global trends, the Group believes that the energy efficiency business presents a positive growth opportunity. Governments' support for environmental initiatives and the increasing focus on environment, social, and governance issues are expected to bolster the Group's result in the energy efficiency segment.

The global economy is facing an increasingly gloomy and uncertain outlook, the Group will remain resilient and vigilant to manage the associated risks in order to maintain the sustainability of the businesses.

B4 PROFIT FORECAST

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

B5 INCOME TAX EXPENSE

	Quarter ended		Year ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Malaysia	1,023	3,287	6,687	11,653
- Overseas	1,349	1,414	3,994	2,494
- (Over)/Under provision in prior years	(197)	337	(115)	337
	2,175	5,038	10,566	14,484
Deferred tax	839	430	746	430
	3,014	5,468	11,312	14,914

The effective tax rate of the Group for the current quarter lower than statutory tax rate mainly due to loss for the current quarter and the effective tax rate for the financial year ended 31 December 2023 was higher than the statutory tax rate as certain expenses was not tax deductible.

B6 STATUS OF CORPORATE PROPOSALS

a) 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")

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.

Up to the date of this announcement, the total sum of RM6.2 million was received from SHSB.

b) Proposed disposal by PRG of 50 Units Of Picasso Residence Condominium ("Subject Properties") to PRG Land Sdn Bhd ("PLSB"), a wholly-owned subsidiary of Furniweb Holdings Limited ("Furniweb") which in turn is a 50.45%-owned subsidiary of PRG, for a total consideration of RM61,982,000 ("Proposed Disposal of Properties"); and

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

PRG had on 27 April 2023 entered into a Master Agreement as supplemented by a supplemental master agreement dated 7 June 2023 with Furniweb and PLSB in respect of the Proposed Disposal for a total consideration of RM61,982,000 which is partly in cash and partly satisfied by the allotment and issue of new shares of Furniweb to PRG. The shareholding of PRG in Furniweb would be increased from 50.45% to 67.97% upon the completion of the Proposed Disposal of Properties.

On the same date, PRG entered into a settlement letter with Premier De Muara Sdn Bhd ("PDMSB"), PRG Property Sdn Bhd and Liveintent Sdn Bhd in respect of the share sale agreement dated 26 July 2019 which was completed in July 2020, to settle the shareholder's advances made by PRG Group (together with the agreed interests accrued or accruing thereon) to PDMSB prior to its disposal by exercising its option to accept the final settlement sum of RM61,982,000 for an entitlement of 50 units of condominium at Picasso Residence.

PRG had also on the even date entered into a non-competition undertakings Supplemental Deed with Furniweb to revise the deed of non-competition undertaking dated 28 September 2017 entered into between PRG and Furniweb to exclude property investment business as restricted activity in order to provide flexibility to PRG to involve or engage directly or indirectly the property investment business in the future (if any). The Supplemental Deed was subsequently terminated by both parties via the execution of a deed of termination on 7 June 2023.

Following the Proposed Disposal of Properties, it is anticipated that Furniweb intends to utilise the Subject Properties for property investment purposes, PRG proposes to seek shareholders' approval for the Proposed Disposal of Properties and Proposed Diversification at an EGM to be convened pursuant Paragraph 10.13(1) of the Main Market Listing Requirements.

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

B6 STATUS OF CORPORATE PROPOSALS (continued)

c) Proposed debt settlements of Dato' Lua Choon Hann and Dato' Ng Yan Cheng

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

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

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

The proposed debt settlements are subject to approval from shareholders of the Company at an EGM to be convened and approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation for the settlement shares on the Main Market of Bursa Securities.

Please refer to the announcements dated 25 August 2023 and 22 September 2023 for details.

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

B7 BORROWINGS

The Group's borrowings are as follows:

	As at	
	31 December 2023	31 December 2022
	RM'000	RM'000
Current liabilities	11,358	23,375
Non-current liabilities	34,143	42,127
	45,501	65,502

The borrowings are denominated in the following currencies:

- Ringgit Malaysia	41,783	44,506
- Singapore Dollar	3,718	20,996
	45,501	65,502

The bank borrowings are secured by way of debentures on the fixed and floating assets of the Group and a director of a subsidiary and corporate guarantees of the Company and personal guarantee of directors of a subsidiary.

B8 DIVIDENDS

No dividend has been proposed by the Board of Directors for the financial year ending 31 December 2023.

B9 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Operating (loss)/profit is arrived at after charging/(crediting):				
Depreciation and amortisation	1,790	1,199	5,220	3,409
Interest expense	2,052	2,280	4,266	4,262
Inventories written down	81	110	2,533	110
Inventories written off	77	-	77	-
Impairment losses on trade and other receivables	549	295	4,024	295
Impairment loss on contract assets	28	11	28	11
Fair value adjustment on biological assets	20,416	-	20,416	-
Fair value adjustments on trade and other receivables	143	26	143	26
Fair value adjustments on trade and other payables	952	1,390	952	1,390
Fair value adjustments on contract assets	(161)	(458)	(161)	(458)
Net unrealised loss/(gain) on foreign exchange	152	976	214	997
Gain on deemed disposal of associates	-	(2,105)	-	(2,105)
Property, plant and equipment written off	1	4	1	4
Written off of trade and other receivables	17	1,815	17	1,815
Interest income	(1,049)	(1,007)	(3,834)	(3,325)
Loss/(Gain) on disposals of property, plant and equipment	10	-	(635)	(33)
Gain on disposal of subsidiaries	-	-	(347)	-
Reversal of impairment loss on trade and other receivables	-	(625)	-	(625)
Reversal of impairment loss on contract assets	(6)	(34)	(6)	(34)
Reversal of inventories written down	(100)	(15)	(100)	(384)

- 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)/profit 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	
	2023	2022	2023	2022
(Loss)/Profit attributable to owners of the parent (RM'000)	(18,143)	6,567	(11,098)	19,483
Weighted average number of ordinary shares in issue ('000)	430,483	429,439	429,745	429,439
Basic (loss)/earnings per ordinary share (sen)	(4.21)	1.53	(2.58)	4.54

B11 EARNINGS PER ORDINARY SHARE (continued)

b) Diluted (loss)/earnings per ordinary share

Diluted (loss)/earnings per ordinary share is calculated by dividing the (loss)/profit attributable to equity holders of the parent for the 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	
	2023	2022	2023	2022
(Loss)/Profit attributable to owners of the parent (RM'000)	(18,143)	6,567	(11,098)	19,483
Weighted average number of ordinary shares in issue ('000)	430,483	429,439	429,745	429,439
Effect of dilution ('000)	1,695	-	3,225	-
Adjusted weighted average number of ordinary shares in issue ('000)	432,178	429,439	432,970	429,439
Diluted (loss)/profit per ordinary share (sen)	(4.20)	1.53	(2.56)	4.54

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 December 2023	31 December 2022
Total equity attributable to owners of the parent (RM'000)	159,976	169,484
Number of ordinary shares in issue ('000)	431,084	429,439
Number of shares repurchased ('000)	(418)	(418)
Number of ordinary shares in issue (excluding treasury shares) ('000)	430,666	429,021
Net assets per share attributable to owners of the parent (RM)	0.3715	0.3950

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 29 February 2024.