



PRG
HOLDINGS BERHAD



Annual Report
2023



28 June 2024



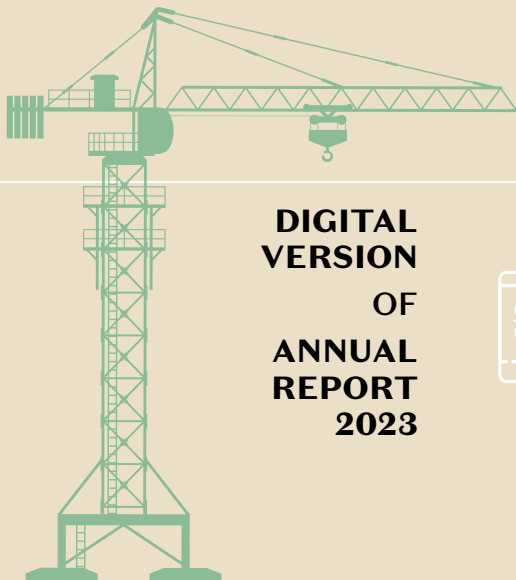
10.00 a.m.



Broadcast Venue:

Unit 4.02, Level 4, Plaza Damansara Block A,
Bukit Damansara, 50490 Kuala Lumpur

23RD ANNUAL GENERAL MEETING



**DIGITAL
VERSION
OF
ANNUAL
REPORT
2023**



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your camera
to the QR Code

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Administrative Guide
Form of Proxy

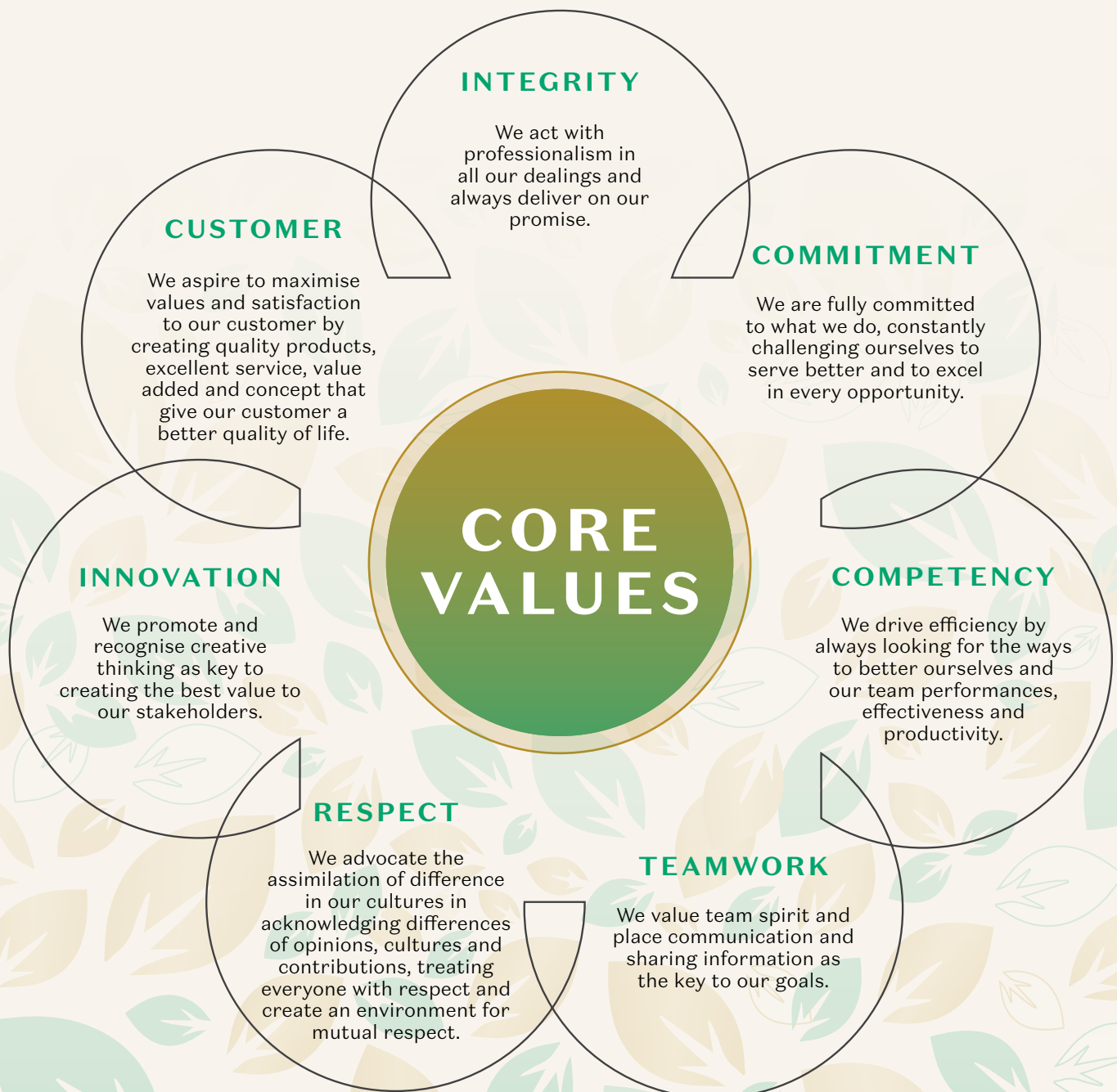


Get access to the
soft copy of our
reports and
contact information



The softcopy of the Annual
Report 2023 is available on
the company's website at
[http://www.prg.com.my/
investor-relations/](http://www.prg.com.my/investor-relations/)

PRG stands for PREMIER GROUP





VISION

To be a **PREMIER COMPANY** of choice for our **STAKEHOLDERS** both locally and internationally.

The name Premier Group denotes our commitment to strive to deliver the best in everything that we do, be it, our products, our concept, our service, our quality and value add to our stakeholders.

To achieve such ideals, we must walk the talk by ensuring that we will always continue to innovate and place the interest of our customers as priority in developing our products. We also need to understand and cater to the needs of the customers, and create developments that are relevant and appropriate with eco-friendliness and sustainability as part of our concept.

The above will set a platform for us to ensure that we consistently strive for excellence in all our business endeavours, not forgetting our commitments to the society and also placing priority to our staff and creating an environment that is conducive to excel.



MISSION

- 1 Customer oriented
- 2 Innovative products
- 3 Creating values for customers and stakeholders



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Lua Choon Hann

Group Executive Vice Chairman

Andrew Chan Lim-Fai

Group Managing Director

Dato' Wee Cheng Kwan

Managing Director
- Property & Construction

Ng Tzee Penn

Executive Director

Ji Haitao

Executive Director

Lim Chee Hoong

Non-Independent Non-Executive Director

Tan Sri Datuk Seri (Dr) Mazlan bin Lazim

Independent Non-Executive Director

Datin Arlina binti Ariff

Independent Non-Executive Director

Ng Khang Chyi

Non-Independent Non-Executive Director

Joyce Tan Soo Yuen

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Datin Arlina binti Ariff (Chairman)

Lim Chee Hoong

Tan Sri Datuk Seri (Dr) Mazlan bin Lazim

Joyce Tan Soo Yuen

NOMINATION COMMITTEE

Tan Sri Datuk Seri (Dr) Mazlan bin Lazim (Chairman)

Lim Chee Hoong

Datin Arlina binti Ariff

Joyce Tan Soo Yuen

REMUNERATION COMMITTEE

Datin Arlina binti Ariff (Chairman)

Lim Chee Hoong

Tan Sri Datuk Seri (Dr) Mazlan bin Lazim

Joyce Tan Soo Yuen

LONG TERM INCENTIVE PLAN COMMITTEE

Dato' Lua Choon Hann (Chairman)

Dato' Wee Cheng Kwan

Lim Chee Hoong

Datin Arlina binti Ariff

SUSTAINABILITY COMMITTEE

Lim Chee Hoong (Chairman)

Dato' Wee Cheng Kwan

Ji Haitao

COMPANY SECRETARIES

Yeoh Chong Keat (MIA 2736)

(SSM PC No. 201908004096)

Lim Fei Chia (MAICSA 7036158)

(SSM PC No. 202008000515)

REGISTERED OFFICE

Lot 5, Level 10

Menara Great Eastern 2

No. 50 Jalan Ampang

50450 Kuala Lumpur

WP Kuala Lumpur

Tel : (603) 2031 1988

Fax : (603) 2031 9788

Email: archer@archer.com.my

PRINCIPAL PLACE OF BUSINESS

Head office:

Unit 4.02, Level 4

Plaza Damansara Block A

Bukit Damansara

50490 Kuala Lumpur

Tel : (603) 2011 0888

Fax : (603) 2011 8018

AUDITORS

BDO PLT (Firm No. LLP0018825-LCA & AF 0206)

Level 8

BDO @ Menara CenTARa

360 Jalan Tuanku Abdul Rahman

50100 Kuala Lumpur

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.

Reg. No. 197901005880 (50164-V)

Lot 10, The Highway Centre

Jalan 51/205

46050 Petaling Jaya

Selangor Darul Ehsan

Tel : (603) 7784 3922

Fax : (603) 7784 1988

Email: binawin@binamg168.com

STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia
Securities Berhad**

Stock Code : 7168

Stock Name : PRG



MAILING ADDRESS

G.P.O. Box 11279
50740 Kuala Lumpur
E-mail: enquiry@prg.com.my
Corporate website: www.prg.com.my

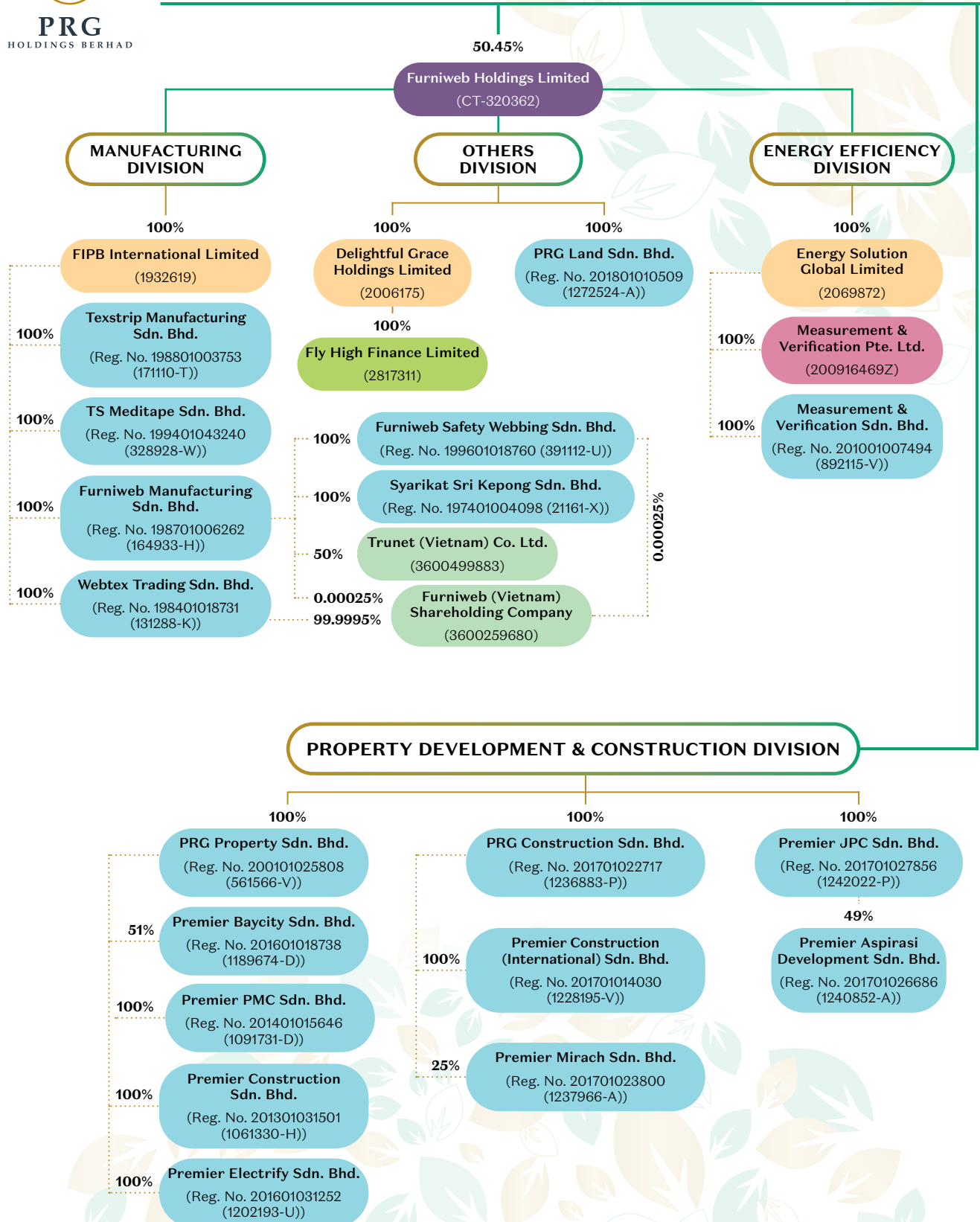
Malayan Banking Berhad
Public Bank Berhad
Public Bank Vietnam
United Overseas Bank (Malaysia) Berhad
Vietcombank
United Overseas Bank Limited

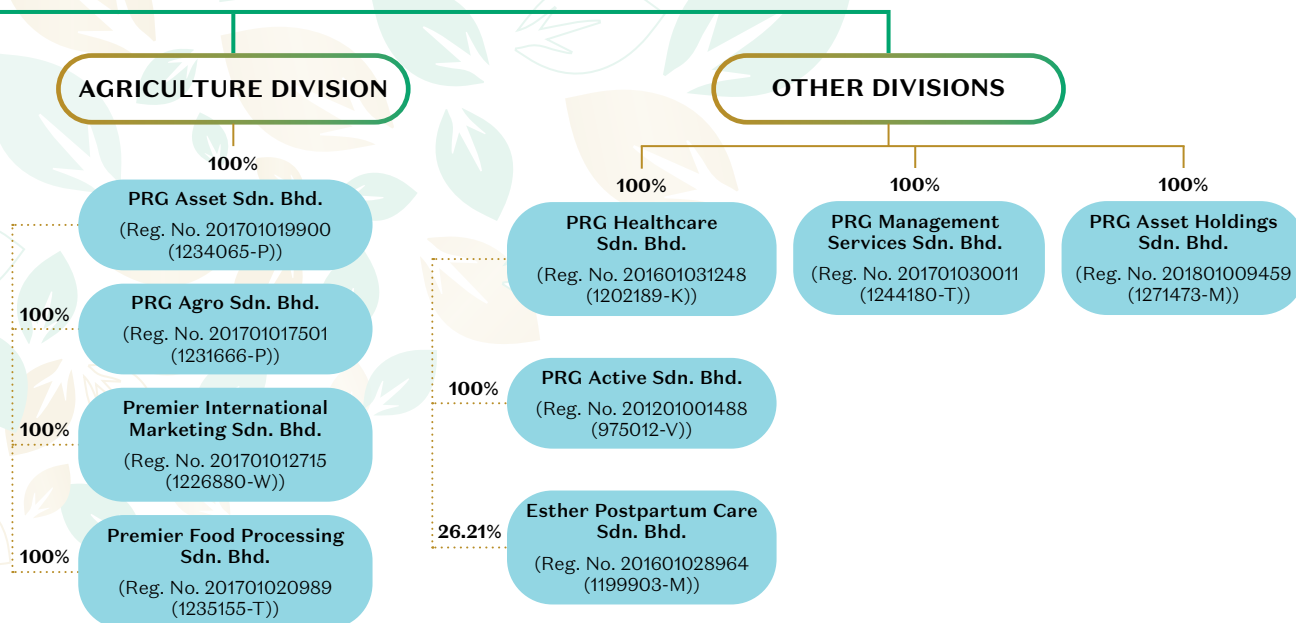
PRINCIPAL BANKERS

Alliance Islamic Bank Berhad
Bank of Communications (Hong Kong) Limited
Bank Pertanian Malaysia Berhad (Agrobank)
China Construction Bank (Asia) Corporation Limited
Hong Leong Bank Berhad

CORPORATE STRUCTURE

AS AT 31 MARCH 2024





- British Virgin Islands
- Vietnam
- Singapore
- Hong Kong
- Malaysia
- Cayman Islands



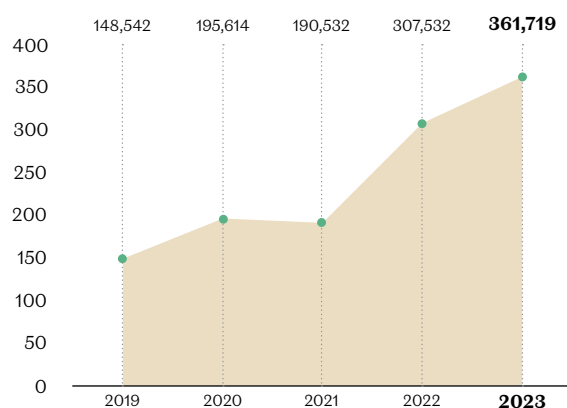
GROUP FINANCIAL HIGHLIGHTS

Financial Year ended 31 December

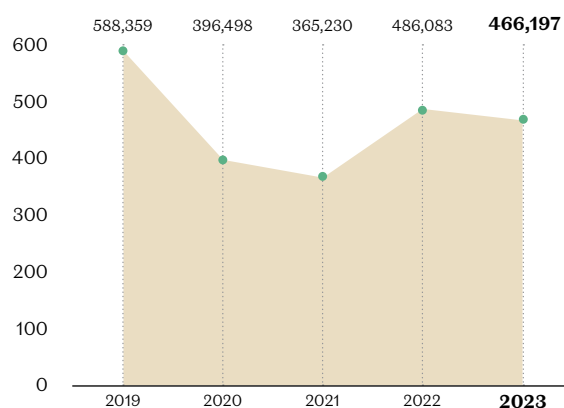
		2023	2022	2021	2020 (restated)	2019 (restated)
Operating Results						
Revenue	RM'000	361,719	307,532	190,532	195,614	148,542
Profit/(Loss) before Tax	RM'000	13,560	58,036	15,596	(26,759)	(69,500)
(Loss)/Profit attributable to Shareholders	RM'000	(11,375)	19,483	(1,853)	(12,793)	(49,684)
Financial Position						
Total Assets	RM'000	466,197	486,083	365,230	396,498	588,359
Total Borrowings	RM'000	45,561	65,502	57,368	61,218	32,999
Total Cash and Bank Balances	RM'000	101,108	71,469	37,741	34,874	23,386
Shareholders' Equity	RM'000	159,695	169,484	150,560	153,830	158,188
Financial Ratios						
Return On Equity	%	(7.12)	11.50	(1.23)	(8.32)	(31.41)
Return On Revenue	%	(3.14)	6.34	(0.97)	(6.54)	(33.45)
Debt/Equity	%	28.53	38.65	38.10	39.80	20.86
Net Gearing Ratio	times	Net cash	Net cash	0.13	0.17	0.06
Share Information						
Gross Dividends Per Share	sen	-	-	-	-	-
Basic (Loss)/Earnings Per Share	sen	(2.65)	4.54	(0.43)	(3.05)	(14.42)
Diluted (Loss)/Earnings Per Share	sen	(2.63)	4.54	(0.43)	(3.05)	(14.42)
Net Assets Per Share	sen	37.08	39.47	35.06	35.82	39.26

REVENUE

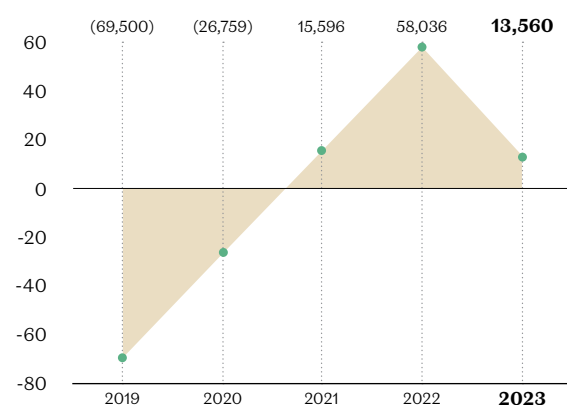
(RM'000)

**TOTAL ASSETS**

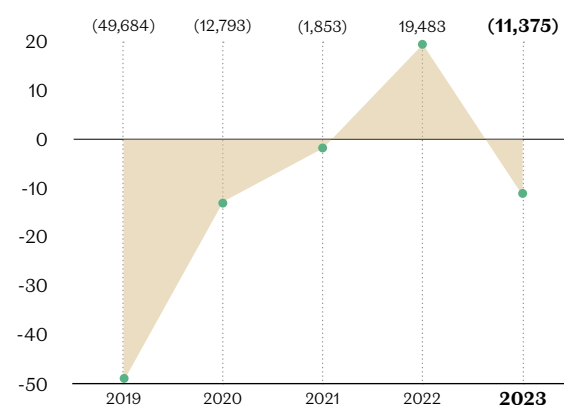
(RM'000)

**PROFIT/(LOSS) BEFORE TAX**

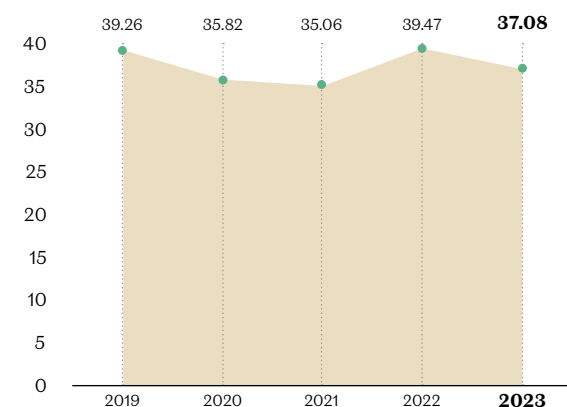
(RM'000)

**(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS**

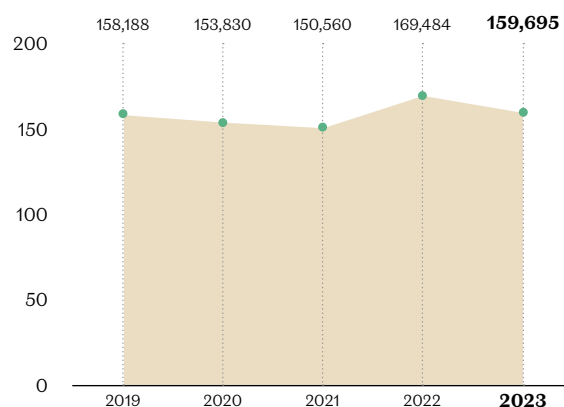
(RM'000)

**NET ASSETS PER SHARE**

(sen)

**SHAREHOLDERS' EQUITY**

(RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS



Dear valued shareholders,

“

On behalf of the Board of Directors of PRG Holdings Berhad (“the Board”), I would like to extend our heartfelt gratitude to each and every one of our shareholders, customers, business partners, business associates, bankers and other stakeholders for your unwavering support and trust in PRG Holdings Berhad (“PRG” or “the Company”) throughout the financial year ended 31 December 2023 (“FY2023”). Throughout the FY2023, PRG remained dedicated to upholding its core values of resilience, innovation, and integrity. Despite the ongoing uncertainties, we have remained steadfast in our pursuit of excellence, continuously striving to deliver value to our shareholders, provide exceptional service to our customers, and foster mutually beneficial partnerships with our business associates and partners.”

”

Dato' Lua Choon Hann
Group Executive Vice Chairman

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW

Over the past year, the reopening of the Chinese economy and resumption of international travel after 2 years of strict zero-Covid policies provided some cheer to the global economic landscape. Despite these positive developments, geopolitical tensions which were dominant in 2022 continued to weigh on sentiment in 2023, while inflation and the impact of interest rates hikes reverberated through the world economy. Against this backdrop, PRG and its subsidiaries (“the Group”) managed to achieve growth in revenue, from RM307.5 million for the financial year ended 31 December 2022 (“FY2022”), to RM361.7 million for the FY2023, an increase of RM54.2 million. The increase in revenue was mainly attributable to being able to fully consolidate our Energy Efficiency Division’s full year revenue as opposed to only 4 months consolidation in the previous financial year. However, the Group recorded a profit after tax of only RM2.2 million compared with last year’s RM43.1 million. The drop in results was mainly due to lower revenue recognition from property development project which already at the completion stage, lower sales orders for certain manufacturing products, an one-off impairment losses on trade receivables and provision for slow moving stock from polyvinyl chloride (“PVC”) related products with a total of RM6 million and a fair value adjustment on biological assets of RM20.4 million.

The overall gross profit margin of the Group decreased from 29.3% in FY2022 to 23.6% in FY2023, mainly due to lower gross profit margin from construction projects as compared with property development project. Further, a one-off provision for slow-moving stocks of PVC related products amounting to RM2.5 million also contributed to the reduction in gross margin. The increase in cost from the agriculture segment also contributed to the lower gross profit margin.

The other income decreased from RM6.5 million for the FY2022 to RM4.1 million for the FY2023 was mainly due to the one-off gain on deemed disposal of an associate of RM2.1 million in FY2022.

The other expenses increased from RM3.6 million for the FY2022 to RM22.1 million for the FY2023 was mainly due to the one-off fair value adjustment on biological assets recorded in FY2023.

The selling and marketing expenses of the Group decreased from RM4.3 million for the FY2022 to RM2.2 million for the FY2023, mainly due to lower freight rates incurred for the manufacturing segment, recovering from the shortage of container supply in the preceding year, and also the property development project was almost fully sold and handover at year end, therefore, lower marketing expenses incurred.

Revenue

RM361.7

million
(FY2023)RM307.5 million
(FY2022)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF BUSINESS OPERATIONS AND STRATEGIES

Property Development and Construction

Property development & construction segment recorded revenue of RM144.1 million in FY2023, which is similar to revenue of RM144.1 million recorded in FY2022. The revenue for the year saw an increase in contribution from the construction projects which offset the lower revenue from property development project. This is because the property development project was at a completion stage and handed over to purchasers in December 2023. Despite revenue being consistent with the preceding financial year, the profit before tax for FY2023 of RM19.5 million decreased by RM21.2 million as compared to RM40.7 million recorded in the preceding year. The lower profit for the FY2023 was mainly due to construction projects generating a lower profit margin compared to property development project.

Manufacturing

The revenue from the manufacturing segment for the FY2023 was approximately RM96.1 million (2022: RM112.1 million), which was a decrease of RM16.0 million or 14.3% as compared to FY2022. The decrease in revenue was mainly due to the disposal of Meinaide Holdings Group Limited (“Meinaide”) and its subsidiaries (“Meinaide Group”), which was selling PVC related products, in September 2023. Furthermore, certain products related to furniture and the textile industry had lower sales orders due to the slowdown in global demand in both these industries and rising inflation.

(i) Elastic textile

For the FY2023, the revenue of elastic textile was approximately RM29.2 million (2022: RM36.9 million), decreased by approximately RM7.7 million or 20.9% as compared to FY2022, mainly due to lower sales volume resulting from a slowdown in the textile industry.

(ii) Webbing

For the FY2023, the revenue of webbing was approximately RM43.7 million (2022: RM43.2 million), increased by approximately RM0.5 million or 1.2% as compared to FY2022. This was mainly contributed by higher demand for seatbelt products of RM3.2 million offset with lower demand for furniture webbing products of RM2.7 million during the financial year.

(iii) Other manufacturing products

During the FY2023, the revenue of other manufacturing products was approximately RM23.2 million (2022: RM32.0 million), decreased by approximately RM8.8 million or 27.5% as compared to FY2022, mainly due to lower demand for PVC related products and the Meinaide Group was disposed off in September 2023, which no longer contributed revenue to the Group.

The profit before tax for the manufacturing segment for the FY2023 was RM6.0 million, which was RM6.4 million lower than the profit before tax recorded for the FY2022 of RM12.4 million. This lower profit before tax for the manufacturing segment was mainly due to lower sales as well as one-off net impairment losses on trade and other receivables and inventories written down which amounted to RM6.0 million.

Energy Efficiency

The energy efficiency segment achieved a revenue of RM120.5 million for the FY2023, which was RM70.7 million higher than the RM49.8 million recorded in the preceding year. Correspondingly the segment's profit before tax was RM19.5 million, an increase of RM6.5 million compared with a profit before tax of RM13 million recorded in the preceding year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF BUSINESS OPERATIONS AND STRATEGIES (CONT'D)**Energy Efficiency (Cont'd)**

The main reason for the substantial increase in revenue in FY2023 was mainly due to the Group consolidated the full year results of Energy Solution Global Limited and its subsidiaries instead of only 4 months in the preceding year. During the FY2023, the energy efficiency segment continued their strong earnings by securing new projects, recognising progress completion and delivery of projects. By leveraging the experience and expertise in Singapore to expand the Group's market presence in Malaysia, the Group embarked on a data center project in Johor, Malaysia during the year.

Agriculture

The agriculture segment recorded a revenue of RM0.8 million for the FY2023, this was RM0.4 million lower than the RM1.2 million recorded in the preceding year. This segment recorded a higher loss before tax of RM25.3 million during the year, an increase of RM20.8 million compared with a loss before tax of RM4.5 million in the FY2022.

The decrease in revenue for the agriculture segment during the year was mainly due to the logging operations and planning were affected by seasonal rainfall. Our logging plan was also scheduled at a slower pace due to the global weakened demand of teak wood in 2023.

In addition, the higher loss for the FY2023 was due to a one-off fair value adjustment on biological assets of RM20.4 million recognised during the year.

Others

The others segment was mainly corporate expenses and professional fees incurred by the investment holding companies. A slightly higher loss before tax of RM3.1 million in the FY2023 compared to RM3.5 million in the preceding year was mainly attributed to higher staff costs and corporate expenses.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CORPORATE DEVELOPMENT

(a) Disposal of Meinaide Group

On 19 September 2023, our 50.45% owned subsidiary, Furniweb Holdings Limited (Furniweb") has entered into a sale and purchase agreement with an independent third party, Omen Wealth Limited in respect of the disposal of 50,000 ordinary shares in Meinaide Holdings Group Limited ("Meinaide"), representing the entire issued share capital of Meinaide, for a consideration of HK\$15,000,000 (equivalent to approximately RM8,988,000). Meinaide was engaged in the manufacturing and sale of PVC related products. The disposal of Meinaide Group was completed on 30 September 2023.

(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, for a total consideration of RM61,982,000 ("Proposed Disposal of Properties"); and

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

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

On the same date, PRG entered into a settlement letter with Premier De Muara Sdn Bhd ("PDMSB"), PRG Property Sdn Bhd 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 extraordinary general meeting ("EGM") to be convened.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CORPORATE DEVELOPMENT (CONT'D)

(c) Proposed debt settlements of Dato' Lua Choon Hann and Dato' Ng Yan Cheng ("Proposed Debt Settlements")

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

- i) Proposed partial settlement of debt owing by the Group to Dato' Lua Choon Hann ("Dato' Lua"), being the Group Executive Vice Chairman and a shareholder of the Company amounting to RM6,482,290.32 to be satisfied via issuance of 30,333,600 new ordinary shares of the Company; and
- ii) Proposed partial settlement of debt owing by the Group to Dato' Ng Yan Cheng ("Dato' Ng") being the Director of Energy Solution Global Limited, a wholly owned subsidiary of Furniweb and a substantial shareholder of the Company amounting to RM4,993,271.46 to be satisfied via issuance of 23,365,800 new ordinary shares of the Company.

The Proposed Debt Settlements are subject to the approval from shareholders of the Company at an EGM to be convened and the approval from 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 (b) and (c) above, there were no corporate proposals announced but not completed as at the date of this report.

RISK MANAGEMENT & APPROACHES

As our Group's operating assets spread across Malaysia, Vietnam, Singapore and Hong Kong, our business, financial conditions and operations rely on the political and regulatory developments of local governments and authorities.

The Russian –Ukraine crisis can easily derail the recovery engine as it jolted market with high oil prices, disrupted supply-chain and inflated raw material prices across the industries. The sanctions over Russia also caused volatility in the currency market and made our operating environment challenging.

The Group constantly reassesses its risk exposure and seeks to optimise the balance between opportunities and risks both in operations and strategic direction.

FUTURE PROSPECTS

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

The prevailing economic conditions, marked by higher-than-anticipated inflation rates and interest rate hikes have triggered a ripple effect across global household consumption patterns. The economic condition is further compounded by negative spillovers emanating from the conflict in Ukraine and the sluggish recovery trajectory of China, which collectively contribute to heightened uncertainty in the global economic landscape. For manufacturing sector, grappling with supply chain disruptions, escalating cost due to inflation, and subdued demand due to higher interest rates poses formidable challenges to sustaining operational efficacy and profitability. In response to this dynamic landscape, the Group has adopted a strategic approach, recalibrating market strategies, revisiting pricing frameworks, and streamline cost structures to maintain competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE PROSPECTS (CONT'D)

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

In parallel, the energy efficiency sector witnesses a surge in global energy consumption amidst higher energy prices and apprehensions surrounding potential disruptions in oil and gas supplies. Simultaneously, escalating concerns about climate change drives governments worldwide to enact stringent policies emphasizing energy efficiency, greenhouse gas reduction, and sustainability. Within this shifting paradigm, the growth prospects for businesses operating in the energy efficiency sector remain promising, buoyed by government support for environment initiative and increasing focus on environmental, social, and governance considerations.

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

Dato' Lua Choon Hann

Group Executive Vice Chairman





JANUARY 2023

6 January 2023

Upgrading of
Computer System
for Dong Nai Disable
Children Training
Center



FEBRUARY 2023



2 February 2023

PRG Holdings
Berhad's ("PRG")
New Office Grand
Opening

MARCH 2023

8-11 March 2023

Vietnam
International
Furniture & Home
Accessories Fair
2023 (VIFA-EXPO
2023)



APRIL 2023

5-8 April 2023

Vietnam Saigon Textile & Garment
Industry Expo 2023 (SAIGONTEX 2023)

7 April 2023

Buka Puasa Dinner

13 April 2023

Fire Drill

MAY 2023

19 May 2023

Furniweb Holdings Limited's ("Furniweb")
Hari Raya Aidilfitri's Get Together Lunch

25 May 2023

PRG's 22nd Annual General
Meeting (Full virtual meeting)

12 May 2023

Fire Drill

JUNE 2023

28 June 2023

Furniweb's 6th Annual General Meeting

JULY 2023

26 - 29 July 2023

Vietnam Saigon Fabric Summer Expo 2023

AUGUST 2023

8 August 2023

Furniweb's Extraordinary General Meeting – Purchase Of The Properties Involving Issue Of The
Consideration Shares Under Specific Mandate & Proposed Authorised Share Capital Increase

SEPTEMBER 2023

15 September 2023

Gift Donation for Disable Children at
Dong Nai Disable Children Training
Center during Mid-Autumn Festival



NOVEMBER 2023

8 November 2023

First Durian Planting Ceremony



OCTOBER 2023

26 October 2023

Fire Drill

DECEMBER 2023

11 December 2023

Embayu Damansara
West's Vacant
Possession

26 December 2023

Embayu Damansara
West's 1st Key
Handover

DIRECTORS' PROFILE



DATO' LUA CHOON HANN
Group Executive Vice Chairman



Malaysian



Male



47

Date of Appointment

1 November 2013

Academic/Professional Qualification/Membership(s)

Bachelor of Law, University of Cardiff

Board Committee(s)

- Long Term Incentive Plan Committee (Chairman)

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Present Appointment(s)

- Executive Director, Furniweb Holdings Limited (April 2017 – Present)

Past Appointment(s)

- Independent Director & Chairman of Audit Committee, Pelikan International Corporate Berhad (April 2013 - September 2019)
- Director, Malaysian Investment Development Authority (2017 - 2018)
- Prosecutor, Attorney General's Chambers in Singapore (2000 - 2002)
- With his professional legal experience, business acumen and commercial know-how, Dato' Lua became an entrepreneur in 2003 through various business ventures in Malaysia, China, Singapore and Hong Kong, involving various sectors, including the provision of corporate consultancy and solution services, property development and other related businesses.

Number of Board Meetings attended during financial year 2023

6/6

DIRECTORS' PROFILE (CONT'D)

**ANDREW CHAN LIM-FAI**

Group Managing Director

**American****Male****45****Date of Appointment**

26 March 2024

Academic/Professional Qualification/Membership(s)

Bachelor of Science - Business Administration, New York University - Stern School of Business (1997 - 2001)

Board Committee(s)

Nil

Present Directorship(s)**Listed entity:**

Nil

Other public company:

Nil

Present Appointment(s)

- Independent Advisor, Mikan (August 2023 – present)
- Executive Director, Furniweb Holdings Limited (25 March 2024 - present)

Past Appointment(s)

- Regional Head of GrabExpress, Regional Head of Fulfilment, Grab (January 2022 – April 2023)
- Managing Director - Transport, Head of GrabCar, Grab Singapore (January 2017 – January 2022)
- Head of Operations, Grab Singapore (August 2016 – January 2017)
- ASEAN Director / Operations & Process Transformation Practice, Manufacturing Strategy Practice, Accenture (June 2001 – July 2016)

Number of Board Meetings attended during financial year 2023

N/A

Others

- Son-in-law of Ng Yan Cheng, the major shareholder of PRG.
- Brother-in-law of Ng Tzee Penn, the Executive Director of PRG.

DIRECTORS' PROFILE (CONT'D)



DATO' WEE CHENG KWAN

Managing Director - Property & Construction



Malaysian



Male



47

Date of Appointment

5 August 2013

Academic/Professional Qualification/Membership(s)

Bachelor of Civil Engineering, University of Portsmouth (1997 - 1999)

Board Committee(s)

- Long Term Incentive Plan Committee
- Sustainability Committee

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Present Appointment(s)

- Director, Widuri Capital Management Sdn. Bhd.

Past Appointment(s)

- Structural Engineer, Chiu Teng Construction Pte. Ltd. (Singapore)
- Engineer, L&M Foundation Specialist Pte. Ltd. (Singapore)

Number of Board Meetings attended during financial year 2023

6/6

DIRECTORS' PROFILE (CONT'D)



NG TZEE PENN
Executive Director



Singaporean



Male



47

Date of Appointment

8 May 2020

Academic/Professional Qualification/Membership(s)

Bachelor of Engineering, National University of Singapore

Board Committee(s)

Nil

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Present Appointment(s)

- General Manager, Dark Horse Consulting (November 2023 - present)

Past Appointment(s)

- EVP, Chief Technical Officer of Tessa Therapeutics Ltd. (January 2016 - July 2023)
- Director - Global Business Unit (Asia) and Marketing of Spectrum Brands (January 2015 - December 2015)
- Director - Global Program Management and China Sales (August 2006 - December 2014)

Number of Board Meetings attended during financial year 2023

5/6

Others

- Son of Ng Yan Cheng, the major shareholder of PRG.
- Brother-in-law of Andrew Chan Lim-Fai, the Group Managing Director of PRG.

DIRECTORS' PROFILE (CONT'D)



JI HAITAO

Executive Director



Australian



Male



47

Date of Appointment

8 May 2020

Academic/Professional Qualification/Membership(s)

- Bachelor of Commerce, University of Sydney

Board Committee(s)

- Sustainability Committee

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Present Appointment(s)

- Managing Director of Net Venture Properties (Australia) Pty Ltd (May 2013 - present)

Past Appointment(s)

- Managing Director of D W Link Pty Ltd (February 2007 - July 2011)

Number of Board Meetings attended during financial year 2023

6/6

DIRECTORS' PROFILE (CONT'D)

**LIM CHEE HOONG**

Non-Independent Non-Executive
Director



Malaysian



Male



63

Date of Appointment

21 July 2003

**Academic/Professional
Qualification/Membership(s)**

- Malaysian Institute of Certified Public Accountants
- Malaysian Institute of Accountants
- Chartered Tax Institute of Malaysia

Board Committee(s)

- Sustainability Committee (Chairman)
- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee
- Long Term Incentive Plan Committee

Present Directorship(s)**Listed entity:**

- Pelikan International Corporation Berhad
- OKA Corporation Bhd.

Other public company:

- BWYS Group Berhad

Present Appointment(s)

- Certified Public Accountant, Messrs CHI-LLTC
- Director, Lim Tang Tax Services Sdn. Bhd.
- Independent Non-Executive Director, Pelikan International Corporation Berhad
- Independent Non-Executive Director, BWYS Group Berhad
- Independent Non-Executive Director, OKA Corporation Bhd.

Past Appointment(s)

- Independent Non-Executive Director, Choo Bee Metal Industries Berhad
- Partner, TNL Partners PLT
- Partner, Lee Teik Swee & Co.
- Audit Senior, Kassim Chan & Co. (1990 - 1993)
- Articled Clerk, Coopers & Lybrand (1981 - 1987)
- Group Accountants and Group Financial Controller in commercial sectors from 1993 till 1997

**Number of Board Meetings
attended during financial year
2023**

6/6

DIRECTORS' PROFILE (CONT'D)



**TAN SRI DATUK SERI (DR) MAZLAN
BIN LAZIM**

Independent Non-Executive Director



Malaysian



Male



62

Date of Appointment

24 August 2022

Academic/Professional Qualification/Membership(s)

- Bachelor of Science Resource Economics from Universiti Putra Malaysia (UPM)
- Master of Science in Human Resources Development from Universiti Putra Malaysia (UPM)
- Conferred Honorary Degree of Doctor of Strategic Management by Open University Malaysia (OUM)

Board Committee(s)

- Nomination Committee (Chairman)
- Audit and Risk Management Committee
- Remuneration Committee

Present Directorship(s)

Listed entity:

- Computer Forms (Malaysia) Berhad (May 2022 - present)
- Ho Hup Construction Company Berhad (August 2022 - present)
- Rapid Synergy Berhad (June 2023 - present)

Other public company:

Nil

Present Appointment(s)

- Independent Non-Executive Chairman, Rapid Synergy Berhad (June 2023 - present)
- Independent Non-Executive Chairman, Ho Hup Construction Company Berhad (August 2022 - present)
- Independent Non-Executive Chairman, Computer Forms (Malaysia) Berhad (May 2022 - present)
- Advisor, Segastia Sdn. Bhd.
- Senior Security and Network Advisor, Suruhanjaya Komunikasi Dan Multimedia Malaysia (SKMM) (February 2022 - present)
- Chairman, PBLT Sdn. Bhd. (wholly owned by MOF Inc.) (February 2022 - present)
- Adjunct Professor, Kuala Lumpur Metropolitan University College (KLMUC) (October 2023 - present)

Past Appointment(s)

- Director, Dhiaji Maju Ltat Sdn. Bhd. (DMIA) (January 2022 - January 2023)
- Independent Non-Executive Director, Microlink Solutions Berhad (March 2022 - June 2023)
- Independent Non-Executive Chairman, AHB Holdings Berhad (February 2022 - September 2022)
- Deputy Inspector-General of Police of Malaysia (DIG) (June 2021 - December 2021)
- Various positions in Polis Di Raja Malaysia (PDRM - Royal Malaysian Police) (1986 - 2021)

Number of Board Meetings attended during financial year 2023

5/6

DIRECTORS' PROFILE (CONT'D)

**DATIN ARLINA BINTI ARIFF**

Independent Non-Executive Director

**Malaysian****Female****62****Date of Appointment**

20 April 2023

Academic/Professional Qualification/Membership(s)

- B.A. (Honours) in Economics, Carleton University, Ottawa, Canada (1981-1985)
- Post-Graduate Diploma in Quantitative Development Economics, University of Warwick Coventry, England (1993-1994)
- MSc. in Quantitative Development Economics, University of Warwick Coventry, England (1994-1995)
- Masters in Islamic Finance Practice, INCEIF, Kuala Lumpur, Malaysia (2013-2016)

Board Committee(s)

- Audit and Risk Management Committee (Chairman)
- Remuneration Committee (Chairman)
- Nomination Committee
- Long Term Incentive Plan Committee

Present Directorship(s)**Listed entity:**

Nil

Other public company:

Bank Pertanian Malaysia Berhad

Present Appointment(s)

- Independent Non-Executive Director, Bank Pertanian Malaysia Berhad (August 2023 - present)

Past Appointment(s)

- Director, Financial Inclusion Department, Bank Negara Malaysia (September 2000 - July 2022)
- Director, LINK & Regional Office Department, Bank Negara Malaysia (October 2012 - September 2020)
- Director, Human Capital Development Centre, Bank Negara Malaysia (January 2008 - October 2012)
- Deputy Director, Economics Department, Bank Negara Malaysia (April 2006 - January 2008)
- Deputy Director, Monetary Analysis & Strategy Department, Bank Negara Malaysia (September 2000 - April 2006)
- Chief Analyst, SJ Securities Sdn. Bhd. (March 1999 - September 2000)
- Senior Economist, SJ Securities Sdn. Bhd. (August 1997 - February 1999)
- Various position in Bank Negara Malaysia (1985 - 1997)

Number of Board Meetings attended during financial year 2023

4/4

DIRECTORS' PROFILE (CONT'D)



NG KHANG CHYI

Non-Independent Non-Executive
Director



Malaysian



Male



44

Date of Appointment

1 September 2023

Academic/Professional Qualification/Membership(s)

- Advanced Diploma in Electronic Design and Multimedia, Limkokwing University College (2002)
- Associate Diploma in Bachelor of IT, Informatics College (1998)

Board Committee(s)

Nil

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Present Appointment(s)

- Director, Net Venture Property Sdn. Bhd. (2012 - present)

Past Appointment(s)

- Director, Syntax10 Sdn. Bhd. (2009 – 2020)
- Director, CSQ Interactive Sdn. Bhd. (2008 – 2009)
- Senior Creative Designer, Teneo Technologies Sdn. Bhd. (2007)
- Senior Creative Designer, Brunsfield International Group (2007)
- Senior Creative Designer, Matrix Internet & Wireless Sdn. Bhd. (2005 – 2007)
- Director, Three Feets Enterprise (2005)
- Assistant Lecturer, Limkokwing University College (2002 – 2003)

Number of Board Meetings attended during financial year 2023

1/1

DIRECTORS' PROFILE (CONT'D)

**JOYCE TAN SOO YUEN**

Independent Non-Executive Director

**Singaporean****Female****69****Date of Appointment**

15 March 2024

**Academic/Professional
Qualification/Membership(s)**

- Bachelor of Accountancy, University of Singapore (1976)
- Fellow member of ACCA, Association of Chartered Certified Accountants (1979)
- Associate member of ICAEW, Institute of Chartered Accountants in England and Wales (1980)
- STEP Certificate in International Trust Management, Society of Trust and Estate Practitioners (2004)

Board Committee(s)

- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee

Present Directorship(s)**Listed entity:**

Nil

Other public company:

Nil

Present Appointment(s)

- Director, Tan Choon Chye Management Services (Pte) Ltd (1995 - present)

Past Appointment(s)

- Taxation Partner, Tan Choon Chye & Co, Singapore (1982 - 1995)
- Audit/Taxation Senior, Jolliffe Cork & Co/Coopers & Lybrand UK (1978 - 1982)
- Audit Assistant, Coopers & Lybrand, Singapore (1976 - 1978)

**Number of Board Meetings
attended during financial year
2023**

N/A

DIRECTORS' PROFILE (CONT'D)

Save as disclosed above, none of the Directors has any family relationship with any other Directors and/or other major shareholders of the Company, any conflict of interests with the Company nor any personal interest in any business arrangement involving the Company. The above Directors have no convictions for offences within the past five (5) years (other than traffic offences, if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

All the Independent Non-Executive Directors satisfied the criteria required of an independent director as defined under Bursa Malaysia Securities Berhad's Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.

MANAGEMENT TEAM

1

TAN CHUAN DYI

Managing Director, Manufacturing Division &
Executive Director of Furniweb Holdings Limited



Malaysian



Male



52

Date of Appointment

2 January 2014 - Chief Operating Officer, Manufacturing

1 April 2024 - Appointed as ED of Furniweb Holdings Limited and redesignated as Managing Director, Manufacturing

Academic/Professional Qualification/ Membership(s)

- Bachelor of Science in Business Administration (Major in Finance Option), California State University, Fresno

Present Directorship(s)

Listed entity:

Naim Holdings Berhad

Other public company:

Nil

Working Experience

- Independent Non-Executive Director, Naim Holdings Berhad (February 2017 – Present)
- Head of Equity Syndication of Group Investment Banking, Kenanga Investment Bank Berhad (2011 – 2013)
- Head of Equity Capital Markets, RHB Investment Bank Berhad (2007 – 2011)
- Senior Vice President, Institutional Sales, CIMB Securities (February 2006 – December 2006) & Affin-UOB Securities (July 2000 – February 2006)
- Portfolio Management Officer, AMMB Asset Management Sdn. Bhd. (1995 – 2000)

KANG BOON LIAN

2

Managing Director, Energy Efficiency &
Executive Director of Furniweb Holdings Limited



Singaporean



Male



54

Date of Appointment

21 October 2013 - Business Development Director

1 November 2020 - Appointed as Deputy Managing Director

1 January 2022 - Managing Director

1 July 2023 - Appointed as Executive Director of Furniweb Holdings Limited

Academic/Professional Qualification/ Membership(s)

- BE (Hons) National University of Singapore
- Professional Engineer (P.Eng)
- NEA Registered Energy Efficiency Opportunity Assessor (EEOA)

- NEA Registered Qualified Energy Services Specialist (QuESS)
- BCA Registered Energy Auditor (EA)
- Green Mark Advanced Accredited Professional (GM AAP)
- Singapore Certified Energy Manager (SCEM)

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Working Experience

- Business Development Director, Trane
- Business Development Director, Johnson Controls Inc (JCI)

MANAGEMENT TEAM (CONT'D)

3

HO PHEI SUAN

Chief Financial Officer of Furniweb Holdings Limited



Malaysian



Female



44

Date of Appointment

2 May 2014 - Group Financial Controller

16 October 2017 - Appointed as Chief Financial Officer of Furniweb Holdings Limited

Academic/Professional Qualification/ Membership(s)

- Bachelor of Accounting from University of Malaya
- Certified Public Accountant of Malaysian Institute of Accountants (MIA)
- A member of the Malaysian Institute of Certified Public Accountants (MICPA)

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Working Experience

- Senior Manager of Corporate Finance, Encorp Berhad (2012-2014)
- Business Analyst of Hewlett Packard Malaysia (2011-2012)
- Audit Manager of KPMG China (2008-2010)
- Audit Manager of Ernst & Young Malaysia (2002-2008)

LEE SONG YEW

Director, Agriculture

4



Malaysian



Female



51

Date of Appointment

3 January 2023 - Special Assistant

1 September 2023 - Appointed as Director, Agriculture

Academic/Professional Qualification/ Membership(s)

- Diploma of Professional Instructor – Naby Beauty Academy
- Diploma in Beauty Therapy – City & Guilds UK
- Diploma of Merine Cosmetique – Algotharm Marine Cosmetique (France)
- Certificate Of Train The Trainer – Babor Cosmetics Aachen (Germany)
- Wellness Education Program – Thompson River University

- Executive Master of Business Administration candidate (IEMD Graduate Business School, France)

Present Directorship(s)

Listed entity:

Nil

Other public company:

Nil

Working Experience

- Financial Planning & Management (2013 – present)
- CEO & Managing Director, FAM Network Sdn. Bhd. (2020 – 2022)
- Professional trainer and instructor for various programs during years 2004 to 2013
- Merchandising Manager, Atico (Malaysia) Trading Sdn. Bhd. (2003 – 2004)
- Regional Export Manager, TAG Exporters Sdn. Bhd. (1997 - 2003)

None of the above Key Senior Management members has any family relationship with any Directors and/or major shareholders of the Company, any conflict of interests with the Company nor any personal interest in any business arrangement involving the Company. The above Key Senior Management members have no convictions for offences within the past five (5) years (other than traffic offences, if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



SUSTAINABILITY STATEMENT



AN OVERVIEW OF THIS SUSTAINABILITY STATEMENT

As PRG Holdings Berhad (“PRG” or “the Group”), our commitment to excellence is reflected in every facet of our investment holdings and management services. With a diverse portfolio spanning manufacturing, energy efficiency, property development, construction and agriculture, our commitment to sustainability is evident across our diverse business domains.

In light of this, we are delighted to present our sustainability statement for the year 2023, offering a transparent assessment of our environmental, social and governance (“ESG”) performance in our investment holding and management services.



SUSTAINABILITY STATEMENT (CONT'D)

AN OVERVIEW OF THIS SUSTAINABILITY STATEMENT (CONT'D)

Highlights of PRG's Sustainability Progress

PRG Holdings Berhad is pleased to report the following sustainability accomplishments for the fiscal year 2023. Among the most significant is the establishment of a group-wide sustainability policy. Underpinned by our four sustainability pillars, this strategic framework reaffirms our commitment to implementing holistic sustainability practices within our operations.

We adopted the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations which enabled us to identify our climate-related risks and opportunities. With this understanding, we integrated climate considerations into our decision-making processes. We commenced our Scope 1 and Scope 2 greenhouse gas ("GHG") emissions reporting in 2023, and will extend this effort to include Scope 3 GHG emissions in the upcoming year.

Maintaining high ethical standards, we achieved zero incidents of bribery, corruption, whistleblowing, customer privacy breaches, human rights violations and workplace harassment and discrimination throughout FY2023. We further solidified our commitment to inclusivity with the Group's Diversity and Inclusion Policy as well as provided balanced training hours for our employees regardless of gender, ensuring equal opportunities for all employees.

Our Energy Efficiency Division has played a pivotal role in guiding businesses towards more sustainable and energy efficient operations. Prominent clients who benefited from our expertise are located in both Singapore and Malaysia. Among these esteemed entities are the Changi Airport Group, ION Orchard and Fraser's Property, showcasing our capability to foster environmentally responsible practices across diverse industries.

By contributing to positive environmental and social impacts while fostering long-term economic growth, we aim to set new benchmarks in corporate sustainability.

Setting the Scope of Our Disclosures

PRG operates in markets in Malaysia, Vietnam, and Singapore. In this sustainability statement, the disclosures cover operations in Malaysia, Vietnam and Singapore, for the reporting period from 1 January 2023 to 31 December 2023 ("FY2023"). The statement encompasses four (4) of our business divisions: Manufacturing Division, Energy Efficiency Division, Property Development & Construction Division and Agriculture Division.

Corporate Office	Location
• PRG Holdings Berhad	Malaysia
• PRG Management Services Sdn. Bhd.	Malaysia
• PRG Asset Holdings Sdn. Bhd.	Malaysia

Manufacturing Division	Location
• Texstrip Manufacturing Sdn. Bhd.	Malaysia
• Furniweb Manufacturing Sdn. Bhd.	Malaysia
• Furniweb Safety Webbing Sdn. Bhd.	Malaysia
• Furniweb (Vietnam) Shareholding Company	Vietnam

Energy Efficiency Division	Location
• Measurement & Verification Pte. Ltd.	Singapore
• Measurement & Verification Sdn. Bhd.	Malaysia

Property Development and Construction Division	
Property Development Division	Location
• PRG Property Sdn. Bhd.	Malaysia
• Premier Baycity Sdn. Bhd.	Malaysia
Construction Division	Location
• Premier Construction Sdn. Bhd.	Malaysia
• Premier Construction (International) Sdn. Bhd.	Malaysia

Agriculture Division	Location
• PRG Agro Sdn. Bhd.	Malaysia

SUSTAINABILITY STATEMENT (CONT'D)

AN OVERVIEW OF THIS SUSTAINABILITY STATEMENT (CONT'D)

Setting the Scope of Our Disclosures (Cont'd)

Due to the cessation of operations at our sales gallery at Subang U5 Embayu, Bukit Damansara, environmental data from the Property Development Division was excluded from our disclosures for FY2023. Additionally, the Agriculture Division only encompasses social disclosures for FY2023.

We recognise that our operational environments can vary between these regions. Therefore, we strive to standardise our reporting processes to consolidate our sustainability data by assigning equal importance to each region, creating a balanced disclosure. Adopting this uniform approach allows stakeholders to gain a holistic understanding of our ESG performance across regions.

The Reporting Standards That Guide Us

In preparing this statement, we referenced the requirements and documents set forth by Bursa Malaysia Securities Berhad ("Bursa Securities") which include the Main Market Listing Requirements ("MMLR"), Sustainability Reporting Guide (3rd Edition) and the Illustrative Sustainability Report. Additionally, we initiated a phased implementation of TCFD recommendations and aligned our initiatives with the United Nations Sustainable Development Goals ("UN SDGs"). Our statement also adheres to the Global Reporting Initiative ("GRI") Standards, ensuring our sustainability reporting meets international benchmarks, providing stakeholders a reliable account of our performance and objectives.

**Contributing Feedback**

For continued improvement of our sustainability practices and to better pinpoint the gaps in our performance, we welcome all views and comments from you, our stakeholders. Please direct all feedback pertaining to our reporting to ir@prg.com.my.

Assurance Statement

The Sustainability Statement has not been subjected to an assurance review. To maintain high standards of transparency and accountability, all data were internally sourced, vetted and confirmed by the respective business divisions and information owners to ensure accuracy.



"By contributing to positive environmental and social impacts while fostering long-term economic growth, we aim to set new benchmarks in corporate sustainability."



"PRG operates in markets in Malaysia, Vietnam and Singapore."

SUSTAINABILITY STATEMENT (CONT'D)

ACHIEVEMENTS WE ATTAINED IN FY2023

In line with our commitment to adopting sustainable business practices, this section provides an overview of our sustainability performance for the current year.

Governing With Integrity



ZERO
reported incidents of
bribery and corruption

ZERO
complaints concerning
breaches of customer
privacy and losses of
customer data

44%
procurement
expenditure directed to
local suppliers

Established an ESG
evaluation checklist for
supplier assessment



Upholding Ethical Economic Principles



Building Value Through Environmental Responsibility



Commenced **Scope
1 and Scope 2 GHG
emissions monitoring**

Achieved **2%**
reduction for
electricity consumption



ZERO
reported cases of
human rights violation
and whistleblowing

ZERO
reported cases of
workplace harassment
and discrimination

Empowering People and Communities



SUSTAINABILITY STATEMENT (CONT'D)

TRACING OUR PATH TO SUSTAINABILITY

- Published Inaugural Sustainability Report
- Adopted Bursa Malaysia Sustainability Reporting Guide (1st Edition)
- Identified 3 Sustainability aspects: Economic, Environmental and Social
- Identified 6 stakeholder groups
- Conducted annual materiality review

- Adopted the Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Adopted the TCFD Recommendations
- Established a Sustainability Policy
- Established a 3-tiered Sustainability Governance Structure
- Conducted a materiality re-assessment and generated a materiality matrix
- Identified 4 EESG pillars: Economic, Governance, Social and Environment
- Identified 14 material sustainability matters
- Identified 1 new stakeholder group
- Adopted 4 UN SDGs

2022

2017 - 2021

2023

- Adopted Bursa Malaysia's Sustainability Reporting Guide (2nd Edition)
- Maintained 3 Sustainability aspects: Economic, Environmental and Social
- Maintained 6 stakeholder groups
- Conducted annual materiality review

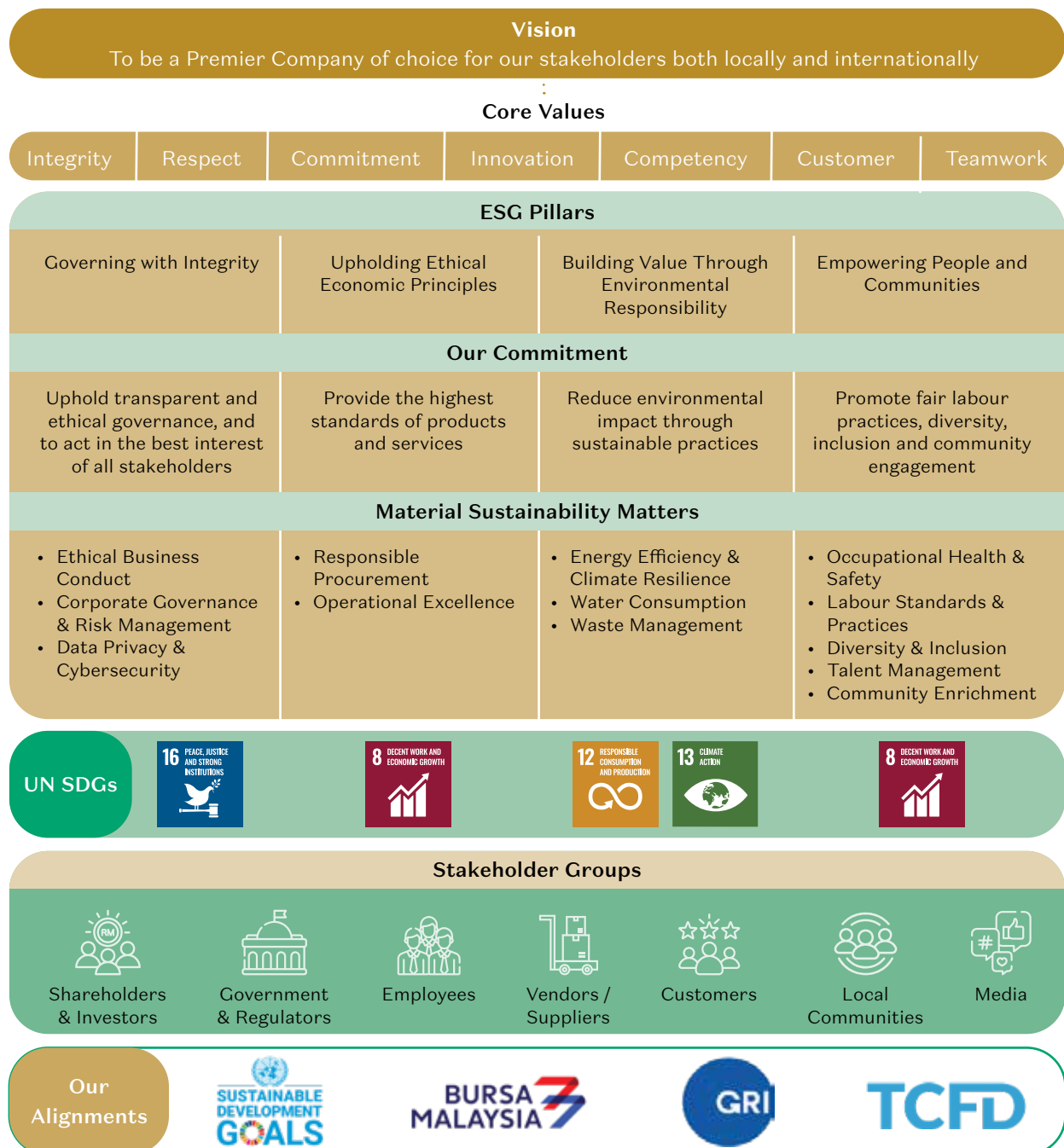
SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY

Introducing Our ESG Framework

We developed our ESG framework with the purpose of aligning our sustainable business approach with current sustainability developments and establish effective risk management opportunities. The framework strategically positions PRG to generate sustainable long-term business growth in adherence with rising stakeholder expectations.

Structured around four primary pillars of sustainable value creation, this framework empowers PRG to establish key strategic priorities that improve the Group's resilience.



SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY (CONT'D)

Growing a Culture of Sustainability Through PRG's Policy

Aligned with our drive to promote the harmonisation of our business practices with ESG principles, we introduced our newly established Sustainability Policy. Serving as a foundational framework, it articulates our focus on ethical conduct and the proactive management of our environmental and social impact, guiding our sustainable development.

PRG's ESG Pillars**Governing with Integrity**

We prioritise robust governance to optimise operations, create value and safeguard stakeholder interests. In upholding high standards of corporate governance, ethics and transparency, we ensure compliance with relevant laws and regulations that emphasise on effective risk management where it includes data privacy and cybersecurity.

Upholding Ethical Economic Principles

PRG is dedicated in delivering excellent economic performance, aiming to generate high values for our stakeholders. We achieve this through operational excellence, ensuring reliable delivery of quality products and responsible procurement practices.

Building Value Through Environmental Responsibility

PRG acknowledges our responsibility to our environmental impacts and actively work towards minimising our carbon footprint through efficient energy management practices. Our commitment to environmental stewardship includes efforts to conserve the ecology and biodiversity, along with responsible waste management as well as water consumption practices.

Empowering People and Communities

Recognising the pivotal role of our people in securing business success, we pledge to provide a safe, healthy, diverse and inclusive workplace. Adhering to stringent labour standards, our social responsibility extends to the entire value chain and local communities; promoting fair opportunities, ensuring responsible supply chain practices and contributing to the social progress of the local community.

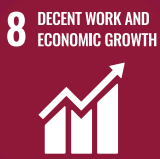
SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY (CONT'D)

From Global Goals to Tangible Progress

Formulated by the UN General Assembly, the 17 SDGs promote a worldwide agenda of sustainable development to end poverty, achieve peace, protect the planet and ensure prosperity and partnerships for an equitable future. To ensure these deeply interconnected goals remained balanced, each must be developed in consideration with one another.




Given our international reach, we are uniquely positioned to achieve these objectives and have aligned our ESG concerns with 4 UN SDGs to facilitate our contribution to the global sustainability agenda.

	UN SDGs	Targets	PRG's Initiatives
	UN SDG 8: Decent Work and Economic Growth	8.8: Protection of labour rights and promotion of safe and secure working environments	<ul style="list-style-type: none">• Ensured a safe working environment for all employees under the Group's Occupational Safety and Health Policy.• Set up an Emergency Response Team under Occupational Safety and Health Committee ("OSHC") for cases of health emergency at workplace.• Adhered to Health Standard Operating Procedures ("SOP") by Jabatan Keselamatan dan Kesihatan Pekerjaan ("JKKP").• Ensured a safe working environment for all employees under the Group's Occupational Safety and Health Policy.• Provided employees with diversified on-the-job trainings based on the needs of respective positions and talents.• Conducted assessment for performance of employee to implement development programmes.

SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY (CONT'D)

From Global Goals to Tangible Progress (Cont'd)

	UN SDGs	Targets	PRG's Initiatives
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	UN SDG 12: Responsible Consumption and Production	12.4: Environmentally sound management of waste 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities	<ul style="list-style-type: none"> • Implemented an Environmental Management System at the factories. • Disposed hazardous waste via licensed pollutant treatment company and treated wastewater before discharge. • Performed tests on samples from potential suppliers and engage on trial basis. • Sourced raw materials from suppliers on the approved suppliers list and evaluation conducted from time-to-time basis. • Engaged with suppliers fairly, transparently and ethically via evaluations and background information assessment to ensure suppliers are environmentally and socially responsible.
13 CLIMATE ACTION 	UN SDG 13: Climate Action	13.2: Integration of climate change measures into policies, strategies, and planning	<ul style="list-style-type: none"> • Replaced traditional light bulbs with electricity-saving light bulbs alongside energy saving practices. • Explore alternative packaging method or recycled packaging materials.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	UN SDG 16: Peace, Justice and Strong Institutions	16.5: Reduction in all forms of corruption and bribery	<ul style="list-style-type: none"> • Established policies and guidelines: <ul style="list-style-type: none"> - Whistle-Blowing Policy and Guidelines - Anti-Bribery and Corruption Policy

SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY (CONT'D)

Directing Our Initiatives with Sustainability Governance

We developed a two-tier sustainability governance structure to assure a coordinated approach in advancing our sustainability goals. Headed by PRG's Board of Directors ("BoD" or "the Board"), it is accountable for setting the Group's direction towards sustainability.

The Board is supported by the Sustainability Committee ("SC"), which oversees the Group's sustainability strategy, ESG initiatives and implementation of sustainability practices into the business. The SC is also responsible for the overall integration of sustainability, including the sustainability framework, commitments, strategy, targets, and ensuring the credibility of material ESG topics disclosed in sustainability reporting.

The details below underline the main functions and duties of each tier within our governance structure.





Position	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none">• Provides strategic oversight of the Group's overall sustainability agenda, strategies and climate-related risks and opportunities.• Provides approval for sustainability strategies, policies, material sustainability matters and the annual Sustainability Statement proposed by the SC.
Sustainability Committee	<ul style="list-style-type: none">• Provides oversight of the establishment of sustainability strategies, priorities and targets, ensuring alignment with the Group's goals, commitment and business strategies.• Provides oversight on the sustainability performance, processes, framework and strategies.• Assesses and manages ESG-related risks and opportunities, including climate-related risks.• Ensures strategic management of material sustainability matters and oversees implementation of approved strategies.• Oversees stakeholder engagement and the management of material sustainability matters.• Reviews the adoption and effectiveness of sustainability policies/standards and provides oversight and input for sustainability strategy implementation to align with the Group's goals.• Performs other functions and exercise powers delegated by the Board.

SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY (CONT'D)

Engaging Stakeholders to Drive Excellence



We place significant importance to the feedback provided by our stakeholders as their opinions are critical to our decision-making process, with far-reaching implications for both the financial and non-financial components of our value chain. To gather these valuable insights and understand the material concerns of our stakeholders, we engage with them through various channels to ensure our sustainability activities meets their specific needs and expectations.

<p>Shareholders & Investors</p> 	<p>Investors and shareholders are essential contributors to a company's success, providing crucial capital, influencing its decision-making and sharing in both the risks and rewards of the business.</p>		
	<p>Engagement Platform</p> <ul style="list-style-type: none"> • Annual and Quarterly Reports • Annual General Meeting ("AGM") • Extraordinary General Meeting ("EGM") • Announcements on Bursa Securities • Company Website • Press Release and Coverage 	<p>Areas of Concern</p> <ul style="list-style-type: none"> • Financial Performance • Business Strategies and Directions • Compliance with Regulations • Corporate Governance and Transparency • Ethics and Integrity 	<p>PRG's Response</p> <ul style="list-style-type: none"> • Provide financial performance quarterly and annually. • Communicate business strategies through annual reports and updates. • Maintain clear communication about the Group's compliance efforts and regulatory adherence. • Maintain ethical business practices and implement policies related to Anti-Bribery and Anti-Corruption, the code of conduct and whistleblowing.
<p>Government & Regulators</p> 	<p>The government and regulators are crucial to a company as they provide a legal framework, establish industry standards and enforce regulations, ensuring fair competition, compliance and the overall stability of the business environment.</p>		
	<p>Engagement Platform</p> <ul style="list-style-type: none"> • Emails / Letters • Dialogues with the Authorities • Regulatory Authority-led Workshops and Trainings 	<p>Areas of Concern</p> <ul style="list-style-type: none"> • Compliance with Laws, Regulations, Guidelines and National Policies • Governance Compliance • Occupational Health and Safety 	<p>PRG's Response</p> <ul style="list-style-type: none"> • Establish a compliance management system that involves conducting regular audits and assessments to ensure full compliance with all relevant laws and regulations. • Engage regularly with government agencies to address concerns and build cooperative relationships. • Invest in occupational health and safety programmes, conduct risk assessments and implement preventive measures.

SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY (CONT'D)




Engaging Stakeholders to Drive Excellence (Cont'd)

<p>Employees</p> 	<p>Employees are essential to a company's success, serving as the driving force behind innovation, productivity and the delivery of products or services while also contributing significantly to the company's culture and overall performance.</p>		
	<p>Engagement Platform</p> <ul style="list-style-type: none"> • Appraisal Meetings • Training Programmes • Individual Development Plans • Circulation of Internal Memos • Email Communications • Employee Engagement Activities • Festive Gatherings • Team Building Activities • Meetings with the Management • Weekly Sport Activities 	<p>Areas of Concern</p> <ul style="list-style-type: none"> • Performance and Remuneration • Training and Career Development • Talent Retention • Employee Welfare • Occupational Health and Safety 	<p>PRG's Response</p> <ul style="list-style-type: none"> • Conduct regular salary reviews and provide performance-related bonuses or incentives. • Provided a range of training and development programmes. • Offer a comprehensive remuneration package and address employees' concerns when raised. • Provide a variety of employee benefits and encourage open communication channels for employees to voice their concerns. • Conduct regular safety training sessions and provide necessary safety equipment for work.
<p>Vendors / Suppliers</p> 	<p>Vendors and Suppliers are vital to a company, playing a critical role in the supply chain by providing the necessary goods and services, influencing product quality, production efficiency and overall operational success.</p>		
	<p>Engagement Platform</p> <ul style="list-style-type: none"> • Negotiations with Vendors / Suppliers • Supplier Periodical Performance Evaluation • New Vendor Evaluation and Registration 	<p>Areas of Concern</p> <ul style="list-style-type: none"> • Development of Vendor and Supplier Long-Term Relationship • Stable Quality Supply and On Time Delivery 	<p>PRG's Response</p> <ul style="list-style-type: none"> • Conduct regular communication of business goals and expectations with vendors and suppliers. • Provide feedback and establish clear contractual terms and fair payment practices. • Implement quality control measures to ensure consistent product quality. • Develop a reliable supply chain management system to track and optimise delivery timelines.

SUSTAINABILITY STATEMENT (CONT'D)

PRG'S HOLISTIC APPROACH TO SUSTAINABILITY (CONT'D)

Engaging Stakeholders to Drive Excellence (Cont'd)

<p>Customers</p> 	<p>Customers are paramount to a company's success, as their satisfaction and loyalty drive revenue, market reputation and sustained business growth.</p>		
	<p>Engagement Platform</p> <ul style="list-style-type: none"> • Social Media • Official Website • Launches / Marketing Events • Designated Sales and Marketing Team / Personnel 	<p>Areas of Concern</p> <ul style="list-style-type: none"> • Brand Reputation • Products and Services Quality • Customer Satisfaction • Delivery Schedule • Data Privacy 	<p>PRG's Response</p> <ul style="list-style-type: none"> • Transparently communicate values and sustainability efforts. • Embrace corporate social responsibility initiatives. • Implement stringent quality control measures and provide responsive customer service. • Optimise delivery schedules with an efficient supply chain management system. • Adopt strict data privacy policies and implement robust cybersecurity measures.
<p>Media</p> 	<p>Media is crucial to a company as it shapes public perception, disseminates information and influences brand image, playing a pivotal role in marketing, reputation management and overall corporate communication.</p>		
	<p>Engagement Platform</p> <ul style="list-style-type: none"> • Engagement Sessions and Interviews • AGM and EGM • Press Release and Coverage • Press Conference 	<p>Areas of Concern</p> <ul style="list-style-type: none"> • Company Reputation • Publicity • Business Performance 	<p>PRG's Response</p> <ul style="list-style-type: none"> • Engage with the media through press releases, interviews and updates to highlight the positive aspects of the Group's activities. • Maintain open communication channels with the media, ensuring timely and accurate responses to inquiries. • Regularly release performance updates and strategic plans to keep the media informed about the Group's business trajectory.
<p>Local Communities</p> 	<p>Local communities are essential to a company, serving as key stakeholders whose support and well-being can impact the company's reputation, social license to operate and long-term sustainability.</p>		
	<p>Engagement Platform</p> <ul style="list-style-type: none"> • Community Engagement Programmes • Volunteering Programmes 	<p>Areas of Concern</p> <ul style="list-style-type: none"> • Social Responsibility • Community Development • Environmental Impacts 	<p>PRG's Response</p> <ul style="list-style-type: none"> • Engage with local communities and get involved in community initiatives and charitable projects. • Explore and adopt environmentally sustainable practices such as energy efficient technologies.

IDENTIFYING WHAT IS MATERIAL

The Materiality Assessment Process

Materiality assessments play an integral role in our understanding of the ESG topics significant to the Group and important stakeholders. We undertake materiality assessments to ensure relevance with current sustainability trends, industry advancements and legislative adjustments, and to better discover opportunities and manage risks. Guided by Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), we benchmarked against domestic and global industry leaders, best industry practices and relevant sustainability risks to identify the topics material to us.

1

Phase 1: Identification

13 material sustainability matters were identified based on relevance to PRG and our stakeholders. These considerations encompassed global trends and are streamlined according to Bursa Malaysia's latest reporting requirements.

2

Phase 2: Ranking

Stakeholders completed an online Google Survey Form to rank the material matters in order of importance to the business and to the stakeholders.

3

Phase 3: Prioritisation & Matrix Generation

The responses were collated and analysed to generate a materiality matrix.

4

Phase 4: Validation & Approval

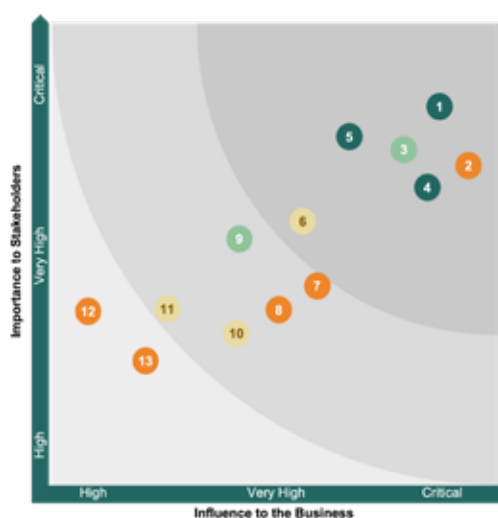
The materiality matrix was presented to the Senior Management for validation and the Board of Directors for approval.

Generating the Materiality Matrix

From analysing the input received via the assessment conducted this year, we determined 13 material matters of significance. They are plotted on a matrix to clearly indicate the relevance of particular matters to our company operations and stakeholders, with the top right segment emphasising the most important.

The top five material matters of importance, according to the matrix, are **Ethical Business Conduct, Occupational Health and Safety, Operational Excellence, Corporate Governance and Risk Management and Data Privacy and Cybersecurity**.

These high priority issues are generally linked to optimal management performance with robust governance that ensures smooth business continuity.



Governing with Integrity

- 1 Ethical Business Conduct
- 4 Corporate Governance and Risk Management
- 5 Data Privacy and Cybersecurity

Upholding Ethical Economic Principles

- 3 Operational Excellence
- 9 Responsible Procurement

Building Value Through Environmental Responsibility

- 6 Energy Efficiency and Climate Resilience
- 10 Waste Management
- 11 Water Management








Empowering People and Communities

- 2 Occupational Health and Safety
- 7 Talent Management
- 8 Labour Standards and Practices
- 12 Community Enrichment
- 13 Diversity and Inclusion

SUSTAINABILITY STATEMENT (CONT'D)

MAPPING OUR MATERIAL SUSTAINABILITY MATTERS

Material sustainability considerations are intrinsically linked across our ESG pillars, key stakeholder groups and UN SDGs. They are pivotal in allowing us to recognise and delve into relevant issues influencing the Group's performance. By acknowledging this interconnectivity, we can strategically align our business practices with ESG principles, fostering a framework that enhances our operational performance, contributes positively to the well-being of our stakeholders as well as reinforce our support of the UN SDGs.

Governing with Integrity			
Material Sustainability Matters	Our Approach	Stakeholders	UN SDGs
Ethical Business Conduct	We ensure adherence to the Group's code of conduct, provide necessary trainings and implement secure whistleblowing reporting channels to address concerns.		
Corporate Governance and Risk Management	We practice transparent communication channels, conduct regular risk identification and mitigation strategies, comply with regulations and strive for improvements in governance and risks management practices.		
Data Privacy and Cybersecurity	We implement strict data privacy policies and procedures, conduct employee trainings and adopt security measures to safeguard our stakeholder's data and privacy.		
Upholding Ethical Economic Principles			
Material Sustainability Matters	Our Approach	Stakeholders	UN SDGs
Responsible Procurement	We explore and adopt sustainable sourcing policies, monitor and improve procurement practices, conduct regular audits and assessments as well as engage with suppliers and vendors to align with evolving sustainability expectations.		
Operational Excellence	We continuously seek advanced technologies, foster a culture of improvement, align our strategies with goals, regularly monitor our performance with key metrics and minimise waste generation and resource consumption to improve overall efficiency.		
Building Value Through Environmental Responsibility			
Material Sustainability Matters	Our Approach	Stakeholders	UN SDGs
Energy Efficiency and Climate Resilience	We aim to minimise our environmental impact and address climate change by enhancing the Group's energy management system and assisting others in transitioning into energy efficient operation.		
Water Consumption	We strive to efficiently manage water consumption throughout our operations by adopting efficient consumption management measures.		
Waste Management	We stay informed about waste management regulations, commit to reducing waste generation through the digitalisation of operations, and implement monitoring systems to track waste generation.		

SUSTAINABILITY STATEMENT (CONT'D)

MAPPING OUR MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Empowering People and Communities			
Material Sustainability Matters	Our Approach	Stakeholders	UN SDGs
Occupational Health and Safety	We implement comprehensive safety policies, involve employees in safety initiatives, provide the necessary equipment and comply with regulations to ensure a safe and healthy workplace environment.		
Labour Practices and Standards	We ensure compliance with labour laws and regulations, promote equal opportunities, offer fair remunerations and establish transparent communication channels with employees.		
Diversity and Inclusion	We implement inclusive hiring practices and promote a diverse and equitable workplace culture through establishing initiatives to ensure fair treatment and respect for all employees.		
Talent Management	We invest in employee development programmes, provide ongoing training and development opportunities for career growth and skill enhancement as well as prioritise employee well-being to attract, retain and develop a diverse and skilled workforce.		
Community Enrichment	We engage in community outreach programmes, contribute to social development projects and practices that positively impact the communities.		
			

ADDRESSING CLIMATE CHANGE

The Financial Stability Board devised the TCFD framework to assist organisations in analysing the risks and opportunities posed by climate change. These recommendations were designed to allow organisations to communicate clear climate-related financial disclosures with their shareholders, ultimately enabling informed decision-making and capital allocation.

To bolster our climate action and better manage climate-related matters and disclosures, PRG plans to adopt TCFD recommendations and its four core elements: Governance, Strategy, Risk Management and Metrics and Targets.

Governance

The Board's strategic oversight on climate-related risks and opportunities at PRG is integral to building a resilient and sustainable business strategy aligned with both environmental responsibility and long-term shareholder value.

Position	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> The Board exercises strategic oversight over the integration of sustainability strategies, policies and initiatives, including climate-related aspects into the business operations. The Board reviews and provides approval for ESG key performance indicators ("KPIs"), encompassing indicators related to climate considerations.
Management Team	<ul style="list-style-type: none"> The SC monitors the implementation of sustainability initiatives and performance, including those that are climate-related. The SC provides recommendations on sustainability initiatives and strategies to the Board, including those that are climate-related.

SUSTAINABILITY STATEMENT (CONT'D)

ADDRESSING CLIMATE CHANGE (CONT'D)

Strategy

The assessment of climate related risks and opportunities is first entrusted to the SC, then subjected to consideration by the Board. Identifying these climate-related factors enables PRG to formulate strategies for adapting to and mitigating future climate events, enhancing the resilience of PRG's business operations.

Type	Potential Risks	Opportunities
Transition Risks	Policy and Legal	
	<ul style="list-style-type: none"> Increased cost incurred from the implementation of carbon tax or other carbon pricing mechanisms. Potential incurred cost from penalties and fines due to the enforcement of regulations for environmental compliance. 	<ul style="list-style-type: none"> Reduction of the Group's reliance on carbon-intensive materials and processes. Implementation of environmental management systems to ensure compliance with environment regulations and industry best practices, preventing the risk of environmental penalties or fines.
	Technology	
	<ul style="list-style-type: none"> Potential incurred cost due to difficulties in the adoption of new technology and new low-carbon alternatives. 	<ul style="list-style-type: none"> Long-term cost and resource savings upon successful implementation of new technology and low-carbon alternatives.
	Market	
Physical Risks	<ul style="list-style-type: none"> Decreased revenue and reduced demands for products due to evolving customer preferences, trends and market demands. 	<ul style="list-style-type: none"> Opportunity for innovation and strategic shifts into sustainable products and affordable housing solutions.
	Supply Chain	
	<ul style="list-style-type: none"> Disruption in operational efficiency due to suppliers' difficulty in adapting to evolving environmental standards. 	<ul style="list-style-type: none"> Opportunity to foster partnerships with suppliers committed to environmental standards, through encouraging and supporting their transition to sustainable practices.
Physical Risks	Acute	
	<ul style="list-style-type: none"> Damages in assets or disruptions in value chain due to extreme weather events such as flooding and heat waves. 	<ul style="list-style-type: none"> Opportunity to invest in resilient infrastructure, materials, processes or technology that can withstand and mitigate the impact of extreme weather events.
Physical Risks	Chronic	
	<ul style="list-style-type: none"> Increased cost and decreased revenue due to long-term disruptions in the Group's operations caused by potential enduring effects such as extreme variability in weather patterns. 	<ul style="list-style-type: none"> Opportunity to implement measures or strategies that enhance business resilience and infrastructure improvements.

SUSTAINABILITY STATEMENT (CONT'D)

ADDRESSING CLIMATE CHANGE (CONT'D)

Risk Management

To mitigate potential financial implications, we outlined our objectives and actions which involve integrating processes for identifying, assessing and managing climate-related risks into our risk management framework.

Risk Management	Description
Identification of Climate Risks	<ul style="list-style-type: none">Quarterly review of business risks is conducted and potential climate-related risks are identified by the Risk Management Team (“RMT”) through the Risk Management Framework.
Assessment of Climate Risks	<ul style="list-style-type: none">The identified climate risks will be evaluated and assessed by the RMT based on their likelihood of occurrence and the impact on the business.The Audit and Risk Management Committee (“ARMC”) reviews the risks reported by the RMT on a quarterly basis.
Management of Climate Risks	<ul style="list-style-type: none">Effective controls and risk-mitigating action plans will be developed and implemented to address the identified risks.The RMT will monitor the outcomes of the implemented controls and action plans, reassess the risks, and formulate new mitigating strategies if necessary.The ARMC reviews the assessment reports related to the effectiveness of the internal control function and risk management process.

Metrics and Targets

To quantify our progress in managing climate-related risks, we established metrics and targets that serve to accurately evaluate our sustainability efforts. These involve measuring our carbon emissions, waste, energy and water consumptions, expressing carbon emissions in tCO₂e, electricity usage in kWh, water consumption in m³ and waste generation in tonnes. We track and disclose our GHG emissions under Scope 1 and Scope 2, and will be initiating Scope 3 in the upcoming year. Additional details regarding our management approach and performance data can be found under the section “Energy Efficiency and Climate Resilience”, page 63-65.

GOVERNING WITH INTEGRITY

In our commitment to sustainable business practices, PRG recognises the importance of good governance as the cornerstone of our diverse operations. Upholding the highest standards of ethical conduct and transparency, we strive to integrate ESG considerations into our decision-making process across our divisions, fostering responsible practices that positively impact our stakeholders and the communities we serve.

Material Sustainability Matters

- Ethical Business Conduct
- Corporate Governance and Risk Management
- Data Privacy and Cybersecurity

Our Stakeholders

Sustainability Highlights in FY2023


ZERO reported incidents of bribery and corruption



ZERO complaints concerning breaches of customer privacy and losses of customer data

Contribution to the UN SDGs

Ethical Business Conduct

Striving to instil the highest standards of effective corporate governance, PRG adheres to the Code of Conduct (“the Code”), firmly anchoring our business on the principles of ethical behaviour and strong governance, ensuring such values are embedded into our operations.

Our Approach

We maintain high ethical standards through a series of operating manuals and handbooks, including the Code of Conduct (“the Code”) which outlines guidelines and principles for expected behaviours, ethical standards and employee responsibilities. To foster a culture of integrity, we prioritise regular training sessions on our Code of Conduct for all employees, ensuring thorough understanding of our ethical principles as they apply to their day-to-day responsibilities.

Upon joining the company, each employee receives a comprehensive employee handbook, readily accessible on our company server. This handbook serves as a practical guide, offering insights into our organisational values, policies and procedures.

Corporate Governance and Risk Management

As a responsible corporate entity, PRG endeavours to comply with all relevant laws and regulations governing our operations, in line with the Malaysia Code on Corporate Governance (“MCCG”).

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNING WITH INTEGRITY (CONT'D)

Corporate Governance and Risk Management (Cont'd)

Our Approach

The Group established several policies to foster good governance and promote ethical business practices.

PRG's Policies	Description
Anti-Bribery and Corruption Policy	Essential for safeguarding the Group's legal standing, reputation and ethical integrity. It is a proactive measure to prevent bribery and corruption, fostering a culture of honesty and transparency among Board members, employees and business associates.
Whistle Blowing Policy and Guidelines	Establishes a structured mechanism for employees and stakeholders to report instances of unethical, illegal or unsafe behaviour within the Group. In this regard, the procedure facilitates early detection, allowing the Group to address concerns before they escalate and potentially lead to significant issues.
Occupational Safety and Health Policy	Outlines the Group's efforts in managing occupational health and safety risks within the Group. This policy includes legal compliance, risk management, employee well-being and specific measures to ensure the prevention of workplace injuries, illnesses and accidents.
Diversity and Inclusion Policy	A formalised framework within the Group that outlines our stance on promoting diversity and fostering an inclusive workplace culture. Hence, the policy addresses various dimensions of diversity, sets clear expectations for fair treatment, equal opportunities and the prevention of discriminatory practices.
Director's Fit and Proper Policy	Describes the criteria established to assess the suitability, integrity and competence of potential candidates for appointment to the Board of Directors. This policy outlines the qualifications, experience and ethical standards that directors are expected to meet to ensure they are fit and proper to fulfil their roles.

Anti-corruption training is integral to the establishment of an ethical and law-abiding workplace. To enhance understanding of corruption and its consequences, we provide Anti-Bribery and Anti-Corruption ("ABAC") training to uphold a corruption-free culture. Additionally, we offer a clear explanation of our whistle-blower reporting procedures, ensuring that our employees are well-acquainted with the process.

Group Risk Assessment Framework

We strive to safeguard both our employees and the Group from unforeseen risks that could potentially impact our business and reputation. In pursuit of this objective, PRG has established a robust risk management framework to identify and mitigate risks, leading to reduced expenses and enhanced business reputation.

The key elements of PRG's risk management framework are listed as below.

Risk Identification

The Risk Management Team ("RMT") conducts quarterly reviews to identify new risks and assess the relevance of existing risks to the Group's objectives. In the event of an unforeseen situation that significantly impacts the business environment, we promptly initiate a comprehensive risk review process.

Risk Evaluation and Mitigation

Risks categorised as strategic, operational, credit, finance/account and Information Technology ("IT") are evaluated by the RMT. Effective controls and mitigation action plans are developed and implemented to address identified risks.

Monitoring and Review

The RMT continually monitors the progress of our action plans and periodically reviews business risks. If desired results are not achieved, the team re-evaluates risks and devises new mitigation strategies.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNING WITH INTEGRITY (CONT'D)**Corporate Governance and Risk Management (Cont'd)****Our Approach (Cont'd)**Group Risk Assessment Framework (Cont'd)

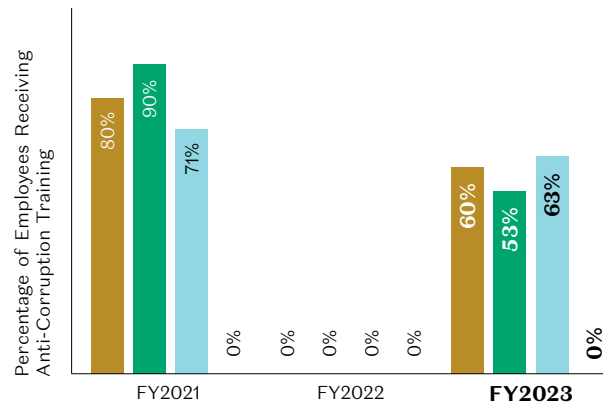
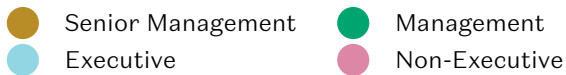
PRG's Risk Management Structure includes the Board, supported by the ARMC which in turn is assisted by the RMT. The Group's Internal Audit Function regularly reviews the business processes of all business segments, offering recommendations for enhancing effective risk management, controls and governance processes.

Risk management reviews occur quarterly and the RMT reports significant risks in key areas to the ARMC and the Board during these quarterly meetings. The internal auditors independently assess the adequacy of operational risk management processes and report their findings to the ARMC.

Our Performance

In FY2023, anti-corruption training was provided to 60% of senior management, 53% of management and 63% of executives. We are pleased to report that this ABAC training resulted in zero documented instances of corruption in FY2023.

Additionally, 100% of PRC's operations were assessed for corruption-related risks through our risk management assessment.



	FY2021	FY2022	FY2023
Number of bribery and corruption incidents	0	0	0
Percentage of operations assessed for corruption-related risks	100%	100%	100%

**Our Achievement**

Zero Reported Cases of Whistleblowing,
Corruption and Bribery

Data Privacy and Cybersecurity

The rapid growth of digital technology has spurred innovation within organisations while exposing them to increasingly sophisticated cybercrime attacks. As we navigate the ever-changing technological landscape, it is imperative to protect the privacy of our data and uphold the integrity of our systems.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNING WITH INTEGRITY (CONT'D)

Data Privacy and Cybersecurity (Cont'd)

Our Approach

The Group prioritises the responsible collection, utilisation and management of personal data across all our operations. This is achieved through various measures:

1

Compliant Data Privacy Measures:

Our data privacy measures adhere to the Personal Data Protection Act ("PDPA") 2010, ensuring comprehensive data protection.

2

Robust Information Management System:

We have established an information management system policy to proactively mitigate security risks and manage data effectively.

3

Clear Data Classification and Access Control:

Data within the Group is classified into different levels (public, internal or restricted) based on confidentiality. This guides employee access and usage, restricting sensitive information to authorised personnel.

4

Cybersecurity Awareness and Vigilance:

We emphasise the importance of vigilance in addressing cyber threats. Through ongoing training and awareness programmes, we cultivate a vigilant workforce equipped to detect and report potential cybersecurity risks, further strengthening our defences.

Our Performance

In FY2023, our Group reported no complaints regarding infringements of customer privacy or data loss.



Our Achievement

Zero Reported Cases of Customer
Privacy Breaches and Data Losses

SUSTAINABILITY STATEMENT (CONT'D)

UPHOLDING ETHICAL ECONOMIC PRINCIPLES

Conventional models often prioritise short-term gains over long-term sustainability, leading to environmental degradations and social inequities. At PRG, we believe that economic growth, environmental responsibility and social considerations are not mutually exclusive, but rather synergistic forces. By championing sustainability, we embark on a journey where economic progress harmonises with responsible stewardship, laying the foundation for a resilient and thriving future.

Material Sustainability Matters

- Responsible Procurement
- Operational Excellence

Our Stakeholders

Sustainability Highlights in FY2023


Established an ESG evaluation checklist for supplier assessment

Contribution to the UN SDGs

Responsible Procurement

Responsible procurement is integral to sustainable strategies, encompassing ESG considerations. We actively seek suppliers who share our goals of ethical sourcing, environmental stewardship and fair labour practices. Partnering with like-minded businesses allows us to share best practices, encourage responsible practices across the industry, ensure supply chain integrity and minimise our environmental footprint.

Our Approach

Driven by transparency, fairness and continuous improvement, we implemented a rigorous supplier management process. In FY2023, we strengthened this process by establishing our new supplier ESG checklist, focusing on aspects of governance, social and environment to assess potential partners. The following flowchart defines our comprehensive approach to selecting, evaluating and collaborating with suppliers who align with our principles and vision for excellence. It ensures we procure from reliable partners who meet our stringent requirements, uphold ethical standards and contribute to a sustainable supply chain.

SUSTAINABILITY STATEMENT (CONT'D)

UPHOLDING ETHICAL ECONOMIC PRINCIPLES (CONT'D)

Responsible Procurement (Cont'd)

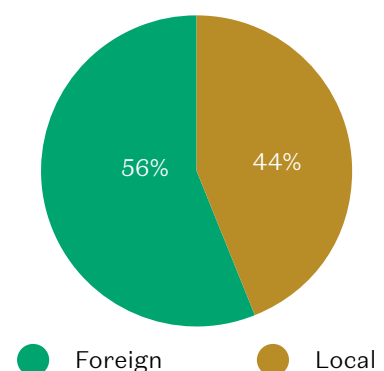
Our Approach (Cont'd)



Our Performance

The major contribution to procurement comes from the Manufacturing Division at PRG. This year, PRG directed 44% of the procurement budget to local suppliers and 56% to foreign suppliers.

Percentage of Procurement Budget on Local and Foreign Suppliers



SUSTAINABILITY STATEMENT (CONT'D)

UPHOLDING ETHICAL ECONOMIC PRINCIPLES (CONT'D)

Operational Excellence

Operational excellence is a key driving factor of our capacity to meet customer demands, maintain competitiveness and foster sustainable growth. Beyond efficiency, it embodies a commitment to continuous improvement. Embracing this philosophy, we consistently delve into innovative technologies and processes aimed at diminishing resource consumption, minimising waste and optimising energy utilisation. Our efforts translate into cost savings and fortifies our resilience to environmental challenges.

Our Approach

Within our Group's manufacturing division, we practise lean manufacturing principles to minimise waste and optimise resource consumption, allowing us to generate value-oriented products responsibly.

Quality Management

At PRG, we uphold the belief that the pursuit of sustainability is inseparable from our commitment to product responsibility. In this section, we delve into our endeavours to deliver products that meet the highest standards of quality while exemplifying our environmental and social responsibility.

Our Approach

Recognising that the reliable delivery of high-quality products is crucial for the Group's prosperity, we implemented stringent quality control protocols throughout the entire production cycle. In addition, we constantly work towards complying to local and global standards for product certifications.

Our Performance

Our Group is recognised by numerous awards and certifications, assuring that our diverse range of products are safe and high-quality.

- GB/T19001-2016/ISO 9001:2015: Quality management system
- GB/T24001-2016/ISO 14001:2015: Environmental management system
- IATF 16949:2016: Automotive quality management system
- Oeko-Tex® Standard 100 Product Class I & II: Textiles free from harmful substances
- ISO 13485:2016: Medical device quality management system
- BRC Global Standard for Packing Materials Issue 6: Packaging safety and quality

The Oeko-Tex® Standard 100 in our manufacturing division serves as the gold standard for safety. We meticulously adhere to its strict testing and verification procedures, ensuring every stage of production, from raw materials to finished products, is free from harmful substances.

SUSTAINABILITY STATEMENT (CONT'D)

UPHOLDING ETHICAL ECONOMIC PRINCIPLES (CONT'D)

Operational Excellence (Cont'd)

Our Approach (Cont'd)

Customer Satisfaction

Customer satisfaction is a fundamental driver of success and growth, especially in the manufacturing and property divisions, impacting everything from revenue, reputation and long-term sustainability. Customer feedback provides valuable insights into areas that need improvement, leading to product enhancements in goods manufacturing and better property management practices for our property division.

Our Approach

Customer satisfaction and feedback enable us to better understand various aspects of our operations, customers and market while providing valuable insights into the needs and expectations of customers. At PRG, it is important for us to proactively resolve issues across our varied business sectors. Hence, we established a dedicated customer service team responsible for managing and addressing customer complaints.



“Operational excellence is a key driving factor of our capacity to meet customer demands, maintain competitiveness and foster sustainable growth.”

BUILDING VALUE THROUGH ENVIRONMENTAL RESPONSIBILITY

Global environmental issues like water shortages, waste production and the progression of climate change are rapidly gaining momentum. Understanding the interconnected nature of these challenges and the possible ecological impacts of our activities, PRG is working towards enhancing our climate risk management through tangible initiatives.

Material Sustainability Matters

- Energy Efficiency and Climate Resilience
- Water Consumption
- Waste Management

Our Stakeholders**Sustainability Highlights in FY2023**

- Commenced Scope 1 and Scope 2 GHG emissions monitoring
- Achieved 2% reduction for electricity consumption

Contribution to the UN SDGs**Energy Efficiency and Climate Resilience**

Amidst the global surge in energy demand, concerns such as economic instability and the overarching challenge of climate change become more pronounced, necessitating an imperative to address this issue. In alignment with the global goals outlined in the Paris Agreement, PRG actively works to find equilibrium between our energy use along with curbing our carbon footprint across the Group's diverse operations. This underscores our proactive stance in contributing to a sustainable and low-carbon future.

Our ApproachEnergy Consumption

The Group utilises both primary and secondary energy sources in our daily activities. Our manufacturing division relies on natural gas, petrol and diesel as the primary sources of energy to generate electricity and power the steam boilers. Additionally, a substantial portion of PRG's total energy consumption and operational expenses is attributed to purchased electricity which falls under the indirect energy category.

GHG Emissions

This year, the Group initiated the tracking and monitoring of Scope 1¹ and Scope 2² GHG emissions, aimed at gaining a deeper understanding of our environmental impact, given the diverse nature of our operations across various sectors. Looking ahead, we aspire to expand our emissions monitoring by incorporating Scope 3 in the coming year, enabling a more comprehensive assessment of our carbon footprint and further elevate the effectiveness of our sustainability disclosures.

Our PerformanceTotal Energy Consumption

In FY2023, the Group's total energy consumption reached 31,191 GJ. While we observed a slight decrease of 0.4% compared to FY2022, we are actively taking steps to reduce our carbon footprint.

SUSTAINABILITY STATEMENT (CONT'D)

BUILDING VALUE THROUGH ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Energy Efficiency and Climate Resilience (Cont'd)

Our Performance (Cont'd)

Fuel Consumption

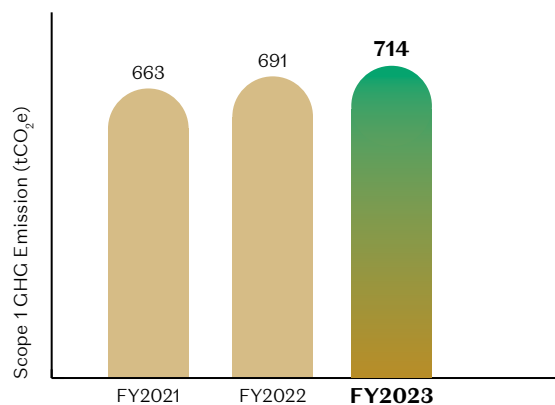
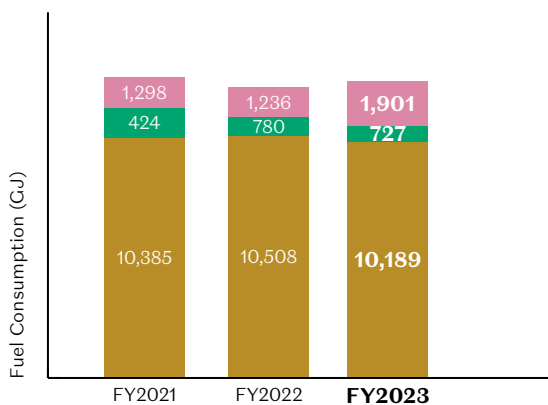
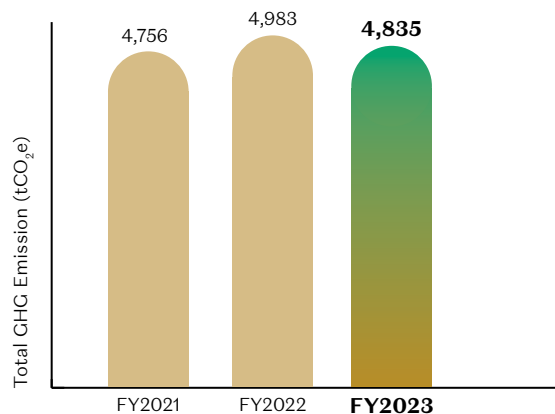
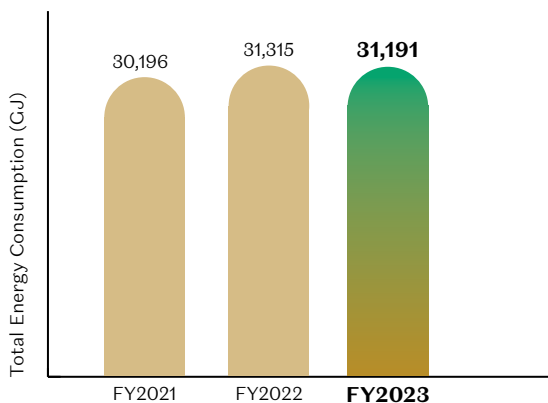
Boilers play an essential role within our manufacturing division, making it the primary energy consumer. This year, the recorded total consumption of natural gas, petrol and diesel across our operations amounted to 10,189 GJ, 727 GJ and 1,901 GJ, respectively. Natural gas consumption decreased by 3% while petrol consumption decreased by 7%. Meanwhile, petrol consumption increased by 54% compared to the previous year.

Electricity Consumption

The Group reported a total of 5,104,096 kWh electricity consumed in FY2023. We are pleased to report a 2% reduction in electricity consumption compared to FY2022.

GHG Emissions

PRG recorded a total of 4,835 tCO₂e GHG emissions FY2023, with Scope 1 contributing to 15% of the total and Scope 2 contributing 85%. In FY2023, we recorded a 3% decrease in the total GHG emission.



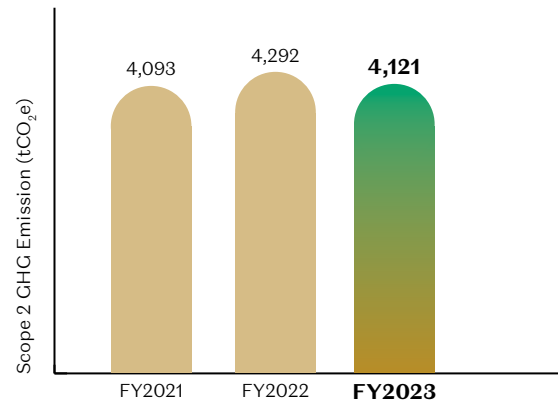
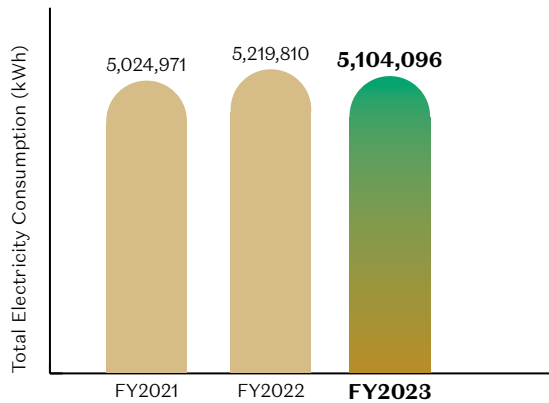
● Natural Gas ● Petrol ● Diesel

SUSTAINABILITY STATEMENT (CONT'D)

BUILDING VALUE THROUGH ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Energy Efficiency and Climate Resilience (Cont'd)

Our Performance (Cont'd)



¹ Emissions resulting from the direct combustion of carbon-based fuel sources, such as natural gas, diesel or petrol. Scope 1 was calculated using emissions factors from the UK Government GHG Conversion Factors for Company Reporting 2023.

² Emissions resulting from the purchase of grid electricity, generated in part from the combustion of carbon fuels, such as coal or natural gas. The emission factor from the 2021 CDM Electricity Baseline for Malaysia by the Malaysian Green Technology Corporation was used to calculate Scope 2 emissions.

In our Energy Efficiency Division, we successfully executed energy-conserving projects at Changi Airport Group, Frasers Property and ION Orchard, emphasising innovative approaches to optimise energy consumption.

Changi Airport Group	Project Description <ul style="list-style-type: none"> Upgraded airside with 14 new Air Handling Stations, 7 new Air Handling Units (AHUs) and a new control system Upgraded the chiller plant with 4 new chillers, pumps, cooling towers and a new control system
	Innovative Approaches <ul style="list-style-type: none"> Implemented a new Airside Management System (AMS) and Chiller Management System (CMS) with advanced fault detection and diagnostic capabilities, designed to save energy, reduce manpower requirements and enhance reliability
	Energy Efficiency Improvement <ul style="list-style-type: none"> Achieved a 41.6% reduction in Tier 2 air-conditioning energy consumption Annual energy savings of 21 million kWh

SUSTAINABILITY STATEMENT (CONT'D)

BUILDING VALUE THROUGH ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Energy Efficiency and Climate Resilience (Cont'd)

Our Performance (Cont'd)

ION Orchard	Project Description <ul style="list-style-type: none">Upgraded the Air Handling Units (AHUs) and Precision Air Handling Units (PAHUs)Replaced existing 6 AHUs and 7 PAHUs with high-efficiency Electronically Commutated (EC) fan type units
	Innovative Approaches <ul style="list-style-type: none">Installed a new Airside Management System (AMS) with aggregated network architecture designOptimised AHU/PAHU fan speed control
	Energy Efficiency Improvement <ul style="list-style-type: none">Energy efficiency improved from 0.22 kW/RT to 0.15 kW/RT
Fraser's Property	Project Description <ul style="list-style-type: none">Upgraded the chiller plant by replacing the chillers and cooling towersConverted 40 units of water-cooled packaged unit (WCPU) to chilled water fan coil unit (FCU)
	Innovative Approaches <ul style="list-style-type: none">Implemented a new Chiller Management System (CMS) with a condition monitoring system
	Energy Efficiency Improvement <ul style="list-style-type: none">Energy efficiency improved from 0.831 kW/RT to 0.54 kW/RT

Water Consumption

Responsible water management transcends financial imperative, embodying an environmental and ethical obligation to address the growing water scarcity concern. Due to our presence within Southeast Asia, we recognise our global footprint places us in a unique position to address this pervasive challenge. As part of our pursuit towards environmental stewardship, we are dedicated to implementing effective initiatives aimed at conserving this precious resource.

Our Approach

PRG proactively explores and implements effective water conservation initiatives throughout our operations to optimise our water usage and minimise waste. By regularly inspecting and maintaining infrastructure like taps, pipes and storage systems, we minimise leaks and inefficiencies. We also encourage a water-conscious culture by reducing reliance on bottled water in meeting rooms. To uphold transparency and accountability in our water management efforts, we plan to track the impact of these initiatives, sharing progress, observations and improvement measures with our stakeholders. By prioritising water conservation, we endeavour to be responsible stewards of this essential resource in contribution to a more sustainable future.

SUSTAINABILITY STATEMENT (CONT'D)

BUILDING VALUE THROUGH ENVIRONMENTAL RESPONSIBILITY (CONT'D)

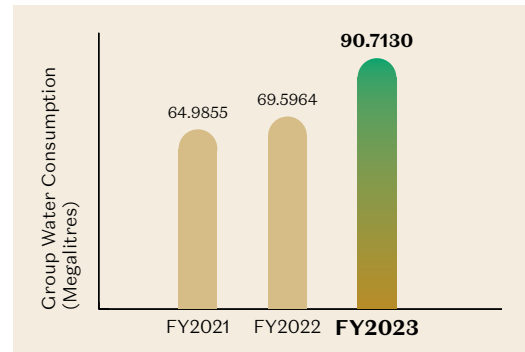
Water Consumption (Cont'd)

Our Performance

In FY2023, we consumed a total of 90.713 megalitres of water within our operations, with the manufacturing division being the main contributor.

Note:

1. Water consumption data excludes corporate office due to data limitations.



Waste Management

Waste is an inevitable by-product of any form of operational activity, and its efficient management is crucial to prevent environmental pollution. This holds especially true for PRG, whose diverse portfolio generates an equally varied spectrum of waste material across multiple countries. As stewards of sustainability, we work to optimise our waste management procedures and reduce our environmental footprint.

Our Approach

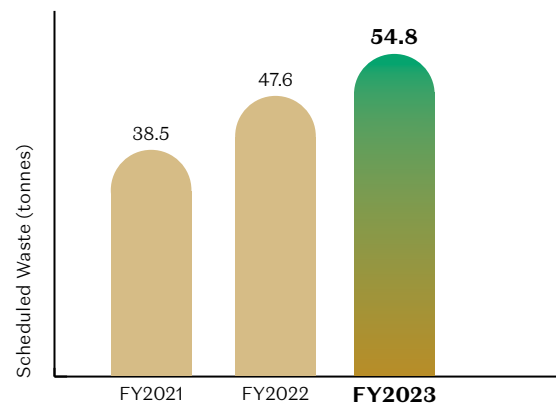
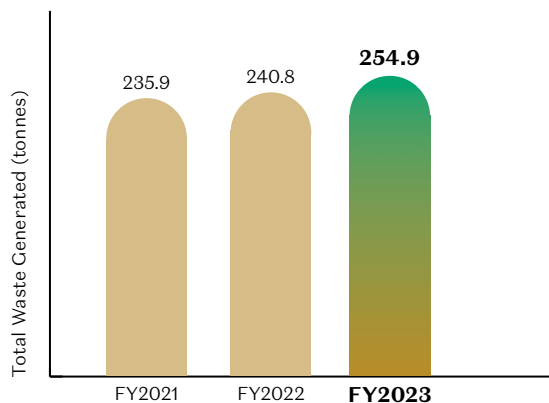
We recognise that our processes generate both scheduled waste, such as waste oil and chemically contaminated containers, and non-scheduled waste including wastewater from dyeing and solid waste.

Stringent compliance to environmental laws and regulations is paramount at PRG. We ensure adherence to the Environmental Quality Act of 1974 in Malaysia and the Law on Environmental Protection of 2020 in Vietnam which form the basis of our waste management practices, ensuring responsible disposal and treatment throughout our operations.

PRG is in the midst of transitioning to a digitalised operational model to minimise paper consumption. Embracing digital transformation also provides a number of advantages including heightened productivity and decreased expenses, with a focus on environmental sustainability as we shift from conventional, paper-dependant procedures to digital processes.

Across our operations, we collaborate with licensed contractors who adhere to Department of Environment (“DOE”) Malaysia regulations to guarantee proper collection, transportation and disposal of production waste generated in our businesses.

Our Performance

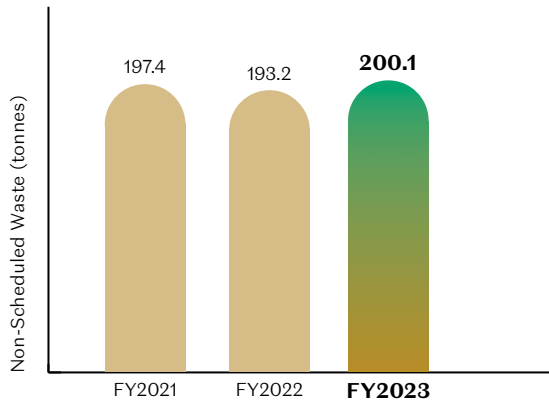


SUSTAINABILITY STATEMENT (CONT'D)

BUILDING VALUE THROUGH ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Waste Management (Cont'd)

Our Performance (Cont'd)



Note:

1. Scheduled waste data is limited to Manufacturing Division only.
2. Non-scheduled waste data excludes Property Development and Construction Division.

Scheduled Waste

PRG generated a total of 54.8 tonnes of scheduled waste in FY2023, showing a 15% increase compared to FY2022.

Non-Scheduled Waste

In FY2023, we generated 200.1 tonnes of non-scheduled waste, primarily comprised of production waste from our manufacturing division and paper waste from administrative activities, representing a 4% increase as compared to the previous year. We are taking steps to explore recycling and resource recovery options for specific waste streams to further reduce our environmental footprint in future years.

“ PRG proactively explores and implements effective water conservation initiatives throughout our operations to optimise our water usage and minimise waste.”

“ PRG is in the midst of transitioning to a digitalised operational model to minimise paper consumption.”

EMPOWERING PEOPLE AND COMMUNITIES

Sustainability encompasses more than the environment; it includes the well-being of our people, communities, and the broader society. As advocates of social responsibility in all forms, we embrace initiatives that foster conducive working environments, empower our employees, engage with the diverse communities we are a part of and uphold excellence in supply chain management.

Material Sustainability Matters

- Occupational Health and Safety
- Labour Practices and Standards
- Diversity and Inclusion
- Talent Management
- Community Enrichment

Our Stakeholders



Sustainability Highlights in FY2023

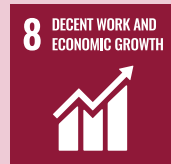


ZERO reported cases of human rights violation and whistleblowing



ZERO reported cases of workplace harassment and discrimination

Contribution to the UN SDGs



Occupational Health and Safety

An environment that is free from preventable risks is important for the safety and well-being of our employees. Prioritising the physical well-being and overall wellness of our workforce not only establishes a foundation for productivity but also ensures sustainable business operations. At PRC, we have implemented systematic safety protocols, structured training programmes and fostered a culture of proactive risk management to uphold the highest standards of workplace safety.

Our Approach

The Group fully complies with applicable laws and regulations, such as the Occupational Safety and Health Act 1994 (Act 514) and the ISO 45001:2018 Occupational Health and Safety Management System. To fortify health and safety standards across our production facilities and construction sites, we implemented a group-wide Occupational Safety and Health Policy that outlines stringent safety measures that we expect our workforce to adhere to. For new employees, on-the-job health and safety training is provided while ongoing training is conducted for existing employees.

Additionally, PRC regularly publishes safety bulletins, actively promotes and discusses them to instil a deep understanding of the importance of safety in every aspect of our work, ensuring that employees are well-informed about guidelines, rules and procedures.

SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Occupational Health and Safety (Cont'd)

Our Approach (Cont'd)

Manufacturing & Construction Division

Employee safety is particularly important in our Manufacturing & Construction Division as detailed in the following key initiatives:

- **Occupational Safety and Health Committee (“OSHC”):** A designated OSHC actively oversees the health and safety of the workplace environment. In this regard, the committee regularly reviews potential risks, analyses accidents and implements effective remedial actions to prevent future incidents.
- **Comprehensive personal protective equipment (“PPE”) Programme:** The Group equips every employee with proper PPE based on their specific roles and the potential hazards they may encounter. This includes items such as ear protection, goggles, respirators, masks, gloves, boots, insulated shoes, safety belts and more.
- **Emergency Preparedness:** Recognising the importance of preparing for unforeseen circumstances, the division established an Emergency Response Team under the OSHC’s purview. Hence, the team receives regular training on fire safety, first aid, CPR and other crucial skills to ensure they can respond efficiently and effectively in case of emergencies.

Construction Division

Additionally, an internal Occupational Health and Safety (“OHS”) management system, derived from OHSAS 18001 was established to maintain stringent health and safety standards throughout our operations.

The Safety and Health Committee (“SHC”) is fundamental to our Occupational Health and Safety (“OHS”) efforts, ensuring we uphold the highest standards. The SHC convenes regularly, holding meetings at respective sites.

PRG Holdings Berhad Safety and Health Committee

Chairman
(Project Manager)

Secretary
(Safety Officer)

Committee Members
(Sub-contractors)

Roles and responsibilities:

- Attending all OHS committee meetings
- Contributing to OHS enhancements
- Promoting safety and health
- Investigating accidents and dangerous occurrences
- Identifying hazardous work conditions
- Ensuring employee cooperation
- Implementing safety and health practices

The Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) conducted in FY2023 identified significant workplace hazards such as working at height, excavation, scaffolding and lifting. To address these issues, we took proactive measures including the installation of barricades for open edges.

SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Occupational Health and Safety (Cont'd)

Our Approach (Cont'd)

We encourage immediate reporting of any workplace accident, identified case of occupational disease or health and safety incident to the Human Resources department. Our team is trained to offer support and guidance throughout the reporting process and ensure appropriate actions are taken.

For certain incidents such as industrial accidents or accidental pollutant spills, we comply with local labour and environmental regulations by reporting them to the relevant government authorities. PRG cooperates fully with all investigations and strives to maintain transparent communication throughout the process.

Our Performance

In FY2023, a total of 393 employees underwent health and safety training programmes.

Programme Title	Purpose of Training	No. of Attendees
First Aid, Cardiopulmonary Resuscitation ("CPR") & Automated External Defibrillator ("AED") Training	To impart the knowledge and skills needed to respond effectively in emergency situations	18
Fire and Rescue Team ("ERT") Training	To impart the knowledge and skills needed to respond effectively in emergency situations	80
Fire & Emergency Response / Evacuation Plan	Raise fire hazards, proper use of fire extinguishers and evacuation plans awareness	59
Machinery Safety - Boiler	To provide insights and deeper understanding through the analysis of accidents to raise awareness of causes and implications.	1
OSH Coordinator Trained Person	To train employee to be an Occupational Safety and Health ("OSH") Coordinator	1
Face Mask	Best Practices for COVID-19	23
Managing Work at Height	To ensure employees can safely and competently work at heights	32
Safety Handling Scaffold	Educates employees on safety protocols for handling scaffolds	32
Hand Injury Incident	Provides an overview of hand injury incidents, including types, causes, and preventive measures in the workplace	19
Passenger Hoist Operator Training	Educates employees on the safe operation of passenger hoists	3
Signalman Training	Educates employees on how to effectively signal crane operators during lifting operations	11
Rigging & Slings training	Educates employees on the proper techniques for safely lifting heavy loads using rigging equipment	11
Personal Protective Equipment ("PPE") - Body Harness Training	Educates employees on how to properly use a body harness as part of their PPE	103
Total		393

SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Occupational Health and Safety (Cont'd)

Our Performance (Cont'd)

In FY2023, we accumulated a total of 2,115,437 working hours, during which 3 cases of work-related injuries were reported, resulting in a Lost Time Injury Rate ("LTIR") of 0.28. Moving forward, the Group plans to increase efforts towards ensuring a lower LTIR.

Information	FY2021	FY2022	FY2023
Total number of hours worked	1,304,148	1,542,313	2,115,437
Number of fatalities as a result of work-related injury	0	0	0
Number of recordable work-related injuries	1	3	3
Lost Time Injury Rate ("LTIR")	0.15	0.39	0.28

Labour Practices and Standards

PRG's central objective is to foster a workplace environment that values and empowers our workforce to contribute their unique talents, inspiring excellence beyond expectations. In support of these goals, we consistently uphold the highest ethical standards in our employment practices, ensuring fair wages, equitable treatment and uphold respect for human rights across our entire value chain.

Our Approach

Operating with the utmost ethical standards, we adhere to all relevant labour laws and regulations including the Employment Act 1955 and the Minimum Wages Order 2022. In our commitment to transparency and fostering mutual trust with our employees, we make our human resource policies readily accessible to all members of our workforce, including contractors, facilitating their understanding of their rights, responsibilities and encouraging open communication.

In addition, we conduct training sessions for all new employees during their induction. We ensure that our employees are well-informed about their rights and responsibilities through regular updates on policies and procedures related to labour rights, employee rights and human rights through email communications.

With regards to fair and competitive compensation, we offer our employees competitive salaries, incentive programmes and comprehensive benefits packages that reflect the value they bring to the Group. These benefits include health insurance, leave entitlements and retirement plans, ensuring that our employees feel supported throughout their careers.

We also recognise that strong team spirit and employee engagement are crucial for driving productivity and innovation. Therefore, the Group organises regular team-building events, social gatherings and celebrations to foster a sense of camaraderie among our employees, improving communication and creating a more collaborative work environment.

PRG has a zero-tolerance stance against discrimination or harassment, and established clear policies and procedures to decisively address any concerns effectively, guaranteeing a respectful and inclusive workplace environment.

Our Performance

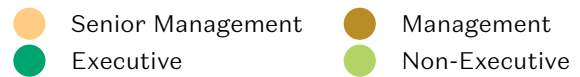
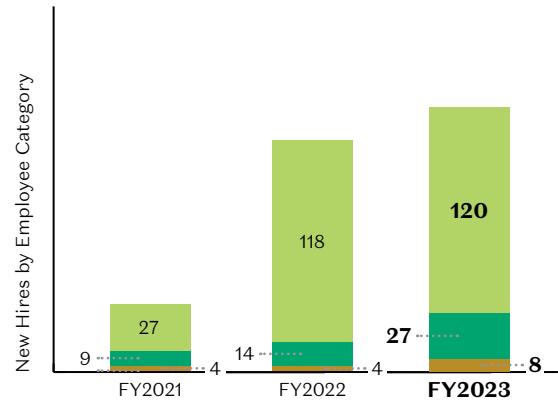
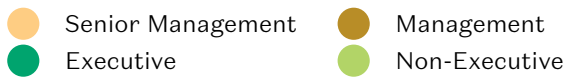
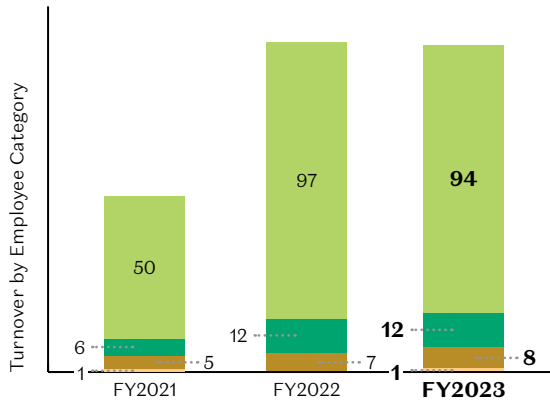
This year, PRG welcomed a total of 155 employees and recorded a total turnover of 115 employees.

SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Labour Practices and Standards (Cont'd)

Our Performance (Cont'd)



We implemented a diverse array of employee engagement programmes that serve as platforms for active participation, sharing perspectives and contributing to the ongoing improvement of our work environment. Through these programmes, PRG aims to cultivate a collaborative culture characterised by open communication and mutual understanding among our employees, promoting a fulfilling workplace experience.

Entity / Subsidiary	Name of Programme	Brief Description
PRG Holdings Berhad	CNY Open House and Office Opening	For a New Office Opening in 2023 & CNY Celebration
	Buka Puasa Dinner	Buka Puasa Dinner
Measurement & Verification Pte. Ltd.	Regular Monthly Head of Department Meeting	Discussion on Departmental Issues, Productivity and Business Directions
	Regular Monthly Sales Meeting	Sales Pipeline Review, Tender Discussions and Sales-related Matters
	Townhall Meeting December 2023	Company Performance for 2023 and Briefing on 360 Performance Appraisal
	Townhall Meeting June 2023	Staff Productivity Assessment
	Townhall Meeting March 2023	Employee Share Option Scheme (ESOS) Announcement
	Townhall Meeting January 2023	Appraisal, Bonus, Increment and Company Performance for 2022
	Annual Bonding Trip	Bonding Trip to Sentosa Van Gogh Exhibition and Barbeque Session at Chevrons Chalet
Furniweb Manufacturing Sdn. Bhd. & Furniweb Safety Webbing Sdn. Bhd.	Hari Raya Lunch Together	Celebration of Hari Raya Festival
	Weekly Badminton Session	Weekly Activity for Staff Wellbeing

SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Labour Practices and Standard (Cont'd)

Our Performance (Cont'd)

Our commitment to employee rights resulted in zero recorded instances of non-compliance incidents. Furthermore, there have been no documented cases of human rights violations over the past three years.



Diversity and Inclusion

Understanding that our collective strength thrives on the diversity of perspectives and experiences, PRG believes in embracing diversity in all its forms. We actively cultivate an inclusive culture where everyone feels truly valued and respected. This extends beyond our immediate workforce as we strive to foster collaborations with diverse suppliers and partners. By amplifying the variety of voices, we spark innovation, drive better decision-making and enrich the communities we serve.

Our Approach

To promote diversity and inclusion within the Group, PRG instituted a Diversity and Inclusion Policy which serves to nurture a workplace characterised by respect and dignity for every individual, irrespective of their background. Our active promotion of diversity extends to our recruitment practices, where we conscientiously identify individuals based on the merit of their skills, experience and potential, ensuring fair hiring practices. The basis of salary remuneration for employees is determined based on the salary scale and job grade, ensuring equal remuneration regardless of gender. Going beyond recruitment, we are dedicated to ensuring these individuals flourish in their roles and reach their full potential through the provision of ongoing support and development programmes.

Our Performance

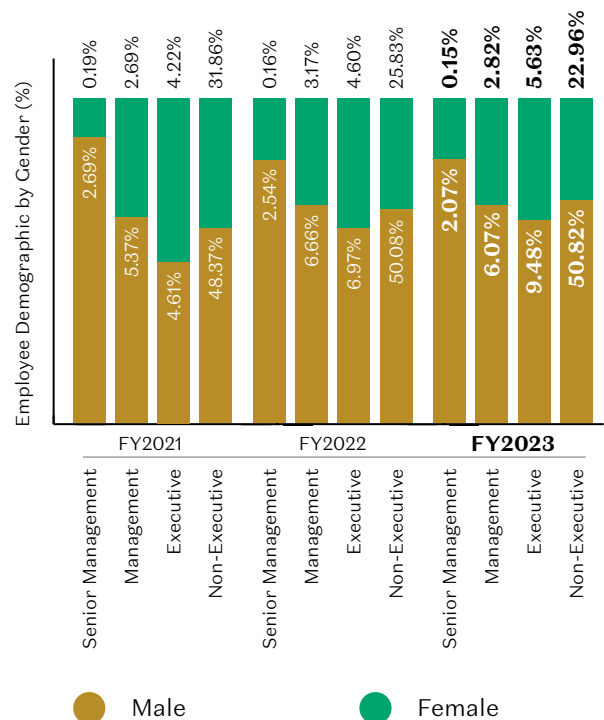
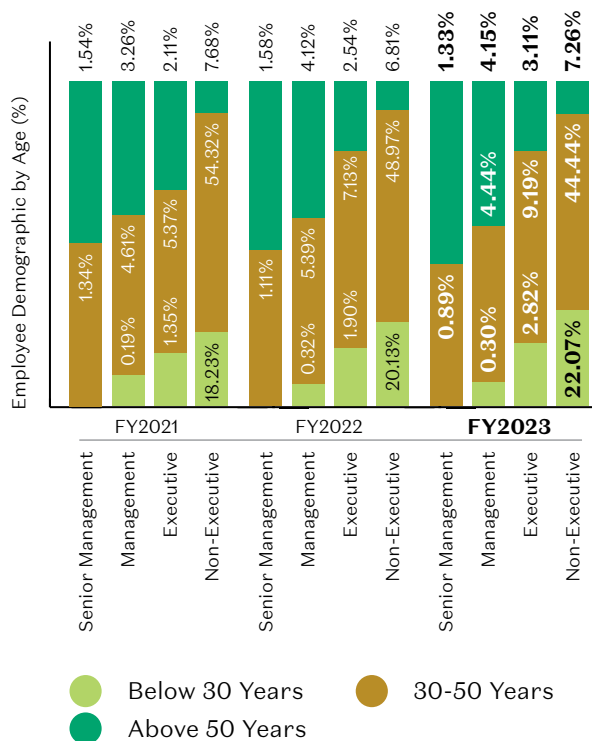
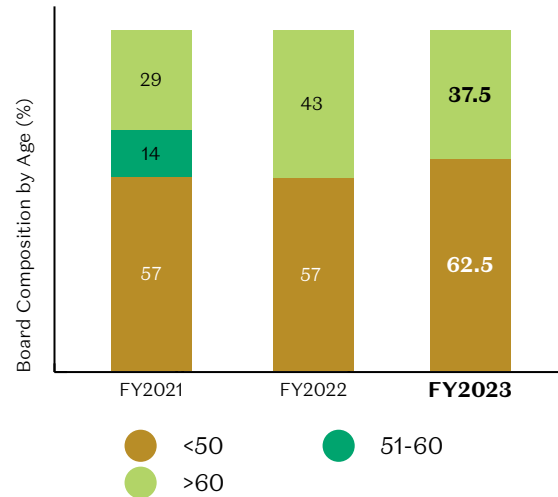
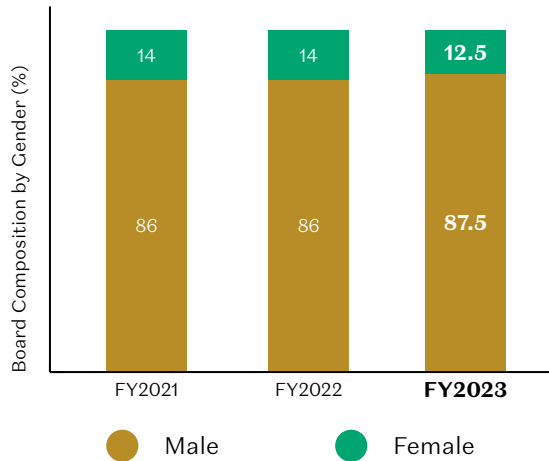
In the fiscal year 2023, our workforce consisted of a total of 675 employees, with a gender distribution of 69% men and 32% women. Among our employees, 25% are below 30 years old, 59% fall between the ages of 30 and 50, and 16% are above 50 years old. Additionally, 70% of our staff are permanent employees, while 30% are on contract.

Meanwhile, our Board comprises 8 members, consisting of 7 men and 1 woman. The age distribution on the Board is diverse, with 63% falling below 50 years old and 38% aged above 60 years old.

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Diversity and Inclusion (Cont'd)

Our Performance (Cont'd)

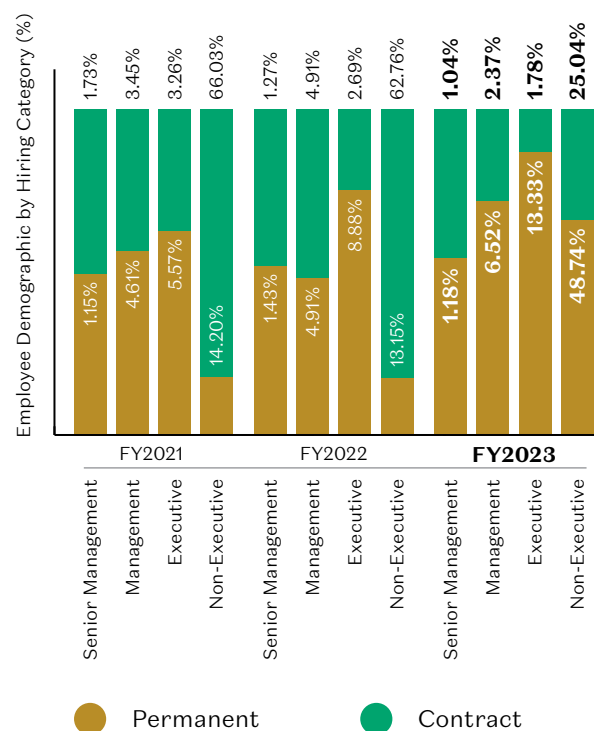
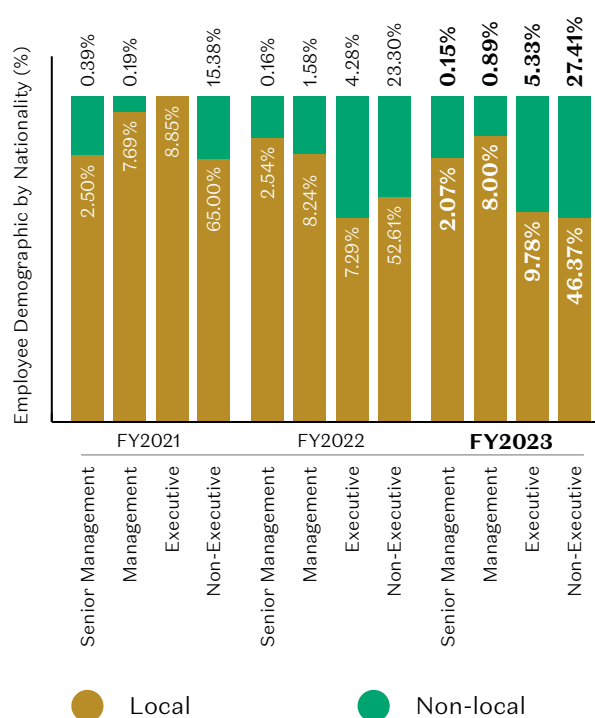


SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Diversity and Inclusion (Cont'd)

Our Performance (Cont'd)



Talent Management

We believe in the potential of our people and actively foster their growth and development, investing in structured training programmes, mentorship opportunities and career advancement initiatives. Our dedication to talent management fuels a culture of continuous learning and ensures a vibrant, resilient workforce capable of shaping the future trajectory of our company.

Our Approach

PRG instituted a well-defined training strategy tailored to meet individual employee needs. Commencing from their first day, new team members undergo an onboarding process that acquaints them with our company culture, departmental expectations and essential work procedures. Central to our training approach is the effectiveness of our on-the-job training to enhance specific skills and techniques relevant to each employee's position, talents and interests. Additionally, we impart knowledge in areas such as ISO standards, tax and finance, technical and management essentials through a diverse range of internal and external training opportunities.

Our individual development approach is integrated with established performance evaluation guidelines that allows us to identify specific needs and gaps, ensuring that our training programmes are precisely targeted and yield impactful results.

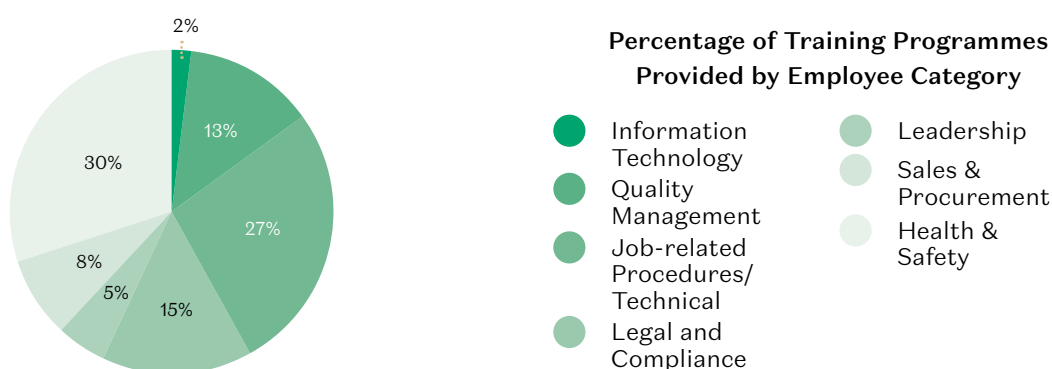
SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

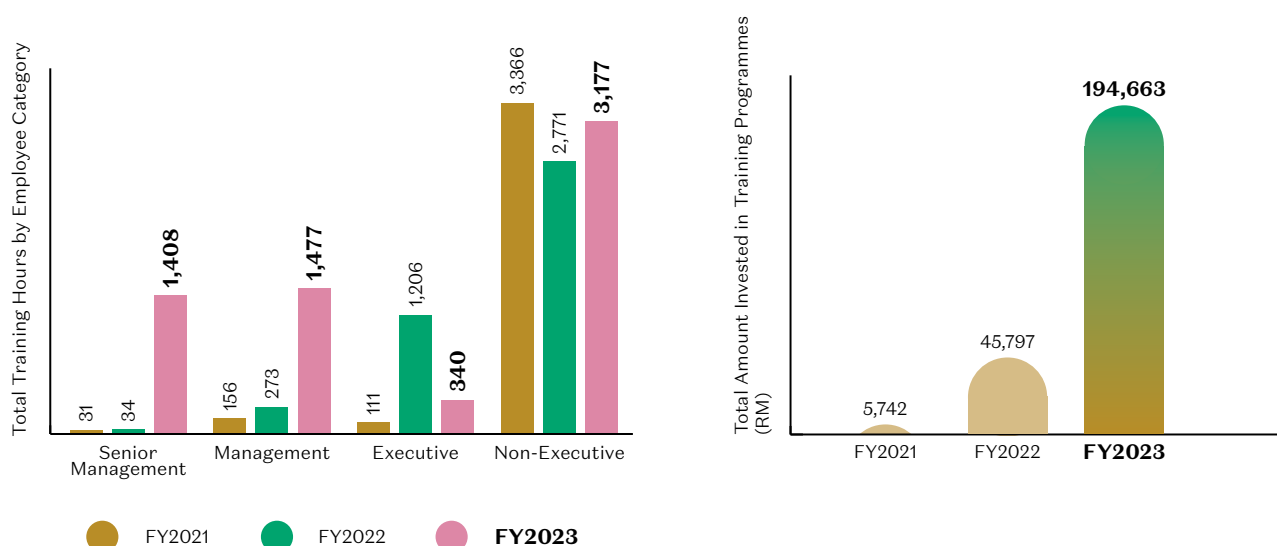
Talent Management (Cont'd)

Our Performance

In FY2023, we delivered a total of 60 diverse training programmes. Our training programmes cater to a wide range of needs, with the highest focus on health and safety (30%), technical skills (27%) as well as legal and compliance (15%). We also invest in training related to quality management (13%), sales and procurement (8%), leadership (5%) and information technology (2%).



Recognising the importance of continuous learning at all stages of a career, we tailored training hours based on employee roles. A total of 1,408 training hours were provided to senior management, followed by 1,477 hours to management, 340 hours to executive employees and 3,177 hours to non-executive employees. We believe that equitable access to training for all employees is crucial for achieving our sustainability goals in talent development.



SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)

Community Enrichment

Our success is intricately intertwined with the well-being of the communities where we operate. More than just securing our social license to operate, investing in the prosperity of our communities cultivates an environment of mutual respect and collaboration, creating a shared future where everyone has the opportunity to thrive. To achieve this, we proactively engage with local stakeholders, collaborate with non-profit organisations and support initiatives that address both social and environmental challenges.

Our Performance

Supporting the Dong Nai Disabled Children Training Centre

Since 2019, we have partnered with the Dong Nai Disabled Children Training Centre in Vietnam, dedicated to enhancing the well-being of vulnerable children with disabilities. Through collaborative efforts, we donate a monthly support of 2 million VND (approximately RM384.16) in supplies to address their most immediate needs. This assistance provides the centre with the flexibility to allocate resources where they are needed most, whether it be nutritious food like milk and cake, staple supplies such as oil, sugar and instant noodles or other crucial equipment like televisions and blackboards. We also extend our support beyond financial assistance by addressing infrastructure needs through repairs to doors and yards.

By supporting the Dong Nai Disabled Children Training Centre, we contribute to the development of a more just and equitable society for all. PRG remains committed to continuing our partnership, making a lasting positive impact on the lives of children with disabilities in Vietnam.



“We believe in the potential of our people and actively foster their growth and development, investing in structured training programmes, mentorship opportunities and career advancement initiatives.”

SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING PEOPLE AND COMMUNITIES (CONT'D)**Community Enrichment (Cont'd)****Our Performance (Cont'd)**Donation to Hin Hua High School for Chinese New Year Celebration

Celebrating the richness of community diversity is integral to PRG Holdings Berhad. In 2023, we contributed a total of RM 1,928.00 to Hin Hua High School in Klang, Malaysia, during the Chinese New Year celebrations, supporting their organisation of a Lion Dance performance. This engagement exemplifies our dedication to supporting cultural initiatives across the region, reinforcing social bonds and contributing to the vibrant tapestry of cultural heritage within our society. As we progress on our journey, these concentrated efforts are a testament to our commitment to enriching the diverse communities we are privileged to be a part of.

NURTURING TOMORROW'S SUSTAINABLE PATH

While the pages of this statement detail our progress, the true measure of our success lies in the communities we touch and the generations we inspire. We believe that true prosperity is not measured in profits alone, but in the positive impact we have on the world around us. As we move forward, we remain committed to cultivating a legacy of shared prosperity, where economic growth thrives alongside environmental responsibility and social well-being.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	80.00	0.00	60.00
Management	Percentage	90.00	0.00	53.00
Executive	Percentage	71.00	0.00	63.00
Non-Executive	Percentage	0.00	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	-	44.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	8,388.00	8,699.00	8,664.00
Bursa C4(a) Total energy consumption	Gigajoules	30,196.00	31,315.00	31,191.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	663.00	691.00	714.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	4,093.00	4,292.00	4,121.00
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	64.985500	69.596400	90.713000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	235.90	240.80	254.90
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.15	0.39	0.28
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	393
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	31	34	1,408
Management	Hours	156	273	1,477
Executive	Hours	111	1,206	340
Non-Executive	Hours	3,366	2,771	3,177
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	74.47	71.63	30.23
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	1	0	1
Management	Number	5	7	8
Executive	Number	6	12	12
Non-Executive	Number	50	97	94
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Below 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	1.34	1.11	0.89
Senior Management Above 50	Percentage	1.54	1.58	1.33
Management Below 30	Percentage	0.19	0.32	0.30
Management Between 30-50	Percentage	4.61	5.39	4.44
Management Above 50	Percentage	3.26	4.12	4.15
Executive Below 30	Percentage	1.35	1.90	2.82
Executive Between 30-50	Percentage	5.37	7.13	9.19
Executive Above 50	Percentage	2.11	2.54	3.11
Non-Executive Below 30	Percentage	18.23	20.13	22.07
Non-Executive Between 30-50	Percentage	54.32	48.97	44.44
Non-Executive Above 50	Percentage	7.68	6.81	7.26
Gender Group by Employee Category				
Senior Management Male	Percentage	2.69	2.54	2.07
Senior Management Female	Percentage	0.19	0.16	0.15
Management Male	Percentage	5.37	6.66	6.07
Management Female	Percentage	2.69	3.17	2.82
Executive Male	Percentage	4.61	6.97	9.48
Executive Female	Percentage	4.22	4.60	5.63
Non-Executive Male	Percentage	48.37	50.08	50.82
Non-Executive Female	Percentage	31.86	25.83	22.96

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2021	2022	2023
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	86.00	86.00	87.50
Female	Percentage	14.00	14.00	12.50
Below 50	Percentage	57.00	57.00	62.50
Between 51-60	Percentage	14.00	0.00	0.00
Above 60	Percentage	29.00	43.00	37.50
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	6,537.92
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	2

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

GRI CONTENT INDEX

Statement of use	PRG Holdings Berhad has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	38
	2-2 Entities included in the organisation's sustainability reporting	38-39
	2-3 Reporting period, frequency and contact point	38
	2-7 Employees	75-76
	2-9 Governance structure and composition	46
	2-13 Delegation of responsibility for managing impacts	46
	2-14 Role of the highest governance body in sustainability reporting	46
	2-17 Collective knowledge of the highest governance body	46
	2-23 Policy commitments	43, 55-56
	2-24 Embedding policy commitments	43, 55-56
	2-26 Mechanisms for seeking advice and raising concerns	56
	2-27 Compliance with laws and regulations	55-56, 67-68, 69-70, 72
	2-29 Approach to stakeholder engagement	47-49
	2-29 Approach to stakeholder engagement	47-49
GRI 3: Material Topics 2021	3-1 Process to determine material topics	50
	3-2 List of material topics	50
	3-3 Management of material topics	Throughout
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	53
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	60
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	57
	205-2 Communication and training about anti-corruption policies and procedures	56-57
	205-3 Confirmed incidents of corruption and actions taken	57
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	63-65
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	66-67
	303-5 Water consumption	66-67
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	63-65
	305-2 Energy indirect (Scope 2) GHG emissions	63-65
	305-5 Reduction of GHG emissions	63-65
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	67-68
	306-3 Waste generated	67-68
	306-5 Waste directed to disposal	67-68
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	72-73

GRI CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	69-71
	403-2 Hazard identification, risk assessment, and incident investigation	70
	403-4 Worker participation, consultation, and communication on occupational health and safety	69-71
	403-5 Worker training on occupational health and safety	69-71
	403-9 Work-related injuries	72
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	76-77
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	74-76
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	78-79
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	57-58

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

The Board of Directors (“Board”) of PRG Holdings Berhad (“the Company”) subscribes to and ensure that sound corporate governance (“CG”) principles and practices are observed and practiced by the Company and its subsidiaries (“the Group”) in the pursuit of achieving the corporate objectives and protecting and enhancing shareholders’ value.

This CG Overview Statement (“the Statement”) provides an overview of the CG practices of the Company under the leadership of the Board during the financial year ended 31 December 2023 (“FY2023”). This Statement is prepared in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”) and made reference to the Malaysian Code on Corporate Governance (“MCCG”).

This Statement is to be read together with the Company’s CG Report which is available on the Company’s website at www.prg.com.my (“the Company’s Website”). The CG Report provides detailed explanation on the application by the Group of the CG practices as set out in the MCCG during FY2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible in formulating and reviewing the Group’s strategic direction and management of the Group. In discharging its roles and responsibilities, the Board is guided by the approved Board Charter and all other policies implemented by the Company. The Board always ensures that good corporate governance culture is practiced in the Company, and effective leadership through oversight on the management and monitoring of the goals, budget, activities, performance, compliance and control in the organisation. Board Members exercise due diligence and care in discharging their duties and responsibilities to ensure that high ethical standards are applied through compliance with relevant rules and regulations, directives and guidelines, and act in the best interests of the Group and of its shareholders.

The Board plays a critical role in setting the appropriate tone at the top, and managing the Board’s effectiveness by focusing on strategy, governance and compliance. The day-to-day management of the business of the Group was delegated to Management, headed by the Group Executive Vice Chairman, who was assisted by the Executive Directors, in the performance of the executive functions.

The Board Charter provides amongst others, matters related to the functions and responsibilities of the Board and Board Committees, as well as its processes. The Board Charter also specifies matters reserved exclusively for the Board’s review and approval. The Board ensures that the Board Charter is reviewed every year so as to remain consistent with the Board’s objectives and responsibilities.

The Board has in place the Code of Conduct to maintain discipline and order in the workplace. The Group is committed to uphold the highest standard of ethical conduct and has formalised the Whistle Blowing Policy and Guidelines which aims to provide a safe and acceptable platform for the Directors, and other parties to report unethical behaviour, suspected fraud or violation of any laws or regulations. The adopted Anti-Bribery and Corruption Policy ensures that the Group uphold and maintain the highest standard of integrity and ethical conduct of its business and operations as well as comply with all applicable laws including the Malaysian Anti-Corruption Commission Act 2009. The Group’s Anti-Bribery & Corruption Policy provides, amongst others, guidance to all employees and associates of the Group to prevent bribery and corruption in all business dealings and also related matters such as proper reporting process and procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Board has full and unrestricted access to the advice and services of the professional Company Secretaries who are experienced and are supported by a dedicated team of company secretarial personnel. In discharging their duties and discharging responsibilities, the Company Secretaries continue to guide and provide advisory services to the management and the Board, including corporate governance related issues and updates on relevant regulatory requirements for compliance with the relevant policies and procedures, law and regulatory requirements and others matters within their scope of responsibilities to assist the Board to discharge their duties effectively.

The Company's financial, operational and business performance, amongst others reports, are reviewed by the Board at its meetings held quarterly. In order to facilitate the Directors' time planning, the annual meeting calendar setting out the scheduled dates for meetings of the Board and Board Committees as well as annual general meeting is prepared and circulated in advance to enable the Directors to plan in advance. Special Board meeting will be convened if urgent matters arise which requires the Board's immediate attention and/or decision. The annual meeting calendar also sets out the closed periods for dealings in the securities of the Company to be strictly adhered to by the Directors and Principal Officers based on the targeted date of announcement of the Group's interim financial results every quarter.

The Board has adopted a process whereby all the Directors and senior management are required to submit and declare to the Board at every quarter's meeting their interest, if any, whether direct or indirect, in any contracts/transactions involving the Group, or any conflict of interest ("COI") or potential COI to facilitate assessment by the Board.

A Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the Board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall also abstain from voting on the contract or proposed contract.

Details of the attendance recorded by the Directors at the meetings held during FY2023 were as follows:

	Board of Directors	Board Committees				AGM
		ARMC	NC	RC	LTIP	
Independent Non-Executive Directors						
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	5/6	5/5	4/4	5/5	-	1/1
Datin Arlina binti Ariff ¹	4/4	2/2	2/2	2/2	-	1/1
Non- Independent Non-Executive Directors						
Lim Chee Hoong ²	6/6	5/5	4/4	5/5	1/1	1/1
Ng Khang Chyi ³	1/1	-	-	-	-	N/A
Executive Directors						
Dato' Lua Choon Hann	6/6	-	-	-	1/1	1/1
Dato' Wee Cheng Kwan	6/6	-	-	-	1/1	1/1
Ng Tzee Penn	5/6	-	-	-	-	0/1
Ji Haitao ⁴	6/6	3/3	2/2	3/3	1/1	1/1
Total number of meetings held	6	5	4	5	1	1

☒ Chairman
 ☐ Member
 ☐ Non-member

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Notes:

ARMC: Audit and Risk Management Committee

NC: Nomination Committee

RC: Remuneration Committee

LTIP: Long Term Incentive Plan Committee

AGM: Annual General Meeting

EGM: Extraordinary General Meeting

1: Appointed as Director on 20 April 2023, and the Chairman of ARMC and RC and member of NC on 25 May 2023

2: Redesignated as the member of ARMC and RC on 25 May 2023

3: Appointed as Director on 1 September 2023

4: Redesignated as Executive Director on 25 May 2023

The Company Secretary was present at all the meetings held during FY2023.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities.

II. Board Composition

The Board presently consists of ten (10) members; comprising five (5) Executive Directors (including the Group Executive Vice Chairman and the Group Managing Director), three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The composition of the Board complies with the Bursa Securities' Listing Requirements that requires one-third of the Board Members are Independent Directors. The composition and size of the Board are assessed by the Board through the Nomination Committee annually or as and when the need arises.

The Board recognises the benefits of having a diverse Board and to ensure that the mix and profiles of the Board members in terms of age, ethnicity, gender, experience, skills and competencies are required to achieve effective leadership and management. The Board believes that a diverse and inclusive Board will leverage the differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity and gender, which will ensure the Company retains its competitive advantage.

Board Committees

In order to ensure orderly and effective execution of the roles and responsibilities of the Board, the Board has delegated specific responsibilities to five (5) Committees:-

- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee
- Long Term Incentive Plan ("LTIP") Committee
- Sustainability Committee

Each Committee operates under their respective approved Terms of References and/or operating procedure which are reviewed intermittently or when required. The Chairman of each Committee will report to the Board on the key issues and outcome of the Committees' meetings which are recorded in the minutes of the Board meeting. No executive power was given to each Committee as their responsibility is to deliberate and examine particular issues and report to the Board with their recommendations. The Board holds the ultimate responsibility for the directions and control of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Board Committees (Cont'd)

Nomination Committee

The Nomination Committee consists of four (4) members, including three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, as set out below:

Directors	Position
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	Chairman, Independent Non-Executive Director
Datin Arlina binti Ariff	Member, Independent Non-Executive Director
Lim Chee Hoong	Member, Non-Independent Non-Executive Director
Joyce Tan Soo Yuen	Member, Independent Non-Executive Director (Appointed on 26 March 2024)

The Nomination Committee held a total of four (4) meetings during the FY2023 and recorded full attendance of its members.

The process and criteria to identify and nominate candidates for appointment as a Director, and re-election and re-appointment of existing Directors are set out in the Directors' Fit and Proper Policy/Board Charter/Terms of Reference of Nomination Committee. The Terms of Reference of Nomination Committee is available at the Company's Website.

The Constitution of the Company requires one-third of the Directors to retire from office and subject themselves to re-election by the shareholders in every annual general meeting at least once every three (3) years. The Constitution of the Company also provides that a newly appointed director must retire and submit himself for re-election at the next annual general meeting following his appointment. Thereafter, he is subject to be re-elected at least once every three (3) years. A Director who is due for retirement shall abstain from deliberating and voting on the resolution concerning his re-election as a Director. The Nomination Committee is tasked with the responsibility to review and recommend to the Board for re-election at the annual general meeting of the Company, having due regard to the fit and proper criteria set out in the Fit and Proper Policy, besides their skills, experience and other attributes that would continue to contribute to the Board.

The Board, on the recommendation of the Nomination Committee after considering the size of the Board and to meet the requirements as set out in the Listing Requirements, has approved the appointment of Ms. Joyce Tan Soo Yuen as an Independent Non-Executive Director on 15 March 2024 and Mr. Andrew Chan Lim-Fai as the Group Managing Director on 26 March 2024.

During the FY2023, the Nomination Committee undertaken the following activities:

- (a) Reviewed and recommended to the Board for approval the proposed appointment of Non-Executive Directors including Independent Directors and Non-Independent Director of the Company, after due consideration and assessment of the established fit and proper criteria.
- (b) Conducted annual assessment of the effectiveness and the performance of the Board and Board Committees as well as individual Directors facilitated by the Company Secretary. Upon evaluation, the Nomination Committee was satisfied that:
 - The size, structure and composition of the Board and Board Committees are optimum with appropriate mix of knowledge, skills, attributes and core competencies.
 - The Board has been able to discharge its duties and responsibilities professionally and effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Board Committees (Cont'd)

Nomination Committee (Cont'd)

During the FY2023, the Nomination Committee undertaken the following activities: (Cont'd)

- (b) Conducted annual assessment of the effectiveness and the performance of the Board and Board Committees as well as individual Directors facilitated by the Company Secretary. Upon evaluation, the Nomination Committee was satisfied that: (Cont'd)

- All the Directors continue to uphold the highest governance standards in their conduct and that of the Board.
- The Directors are able to devote sufficient time commitment to their roles and responsibilities as reflected by their satisfactory attendance at Board meetings and Board Committees meetings.

The annual assessment and evaluation were carried out by the Nomination Committee through a set of questionnaires encompassing the Board Structure, Board Operations, Board Roles and Responsibilities which was circulated to the Board Members for completion and subsequently collated by the Company Secretary for tabling to the Nomination Committee and subsequent reporting to the Board.

All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions were properly documented.

- (c) Reviewed the composition of the Board and recommended suitable candidate to fill the membership of Board Committees.
- (d) Reviewed the proposed establishment of the Sustainability Committee to oversee the management and governance of sustainability matters of the Group.
- (e) Reviewed the proposed re-designation of the Directors of the Company.
- (f) Reviewed and assessed the Independent Directors in accordance with the Listing Requirements and MCGG.
- (g) Reviewed the term of office and performance of the Audit and Risk Management Committee and each of its members against the assessment checklist in accordance with the Listing Requirements and was satisfied that the Audit and Risk Management Committee had carried out its duties in accordance with its Terms of Reference.
- (h) Reviewed the retirement of Directors by rotation at the Company's 22nd AGM and having considered the criteria outlined in the Directors' Fit & Proper Policy, have recommended their re-election for Boards' consideration.
- (i) Reviewed the activities carried out by the Nomination Committee for inclusion in the Annual Report.
- (j) Reviewed and updated the Terms of Reference of the Nomination Committee to ensure its adequacy for current circumstances, the Company's policies and/or compliance with applicable rules and regulations.
- (k) Reviewed the Directors' Fit & Proper Policy and Diversity and Inclusion Policy so as to remain consistent with its objective. No revision was recommended by the Committee.
- (l) Discussed the training needs of the Directors and training program available for the Directors to equip themselves with relevant knowledge and keep abreast of latest regulatory developments to effectively discharge their duties.
- (m) Reviewed the Service Contracts for the Executive Directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Board Committees (Cont'd)

Remuneration Committee

The Remuneration Committee consists of four (4) members, including three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The composition of the Remuneration Committee is set out below:

Directors	Position
Datin Arlina binti Ariff	Chairman, Independent Non-Executive Director
Lim Chee Hoong	Member, Non-Independent Non-Executive Director
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	Member, Independent Non-Executive Director
Joyce Tan Soo Yuen	Member, Independent Non-Executive Director (Appointed on 26 March 2024)

The Remuneration Committee held a total of five (5) meetings during the FY2023 and recorded full attendance of its members.

The Terms of Reference of Remuneration Committee is available at the Company's Website.

The Board has established the Remuneration Policy in order to ensure fair remuneration package is set. The Board is mindful that fair remuneration is critical to attract, retain and motivate Directors and senior management. The remuneration package should take into account the complexity of the Company's business, the individual's responsibilities, expertise, frequency of meetings and industry benchmarks against similar companies. The Remuneration Policy is reviewed by the Remuneration Committee annually to ensure it remains relevant and any proposed revision to the Remuneration Policy will be recommended to the Board for approval.

The Remuneration Committee reviews and recommends to the Board the remunerations of the Directors based on the remuneration policy approved by the Board. It is nevertheless the ultimate responsibility of the Board to decide on the quantum of remuneration for each Director.

The component of the remuneration for the Non-Executive Directors of the Company comprise of:-

- (a) Annual fixed fees as Director and fees for sitting in Board Committees; and
- (b) Meeting allowance based on their attendance at the Board and Board Committees meetings.

During the FY2023, the Remuneration Committee undertaken the following activities:

- (a) Reviewed the remuneration packages of the Executive Directors and senior management personnel of the Company, taking into consideration the Group's level of activities and performance.
- (b) Reviewed the Directors' fees and meeting allowance of the Directors (including new Directors) of the Company.
- (c) Reviewed the activities carried out by the Remuneration Committee for inclusion in the Annual Report 2022.
- (d) Reviewed and updated the Terms of Reference of the Committee to ensure its adequacy for current circumstances, the Company's policies and/or compliance with applicable rules and regulations.
- (e) Reviewed and recommended the proposed allocation of LTIP awards to the Directors and Senior Management to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Board Committees (Cont'd)

Remuneration Committee (Cont'd)

During the FY2023, the Remuneration Committee undertaken the following activities: (Cont'd)

- (f) Reviewed and recommended the proposed reinstatement of salary of the affected Directors to the Board for approval.
- (g) Reviewed the proposed new Remuneration Policy covering the Directors and Senior Management of the Company and the Group and recommended to the Board for adoption.
- (h) Reviewed and recommended the proposed reduction of salary of Group Executive Vice Chairman to the Board for approval.
- (i) Reviewed and recommended the proposed suspension of car allowance to employees (including Directors and Senior Management) to the Board for approval.
- (j) Reviewed the proposed bonus entitlements of Executive Directors and Senior Management personnel in respect of FY2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

DIRECTORS' REMUNERATION

Practice 8.1 of the MCCG requires the detailed disclosure on named basis for the remuneration of individual Directors including the remuneration breakdown of fees, salary, bonus, benefits in-kind and other emoluments. Details of the Directors' remuneration for the FY2023 are set out below:

No	Name	Directorate	Company ('000)						Group ('000)							
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Lua Choon Hann	Executive Director	0	0	0	0	0	0	0	60	0	638	11	32	190	931
2	Dato' Wee Cheng Kwan	Executive Director	0	0	0	0	0	0	0	60	0	600	45	14	208	928
3	Ng Tzee Penn	Executive Director	0	0	0	0	0	0	0	60	0	53	0	0	0	113
4	Ji Haitao	Executive Director	24	2	0	0	0	0	26	24	2	145	0	0	0	170
5	Lim Chee Hoong	Non-Executive Non-Independent Director	70	3	0	0	0	0	73	70	3	0	0	0	0	73
6	Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	Independent Director	60	3	0	0	0	0	63	60	3	0	0	0	0	63
7	Datin Arlina binti Ariff ¹	Independent Director	42	2	0	0	0	0	44	40	2	0	0	0	0	42
8	Ng Khang Chyi ²	Non-Executive Non-Independent Director	20	1	0	0	0	0	21	20	1	0	0	0	0	21
9	Elaine Foo Mei Lian ³	Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- ¹ Appointed as Independent Non-Executive Director on 20 April 2023.
- ² Appointed as Non-Independent Non-Executive Director on 1 September 2023.
- ³ Appointed as Independent Non-Executive Director on 30 November 2023 and resigned on 15 December 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Long Term Incentive Plan Committee

The Long Term Incentive Plan ("LTIP") Committee was set up in line with the establishment of the Group's long term incentive programme with the objective to retain and award high performance employees in the Group and is governed by the By-Laws.

The LTIP Committee consists of four (4) members. The composition of the LTIP Committee is set out below:

Directors	Position
Dato' Lua Choon Hann	Chairman, Group Executive Vice Chairman
Dato' Wee Cheng Kwan	Member, Managing Director – Property & Construction
Lim Chee Hoong	Member, Non-Independent Non-Executive Director
Datin Arlina binti Ariff	Member, Independent Non-Executive Director

For the year under review the LTIP Committee, in discharge of its duties, with the assistance of the LTIP Working Committee, reviewed and evaluated the eligibility and proposed allocation of options and share grant to the eligible persons in accordance with the criteria set out in the By-Laws.

Sustainability Committee

The Sustainability Committee was set up to assist the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability and initiatives, as well as strengthening the Group's sustainability's governance.

The Sustainability Committee consists of three (3) members. The composition of the Sustainability Committee is set out below:

Directors	Position
Lim Chee Hoong	Chairman, Non-Independent Non-Executive Director
Dato' Wee Cheng Kwan	Member, Managing Director – Property & Construction
Ji Haitao	Member, Executive Director

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company comprises four (4) members, including three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Directors. All Audit and Risk Management Committee members have the essential skills and expertise to perform their duties and responsibilities.

The Board acknowledged that the Audit and Risk Management Committee should be financially literate and understands matters under their purview including the financial reporting process besides possess a wide range of necessary skills to discharge its duties. All members of the Audit and Risk Management Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules for effective discharge of their duties and functions.

The Terms of Reference of Audit and Risk Management Committee is available at the Company's Website and the activities undertaken by the Audit and Risk Management Committee for the FY2023 are presented in the Audit and Risk Management Report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**II. Risk Management and Internal Control Framework**

The Board discharges its responsibilities in the risk governance and oversees functions through the Audit and Risk Management Committee. The Audit and Risk Management Committee, supported by the Risk Management Team comprises the Head of Departments of respective operating divisions, assists Audit and Risk Management Committee in overseeing the risk management matters relating to the activities of the Group. The Audit and Risk Management Committee reviews the risk management framework and processes and monitors the effectiveness of risk treat/mitigation action plans for the management and control of identified key risks.

The adequacy and effectiveness of the internal controls are reviewed by the Audit and Risk Management Committee in relation to internal audit function of the Group. The Board places significant emphasis on maintaining a sound system of internal control covering not only financial controls but also operational and compliance controls as well as risk management in order to safeguard shareholders' investments and the Group's assets. The Board continuously reviews the adequacy and effectiveness of the internal control system to ensure it meets the Group's particular needs and to manage the risks to which it is exposed.

The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**I. Communication with Stakeholders**

The Company ensures that its communication with its shareholders and various stakeholders is transparent, timely and with quality disclosure. The relevant information is communicated to shareholders and investors through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases. The Company makes use of a broad range of communication channels to disseminate information regarding the Company and the Group. The communication channels would include electronic facilities provided by Bursa Securities for release of announcements to the public, corporate website, social media, emails, road shows or events as well as direct interaction with the shareholders at the general meetings of the Company.

II. Conduct of General Meetings

The general meetings of the Company are the principal forum for shareholders to dialogue and interact with the Directors of the Company. In order to ensure effective participation and engagement with the shareholders, the members of the Board and senior management attend the general meetings to respond to the questions raised by the shareholders and the shareholders are given opportunities to comment and provide feedback on the issues relating to business and affairs of the Company. The Chairman of the meeting allows the shareholders or proxy holders to speak and seek clarifications on the resolutions tabled at the meetings before exercising their voting rights.

The 22nd Annual General Meeting ("AGM") of the Company was held on 25 May 2023. In line with the MCCG, the notice of the 22nd AGM was issued to the shareholders on 27 April 2023, more than 28 days before the 22nd AGM, and the requisite 21 days' notice as prescribed by the Companies Act 2016 and Listing Requirements. The notice of general meetings and circular to shareholders provides details of the resolutions proposed along with background information and justifications for undertaking the corporate proposals alongside the recommendations from the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Conduct of General Meetings (Cont'd)

The Company leverage on technology and conducted the 22nd AGM on virtual basis through live streaming from the broadcast venue at the Company's business premise. The voting of the 22nd AGM was conducted by poll in accordance with Paragraph 8.29A of the Listing Requirements of Bursa Securities and the shareholders exercised their voting rights remotely using electronic voting platform. The outcome of the said AGM was announced to Bursa Securities on the same day after the conclusion of the meetings.

This Statement was approved by the Board of Director of the Company on 29 April 2024.

DIRECTORS'

RESPONSIBILITIES STATEMENT

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of financial year ended 31 December 2023 and of their financial performance and cash flows for the financial year then ended. The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2023, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on the going concern basis.

The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016.

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ADDITIONAL COMPLIANCE INFORMATION

1. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid and payable to the external auditors for the financial year ended 31 December 2023 ("FY2023") are tabled as follows:

	Group (RM'000)	Company (RM'000)
Audit Fees	664	68
Non-Audit Fees	17	14

2. Material Contracts

During the financial year, the Group did not enter into any material contracts involving Directors' and major shareholders' interest other than as disclosed in Note 36 of the financial statements.

3. Utilisation of Proceeds from Corporate Proposal

The company did not undertake any corporate proposal during the financial year under review.

4. Share Option Plan ("SOP") and/or Share Grant Plan ("SGP") pursuant to the Long Term Incentive Plan ("LTIP")

The LTIP of the Company was approved by the shareholders of the Company at an Extraordinary General Meeting held on 8 August 2022. The LTIP is for a duration of five (5) years commencing from the date of implementation of the LTIP on 1 November 2022 and expiring on 31 October 2027. Pursuant to the LTIP, SOP and/or SGP were granted to the eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) ("the Group"), in accordance to the LTIP By-Laws.

The information in relation to the LTIP are illustrated in the table below:

(i) SOP

Total SOP granted under the LTIP	During FY2023
Total number of SOP granted	32,797,048
Total number of SOP exercised	1,226,854
Total number of SOP lapsed	7,989,874
Total number of SOP outstanding	23,580,320

(ii) SGP

Total SGP granted under the LTIP	During FY2023
Total number of SGP granted	2,137,500
Total number of SGP exercised	-
Total number of SGP lapsed	-
Total number of SGP outstanding	2,137,500

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

4. Share Option Plan (“SOP”) and/or Share Grant Plan (“SGP”) pursuant to the Long Term Incentive Plan (“LTIP”) (Cont'd)

The total number of options granted, exercised, lapsed and outstanding under the SOP to the Directors and Chief Executive are illustrated in the table below:

Total SOP granted to Directors and Chief Executive	Since the commencement of LTIP	During FY2023
Aggregate SOP granted	3,462,850	3,462,850
Aggregate SOP exercised	156,00	156,000
Aggregate SOP lapsed	-	-
Aggregate SOP outstanding	3,244,280	3,244,280

The aggregate maximum allocation of LTIP to Directors and Senior Management of the Group shall not exceed 80% of the total number of PRG Shares which may be made available under the LTIP.

Directors and Senior Management	Since the commencement of LTIP	During FY2023
Maximum allocation	80%	-
Actual percentage granted	16.55%	16.55%

The total number of options granted, vested and exercised under the SOP to the Non-Executive Directors of the Company pursuant to the LTIP in FY2023 are illustrated in the table below:

	Name of Director	Number of SOP granted	Number of SOP vested	Number of SOP exercised
1	Lim Chee Hoong	200,000	60,000	-
2	Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	200,000	60,000	-
	Total	400,000	120,000	-

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control which outlines the Group's nature of risk management framework and internal control systems during the financial year ended 31 December 2023.

This statement is made pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Institute of Internal Auditors Malaysia and taking into consideration the recommendations of the Malaysian Code on Corporate Governance ("MCCG").

This statement does not cover associate companies and joint ventures where risk management and internal control are managed by the respective management teams.

RESPONSIBILITY

The Board recognises the importance of a sound risk management framework and internal control system to good corporate governance and acknowledges its overall responsibility to ensure that the principal risks of the Group are identified, evaluated and managed with an appropriate system of internal control, and to ensure that the effectiveness, adequacy and integrity of the system are reviewed from time to time to suit the changes in the business environment. The Board has oversight on this critical area through the Audit and Risk Management Committee of the Board ("ARMC").

Through the ARMC, the Board has established an appropriate risk management framework and internal control system to manage the Group's risks within tolerable ranges rather than to eliminate risks with significant adverse impact on the achievement of the Group's objectives and strategies. It can therefore only provide reasonable assurance but not absolute assurance against material misstatements, financial losses or fraud.

There is an on-going process in place to identify, evaluate and manage the significant risks that may affect the achievement of business objectives throughout the financial year under review and up to the date of approval of this statement by the Board. The process is updated and reviewed from time to time to be responsive to the changes in the business environment.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk Management Framework

Risk management is an integral part of the Group's management process and the Group focuses on the key risks and the relevant controls to ensure that they are able to respond effectively to the changing business environment. The risk management framework established by the Board is embedded in various operation processes and procedures of the respective operational functions and management team and clearly defines the authority and accountability in implementing the risk management process.

The Group's risk management framework has the following key attributes:

- Risk Management Structure

The Board continuously reviews the overall management of principal areas of risk with the assistance of the ARMC.

ARMC is supported by the Risk Management Team ("RMT") at the operational level. The members of RMT comprise Managing Directors/Executive Directors and various Heads of Departments of the operating subsidiaries.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)**Risk Management Framework (Cont'd)**

- Key elements of risk management framework:
 - i. Identify new risks and determine whether existing risks remain relevant to the Group's objectives;
 The RMT conducts quarterly review of business risks to identify new risks as well as to determine whether previously known risks remain relevant. However, if an abrupt situation which has serious bearings on the Group's business operating environment arises, RMT will respond immediately to invoke the risk reviewing process.
 - ii. Evaluate the risks and develop risk mitigating action plans; and
 The identified risks, which may fall into the category of strategic risk, operational risk, credit risk, finance/account risk or IT risk, will be evaluated by RMT and thereafter effective controls and risk mitigating action plans will be developed and implemented to address and mitigate the risks identified.
 - iii. Monitor the progress of action plans and review the business risks from time to time.
 RMT will closely monitor the outcome of the implementation of the controls and action plans carried out by the various levels of management and will re-evaluate the risks and formulates new mitigating strategy if the desired results are not achieved.
- Risk Reporting
 Risk management review is conducted every quarter. Significant risks of key areas identified by RMT are reported to the ARMC and the Board during quarterly meetings.
 The internal auditors provide an independent assessment of the adequacy and reliability of the operational risk management processes and report its findings to the ARMC.

Internal Audit Function

The Group has an in-house internal audit department for the Manufacturing Division that carries out regular reviews of the Division's operations and system of internal control by examining and evaluating business processes to determine the adequacy and efficiency of financial and operating controls, and highlighting significant risks and non-compliance impacting the Group. Where applicable, the internal audit department updates and provides recommendations to improve the effectiveness of risk management, controls and governance processes.

The internal audit functions for the Corporate, Property Development & Construction, Agriculture and Energy Efficiency Divisions is outsourced to an independent consulting firm who performs the audit in accordance with the Internal Auditors' International Standards for the Professional Practice of Internal Auditing for Internal Control Review to assess the adequacy and integrity of the Group's risk management. The Internal Auditors report directly to the ARMC on improvement measures pertaining to internal control lapses, including subsequent follow-up to determine the extent of their recommendations that have been implemented by the Management. Periodic audit reports and status on follow up actions are submitted to the ARMC, who reviews the findings with Management at its quarterly meetings. The Management is responsible for ensuring that necessary corrective actions to address control weaknesses are implemented within a defined time frame. The status of implementation is monitored through follow-up audit reviews which are also reported to the ARMC.

The ARMC reviews the internal audit function, the scope of the annual internal audit plan, established on a risk-based approach, as well as the findings within its scope of responsibilities. The ARMC reports and updates to the Board on significant issues reviewed and noted during the internal audit process for the attention of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

Internal Audit Function (Cont'd)

During the financial year under review, the following functions' processes and/or identified key risk areas of the Group's major operations were reviewed by the Internal Auditors:

Manufacturing Division (Malaysia & Vietnam):

- Production & Quality Control including Compliance with
 - Environmental Regulations
 - Occupational Safety & Health Regulations
- Human Resource
- Purchasing & Accounts Payable
- Inventory
- Finance and Information Technology
- Inventory Costing (Raw Materials, Work-In-Progress, Semi-Finished & Finished Goods)
- Sales & Credit Control & Account Receivables
- Year-end Stock Count Attendance

Corporate, Property Development & Construction, Agriculture and Energy Efficiency Divisions:

- Risk-based audit on the identified key risk areas of the Agriculture Division including:
 - (i) Theft Risk
 - (ii) Insufficient Manpower & Lack of Resources
 - (iii) Corruption Risk
 - (iv) Export Issues
 - (v) Logging Operations
 - (vi) Environmental, Social & Governance Initiatives
- Risk-based audit on the identified key risk areas of the Property Development Division including:
 - (i) Operation Cash Flow & Liquidity Risk
 - (ii) IT System Not Well Protected
 - (iii) Joint Venture Partner Risk
 - (iv) Enforcement of SOPs & Non-Compliance with Corporate Government or Statutory Requirements
 - (v) Project Completion for Embayu
 - (vi) Environmental, Social & Governance Initiatives.
- Risk-based audit on the identified key risk areas of the Construction Division including:
 - (i) ISO Certificate
 - (ii) Subcontractor and Supplier's Risk
 - (iii) Material Trading Risk - Unstable Market Price
 - (iv) Credit Risk
 - (v) Economy Uncertainty, Competitive Market & Slowdown in Residential Property Market
 - (vi) Completion of the Melaka School Project
 - (vii) Environmental, Social & Governance Initiatives

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)**Corporate, Property Development & Construction, Agriculture and Energy Efficiency Divisions: (Cont'd)**

- Risk-based audit on the identified key risk areas of the Energy Efficiency Division including:
 - (i) Credit Risk
 - (ii) Enforcement of SOP
 - (iii) Corruption Risk
 - (iv) Sustainability of Business
 - (v) Leadership Succession
 - (vi) Malaysian Growth
 - (vii) Talent Retention
 - (viii) Project Fulfilment

The findings arising from the above reviews have been reported to the Management for their feedback and response and for tabling to the ARMC for review and deliberation. Where weaknesses were identified, recommended corrective actions and procedures have been implemented to address and strengthen identified control lapses.

Other Key Elements of Internal Control

Other key elements that provide effective internal control include:

- The Group has an organisation structure with clearly defined lines of responsibility, accountability, authority and reporting.
- The business plan and annual budget are prepared and presented to the Board for review and approval and are monitor closely for effective comparison and review.
- Standard operating procedures (“SOPs”) which includes policies and procedures within the Group are continuously reviewed and updated to remain relevant and effective in line with changing business environment and regulatory requirements.
- Performance reports are provided quarterly to the Directors and discussed at Board meetings. The Board receives from the management reports covering quarterly financial performance, business updates and operations and other corporate matters.
- Monthly management accounts and reports are prepared to facilitate effective monitoring and decision making.
- On-going trainings and educational programs are identified and scheduled for all staff to acquire the necessary knowledge and competency to meet their performance and job expectations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

CONCLUSION

For the financial year under review, after due and careful assessment and based on information and assurances provided by the Group Executive Vice Chairman, Managing Directors and Executive Directors, the Board is satisfied that the Group's risk management and internal control system was operating adequately and effectively in all material aspects throughout the financial year and up to the date of approval of this statement by the Board. Measures are in place and continually being taken to ensure the on-going internal controls are adequate and effective to safeguard shareholders' investments and the Group's assets.

There were no material losses, contingencies or uncertainties as a result of weaknesses in the risk management and internal control system that would require separate disclosures in this Annual Report. Nevertheless, the Board will continue to ensure that the Group's risk management and internal control system are able to constantly adapt and prevail in its changing and challenging business environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa Securities' Listing Requirements, the External Auditors have reviewed this statement for inclusion in the Annual Report of the Group for the financial year ended 31 December 2023. Their review is performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control ("AAPG 3") issued by the Malaysian Institute of Accountants. The External Auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the system of internal control for the Group.

AAPG 3 does not require the External Auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers", nor is factually inaccurate.

This statement was approved by the Board of Directors of PRG on 29 April 2024.

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”)

The current composition of the ARMC is as follows:

Directors	Position
Datin Arlina binti Ariff <i>(Appointed as Chairman of ARMC on 25 May 2023)</i>	Chairman, Independent Non-Executive Director
Lim Chee Hoong	Member, Non-Independent Non-Executive Director
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	Member, Independent Non-Executive Director
Joyce Tan Soo Yuen <i>(Appointed as Member of ARMC on 26 March 2024)</i>	Member, Independent Non-Executive Director

The ARMC meets the requirements of paragraph 15.09(1) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”).

All ARMC members have the essential skills and expertise to perform their duties and responsibilities for effective discharge of the functions of the Committee.

The Terms of Reference of the ARMC is available on the Company’s website at www.prg.com.my.

The Board through the Nomination Committee reviews the terms and assesses the performance of the ARMC and its members through the annual Board and Board Committees’ effectiveness evaluation.

MEETINGS AND ATTENDANCE

The ARMC held a total of five (5) meetings during the financial year ended 31 December 2023. Details of the attendance records are as follows:-

Directors	Attendance
Datin Arlina binti Ariff	2 out of 2
Lim Chee Hoong	5 out of 5
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	5 out of 5
Ji Haitao <i>(Ceased as Member on 25 May 2023)</i>	3 out of 3

The Chairman of the Committee shall report to the Board the key issues discussed at each ARMC meeting. Minutes of each meeting of ARMC were prepared by the Company Secretary who acts as the secretary to the ARMC and present at all meetings. The Minutes would be tabled for confirmation at the next following meeting of ARMC and subsequently presented to the Board of Directors (“Board”) for notation.

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year ended 31 December 2023, the activities carried out by the ARMC in the discharge of its duties included, amongst others, the following: -

(i) Financial Reporting

- Reviewed the unaudited quarterly financial results before recommending to the Board for consideration and approval for subsequent release to Bursa Securities.
- Reviewed major audit findings affecting the Group and responses with the Management, External Auditors and Internal Auditors.
- Reviewed the audited financial statements for the financial year ended 31 December 2022 ("FY2022") prior to recommending it to the Board for approval.

(ii) External Audit

- Reviewed the External Auditors' audit plan for the financial statement of the Company covering the audit approach, scope of work and area of significant audit attentions, audit reporting timeline and deliverables.
- Reviewed the audit completion report covering the areas of audit emphasis, key audit matters identified by the External Auditors for inclusion in the Auditors' report that requires the exercise of significant judgement by Management, updates on financial reporting and Malaysian Financial Reporting Standards ("MFRS") applicable to the Group and the relevant impact on application of the MFRS.
- Reviewed if any, the difference between the consolidated profit after tax as per the audited results of the Company and the unaudited results announced to Bursa Securities to ensure no variation of more than 10% prescribed under the Listing Requirements that warrants immediate disclosure to Bursa Securities.
- Reviewed and confirmed with the External Auditors that the ARMC has no knowledge of any fraud related matters affecting the Group, actual or potential instances of litigations and claims, ongoing or pending, for or against the Group and breach or non-compliance with laws and regulations.
- Reviewed the extent of assistance provided by Management to the External Auditors without the presence of Management and Executive Directors and discussed significant issues affecting the Group arising from the audit with the External Auditors.
- Reviewed the assessment report on the suitability and independence of the External Auditors including non-audit services provided by the External Auditors to the Company and corresponding fees and proposed to the Board the re-appointment of the External Auditors. The assessment criteria encompassed audit planning and design, audit execution, audit fees and independence of the External Auditors.

(iii) Internal Audit

- Reviewed the adequacy and relevance of the scope, compliance and risk-based internal audit plan and results of the internal audit procedures with the in-house Internal Audit Department for the Manufacturing Division and the outsourced Internal Auditors for the Corporate, Property Development & Construction, Agriculture and Energy Efficiency Divisions. The focus of review was placed on identified high risk and critical areas that the Group faces.
- Reviewed the Internal Audit Reports and relevant issues observed as well as recommendations to remedy identified weaknesses and management responses therefrom.
- Reviewed the extent of assistance provided by Management and issues arising from and weaknesses identified during the audits with the Internal Auditors without the presence of Management and Executive Directors.

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

ACTIVITIES DURING THE FINANCIAL YEAR (Cont'd)

During the financial year ended 31 December 2023, the activities carried out by the ARMC in the discharge of its duties included, amongst others, the following: -(Cont'd)

(iii) Internal Audit (Cont'd)

- Reviewed and evaluate the internal audit functions of the Group for the FY2022.

(iv) Risk Management

- Reviewed the key risks identified by the Risk Management Team on quarterly basis and relevant measures and efforts undertaken to mitigate the risks as well as follow-up on the action plans.
- Reviewed and recommended the Risk Management Framework of the Group for the Board's approval.
- Reviewed the assessment report on the effectiveness of the risk and internal control processes of the Company and Group and was satisfied that the Group has in place the relevant risk management processes and internal control systems, amongst others, to manage the risks associated with the business and operations of the Group.

(v) Others

- Reviewed the Statement on Risk Management and Internal Control and the Report of the ARMC for inclusion in the Annual Report.
- Reviewed the Terms of Reference of the ARMC to ensure its adequacy for current circumstances, the Company's policies and/or compliance with applicable rules and regulations.
- Reviewed the related party transactions and conflict of interest or potential conflict of interest based on the declarations by Directors and Key Senior Management.
- Reviewed and verified the awards pursuant to the LTIP to the eligible person as being in compliance with the criteria set out in the By-Laws.

INTERNAL AUDIT FUNCTION

The internal audit function for the Manufacturing Division is performed in-house and for the Corporate, Property Development & Construction, Agriculture and Energy Efficiency Divisions, is outsourced to an independent consulting firm, GRC Consulting Services Sdn Bhd to provide assurance on the effectiveness as well as the adequacy and integrity of the system of internal control of the Group.

Furniweb Holdings Limited ("Furniweb"), a 50.45%-owned subsidiary of the Company, is the holding company of the subsidiaries operating in the Manufacturing Division and Energy Efficiency Division. Furniweb is listed on the GEM of The Stock Exchange of Hong Kong Limited and is subject to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

Furniweb and its subsidiaries in the Manufacturing Division ("Furniweb Group") has an in-house internal audit department that carries out regular reviews of the operations and system of internal control by examining and evaluating business processes to determine the adequacy and efficiency of financial and operating controls, and highlighting significant risks and non-compliance impacting the Furniweb Group to its audit committee. The internal audit report tabled to the audit committee of Furniweb would be subsequently presented to the ARMC of the Company for notation.

For the year under review, internal audit reviews were performed to evaluate and identify any weaknesses of the internal controls affecting the Group, the adequacy of the existing system of internal control and recommend measures to Management to improve and rectify any weaknesses.

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

INTERNAL AUDIT FUNCTION (Cont'd)

The internal audit reviews have been carried out based on compliance and risk-based audit approaches and the findings were presented to the ARMC on quarterly basis.

During the financial year ended 31 December 2023, the Internal Auditors carried out the following activities:

- (a) Prepared the annual audit plan for the Manufacturing Division, Property Development & Construction Divisions, Agriculture Division and Energy Efficiency Division for review and approval by the ARMC.
- (b) Performed compliance and risk-based audits and tabled its findings and recommendations to the ARMC.
- (c) Reviewed the following processes and/or identified key risk areas of the Group's operations:

(i) Manufacturing Division (Malaysia & Vietnam):

- Production & Quality Control including Compliance with
 - Environmental Regulations
 - Occupational Safety & Health Regulations
- Human Resource
- Purchasing & Accounts Payable
- Inventory
- Finance and Information Technology
- Inventory Costing (Raw Materials, Work-In-Progress, Semi-Finished & Finished Goods)
- Sales & Credit Control & Account Receivables
- Year-end Stock Count Attendance

(ii) Corporate, Property Development & Construction, Agriculture and Energy Efficiency Divisions:

- Risk-based audit on the identified key risk areas of the Agriculture Division including:
 - (i) Theft Risk
 - (ii) Insufficient Manpower & Lack of Resources
 - (iii) Corruption Risk
 - (iv) Export Issues
 - (v) Logging Operations
 - (vi) Environmental, Social & Governance Initiatives
- Risk-based audit on the identified key risk areas of the Property Development Division including:
 - (i) Operation Cash Flow & Liquidity Risk
 - (ii) IT System Not Well Protected
 - (iii) Joint Venture Partner Risk
 - (iv) Enforcement of SOPs & Non-Compliance with Corporate Government or Statutory Requirements
 - (v) Project Completion for Embayu
 - (vi) Environmental, Social & Governance Initiatives.

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

INTERNAL AUDIT FUNCTION (Cont'd)

- (c) Reviewed the following processes and/or identified key risk areas of the Group's operations: (Cont'd)
- (ii) **Corporate, Property Development & Construction, Agriculture and Energy Efficiency Divisions: (Cont'd)**
- Risk-based audit on the identified key risk areas of the Construction Division including:
 - (i) ISO Certificate
 - (ii) Subcontractor and Supplier's Risk
 - (iii) Material Trading Risk - Unstable Market Price
 - (iv) Credit Risk
 - (v) Economy Uncertainty, Competitive Market & Slowdown in Residential Property Market
 - (vi) Completion of the Melaka School Project
 - (vii) Environmental, Social & Governance Initiatives
 - Risk-based audit on the identified key risk areas of the Energy Efficiency Division including:
 - (i) Credit Risk
 - (ii) Enforcement of SOP
 - (iii) Corruption Risk
 - (iv) Sustainability of Business
 - (v) Leadership Succession
 - (vi) Malaysian Growth
 - (vii) Talent Retention
 - (viii) Project Fulfilment

The internal audit findings arising from the above reviews were reported to Management for response and subsequently tabled for review by the ARMC. Where weaknesses were identified, recommended procedures and/or remedial actions would be put in place to address, improve and strengthen internal controls. In addition, the Internal Auditors also performed follow-up reviews on the status of implementation of the recommended/corrective actions for reporting to the ARMC accordingly.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2023 amounting to RM274,000.

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are mainly property development and construction, provision of smart energy solution, manufacturing and sale of elastic textile, webbing and rubber tap related products, agriculture and property management and consultancy related activities. The principal activities and details of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	2,169	7,102
Attributable to:		
Owners of the parent	(11,375)	7,102
Non-controlling interests	13,544	-
	2,169	7,102

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2023.

RESERVES AND PROVISIONS

Material transfers to or from reserves or provisions during the financial year include the following:

	Group RM'000	Company RM'000
Ordinary shares issued pursuant to Share Option Plan ("SOP")	(68)	(68)
Share options granted under SOP	792	792

DIRECTORS' REPORT (CONT'D)

SHARE OPTION PLAN ("SOP") AND/OR SHARE GRANT PLAN ("SGP") PURSUANT TO THE LONG TERM INCENTIVE PLAN ("LTIP") ("SCHEME")

The LTIP was approved by the shareholders at an Extraordinary General Meeting held on 8 August 2022. The LTIP was implemented on 1 November 2022.

The LTIP is administered by the LTIP Committee and governed by the By-Laws of the LTIP.

The salient features of the LTIP are as follows:

- (a) The maximum number of PRG Shares which may be made available pursuant to the LTIP shall not in aggregate exceed 15% of the total number of issued new ordinary shares in PRG ("PRG Shares") (excluding treasury shares, if any) at any point of time during the tenure of the Scheme;
- (b) The LTIP involves a SOP and a SGP for eligible directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries), who meet the eligibility criteria for participation in the Scheme ("Eligible Persons") as set out in the LTIP By-Laws;

SOP

The SOP involves the granting of options ("SOP Options") to the Eligible Persons to subscribe for new PRG Shares at a prescribed option price ("Option Price") ("SOP Awards"), subject to terms and conditions of the By-Laws.

Upon acceptance of the SOP Awards by the selected Eligible Person ("SOP Participants"), the SOP Awards shall be vested to the SOP Participants and may be subjected to the fulfilment of such vesting conditions as may be determined by the LTIP Committee, in accordance with the terms of the By-Laws.

SGP

The SGP involves the granting of new PRG Shares to the Eligible Persons ("SGP Awards"), subject to the terms and conditions of the By-Laws.

Upon acceptance of the SGP Awards by the selected Eligible Persons ("SGP Participants"), the SGP Awards will be vested to the SGP Participants at no cost over the duration of the LTIP, subject to the SGP Participants fulfilling certain vesting conditions as may be determined by the LTIP Committee, in accordance with the By-Laws.

- (c) The LTIP shall be in force for a period of 5 years from the effective date of commencement of the LTIP and is renewable for a period of up to five (5) years immediately from the expiry of first five (5) years and shall not in aggregate exceed 10 years from the date of commencement of the LTIP;
- (d) Subject to any adjustments to be made under the By-Laws and Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), the Option Price and reference price of the SGP Awards shall be determined based on the 5-day volume weighted average market price ("5D-VWAP") of PRG Shares immediately preceding the date of offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the LTIP as set out in the By-Laws;
- (e) Subject to the By-Laws, the maximum number of PRG Shares to be awarded to an Eligible Person at any point of time in the LTIP Awards made under the LTIP shall be at the sole and absolute discretion of the LTIP Committee taking into consideration, inter alia, the Eligible Person's designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions; and
 - (i) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of PRG Shares to be issued under the LTIP shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued PRG Shares (excluding treasury shares, if any); and
 - (ii) up to 80% of the total number of PRG Shares which may be made available under the LTIP could be allocated, in aggregate, to the Directors and senior management of PRG Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time). This is intended to incentivise the Directors of the Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of the Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance.

DIRECTORS' REPORT (CONT'D)

SHARE OPTION PLAN ("SOP") AND/OR SHARE GRANT PLAN ("SGP") PURSUANT TO THE LONG TERM INCENTIVE PLAN ("LTIP") ("SCHEME") (CONT'D)

- (f) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company.

The details of the options over ordinary shares of the Company was as follows:

Option Price	Number of options over ordinary shares					Exercisable as at 31.12.2023
	Balance as at 1.1.2023	Granted	Retracted*	Exercised	Balance as at 31.12.2023	
RM0.0551	-	25,901,933	(7,233,074)	(1,226,854)	17,442,005	3,980,918
RM0.0876	-	6,698,315	(560,000)	-	6,138,315	338,663
RM0.1075	-	196,800	(196,800)	-	-	-
	-	32,797,048	(7,989,874)	(1,226,854)	23,580,320	4,319,581

* Due to resignation and offer being rejected.

Since the implementation of the LTIP, a total of 32,797,048 of SOP Options and 2,137,500 of SGP Awards had been granted to the eligible Directors and employees of the Group of which a total of 3,462,850 SOP Options had been granted to the Executive Directors of the Company. A total of 1,226,854 SOP Options had been exercised since implementation of the LTIP until the end of the financial year of which 156,000 SOP Options had been exercised by the Executive Directors of the Company.

During the financial year and since the implementation of the LTIP, the Directors and senior management of the Company and its subsidiaries had been granted 16.55% of the total SOP Options available under the LTIP as at the end of the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 429,857,221 to 431,084,075 by way of issuance of 1,226,854 ordinary shares pursuant to the options exercised under the SOP at exercise price of RM0.165 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

Subsequent to the financial year:-

- issued 275,118 ordinary shares arising from the exercise of 275,118 SOP Options at the exercise price of RM0.165 per SOP Options; and
- issued 1,157,663 ordinary shares arising from the exercise of 1,157,663 SOP Options at the exercise price of RM0.179 per SOP Options.

TREASURY SHARES

The members of the Company, by a special resolution passed at the Extraordinary General Meeting held on 27 June 2005 authorised the Company's plan to purchase its own shares.

The Company has the right to retain, cancel, resell, transfer these shares and/or distribute these shares as dividends. As treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended. Of the total 431,084,075 issued and fully paid ordinary shares as at 31 December 2023, 417,800 ordinary shares bought for RM87,000 in the prior financial year are held as treasury shares by the Company.

The number of outstanding ordinary shares in issue after deducting the treasury shares is 430,666,275 ordinary shares as at 31 December 2023.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

PRG Holdings Berhad

Dato' Lua Choon Hann	
Dato' Wee Cheng Kwan	
Lim Chee Hoong	
Ji Haitao	
Ng Tzee Penn	
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	
Datin Arlina Binti Ariff	(Appointed on 20 April 2023)
Ng Khang Chyi	(Appointed on 1 September 2023)
Joyce Tan Soo Yuen	(Appointed on 15 March 2024)
Andrew Chan Lim-Fai	(Appointed on 26 March 2024)
Elaine Foo Mei Lan	(Appointed on 30 November 2023 and resigned on 15 December 2023)

Subsidiaries of PRG Holdings Berhad

Au Yeung Yiu Chung	
Chan Kwong Pooi	
Dato' Lee Chee Leong	
Dato' Lim Heen Peok	
Dato' Lua Choon Hann	
Dato' Sheah Kok Fah	
Dato' Sri Dr. Hou Kok Chung	
Dato' Wee Cheng Kwan	
Dato' Zainuddin Bin Abd Rahman	
Ho Ming Hon	
Ho Phei Suan	
Mak Pak Ngai Benson	
Kang Boon Lian	
Liew Ching Hoong	
Ng Tzee Penn	
Ng Yan Cheng	
Pua Lay Cheng	
Tan Choong Wei	
Tan Chuan Dyi	
Tao Wah Wai Calvin	
Dato' Ang Cheng Siong	
Dato' Nik Noor Azam Bin Noor Basir	
Foo Fook Min	(Appointed on 30 April 2023)
Ji Haitao	(Appointed on 26 July 2023)
Lee Song Yew	(Appointed on 1 September 2023)
Andrew Chan Lim-Fai	(Appointed on 25 March 2024)
Lai Kong Meng	(Resigned on 30 January 2023)
Lee Sim Hak	(Resigned on 30 January 2023)
Ong Lock Hoo	(Resigned on 30 January 2023)
Cheah Hannon	(Resigned on 30 April 2023)
Lo Vui Liung	(Resigned on 25 July 2023)
Datuk Yoo Wei How	(Resigned on 1 September 2023)
Cheah Eng Chuan	(Resigned on 1 April 2024)

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and SOP Options over ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares		
	Balance as at 1.1.2023/1.9.2023*	Bought	Disposed
			Balance as at 31.12.2023

Shares in the Company

Direct interests:

Dato' Lua Choon Hann	32,322,800	-	(9,796,700)	22,526,100
Dato' Wee Cheng Kwan	6,800,000	4,523,800	-	11,323,800
Ji Haitao	1,417,000	-	-	1,417,000
Lim Chee Hoong	154,000	-	-	154,000
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	300,000	266,600	(550,000)	16,600
Ng Khang Chyi	2,206,000	-	-	2,206,000

Indirect interests:

Dato' Lua Choon Hann #	300,000	-	-	300,000
Lim Chee Hoong #	134,000	-	-	134,000

Shares in a subsidiary,
Furniweb Holdings Limited

Direct interests:

Dato' Lua Choon Hann	260,000	-	-	260,000
Ji Haitao	1,104,000	-	-	1,104,000

	Number of SOP Options over ordinary shares		
	Balance as at 1.1.2023	Granted	Exercised
			Balance as at 31.12.2023

SOP Options in the Company

Direct interests:

Dato' Lua Choon Hann	-	981,453	-	981,453
Dato' Wee Cheng Kwan	-	1,371,397	(156,000)	1,215,397
Ji Haitao	-	200,000	-	200,000
Lim Chee Hoong	-	200,000	-	200,000
Ng Tzee Penn	-	510,000	-	510,000

Deemed interest by virtue of their spouse's interest pursuant to Section 59(11)(c) of the Companies Act 2016.

* Date of appointment of Ng Khang Chyi.

Other than as stated above, none of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) certain Directors who received remunerations from the subsidiaries as Directors of the subsidiaries.

The details of the above transactions are disclosed in Note 32 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the SOP as mentioned in Note 31 to the financial statements.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM'000	Company RM'000
Fees	456	216
Salaries and other emoluments	7,793	10
Contributions to defined contribution plan	696	-
	8,945	226

The estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group and of the Company is RM116,000 and RM46,000 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium effected for any Director and officer of the Group and of the Company was RM68,000 and RM15,000 respectively.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off of bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) **Proposed disposal by the Company 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 the Company, for a total consideration of RM61,982,000 (“Proposed Disposal of Properties”); and**

Proposed diversification of the business of the Company and its subsidiaries (“PRG Group”) to include the property investment business (“Proposed Diversification”)

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

On the same date, the Company 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.

The Company 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 the Company and Furniweb to exclude property investment business as restricted activity in order to provide flexibility to the Company 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. The Proposed Disposal of Properties and Proposed Diversification are subject to approval from shareholders of the Company at an extraordinary general meeting (“EGM”) to be convened.

- (b) **Disposal of Meinaide Holdings Group Limited and its subsidiaries (“Meinaide Group”)**

On 19 September 2023, the Board of Furniweb had approved the disposal of Meinaide Group to independent third party purchaser, Omen Wealth Limited for a total consideration of HKD15,000,000 (approximately RM8,988,000). The disposal of Meinaide was completed on 30 September 2023.

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

On 25 August 2023, the Company announced that the Company 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 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 (“Settlement Shares”); and

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

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

- 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, wholly-owned subsidiary of Furniweb and a substantial shareholder of the Company amounting to RM4,993,271.46 to be satisfied via issuance of 23,365,800 new Settlement Shares.

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.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM'000	Company RM'000
Statutory audit	664	68
Other services	17	14
	681	82

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Lua Choon Hann
Director

Kuala Lumpur
29 April 2024

Dato' Wee Cheng Kwan
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 125 to 218 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board.

Dato' Lua Choon Hann
Director

Kuala Lumpur
29 April 2024

Dato' Wee Cheng Kwan
Director

STATUTORY DECLARATION

I, Dato' Lua Choon Hann, being the Director responsible for the financial management of PRG Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 125 to 218 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Petaling Jaya, this)
29 April 2024)

Dato' Lua Choon Hann

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRG HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PRG Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 125 to 218.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) *Revenue recognition for construction contracts*

Revenue from construction contracts during the financial year as disclosed in Note 26 to the financial statements is RM74,014,000.

We determined this to be a key audit matter because it requires management to exercise significant judgement in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages ("LAD"). The progress towards complete satisfaction of performance obligations is measured using the output method, which is based on contract work certified to date over the estimated total contract sum.

In estimating the progress towards complete satisfaction of performance obligations, the Group considers the estimated contract work completed to date and the completeness and accuracy of its estimated total contract sum, including contract variations, claims and contingencies.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRG HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

a) Revenue recognition for construction contracts (Cont'd)

Audit response

Our audit procedures included the following:

- (i) inspected documentation to support the estimated total contract sum and correspondences from contract customers in relation to variations and claims to corroborate key judgements applied by management;
- (ii) inspected documentation certified by professional consultants to support the contract work performed by the Group to-date;
- (iii) recomputed the progress towards complete satisfaction of performance obligations determined by management for revenue recognition based on contract work certified to-date and budgeted total contract sum;
- (iv) inquired in-house operational and financial personnel of the Group to assess the merits of extension of time submitted to the contract customers for assessing the exposure to LAD; and
- (v) inspected relevant correspondences and reports, including on-going negotiations with contract customers for the late delivery of contract works.

b) Recoverability of trade and other receivables and contract assets

Gross trade and other receivables and contract assets of the Group as at 31 December 2023 were RM189,540,000 and RM20,731,000 respectively, the associated impairment losses of trade and other receivables and contract assets were RM8,840,000 and RM127,000 respectively, which include expected credit loss and credit-impaired trade receivables of RM5,081,000 and RM3,759,000 as disclosed in Note 12 and 13 to the financial statements respectively.

We determined this to be a key audit matter because it requires management to exercise significant judgement in assessing expected credit losses, including determining the probability of default of trade and other receivables and contract assets and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

- (i) understand management's internal control and assessment process for impairment of trade and other receivables and contract assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors associated with this accounting estimate;
- (ii) valued the appropriateness of the forward-looking information and expected credit losses by re-computing the correlation coefficient between the historical losses and the macroeconomic indicators applied by the Group; and
- (iii) evaluated management's assessment and explanations on the individually significant trade and other receivables and contract assets that were past due as at 31 December 2023 with reference to supporting evidence such as payment record of the customers and correspondences with customers.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRG HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

c) *Valuation of biological assets*

The carrying amount of biological assets has been disclosed in Note 17 to the financial statements.

The valuation of biological assets is determined by income approach which considers the net present value of all directly attributable net cash flows based on Directors' estimation by reference to inputs used in the cash flow projections prepared by management.

We determined this to be a key audit matter as it involves significant judgement and is subject to estimation uncertainty as key assumptions including estimated selling prices and discount rate applied to derive the fair value.

Audit response

Our audit procedures included the following:

- (i) evaluated the appropriateness of the methodology used by the management in valuation of biological assets;
- (ii) assessed the appropriateness of the key assumptions and relevant inputs used by the management in the valuation model by comparing to the external data as well as the historical data provided to us by the management;
- (iii) performed testing by comparing the projected selling price against externally derived data, historical trends and other collaborative evidence available; and
- (iv) tested the integrity of the data and inputs used by the management.

d) *Annual impairment assessment of the carrying amount of goodwill*

The carrying amount of the goodwill of the Group has been disclosed in Note 7 to the financial statements.

We determined the annual impairment assessment of goodwill to be a key audit matter because it requires significant management judgement and estimates about the future results and the key assumptions applied to cash flow forecasts of the cash generating units, including projected growth in future revenues, as well as determining an appropriate pre-tax discount rate and terminal growth rates.

Audit response

Our audit procedures, with the involvement of component auditors, included the following:

- (i) compared prior period forecast to historical performance to assess reliability of management's forecast;
- (ii) evaluated the reasonableness of projected growth rates to historical results as well as market and industry data;
- (iii) evaluated the reasonableness of the pre-tax discount rate by comparing to market data and relevant risk factors; and
- (iv) assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

We have determined that there are no key audit matters to be communicated in our auditors' report on the audit of the separate financial statements of the Company.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRG HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)**

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRG HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)**

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRG HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)**

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
29 April 2024

Rejeesh A/L Balasubramaniam
02895/08/2024 J
Chartered Accountant

STATEMENTS

OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	31,773	25,272	1,120	863
Right-of-use assets	6	22,099	22,144	347	-
Intangible assets	7	15,423	15,617	-	-
Investments in subsidiaries	8	-	-	60,921	60,921
Investments in associates	9	-	-	-	-
Investment in a joint venture	10	1,270	1,411	-	-
Other investment	11	-	-	-	-
Trade and other receivables	12	7,224	61,378	32,867	77,197
Contract assets	13	-	1,405	-	-
Deferred tax assets	14	9	20	-	-
		77,798	127,247	95,255	138,981
Current assets					
Inventories	15	30,583	36,495	-	-
Biological assets	17	58,367	80,168	-	-
Trade and other receivables	12	173,476	75,833	102,506	44,530
Contract assets	13	20,604	92,604	-	-
Current tax assets		4,261	2,267	-	-
Cash and bank balances	18	101,108	71,469	1,799	125
		388,399	358,836	104,305	44,655
TOTAL ASSETS		466,197	486,083	199,560	183,636
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	144,800	144,530	144,800	144,530
Treasury shares	19(c)	(87)	(87)	(87)	(87)
Reserves	20	14,982	25,041	15,217	7,391
		159,695	169,484	159,930	151,834
Non-controlling interests	8(g)	96,737	82,611	-	-
TOTAL EQUITY		256,432	252,095	159,930	151,834

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	21	36,736	42,127	-	-
Trade and other payables	22	-	15,569	-	5,000
Lease liabilities	23	5,216	5,802	175	-
Deferred tax liabilities	14	2,940	2,338	-	-
		44,892	65,836	175	5,000
Current liabilities					
Borrowings	21	8,825	23,375	-	-
Trade and other payables	22	135,768	129,631	39,227	26,752
Contract liabilities	13	14,219	7,325	-	-
Lease liabilities	23	2,515	1,492	221	-
Current tax liabilities		3,546	6,329	7	50
		164,873	168,152	39,455	26,802
TOTAL LIABILITIES		209,765	233,988	39,630	31,802
TOTAL EQUITY AND LIABILITIES		466,197	486,083	199,560	183,636

The accompanying notes form an integral part of the financial statements.

STATEMENTS

OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	26	361,719	307,532	445	-
Cost of sales		(276,491)	(217,549)	-	-
Gross profit		85,228	89,983	445	-
Other income		4,097	6,471	2,701	6,239
Distribution costs		(2,245)	(4,264)	-	-
Administrative expenses		(47,262)	(34,140)	(3,280)	(2,218)
Other expenses		(22,067)	(3,561)	(33)	(689)
Interest income		3,834	3,325	2,537	2,538
Finance costs		(4,338)	(4,262)	(378)	(282)
Net (losses)/gains on impairment of financial assets		(3,978)	353	5,314	1
Share of profits of associates, net of tax	9(c)	-	3,669	-	-
Share of profit of a joint venture, net of tax	10	291	462	-	-
Profit before tax	27	13,560	58,036	7,306	5,589
Tax expense	28	(11,391)	(14,914)	(204)	(210)
Profit for the financial year		2,169	43,122	7,102	5,379
Other comprehensive income/ (loss), net of tax					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translations		2,323	1,831	-	-
Realisation of reserves from deemed disposal of an associate		-	(189)	-	-
Realisation of reserves from deemed disposal of subsidiaries		(1,151)	-	-	-
Share of other comprehensive income of associates	9(c)	-	138	-	-
Share of other comprehensive income of a joint venture	10	2	18	-	-
Total other comprehensive income, net of tax		1,174	1,798	-	-

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total comprehensive income for the financial year		3,343	44,920	7,102	5,379
(Loss)/Profit attributable to:					
- Owners of the parent		(11,375)	19,483	7,102	5,379
- Non-controlling interests	8(g)	13,544	23,639	-	-
		2,169	43,122	7,102	5,379
Total comprehensive (loss)/income attributable to:					
- Owners of the parent		(10,783)	20,455	7,102	5,379
- Non-controlling interests	8(g)	14,126	24,465	-	-
		3,343	44,920	7,102	5,379
(Loss)/Earnings per ordinary share attributable to owners of the parent (sen)					
Basic	29(a)	(2.65)	4.54		
Diluted	29(b)	(2.63)	4.54		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Share capital RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2023		144,530	(353)	(87)	(28,327)	-	53,721	169,484	82,611	252,095
(Loss)/Profit for the financial year		-	-	-	-	-	(11,375)	(11,375)	13,544	2,169
Foreign currency translations		-	1,172	-	-	-	-	1,172	1,151	2,323
Realisation of reserves from disposal of subsidiaries		-	(581)	-	-	-	-	(581)	(570)	(1,151)
Share of other comprehensive income of a joint venture, net of tax	8(d)	-	-	-	-	-	-	-	-	-
	10	-	1	-	-	-	-	1	1	2
Total comprehensive income/(loss)		-	592	-	-	-	(11,375)	(10,783)	14,126	3,343
Transactions with owners										
Share options granted										
Share Option Plan ("SOP")		-	-	-	-	792	-	792	-	792
Issuance of ordinary shares pursuant SOP exercised		270	-	-	-	(68)	-	202	-	202
Total transactions with owners		270	-	-	-	724	-	994	-	994
Balance as at 31 December 2023		144,800	239	(87)	(28,327)	724	42,346	159,695	96,737	256,432

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Group	Note	Share capital RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2022		144,530	(1,325)	(87)	(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	9	-	138	-	-	-	138	-	138
Share of other comprehensive income of a joint venture, net of tax	10	-	18	-	-	-	18	-	18
Total comprehensive income		-	972	-	-	19,483	20,455	24,465	44,920
Transaction with owners									
Dilution on changes in shareholding in a subsidiary		-	-	-	-	(1,531)	(1,531)	7,001	5,470
Total transaction with owners		-	-	-	-	(1,531)	(1,531)	7,001	5,470
Balance as at 31 December 2022		144,530	(353)	(87)	(28,327)	53,721	169,484	82,611	252,095

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Company	Note	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2022		144,530	(87)	(28,327)	-	30,339	146,455
Profit for the financial year		-	-	-	-	5,379	5,379
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	5,379	5,379
Balance as at 31 December 2022/1 January 2023		144,530	(87)	(28,327)	-	35,718	151,834
Profit for the financial year		-	-	-	-	7,102	7,102
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	7,102	7,102
Transactions with owners							
Share options granted under SOP		-	-	-	792	-	792
Issuance of ordinary shares pursuant to SOP exercised		270	-	-	(68)	-	202
Total transactions with owners		270	-	-	724	-	994
Balance as at 31 December 2023		144,800	(87)	(28,327)	724	42,820	159,930

The accompanying notes form an integral part of the financial statements.

STATEMENTS

OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		13,560	58,036	7,306	5,589
Adjustments for:					
Amortisation of intangible assets	7	740	241	-	-
Depreciation of:					
- property, plant and equipment	5	1,834	2,015	133	-
- right-of-use assets	6	2,651	1,153	247	-
Gain on disposal of subsidiaries	8(d)	(347)	-	-	-
Fair value adjustments on:					
- amounts owing by subsidiaries		-	-	(2,701)	(6,065)
- trade and other receivables		143	26	-	-
- contract assets	13(d)	(161)	(458)	-	-
- trade and other payables		952	1,390	-	-
- biological assets	17	20,416	-	-	-
Gain on deemed disposal of an associate		-	(2,105)	-	-
Inventories written down	15	2,533	110	-	-
Gain on disposals of property, plant and equipment		(633)	(33)	-	-
Impairment losses on:					
- trade receivables	12(e)	2,809	253	-	-
- other receivables	12(h)	1,664	42	-	-
- contract assets	13(g)	28	11	-	-
- amounts owing by subsidiaries	12(h)	-	-	464	1,152
Finance costs		4,338	4,262	378	282
Property, plant and equipment written off	5	-	4	-	-
Inventories written off	15	77	-	-	-
Interest income		(3,834)	(3,325)	(2,537)	(2,538)
Other receivables written off		17	-	-	-
Reversal of inventories written down	15	(100)	(384)	-	-
Reversal of impairment losses on:					
- trade receivables	12(e)	(123)	(410)	-	-
- other receivables	12(h)	(1,454)	(215)	-	-
- amounts owing by subsidiaries	12(h)	-	-	(5,778)	(1,153)
- contract assets	13(g)	(118)	(34)	-	-
Share options granted under SOP		792	-	724	-
Share of profits of associates, net of tax	9	-	(3,669)	-	-
Share of profit of a joint venture, net of tax	10	(291)	(462)	-	-
Net unrealised loss on foreign exchange		304	997	34	527
Operating profit/(loss) before changes in working capital		45,797	57,445	(1,730)	(2,206)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Operating profit/(loss) before changes in working capital (Cont'd)		45,797	57,445	(1,730)	(2,206)
Change in inventories		1,883	27,392	-	-
Change in trade and other receivables		(40,176)	(15,283)	(255)	(77)
Change in contract assets		74,861	(43,591)	-	-
Change in trade and other payables		(19,490)	17,124	1,018	52
Change in contract liabilities		7,894	5,090	-	-
Cash generated from/(used in) operations		70,769	48,177	(967)	(2,231)
Tax refunded		197	-	-	-
Tax paid		(14,341)	(16,841)	(248)	(2,070)
Net cash from/(used in) operating activities		56,625	31,336	(1,215)	(4,301)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of:					
- property, plant and equipment	5	(13,699)	(3,592)	(390)	(863)
- right-of-use assets	6(e)	(27)	(160)	-	-
- intangible assets	7	-	(7)	-	-
Repayments from subsidiaries		-	-	4,784	13,622
Advances to a joint venture		(43)	(25)	-	-
Dividends received from a joint venture	10	435	-	-	-
Interest received		1,297	788	-	-
Proceeds from disposals of property, plant and equipment		5,387	37	-	-
Net cash inflow from acquisition of subsidiaries	8(e)	-	24,112	-	-
Net cash outflow from disposal of subsidiaries	8(d)	(2,721)	-	-	-
Withdrawal of restricted cash		-	527	-	-
Placement of deposits with financial institutions with original maturity of more than three (3) months		(3,709)	(4,528)	-	-
Net cash (used in)/from investing activities		(13,080)	17,152	4,394	12,759

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from a shareholder		10,676	913	743	611
Drawdowns of borrowings		12,354	6,206	-	-
Interest paid		(3,937)	(4,040)	(336)	(282)
Proceeds from issuance of ordinary shares pursuant to SOP exercised		202	-	270	-
Payments of lease liabilities		(2,536)	(1,063)	(240)	-
Repayments of borrowings		(33,124)	(13,049)	-	-
Repayments to a shareholder		(2,514)	(8,795)	(1,944)	(8,773)
Net cash used in financing activities		(18,879)	(19,828)	(1,507)	(8,444)
Net increase in cash and cash equivalents		24,666	28,660	1,672	14
Effects of exchange rate changes on cash and cash equivalents		1,290	579	2	(1)
Cash and cash equivalents as at beginning of financial year		59,726	30,487	125	112
Cash and cash equivalents as at end of financial year	18(d)	85,682	59,726	1,799	125

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings** (Note 21)		Amounts owing to shareholders (Note 22)		Lease liabilities (Note 23)	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
At 1 January 2023	65,233	-	31,335	26,042	7,294	-
Cash flows						
- Advances from a shareholder	-	-	10,676	743	-	-
- Drawdowns of borrowings	12,354	-	-	-	-	-
- Payments of lease liabilities	-	-	-	-	(2,536)	(240)
- Repayments of borrowings	(33,124)	-	-	-	-	-
- Repayments to a shareholder	-	-	(2,514)	(1,944)	-	-
- Interest expense paid	(2,589)	-	(478)	(36)	-	-
Non-cash flows:						
- Interest expense	2,589	-	478	36	401	42
- Acquisition of right-of-use assets	-	-	-	-	2,337	594
- Effect of foreign exchange	855	-	354	(36)	235	-
At 31 December 2023	45,318	-	39,851	24,805	7,731	396
At 1 January 2022	56,935	-	38,206	33,680	3,528	-
Cash flows						
- Advances from a shareholder	-	-	(8,795)	(8,773)	-	-
- Drawdowns of borrowings	6,206	-	-	-	-	-
- Payments of lease liabilities	-	-	-	-	(1,063)	-
- Repayments of borrowings	(13,049)	-	-	-	-	-
- Repayments to a shareholder	-	-	913	611	-	-
- Interest expense paid	(3,518)	-	(489)	(252)	-	-
Non-cash flows:						
- Interest expense	3,518	-	489	252	222	-
- Acquisition of right-of-use assets	-	-	-	-	1,930	-
- Acquisition of subsidiaries	15,016	-	-	-	1,020	-
- Lease modification	-	-	-	-	1,502	-
- Effect of foreign exchange	125	-	1,011	524	155	-
At 31 December 2022	65,233	-	31,335	26,042	7,294	-

** Borrowings excluding bank overdraft.

The accompanying notes form an integral part of the financial statements.

NOTES

TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. CORPORATE INFORMATION

PRG Holdings Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur.

The principal place of business of the Company is located at Unit 4.02, Level 4, Plaza Damansara Block A, Bukit Damansara, 50490 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 December 2023 comprise the Company and its subsidiaries and the interests of the Group in associates and a joint venture. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 29 April 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are mainly property development and construction, provision of smart energy solution and manufacturing and sale of elastic textile, webbing and rubber tap related products, agriculture and property management and consultancy related activities. The principal activities and details of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 4.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

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 Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Interchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Amendments, since the effects would only be observable for the future financial years.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Furniture, fittings and office equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Bearer plants RM'000	Total RM'000
Cost									
At 1 January 2022	1,009	25,506	1,509	45,710	2,778	-	22	-	76,534
Additions	-	40	-	1,806	83	-	1,663	-	3,592
Disposals	-	-	-	(315)	(111)	-	-	-	(426)
Acquisition of subsidiaries	-	-	154	-	2,814	862	2	-	3,832
Reclassification to right-of-use assets	-	-	-	(2,009)	-	-	-	-	(2,009)
Written off	-	-	-	-	-	-	(4)	-	(4)
Reclassification	-	-	-	61	-	-	(61)	-	-
Translation adjustments	-	77	(16)	53	59	20	-	-	193
At 31 December 2022/ 1 January 2023	1,009	25,623	1,647	45,306	5,623	882	1,622	-	81,712
Additions	-	135	15	1,002	564	-	7,682	4,301	13,699
Disposals	-	(6,148)	(156)	(1,856)	(294)	-	(2)	-	(8,456)
Disposal of subsidiaries	-	-	(682)	(4,662)	(51)	-	-	-	(5,395)
Reclassification from right-of-use assets	-	-	300	-	-	-	-	-	300
Written off	-	-	-	-	(403)	(210)	-	-	(613)
Reclassification	-	890	-	7,235	-	-	(8,125)	-	-
Translation adjustments	-	39	24	183	155	49	-	-	450
At 31 December 2023	1,009	20,539	1,148	47,208	5,594	721	1,177	4,301	81,697

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land		Buildings		Motor vehicles		Plant and machinery		Furniture, fittings and office equipment		Renovation		Capital work-in-progress		Bearer plants		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Accumulated depreciation																	
At 1 January 2022	-	-	8,894	-	1,224	-	38,742	-	2,483	-	-	-	-	-	-	-	51,343
Depreciation charge for the financial year	-	-	576	-	107	-	1,209	-	123	-	-	-	-	-	-	-	2,015
Disposals	-	-	-	-	-	-	(311)	-	(111)	-	-	-	-	-	-	-	(422)
Acquisition of subsidiaries	-	-	-	-	109	-	-	-	2,588	863	-	-	-	-	-	-	3,560
Reclassification to right-of-use assets	-	-	-	-	-	-	(204)	-	-	-	-	-	-	-	-	-	(204)
Translation adjustments	-	-	37	-	(18)	-	55	-	55	19	-	-	-	-	-	-	148
At 31 December 2022/																	
1 January 2023	-	-	9,507	-	1,422	-	39,491	-	5,138	882	-	-	-	-	-	-	56,440
Depreciation charge for the financial year	-	-	493	-	67	-	1,002	-	272	-	-	-	-	-	-	-	1,834
Disposals	-	-	(1,421)	-	(132)	-	(1,856)	-	(293)	-	-	-	-	-	-	-	(3,702)
Disposal of subsidiaries	-	-	-	-	(677)	-	(4,001)	-	(51)	-	-	-	-	-	-	-	(4,729)
Reclassification from right-of-use assets	-	-	-	-	300	-	-	-	-	-	-	-	-	-	-	-	300
Written off	-	-	-	-	-	-	-	-	(403)	(210)	-	-	-	-	-	-	(613)
Translation adjustments	-	-	18	-	22	-	161	-	144	49	-	-	-	-	-	-	394
At 31 December 2023	-	-	8,597	-	1,002	-	34,797	-	4,807	721	-	-	-	-	-	-	49,924
Carrying amount																	
At 31 December 2022	1,009	-	16,116	-	225	-	5,815	-	485	-	-	1,622	-	-	-	-	25,272
At 31 December 2023	1,009	-	11,942	-	146	-	12,411	-	787	-	-	1,177	-	-	4,301	-	31,773

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

As at 31 December 2023, freehold land, buildings and certain plant and machinery of the Group with a total carrying amount of RM10,381,000 (2022: RM15,359,000) are charged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 21(a) to the financial statements.

Company	Building RM'000	Furniture, fittings and office equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Cost				
At 1 January 2022	-	-	-	-
Additions	-	-	863	863
At 31 December 2022	-	-	863	863
1 January 2023	-	-	863	863
Additions	66	274	50	390
Reclassification	890	23	(913)	-
At 31 December 2023	956	297	-	1,253
Accumulated depreciation				
At 31 December 2022/1 January 2023	-	-	-	-
Depreciation charge for the financial year	88	45	-	133
At 31 December 2023	88	45	-	133
Carrying amount				
At 31 December 2022	-	-	863	863
At 31 December 2023	868	252	-	1,120

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.
- (b) The Group assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the performance of Cash Generating Units ("CGUs"). Management considered certain CGUs which are loss-making as impairment indications.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (c) Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately. After initial recognition, property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation rates are as follows:

Buildings	2% - 12.5%
Plant and machinery	10% - 20%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	10% - 20%
Renovation	20% - 33%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress representing machinery under installation and renovation-in-progress are stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

Bearer plants are living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period and have remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs include plantation expenditures incurred from the stage of land clearing up to the stage of maturity. New planting expenditure and replanting expenditure are recognised as bearer plants and measured at cost less accumulated amortisation and accumulated impairment losses, if any. The bearer plants, which are immature are not depreciated until such time when they are available for use.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

6. RIGHT-OF-USE ASSETS

Group	Note	Long-term leasehold land RM'000	Leasehold improvements RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
Carrying amount							
At 1 January 2022		17,041	169	863	-	175	18,248
Additions		160	-	34	-	-	194
Reclassification from property, plant and equipment		-	-	-	1,805	-	1,805
Acquisition of subsidiaries	8(e)	-	-	288	-	1,131	1,419
Re-measurement		-	-	1,502	-	-	1,502
Depreciation charge for the financial year		(439)	(4)	(423)	(100)	(187)	(1,153)
Translation adjustments		128	-	(20)	-	21	129
At 31 December 2022/1 January 2023		16,890	165	2,244	1,705	1,140	22,144
Additions		-	-	2,266	-	98	2,364
Depreciation charge for the financial year		(460)	(4)	(1,535)	(201)	(451)	(2,651)
Translation adjustments		93	-	98	-	51	242
At 31 December 2023		16,523	161	3,073	1,504	838	22,099

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

Company	Building RM'000
Carrying amount	
At 1 January 2023	-
Additions	594
Depreciation charge for the financial year	(247)
At 31 December 2023	347

- (a) Leasehold land, right-of-use buildings, right-of-use motor vehicles and right-of-use plant and machinery represent right-of-use assets arising from lease arrangements that do not meet the definition of investment property.
- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the periods of the lease terms. The principal depreciation periods are as follows:

Long-term leasehold land	33 - 77 years
Leasehold improvements	5 years
Buildings	2 - 7 years
Plant and machinery	5 years
Motor vehicles	3 - 7 years

- (c) As at 31 December 2023, long-term leasehold land of the Group with a total carrying amount of RM14,225,000 (2022: RM14,567,000) are charged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 21(a) to the financial statements.
- (d) Included in right-of-use assets of the Group are motor vehicles and plant and machinery acquired under hire purchase arrangements with carrying amounts of RM2,342,000 (2022: RM2,845,000).
- (e) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Purchase of right-of-use assets	2,364	194	594	-
Financed by lease arrangement (Note 23)	(2,337)	(34)	(594)	-
Cash payments on purchase of right- of-use assets	27	160	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

7. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Customers relationship RM'000	Computer software RM'000	Total RM'000
Cost					
At 1 January 2022		69,465	5,981	414	75,860
Additions		-	-	7	7
Acquisition of subsidiaries	8(e)	9,710	5,063	-	14,773
Translation adjustments		(2,270)	(247)	-	(2,517)
At 31 December 2022/ 1 January 2023		76,905	10,797	421	88,123
Written off		(691)	-	-	(691)
Disposal of subsidiaries		(66,211)	(5,876)	-	(72,087)
Translation adjustments		1,204	278	-	1,482
At 31 December 2023		11,207	5,199	421	16,827
Accumulated amortisation					
At 1 January 2022		-	2,300	407	2,707
Amortisation charge for the financial year		-	237	4	241
Translation adjustments		-	(72)	-	(72)
At 31 December 2022/ 1 January 2023		-	2,465	411	2,876
Amortisation charge for the financial year		-	737	3	740
Disposal of subsidiaries		-	(2,260)	-	(2,260)
Translation adjustments		-	48	-	48
At 31 December 2023		-	990	414	1,404
Accumulated impairment loss					
At 1 January 2022		68,232	3,681	-	71,913
Translation adjustments		(2,165)	(118)	-	(2,283)
At 31 December 2022/ 1 January 2023		66,067	3,563	-	69,630
Written off		(691)	-	-	(691)
Disposal of subsidiaries		(66,211)	(3,616)	-	(69,827)
Translation adjustments		835	53	-	888
At 31 December 2023		-	-	-	-
Carrying amount					
At 31 December 2022		10,838	4,769	10	15,617
At 31 December 2023		11,207	4,209	7	15,423

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

(b) Other intangible assets

Intangible assets with finite lives such as customer relationship and computer software are initially measured at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives.

Customer relationship

Customer relationship acquired as part of acquisition of business is capitalised separately from goodwill as an intangible asset if its value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

Customer relationship is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method over its estimated useful life of seven (7) years.

Computer software

Costs that are associated with identifiable and unique software products controlled by the Group and have probable economic benefit exceeding the cost beyond one (1) year are recognised as intangible assets. Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software costs are stated at cost less accumulated amortisation cost and accumulated impairment losses, if any. These costs are amortised using the straight line method over their estimated useful lives of five (5) to ten (10) years.

(c) The carrying amount of goodwill allocated to each Cash Generating Unit ("CGU") is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Manufacturing and sales of safety webbing operated by Furniweb Safety Webbing Sdn. Bhd.	1,233	1,233
Energy efficiency business operated by subsidiaries of Energy Solution Global Limited	9,974	9,605
	11,207	10,838

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

7. INTANGIBLE ASSETS (CONT'D)

- (d) For the purpose of impairment testing, the recoverable amount of the CGU is determined based on a “value-in-use” calculation. The value-in-use of the CGU is determined by discounting the future cash flows to be generated from continuing use of the CGU. The value-in-use is derived based on management’s cash flow projections approved by management for three (3) and with a terminal value at the end of year 4.

The key assumptions used in the value-in-use calculations are as follows:

	Manufacturing and sales of safety webbing		Energy efficiency business	
	2023	2022	2023	2022
	%	%	%	%
Average annual revenue growth rates	8.6	7.2	7.2	6.0
Pre-tax discount rates	17.3	15.8	26.7	25.6
Terminal growth rate	2.0	2.0	2.0	1.5

Management has determined the values assigned to each of the above key assumptions are as follows:

- (i) Revenue growth rate is for the three years forecast period. It is based on past performance and management’s expectations of market development.
 - (ii) The cash flows of the CGU beyond the three years period are extrapolated using a growth rate which was below the average growth rate of manufacturing and sales of safety webbing and energy efficiency business.
 - (iii) The discount rate used is pre tax and reflects specific risks relating to the relevant CGU.
- (e) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based its determination of the CGU’s recoverable amount would not cause the CGU’s carrying amount to further exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES

	Company 2023 RM'000	2022 RM'000
Quoted equity shares - at cost	55,921	55,921
Unquoted equity shares - at cost	5,000	5,000
	60,921	60,921

- (a) Investments in subsidiaries are stated in the separate financial statements of the Company at cost less impairment losses, if any.
- (b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.
- (c) The Company and/or its subsidiaries review the investments in subsidiaries measured at cost for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries.

The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Judgement had also been used to determine the pre-tax discount rate for the cash flows and the future growth rate of the business of the entities. The value-in-use were determined using pre-tax discount rates ranged from 4.9% to 5.1% (2022: 5.5% to 9.5%).

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Disposal of subsidiaries

Current financial year

Disposal of Meinaide Holdings Group Limited and its subsidiaries

On 19 September 2023, the Board of a subsidiary, Furniweb Holdings Limited ("Furniweb") had approved the disposal of Meinaide Holdings Group Limited and its subsidiaries ("Meinaide"), to an independent third party purchaser, Omen Wealth Limited for a total cash consideration of HKD15,000,000 (approximately RM8,988,000). The disposal of Meinaide was completed on 30 September 2023.

	RM'000
Property, plant and equipment	666
Inventories	3,101
Trade and other receivables	7,034
Cash and bank balances	3,620
Trade and other payables	(1,944)
Current tax liabilities	(1,672)
Contract liabilities	(1,013)
Net identifiable assets	9,792
Realisation of foreign currency translation reserve	(1,151)
Total net identifiable assets	8,641
Total consideration	(8,988)
Gain on disposal of subsidiaries	(347)
Consideration included in other receivables	8,089
Cash consideration received	899
	8,988
The effect of the acquisition on cash flows was as follows:	
Cash consideration received	899
Cash and cash equivalents disposed of	(3,620)
Net cash outflow arising on disposal	(2,721)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) Acquisition of subsidiaries

Previous financial year

Acquisition of 62.75% equity interest in Energy Solution Global Limited ("ESGL")

On 8 June 2022, Furniweb had entered into a shares sale agreement with Dato' Ng Yan Cheng to acquire the remaining 6,275 ordinary shares representing 62.75% of the issued share capital of ESGL, which was an associate to the Group, for a total consideration of HKD51,469,000 (equivalent to approximately RM29,446,000), which comprised of 41,565,600 ordinary shares of the Furniweb at HKD0.23 per share and HKD41,909,000 (equivalent to approximately RM23,977,000) included in other payables. The acquisition was completed on 29 August 2022. Accordingly, the Group's effective equity interest in Furniweb diluted from 54.19% to 50.45%. The investment in ESGL had been transferred from investments in associates to investments in subsidiaries.

The fair value of the assets acquired and the liabilities assumed from the acquisition of ESGL were as follows:

	Fair value recognised on acquisition RM'000
Property, plant and equipment	272
Right-of-use assets	1,419
Trade and other receivables	9,956
Contract assets	27,341
Inventories	752
Current tax assets	7
Cash and bank balances	24,652
Trade and other payables	(18,124)
Borrowings	(15,016)
Current tax liabilities	(2,431)
Lease liabilities	(1,020)
Net identifiable assets	27,808
Add: Goodwill (Note 7)	9,710
Add: Intangible assets - fair value adjustment (Note 7)	5,063
Add: Deferred tax liabilities	(861)
Less: Fair value of previously held 37.25% interest	(12,274)
Total consideration	29,446
Satisfied by:	
Ordinary shares of the subsidiary	5,469
Cash consideration (included in other payables)	8,323
Contingent consideration (included in other payables)	15,834
Less: Fair value of profit guarantee (included in other payables)	(180)
	29,446

The effect of the acquisition on cash flows was as follows:

Cash and cash equivalents of subsidiary acquired	24,112
Net cash inflow of the Group on acquisition	24,112

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) Interests in subsidiaries

The details of the subsidiaries are as follows:

Name of company	Country of incorporation and principal place of business	Interest in equity held by				Principal activities
		Company 2023	Company 2022	Subsidiaries 2023	Subsidiaries 2022	
		%	%	%	%	
Furniweb Holdings Limited*	Cayman Islands/Hong Kong^	50.45	50.45	-	-	Investment holding company
Premier JPC Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding company
PRG Asset Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding company
PRG Construction Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding company
PRG Healthcare Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding company
PRG Management Services Sdn. Bhd.	Malaysia	100	100	-	-	Provision of management consultancy services, accounting, office administration and general support functions
PRG Property Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding company
PRG Asset Holdings Sdn. Bhd.	Malaysia	100	100	-	-	Property management and consultancy related activities
Subsidiaries of Furniweb Holdings Limited						
FIPB International Limited*	British Virgin Islands	-	-	100	100	Investment holding company
Delightful Grace Holdings Limited*	British Virgin Islands	-	-	100	100	Investment holding company
Meinaide Holdings Group Limited*%	British Virgin Islands	-	-	-	100	Investment holding company
PRG Land Sdn. Bhd.	Malaysia	-	-	100	100	Property investment and renting, letting or other similar arrangement to derive rental income
Energy Solution Global Limited	British Virgin Islands	-	-	100	100	Investment holding company

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) Interests in subsidiaries (Cont'd)

The details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation and principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiaries of FIPB International Limited						
Furniweb Manufacturing Sdn. Bhd.	Malaysia	-	-	100	100	Manufacture and sale of upholstery webbings, covered elastic yarn and rigid webbings
Texstrip Manufacturing Sdn. Bhd.	Malaysia	-	-	100	100	Manufacture and sale of rubber strips and square cut rubber threads
TS Meditape Sdn. Bhd.	Malaysia	-	-	100	100	Trading of medical products
Webtex Trading Sdn. Bhd.	Malaysia	-	-	100	100	Investment holding and trading of machinery and accessories
Subsidiaries of Furniweb Manufacturing Sdn. Bhd.						
Furniweb Safety Webbing Sdn. Bhd.	Malaysia	-	-	100	100	Manufacture and sale of safety webbings
Syarikat Sri Kepong Sdn. Bhd.	Malaysia	-	-	100	100	Property investment and deriving rental income thereon
Subsidiaries of Webtex Trading Sdn. Bhd.						
Furniweb (Vietnam) Shareholding Company#	Vietnam	-	-	100	100	Manufacture and sale of upholstery webbings and covered elastic yarn
Subsidiary of Delightful Grace Holdings Limited						
Fly High Finance Limited*	Hong Kong	-	-	100	100	Money lending

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) Interests in subsidiaries (Cont'd)

The details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation and principal place of business	Interest in equity held by				Principal activities
		Company	Subsidiaries	2023	2022	
		%	%	%	%	
Subsidiaries of Meinaide Holdings Group Limited						
Meinaide Technology Development Limited*@	Hong Kong	-	-	-	100	Trading and sale of PVC and other plastic products
Perfect Moral Ventures Limited*@	Hong Kong	-	-	-	100	Investment holding company
Subsidiary of Meinaide Technology Development Limited						
Jiangmenshi Meinaide Technology Company Limited*@	China	-	-	-	90	Production and sale of PVC and other plastic products
Subsidiary of Perfect Moral Ventures Limited						
Jiangmenshi Meinaide Technology Company Limited*@	China	-	-	-	10	Production and sale of PVC and other plastic products
Subsidiaries of Energy Solution Global Limited						
Measurement & Verification Pte. Ltd.*	Singapore	-	-	100	100	Consultants and suppliers of energy conservation systems in buildings
Measurement & Verification Sdn. Bhd.	Malaysia	-	-	100	100	Mechanical and electrical consultants, specialist turnkey contractors for clean room and outfitting of industrial premises and design of building automation system

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) Interests in subsidiaries (Cont'd)

The details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation and principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiaries of PRG Property Sdn. Bhd.						
Premier Baycity Sdn. Bhd.	Malaysia	-	-	51	51	Property development and related activities
Premier PMC Sdn. Bhd.	Malaysia	-	-	100	100	Property development and related activities
Premier Construction Sdn. Bhd.	Malaysia	-	-	100	100	Contractor for civil and building construction works, rental of machinery, equipment and etc
Premier Electrify Sdn. Bhd.**	Malaysia	-	-	100	100	Property development, construction and related activities
Subsidiary of PRG Construction Sdn. Bhd.						
Premier Construction (International) Sdn. Bhd.	Malaysia	-	-	100	100	To tender and/or undertake local/overseas property development and construction activities and projects and other related activities and to carry on the business and/or activities advantageous to the company
Subsidiaries of PRG Asset Sdn. Bhd.						
Premier Food Processing Sdn. Bhd.**	Malaysia	-	-	100	100	Manufacture and processing of food products
Premier International Marketing Sdn. Bhd.	Malaysia	-	-	100	100	Market, promote and export agriculture, forestry and plantation related products
PRG Agro Sdn. Bhd.	Malaysia	-	-	100	100	To undertake agriculture, plantation, logging, forestry and all activities related to the foregoing

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) Interests in subsidiaries (Cont'd)

The details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation and principal place of business	Interest in equity held by				Principal activities
		Company 2023	Company 2022	Subsidiaries 2023	Subsidiaries 2022	
		%	%	%	%	
Subsidiary of PRG Healthcare Sdn. Bhd.						
PRG Active Sdn. Bhd.	Malaysia	-	-	100	100	Business on medical consultation and cardiovascular services

* Subsidiaries not audited by BDO PLT or member firms of BDO International.

** Subsidiaries that have yet to commence business activities.

Subsidiaries audited by member firms of BDO International.

^ Subsidiary incorporated in Cayman Island with its principal place of business in Hong Kong.

@ Disposal of subsidiaries was completed on 30 September 2023 as disclosed in Note 8(d) to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(g) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

2023	Furniweb Holdings Limited	Premier Baycity Sdn. Bhd.	Total
NCI percentage of ownership interest and voting interest	49.55%	49.00%	
Carrying amount of NCI (RM'000)	70,689	26,048	96,737
Profit allocated to NCI (RM'000)	6,172	7,372	13,544
Total comprehensive income allocated to NCI (RM'000)	6,754	7,372	14,126

2022	Furniweb Holdings Limited	Premier Baycity Sdn. Bhd.	Total
NCI percentage of ownership interest and voting interest	49.55%	49.00%	
Carrying amount of NCI (RM'000)	63,935	18,676	82,611
Profit allocated to NCI (RM'000)	8,672	14,967	23,639
Total comprehensive income allocated to NCI (RM'000)	9,498	14,967	24,465

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period is as follows:

2023	Furniweb Holdings Limited RM'000	Premier Baycity Sdn. Bhd. RM'000
Assets and liabilities		
Non-current assets	59,306	17
Current assets	144,831	73,008
Non-current liabilities	(16,590)	(26)
Current liabilities	(44,886)	(19,840)
Net assets	142,661	53,159

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(g) Non-controlling interests in subsidiaries (Cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period is as follows: (Cont'd)

	Furniweb Holdings Limited RM'000	Premier Baycity Sdn. Bhd. RM'000
2023		
Results		
Revenue	216,830	69,788
Profit for the financial year	12,456	15,045
Other comprehensive income	1,174	-
Total comprehensive income	13,630	15,045
Cash flows from operating activities	32,056	38,977
Cash flows used in investing activities	(21,030)	(11,150)
Cash flows used in financing activities	(21,386)	-
Net (decrease)/increase in cash and cash equivalents	(10,360)	27,740
2022		
Assets and liabilities		
Non-current assets	53,916	125
Current assets	163,720	89,120
Non-current liabilities	(34,874)	(92)
Current liabilities	(58,039)	(51,039)
Net assets	124,723	38,114
Results		
Revenue	162,155	131,059
Profit for the financial year	18,167	30,544
Other comprehensive income	1,835	-
Total comprehensive income	20,002	30,544
Cash flows from operating activities	1,723	18,109
Cash flows from/(used in) investing activities	12,436	(7,529)
Cash flows from/(used in) financing activities	5,498	(2,498)
Net increase in cash and cash equivalents	19,657	8,082

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

9. INVESTMENTS IN ASSOCIATES

	Group 2023 RM'000	2022 RM'000
Unquoted equity shares, at cost	1,489	1,489
Goodwill	3,353	3,353
Share of post-acquisition reserves	(1,404)	(1,404)
	3,438	3,438
Less: Impairment loss	(3,438)	(3,438)
	-	-

- (a) Investments in associates are stated at cost less accumulated impairment losses in the separate financial statements and they are accounted for using the equity method of accounting in the consolidated financial statements.
- (b) The details of the associates are as follows:

Name of company	Country of incorporation and principal place of business	Interest in equity held by subsidiaries		Principal activities
		2023 %	2022 %	
Premier Mirach Sdn. Bhd. *	Malaysia	25	25	Construction related activities
Premier Aspirasi Development Sdn. Bhd. *	Malaysia	49	49	Property development and related activities
Esther Postpartum Care Sdn. Bhd. ("EPC") *	Malaysia	26.21	26.21	Confinement services

* Associates are equity accounted based on management accounts for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) The summarised financial information of the associates are as follows:

2023	EPC RM'000	Other immaterial associates RM'000	Total RM'000	
Assets and liabilities				
Non-current assets	1,252	-	1,252	
Current assets	762	1,655	2,417	
Current liabilities	(4,760)	(4,075)	(8,835)	
Net liabilities	(2,746)	(2,420)	(5,166)	
Carrying amount of the investments in associates (including goodwill)	-	-	-	
Results				
Revenue	5,353	-	5,353	
Loss for the financial year	(673)	(35)	(708)	
Other comprehensive income	-	-	-	
Total comprehensive loss	(673)	(35)	(708)	
Share of results by the Group for the financial year				
Share of profits by the Group for the financial year	-	-	-	
Share of other comprehensive income by the Group for the financial year	-	-	-	
2022	ESGL RM'000	EPC RM'000	Other immaterial associates RM'000	Total RM'000
Assets and liabilities				
Non-current assets	-	1,781	1	1,782
Current assets	-	949	2,402	3,351
Current liabilities	-	(4,802)	(4,797)	(9,599)
Net liabilities	-	(2,072)	(2,394)	(4,466)
Carrying amount of the investments in associates (including goodwill)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) The summarised financial information of the associates are as follows: (Cont'd)

2022	ESGL RM'000	EPC RM'000	Other immaterial associates RM'000	Total RM'000
Results				
Revenue	56,710	6,587	-	63,297
Profit/(Loss) for the financial year	9,851	(540)	(130)	9,181
Other comprehensive income	370	-	-	370
Total comprehensive income/(loss)	10,221	(540)	(130)	9,551
Share of results by the Group for the financial year				
Share of profits by the Group for the financial year	3,669	-	-	3,669
Share of other comprehensive income by the Group for the financial year	138	-	-	138

(d) The reconciliation of net assets of the associates to the carrying amount of the investments in associates are as follows:

2023	EPC RM'000	Other immaterial associates RM'000	Total RM'000
Share of net (liabilities)/assets	(33)	118	85
Goodwill	3,353	-	3,353
Less: Impairment loss	(3,320)	(118)	(3,438)
Carrying amount in the statements of financial position	-	-	-

2022	ESGL RM'000	EPC RM'000	Other immaterial associates RM'000	Total RM'000
Assets and liabilities				
Share of net (liabilities)/ assets	-	(33)	118	85
Goodwill	-	3,353	-	3,353
Less: Impairment loss	-	(3,320)	(118)	(3,438)
Carrying amount in the statements of financial position	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

- (e) On 8 June 2022, Furniweb had entered into a shares sale agreement with Dato' Ng Yan Cheng to acquire the remaining 6,275 ordinary shares representing 62.75% of the issued share capital of ESGL, which was an associate to the Group, for a total consideration of HKD51,469,000 (equivalent to approximately RM29,446,000), which comprised of 41,565,600 ordinary shares of the Furniweb at HKD0.23 per share and HKD41,909,000 (equivalent to approximately RM23,977,000) included in other payables. The acquisition was completed on 29 August 2022. Accordingly, the Group's effective equity interest in Furniweb diluted from 54.19% to 50.45%. The investment in ESGL had been transferred from investments in associates to investments in subsidiaries.
- (f) Movement in the impairment allowance for investments in associates is as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 January/31 December	3,438	3,438

There are no contingent liabilities and capital commitments relating to the Group's interest as at 31 December 2023 and 31 December 2022.

10. INVESTMENT IN A JOINT VENTURE

	Group	
	2023	2022
	RM'000	RM'000
Unquoted equity shares, at cost	570	570
Share of post-acquisition reserves, net of dividends received	700	841
	1,270	1,411
Less: Impairment loss	-	-
	1,270	1,411

Investment in a joint venture is stated at cost in the separate financial statements. The Group recognises its interests in a joint venture as an investment and accounts for that investment using the equity method.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

10. INVESTMENT IN A JOINT VENTURE (CONT'D)

The details of the joint venture are as follows:

Name of company	Country of incorporation and principal place of business	Interest in equity held by a subsidiary		Principal activities
		2023 %	2022 %	
Trunet (Vietnam) Co., Ltd. ("TNV")*	Vietnam	50	50	Manufacture and marketing of meat netting

* Audited by a member firm of BDO International

The joint venture, in which the Group participates, is unlisted separate structured entity whose quoted market prices is not available. The contractual arrangement stipulates unanimous consent of all parties over relevant activities of joint venture and provides the Group with only the rights to the net assets of the joint arrangements, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with the joint venture. This joint arrangement has been classified as joint venture and has been included in the consolidated financial statements using the equity method.

The summarised financial information of the joint venture, adjusted for any differences in accounting policies, are as follows:

	2023 TNV RM'000	2022 TNV RM'000
Assets and liabilities		
Non-current assets	56	100
Current assets	2,922	3,031
Current liabilities	(439)	(310)
	2,539	2,821
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investment in a joint venture	1,270	1,411
Results		
Revenue	3,925	4,747
Profit before tax	695	1,085
Tax expense	(112)	(161)
Profit after tax	583	924
Other comprehensive income	4	36
Total comprehensive income	587	960

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

10. INVESTMENT IN A JOINT VENTURE (CONT'D)

The summarised financial information of the joint venture, adjusted for any differences in accounting policies, are as follows: (Cont'd)

	2023 TNV RM'000	2022 TNV RM'000
Share of results by the Group for the financial year		
Share of profit by the Group for the financial year	291	462
Share of other comprehensive income by the Group for the financial year	2	18
	293	480
Other information		
Dividend income received by the Group from a joint venture	435	-

The reconciliation of net assets of the joint venture to the carrying amount of the investment in a joint venture is as follows:

	2023 TNV RM'000	2022 TNV RM'000
Share of net assets/Carrying amount in the statements of financial position	1,270	1,411

There are no contingent liabilities and capital commitments relating to the Group's interest as at 31 December 2023 and 31 December 2022.

11. OTHER INVESTMENT

	Group and Company	
	2023 RM'000	2022 RM'000
Financial asset at fair value through other comprehensive income		
Equity security:		
Quoted shares outside Malaysia	-	-

Equity security which is not held for trading for which the Group and the Company have irrevocably elected to recognise at fair value through other comprehensive income. This is a strategic investment for which the Group and the Company consider this classification to be appropriate and relevant. The quoted shares of the Group and the Company are categorised as Level 1 in the fair value hierarchy. Fair value of investment in a quoted share is based on the quoted price in active market.

Trading of the quoted share had been suspended since 14 February 2020.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

12. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Non-current					
Trade receivables					
Third parties		7,904	8,270	-	-
Retention sums	(c)	294	439	-	-
Amount owing by an associate	(k)	-	12,428	-	-
Gross trade receivables	(a)	8,198	21,137	-	-
Less: Impairment loss		(974)	(13,547)	-	-
		7,224	7,590	-	-
Other receivables					
Third parties		-	59,126	-	59,126
Amounts owing by subsidiaries	(j)	-	-	32,867	23,409
Gross other receivables		-	59,126	32,867	82,535
Less: Impairment loss		-	(5,338)	-	(5,338)
		-	53,788	32,867	77,197
Total non-current		7,224	61,378	32,867	77,197
Current					
Trade receivables					
Third parties		83,402	58,858	-	-
Retention sums	(c)	8,109	2,287	-	-
Stakeholder sum	(c)	9,318	-	-	-
Amounts owing by subsidiaries	(j)	-	-	232	-
Amount owing by a joint venture	(l)	802	65	-	-
Gross trade receivables	(a)	101,631	61,210	232	-
Less: Impairment loss - third parties		(1,154)	(3,288)	-	-
		100,477	57,922	232	-
Other receivables					
Amounts owing by subsidiaries	(j)	-	-	63,920	68,068
Amounts owing by associates	(k)	711	632	-	-
Amount owing by a joint venture	(l)	124	82	-	-
Third parties		75,337	14,620	61,937	53
Deposits		1,642	1,292	50	-
Gross other receivables		77,814	16,626	125,907	68,121

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current (Cont'd)				
Other receivables (Cont'd)				
Gross other receivables (Cont'd)	77,814	16,626	125,907	68,121
Less: Impairment loss	(6,712)	(1,162)	(23,653)	(23,629)
	71,102	15,464	102,254	44,492
Total trade and other receivables	171,579	73,386	102,486	44,492
Prepayments	1,897	2,447	20	38
Total current	173,476	75,833	102,506	44,530
Grand total	180,700	137,211	135,373	121,727

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from fifteen (15) days to ninety (90) days (2022: fifteen (15) days to ninety (90) days) from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (b) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

During this process, the probability of non-payment by the trade receivables and contract assets is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. The Group and the Company have identified Gross Domestic Product, unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward looking information. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivables and contract assets would not be collectable, the gross carrying value of the assets would be written off against the associated impairment.

Individual assessment of impairment of trade receivables and contract assets are separately assessed when they are probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and contract assets and appropriate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) The retention sums and stakeholder sums are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2023	2022
	RM'000	RM'000
More than one (1) year	294	439
Within one (1) year	17,427	2,287

- (d) Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM'000	Lifetime expected loss RM'000	Net carrying amount RM'000
2023			
Collective assessment			
Not past due	50,389	(612)	49,777
1 - 30 days past due	10,020	(66)	9,954
31 - 60 days past due	9,956	(42)	9,914
61 - 90 days past due	17,399	(250)	17,149
Over 90 days past due	13,757	(74)	13,683
	101,521	(1,044)	100,477
Individual assessment	8,308	(1,084)	7,224
	109,829	(2,128)	107,701
2022			
Collective assessment			
Not past due	46,487	(300)	46,187
1 - 30 days past due	5,488	(73)	5,415
31 - 60 days past due	2,699	(110)	2,589
61 - 90 days past due	2,692	(50)	2,642
Over 90 days past due	1,752	(664)	1,088
	59,118	(1,197)	57,921
Individual assessment	23,229	(15,638)	7,591
	82,347	(16,835)	65,512

During the financial year, the Group did not renegotiate the terms of any trade receivables.

No expected credit loss is recognised arising from trade receivables of the Company as the amount is negligible.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) Movements in the impairment allowance for trade receivables are as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	16,835	16,905
Charge for the financial year	2,809	253
Disposal of subsidiaries	(5,031)	-
Reversal of impairment losses	(123)	(410)
Written off	(12,573)	-
Exchange differences	211	87
At 31 December	2,128	16,835

- (f) As at the end of each reporting period, the credit risks exposure relating to trade receivables of the Group and of the Company are summarised as follows:

	Group	
	2023	2022
	RM'000	RM'000
Maximum exposure	107,701	65,512
Collateral obtained	*	-
Net exposure to credit risk	107,701	65,512

* Included in the trade receivables, an amount of RM180,000 is collateralised by property development unit as disclosed in Note 12(i) to the financial statements.

- (g) Impairment for trade receivables with significant financing component, other receivables, amounts owing by subsidiaries, associates and a joint venture are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(g) (Cont'd)

The probability of non-payment by other receivables, amounts owing by subsidiaries, associates and a joint venture is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the other receivables, amounts owing by subsidiaries, associates and a joint venture. The Group and the Company have identified Gross Domestic Product, unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward looking information.

It requires management to exercise significant judgement in determining the probability of default by other receivables, amounts owing by subsidiaries, associates and a joint venture, appropriate forward looking information and significant increase in credit risk.

(h) Movements in the impairment allowance for other receivables are as follows:

	12-month ECL RM'000	Lifetime ECL RM'000	Lifetime ECL - Credit impaired RM'000	Total RM'000
Group				
At 1 January 2023	1,878	1,947	2,675	6,500
Charge for the financial year	1,664	-	-	1,664
Reversal of impairment losses	(1,454)	-	-	(1,454)
Exchange difference	2	-	-	2
At 31 December 2023	2,090	1,947	2,675	6,712
At 1 January 2022	2,043	1,989	4,456	8,488
Charge for the financial year	8	-	34	42
Written off	-	-	(1,815)	(1,815)
Reversal of impairment losses	(173)	(42)	-	(215)
At 31 December 2022	1,878	1,947	2,675	6,500
Company				
At 1 January 2023	767	20,134	8,066	28,967
Charge for the financial year	93	46	325	464
Reversal of impairment losses	-	(5,000)	(778)	(5,778)
At 31 December 2023	860	15,180	7,613	23,653
At 1 January 2022	767	20,135	8,066	28,968
Charge for the financial year	-	1,152	-	1,152
Reversal of impairment losses	-	(1,153)	-	(1,153)
At 31 December 2022	767	20,134	8,066	28,967

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (i) Included in trade and other receivables of the Group and of the Company are the following amounts which are collateralised by property development units that would be transferred to the Group and the Company upon the completion of the development and the issuance of certificate of completion and compliance with the relevant approving authorities:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Other receivable				
Third party	-	59,126	-	59,126
Current				
Trade receivable				
Third party	180	180	-	-
Other receivable				
Third party	56,340	-	56,340	-
	56,520	59,306	56,340	59,126

Included in the other receivables of the Group and of the Company, is a sum of RM56,340,000 (2022: RM59,126,000) which bears interest at 5.0% (2022: 5.0%) per annum.

- (j) Amounts owing by subsidiaries

The trade amounts owing by subsidiaries are non-interest bearing and the normal trade credit term granted by the Company is thirty (30) days from date of invoice.

The non-trade amounts owing by subsidiaries are advances and payments made on behalf, which are unsecured, interest-free and receivable within next twelve months in cash and cash equivalents, other than the non-current amounts owing by subsidiaries of RM32,867,000 (2022: RM23,409,000), which are receivable after twelve months in cash and cash equivalents.

- (k) Amounts owing by associates

In the previous financial year, trade amount owing by an associate was non-interest bearing and the normal trade credit terms granted by the Group was thirty (30) days from date of invoice. It was recognised at its original invoice amounts, which represented its fair value on initial recognition.

The non-trade amounts owing by associates represent advances and payments made on behalf, which are unsecured, interest-free and receivable within next twelve months in cash and cash equivalents.

- (l) Amount owing by a joint venture

Trade amount owing by a joint venture is non-interest bearing and the normal trade credit terms granted by the Group is forty-five (45) days (2022: forty-five (45)) from date of invoice. It is recognised at its original invoice amounts, which represents its fair value on initial recognition.

The non-trade amount owing by a joint venture represents payments made on behalf and commission charges, which is unsecured, interest-free and receivable within next twelve months in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(m) Currency exposure profile

The currency exposure profile of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	140,751	89,355	135,315	121,689
United States Dollar	8,041	9,327	-	-
Vietnamese Dong	3,231	3,371	38	-
Hong Kong Dollar	10,426	5,760	-	-
Singapore Dollar	16,349	18,848	-	-
Chinese Renminbi	-	8,031	-	-
Pound Sterling	5	72	-	-
	178,803	134,764	135,353	121,689

(n) Information on financial risks of trade and other receivables is disclosed in Note 35 to the financial statements.

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Note	Group	2022
		2023	2022
		RM'000	RM'000
Contract assets			
Non-current			
Sale of land	(f)	-	1,405
Current			
Cost to obtain a contract		461	3,180
Costs incurred to fulfil contracts with customers		340	21,843
Construction contracts	(c)	7,355	5,194
Property development contracts	(d)	-	55,335
Energy solution contracts	(e)	11,468	3,884
Sale of land	(f)	980	3,168
		20,604	92,604
Contract liabilities			
Current			
Deferred income		(1,151)	(1,108)
Construction contracts	(c)	(2,655)	(6,217)
Property development contracts	(d)	(10,413)	-
		(14,219)	(7,325)
		6,385	86,684

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

13. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

- (a) Contract asset is recognised when the right to consideration of the Group and of the Company is conditional after transfer of goods or services.
- (b) Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liability is the obligation to transfer goods or services to customer for which the Group and the Company have received the consideration or has billed the customer, and are recognised as revenue when performance obligations are satisfied.
- (c) Contract assets and contract liabilities from construction contracts

	Group	
	2023	2022
	RM'000	RM'000
Contract assets	7,355	5,194
Contract liabilities	(2,655)	(6,217)
	4,700	(1,023)
At 1 January	(1,023)	4,127
Impairment losses on contract assets	(17)	(11)
Revenue recognised during the financial year	74,014	12,833
Progress billings	(68,274)	(17,972)
At 31 December	4,700	(1,023)

- (d) Contract assets and contract liabilities from property development contracts

	Group	
	2023	2022
	RM'000	RM'000
Contract assets	-	55,335
Contract liabilities	(10,413)	-
	(10,413)	55,335
At 1 January	55,335	5,653
Impairment losses on contract assets	-	(32)
Reversal of impairment losses	113	-
Revenue recognised during the financial year	69,788	137,393
Progress billings	(135,649)	(87,679)
At 31 December	(10,413)	55,335

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

13. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

- (e) Contract assets and contract liabilities from energy solution contracts

	Group 2023 RM'000	2022 RM'000
Contract assets	11,468	3,884
At 1 January	3,884	-
Acquisition of subsidiaries	-	3,343
Revenue recognised during the financial year	108,788	541
Progress billings	(101,204)	-
At 31 December	11,468	3,884

No expected credit loss is recognised arising from contract assets from energy solution contracts as it is negligible.

- (f) Contract assets from sale of land

	Group 2023 RM'000	2022 RM'000
Contract assets	980	4,573
At 1 January	4,573	7,249
Impairment losses on contract assets	(6)	-
Reversal of impairment losses	-	66
Fair value adjustment	161	458
Progress billings	(3,748)	(3,200)
At 31 December	980	4,573

- (g) Contract value yet to be recognised as revenue

Revenue amounting to RM4,540,000 (2022: RM7,325,000) is expected to be recognised within next twelve (12) months relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

- (h) Movements in the 12-month ECL for contract assets are as follows:

	Group 2023 RM'000	2022 RM'000
At 1 January	217	240
Charge for the financial year	28	11
Reversal of impairment losses	(118)	(34)
At 31 December	127	217

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

14. DEFERRED TAX (ASSETS)/LIABILITIES

- (a) The deferred tax (assets)/liabilities are made up of the following:

	Group	
	2023	2022
	RM'000	RM'000
Balance as at 1 January	2,318	1,036
Acquisition of a subsidiary	-	861
Recognised in profit or loss (Note 28)	584	430
Translation adjustments	29	(9)
Balance as at 31 December	2,931	2,318
Presented after appropriate offsetting:		
Deferred tax assets, net	(9)	(20)
Deferred tax liabilities, net	2,940	2,338
	2,931	2,318

- (b) The components and movements of deferred tax (assets)/liabilities during the financial year are as follows:

Deferred tax assets of the Group

	Unutilised business losses RM'000	Other deductible temporary differences RM'000	Total RM'000
At 1 January 2022	(217)	(7)	(224)
Recognised in profit or loss	200	4	204
At 31 December 2022/1 January 2023	(17)	(3)	(20)
Recognised in profit or loss	17	(6)	11
At 31 December 2023	-	(9)	(9)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

14. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

- (b) The components and movements of deferred tax (assets)/liabilities during the financial year are as follows: (Cont'd)

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Intangible assets RM'000	Others RM'000	Total RM'000
At 1 January 2022	1,158	-	102	1,260
Recognised in profit or loss	191	-	35	226
Acquisition of subsidiaries	-	861	-	861
Translation adjustments	-	(9)	-	(9)
At 31 December 2022/ 1 January 2023	1,349	852	137	2,338
Recognised in profit or loss	544	6	23	573
Translation adjustments	-	29	-	29
At 31 December 2023	1,893	887	160	2,940

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unabsorbed capital allowances	577	537	-	-
Unused tax losses				
- No expiry date	727	483	-	-
- Expires by 31 December 2028	245	245	-	-
- Expires by 31 December 2029	42	42	-	-
- Expires by 31 December 2030	1,358	1,999	-	-
- Expires by 31 December 2031	1,467	1,855	-	-
- Expires by 31 December 2032	1,271	1,271	-	-
- Expires by 31 December 2033	7,739	-	-	-
Other temporary differences	25,412	5,881	10	23
	38,838	12,313	10	23

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local and foreign tax authorities.

Unutilised tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

15. INVENTORIES

		Group 2023 RM'000	2022 RM'000
	Note		
At cost			
Raw materials		7,225	10,727
Work-in-progress		4,835	4,339
Manufactured inventories		4,324	8,394
Trading merchandise		121	105
Other consumables		2,766	2,526
		19,271	26,091
Agricultural produce		1,127	462
Property development costs	16	10,185	9,942
		30,583	36,495
Recognised in profit or loss			
Inventories recognised as cost of sales		86,521	57,135
Inventories written down		2,533	110
Inventories written off		77	-
Reversal of inventories written down		(100)	(384)

- (a) Inventories of raw materials, work-in-progress, manufactured inventories, trading merchandise and other consumables

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average cost formula. Cost of consumables, trading merchandise and raw materials comprises all costs of purchase plus other cost incurred in bringing the inventories to their existing location and condition. The cost of work-in-progress and manufactured inventories includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

- (b) Agricultural produce

Agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. A gain on initial recognition (e.g. as a result of harvesting) of agricultural produce at fair value less costs to sell are included in profit or loss for the period in which it arises.

- (c) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

16. PROPERTY DEVELOPMENT COSTS

	Group	
	2023	2022
	RM'000	RM'000
Property development costs at beginning of financial year:		
- leasehold land	22,835	21,569
- development costs	105,232	48,610
- accumulated cost recognised in profit or loss	(118,125)	(38,677)
	9,942	31,502
Costs incurred during the financial year:		
- leasehold land	-	1,266
- development costs	43,906	59,480
	43,906	60,746
Costs recognised in profit or loss during the financial year:		
- development costs	(43,663)	(82,306)
Property development costs at end of financial year:		
- leasehold land	22,835	22,835
- development costs	149,138	108,090
- accumulated cost recognised in profit or loss	(161,788)	(120,983)
	10,185	9,942

- (a) Leasehold land represents costs incurred as a consequence of having right-of-use assets to produce inventories during the financial year in accordance with MFRS 102 *Inventories*.
- (b) Costs incurred in property development during the financial year include:

	Group	
	2023	2022
	RM'000	RM'000
Employee benefits	1,005	1,402
Rental of plant and machinery	1,519	816
	2,524	2,218

17. BIOLOGICAL ASSETS

	Group	
	2023	2022
	RM'000	RM'000
Balance as at 1 January	80,168	81,048
Transfer to inventories	(1,385)	(880)
Fair value adjustment	(20,416)	-
Balance as at 31 December	58,367	80,168

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

17. BIOLOGICAL ASSETS (CONT'D)

- (a) The biological assets of the Group comprise teak and mahogany plantation. In prior years, PRG Agro Sdn. Bhd., an indirectly wholly-owned subsidiary of the Company, had acquired two parcels of agriculture land planted with teak and mahogany trees in Kelantan.
- (b) The current age of teak and mahogany trees ranged from 21 to 24 years (2022: 20 to 23 years), which are ready to be harvested as agricultural produce.
- (c) During the financial year, the Group harvested approximately 2,553m³ (2022: 1,623m³) of teak trees.
- (d) The fair value of the biological assets is stated at Level 3 of the fair value hierarchy.
- (e) The valuation of biological assets is determined by income approach which considers the net present value of all directly attributable net cash flows based on estimation by reference to inputs used in cash flow projections report prepared by the management. Significant unobservable inputs are used by Directors in determining the fair value of the asset, which include the discount rate and estimated selling prices used in the discounted cash flow model and adjustment factors to account for the discounted cash flow methods. The resulting fair value based on the income approach is therefore sensitive to these unobservable inputs, and changes to these inputs may result in a significantly higher or lower fair value measurement.

Fair value measurements using significant unobservable inputs

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement:

	Group	
	2023	2022
Selling price per m ³ of teak trees	RM2,000	RM1,200
Selling price per m ³ of mahogany trees	RM4,950	RM3,200
Discount rate	16%	16%

Sensitivity analysis

With all other variables held constant, the Group's profit after tax and equity for the financial year would have been impacted as follows:

	Group	
	2023	2022
	RM'000	RM'000
Selling price		
- increase by 1%	749	1,027
- decrease by 1%	(750)	(967)

	Group	
	2023	2022
	RM'000	RM'000
Discount rate		
- increase by 1%	(546)	(972)
- decrease by 1%	555	1,054

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

18. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits placed with financial institutions	21,115	15,161	-	-
Cash and bank balances	79,993	56,308	1,799	125
	101,108	71,469	1,799	125

- (a) Included in the cash and bank balances of the Group is an amount of RM36,891,000 (2022: RM4,053,000) held under the Housing Development Account ("HDA") pursuant to Section 7A of Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2002.

Included in cash and bank balances of the Group is restricted cash of RM200,000 (2022: RM200,000) which represents minimum balances maintained in HDA.

- (b) Deposits placed with financial institutions of the Group have maturity periods ranged from 7 days to 365 days (2022: 7 days to 365 days) with interest rates ranged from 1.9% to 6.2% (2022: 0.2% to 6.2%) per annum.
- (c) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	49,833	15,270	1,767	90
United States Dollar	9,957	7,142	7	12
Hong Kong Dollar	1,010	6,007	8	7
Vietnamese Dong	17,042	14,775	-	-
Singapore Dollar	22,747	25,113	17	16
Others	519	3,162	-	-
	101,108	71,469	1,799	125

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

18. CASH AND BANK BALANCES (CONT'D)

- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances				
Cash and bank balances	79,993	56,308	1,799	125
Deposits placed with financial institutions	21,115	15,161	-	-
As reported in statements of financial position	101,108	71,469	1,799	125
Less:				
Bank overdraft (Note 21)	(243)	(269)	-	-
Deposits placed with financial institutions with original maturity of more than three (3) months	(14,983)	(11,274)	-	-
Restricted cash	(200)	(200)	-	-
As reported in statements of cash flows	85,682	59,726	1,799	125

- (e) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.
- (f) Information on financial risks of cash and bank balances is disclosed in Note 35 to the financial statements.

19. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2023		2022	
	Number of shares ('000)	RM'000	Number of shares ('000)	RM'000
Ordinary shares				
Issued and fully paid:				
Balance as at 1 January	429,857	144,530	429,857	144,530
Issuance of ordinary shares pursuant to Share Option Plan ("SOP") exercised	1,227	270	-	-
Balance as at 31 December	431,084	144,800	429,857	144,530

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

19. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

- (a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) During the financial year, the issued and fully paid-up ordinary share capital of the Company increased from 429,857,221 to 431,084,075 by way of issuance of 1,226,854 new ordinary share pursuant to the options exercised under the SOP at exercise price of RM0.165 per ordinary share for cash.
- (c) Of the total 431,084,075 issued and fully paid ordinary shares as at 31 December 2023, 417,800 ordinary shares bought for RM87,000 in the prior financial year are held as treasury shares by the Company. The number of outstanding ordinary shares in issue after deducting the treasury shares is 430,666,275 ordinary shares as at 31 December 2023.

20. RESERVES

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-distributable:					
Exchange translation reserve	(a)	239	(353)	-	-
Fair value reserve	(b)	(28,327)	(28,327)	(28,327)	(28,327)
Share options reserve	(c)	724	-	724	-
		(27,364)	(28,680)	(27,603)	(28,327)
Distributable:					
Retained earnings		42,346	53,721	42,820	35,718
		14,982	25,041	15,217	7,391

- (a) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items, which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

- (b) Fair value reserve

The fair value reserve arose from gain or loss of equity instrument measured at fair value through other comprehensive income.

- (c) Share options reserve

The share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share options. When options are exercised, the amount from the share options reserve is transferred to share capital. When the share options expire, the amount from the share options reserve is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

21. BORROWINGS

	Note	Group 2023 RM'000	2022 RM'000
Non-current liabilities			
Secured:			
Term loans		36,736	42,127
Current liabilities			
Secured:			
Term loans		7,732	7,807
Unsecured:			
Trust receipts		-	15,299
Trade bills		850	-
Bank overdraft		243	269
		1,093	15,568
		8,825	23,375
Total borrowings		45,561	65,502
Total borrowings			
Term loans	(a)	44,468	49,934
Trust receipts		-	15,299
Trade bills		850	-
Bank overdraft	18(d)	243	269
		45,561	65,502

- (a) The term loans of the Group with a total carrying amount of RM44,468,000 (2022: RM49,934,000), trade bills and bank overdraft of the Group are secured by:
- (i) a charge over the Group's freehold land, buildings and certain plant and machinery with a total carrying amount of RM10,381,000 (2022: RM15,359,000) as disclosed in Note 5 to the financial statements;
 - (ii) a charge over the Group's long-term leasehold land with a total carrying amount of RM14,225,000 (2022: RM14,567,000) as disclosed in Note 6(c) to the financial statements; and

The term loans, trade bills and bank overdraft granted to the subsidiaries are jointly and severally guaranteed by all monies by Directors of the subsidiaries and of the Company amounted to RM41,599,000 (2022: RM45,638,000).

- (b) The currency exposure profile of borrowings are as follows:

	Group 2023 RM'000	2022 RM'000
Ringgit Malaysia	41,843	44,507
Singapore Dollar	3,718	20,995
	45,561	65,502

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

21. BORROWINGS (CONT'D)

(c) The borrowings of the Group bear the following interest rates per annum:

	Group	
	2023	2022
	%	%
Term loans	2.50 - 5.75	2.50 - 4.97
Trust receipts	-	5.13 - 6.35
Trade bills	5.14 - 5.39	-
Bank overdraft	8.64 - 8.89	8.39 - 8.64

(d) Information on financial risks of borrowings and its remaining maturities are disclosed in Note 35 to the financial statements.

22. TRADE AND OTHER PAYABLES

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Other payables	(c)	-	15,569	-	-
Amount owing to a subsidiary	(b)	-	-	-	5,000
		-	15,569	-	5,000
Current					
Trade payables					
Third parties		32,430	30,637	-	-
Retention sums		16,424	10,918	-	-
Amount owing to an associate		-	639	-	-
	(a)	48,854	42,194	-	-
Current					
Other payables					
Amounts owing to subsidiaries	(b)	-	-	13,021	397
Amounts owing to associates	(b)	17	2,093	-	-
Amounts owing to shareholders	(b)	39,851	31,335	24,805	26,042
Other payables	(c)	29,043	31,240	465	137
Deposits received from customers		4,723	9,151	-	-
Accrued liabilities	(d)	13,280	13,618	936	176
		86,914	87,437	39,227	26,752
Total current payables		135,768	129,631	39,227	26,752
Total payables		135,768	145,200	39,227	31,752

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

22. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from one (1) month to three (3) months (2022: one (1) month to three (3) months) from the date of invoice.

(b) Amounts owing to subsidiaries, shareholders and associates

The amounts owing to subsidiaries, shareholders and associates represent advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents, other than the following:

- (i) amounts owing to shareholders of the Group and of the Company included advances from a shareholder of RM16,360,000 and RM1,678,000 respectively (2022: RM10,643,000 and RM2,915,000 respectively), which the Group and the Company bears interest at 4.0% to 6.0% and 4.0% respectively (2022: 4.0% to 6.0% and 4.0% respectively) per annum and is payable within next twelve months in cash and cash equivalents.
- (ii) in the previous financial year, non-current amount owing to a subsidiary of RM5,000,000 represented advances from a subsidiary, which bore interest at 6.0% per annum and was payable after twelve months in cash and cash equivalents.

(c) Other payables

- (i) Included in current other payables of the Group of RM6,800,000 (2022: RM6,800,000) represented performance bonds in relation to the projects of the Group.
- (ii) In the previous financial year, the non-current other payables of the Group of RM15,569,000, represented contingent consideration less profit guarantee payable to Dato' Ng Yan Cheng (the "Vendor"). Pursuant to the sale and purchase agreement, the profit guarantee for ESG's profit after tax for the two years ended 31 December 2023 shall not be less than HKD34,500,000. In the event the guaranteed profit cannot be met, the shortfall amount, after multiplying by a factor, will be paid to the Company. The fair value of profit guarantee of ESG was RM180,000 (equivalent to HKD315,000) and RM93,000 (equivalent to HKD164,000) at the completion date of the acquisition and 31 December 2022 respectively based on valuation performed by an independent qualified professional valuer not connected to the Group, by using probabilistic approach. As at 31 December 2023, ESG has met the profit guaranteed as ESG's profit after tax for the two financial years ended 31 December 2023 amounted to RM26,113,278 (equivalent to HK\$44,799,000).
- (iii) In the previous financial year, the Group had accrued the remaining amount of RM10,839,000 payable to Baycity Park Sdn. Bhd. ("BPSB") for the balance of the purchase consideration of the leasehold land purchased from BPSB pursuant to the Development Joint Venture Agreement ("DJVA") entered into between BPSB and Premier Baycity Sdn. Bhd. for the proposed development of the development land in Subang U5, Selangor. During the financial year, the outstanding balances was fully settled.
- (iv) In the previous financial year, included in current other payables of the Group was an amount of RM8,323,000 (equivalent to HKD14,548,000) due to the Vendor, which represented 25% of the total consideration payable for the acquisition of subsidiaries as disclosed in Note 8(e). During the financial year, the outstanding balances was fully settled.

- (d) Accrued liabilities include liquidated ascertained damages ("LAD") amounting to RM3,379,000 (2022: Nil) which was recognised for expected LAD claims based on contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

22. TRADE AND OTHER PAYABLES (CONT'D)

(e) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	106,651	84,604	31,789	29,466
United States Dollar	1,484	1,707	-	-
Vietnamese Dong	2,045	2,094	-	-
Hong Kong Dollar	18,828	43,792	7,438	2,286
Singapore Dollar	6,750	11,500	-	-
Chinese Renminbi	-	1,503	-	-
Euro	10	-	-	-
	135,768	145,200	39,227	31,752

(f) Information on financial risks of trade and other payables is disclosed in Note 35 to the financial statements.

23. LEASE LIABILITIES

The Group as a lessee

Group	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
Carrying amount					
Balance as at 1 January 2023	2,502	2,314	1,669	809	7,294
Additions	-	2,266	-	71	2,337
Lease payments	(176)	(1,630)	(440)	(290)	(2,536)
Interest expense	90	180	95	36	401
Translation adjustments	101	101	-	33	235
Balance as at 31 December 2023	2,517	3,231	1,324	659	7,731

Carrying amount

Balance as at 1 January 2022	2,444	906	-	178	3,528
Additions	-	34	1,896	-	1,930
Lease payments	(170)	(476)	(293)	(124)	(1,063)
Interest expense	90	47	66	19	222
Re-measurement	-	1,502	-	-	1,502
Acquisition of subsidiaries	-	296	-	724	1,020
Translation adjustments	138	5	-	12	155
Balance as at 31 December 2022	2,502	2,314	1,669	809	7,294

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

23. LEASE LIABILITIES (CONT'D)

The Company as a lessee

Company	Building RM'000
Carrying amount	
Balance as at 1 January 2023	-
Additions	594
Lease payments	(240)
Interest expense	42
Balance as at 31 December 2023	396

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Represented by:				
Non-current liabilities	5,216	5,802	175	-
Current liabilities	2,515	1,492	221	-
	7,731	7,294	396	-
Lease liabilities owing to financial institutions	1,983	1,836	-	-
Lease liabilities owing to non-financial institutions	5,748	5,458	396	-
	7,731	7,294	396	-

- (a) The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the lease liabilities are disclosed in Note 6 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

23. LEASE LIABILITIES (CONT'D)

- (b) The following are the amounts recognised in profit or loss in relation to lease arrangements during the financial year:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation charge of right-of-use assets				
- included in cost of sales	391	440	-	-
- included in administrative expenses	2,236	659	247	-
- included in distribution costs	24	54	-	-
Interest expense on lease liabilities (included in finance costs)	401	222	42	-
Expense relating to short-term leases (included in administrative expenses)	637	773	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	20	8	7	-
	3,709	2,156	296	-

- (c) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Included in net cash used in operating activities:				
Payment relating to short-term leases and low value assets	650	781	-	-
Included in net cash used in investing activities:				
Purchase of right-of-use assets	27	160	-	-
Included in net cash used in financing activities:				
Payment of lease liabilities	2,536	1,063	240	-
Total cash outflows for leases	3,213	2,004	240	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

23. LEASE LIABILITIES (CONT'D)

- (d) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Weighted average incremental borrowing per annum %	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2023					
Lease liabilities	1.88 - 6.45	2,912	3,692	2,704	9,308
31 December 2022					
Lease liabilities	1.90 - 6.30	1,840	1,745	5,283	8,868

Company	Weighted average incremental borrowing per annum %	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2023					
Lease liabilities	6.45	240	180	-	420
31 December 2022					
Lease liabilities	-	-	-	-	-

24. FINANCIAL GUARANTEE CONTRACTS

The Company has financial guarantee contracts of RM41,599,000 (2022: RM45,638,000) in respect of financial guarantees given to financial institutions for banking facilities granted to subsidiaries. The Company monitors the ability of the subsidiaries to service their loans regularly.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contract with Customers*.

The Company assumes that there is significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiaries are unlikely to repay its credit obligation to the bank in full or the subsidiaries are continuously loss making and are having a deficit shareholders' fund. The Company determines the probability of default of the guaranteed loans individually using internal information available.

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

25. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitment

	Group	
	2023	2022
	RM'000	RM'000
Contracted but not provided for:		
- Acquisition of property, plant and equipment	5,115	3,875

(b) Contingent liabilities

	Group	
	2023	2022
	RM'000	RM'000
Unsecured:		
- Guarantees given to third parties in respect of trade and contract	13,018	14,235

At the end of the reporting period, the Directors did not consider these to be probable that a claim would be made against the Group under the above guarantees.

26. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Construction contracts	74,014	11,420	-	-
Energy solution contracts	100,960	42,292	-	-
Property development	69,788	131,059	-	-
Maintenance services	13,199	6,386	-	-
Sales of goods	103,278	114,452	-	-
Rental income	60	203	445	-
Management fees	240	1,464	-	-
	361,539	307,276	445	-
Revenue from other sources				
Others	180	256	-	-
	361,719	307,532	445	-
Timing of revenue recognition				
Over time	258,261	192,824	445	-
Point in time	103,278	114,452	-	-
	361,539	307,276	445	-

(a) Revenue from property development and construction contracts

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

26. REVENUE (CONT'D)

(a) Revenue from property development and construction contracts (Cont'd)

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue from property development

Revenue from sale of properties under development is recognised over the period of the contract using the input method by reference to the costs incurred for work performed to date against the estimated costs to completion if control of the asset transfers over time. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

There is no significant financing component in the revenue arising from sale of properties under development as the contracts are on normal credit terms not exceeding twelve months.

Revenue from construction contracts

Revenue from construction contracts is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation if control of the asset transfers over time. Progress is determined on the proportion of construction contract costs incurred for work performed to date against total estimated construction contract costs where the outcome of the project can be estimated reliably.

If control of asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group determines the transaction price of a construction contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations and in assessing the exposures to LAD based on the facts and circumstances of the relevant construction projects, including projects that had been served with certificates of non-achievement for project delays. In making these judgements, the Group evaluates based on experience and by relying on the work of specialists.

Information on trade receivables, contract assets and contract liabilities from contracts with customers are disclosed in Notes 12 and 13 to the financial statements respectively.

26. REVENUE (CONT'D)

(b) Revenue from energy solution contracts

Revenue from provision of energy solution contracts for the installation of energy conservation systems in buildings over time using output method as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group determines the stage of completion of the contract based on surveyors' certificates and customers' acceptance of services rendered is an appropriate measure of progress towards complete satisfaction of these performance obligations.

(c) Maintenance services income

Revenue from maintenance services is recognised over the period of the contract using output method as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group recognises revenue using output method based on the basis of direct measurements of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, which is based on the contract work certified to date over the estimated total contract sum.

(d) Sale of goods

Revenue from the sale of goods is recognised at a point in time when the goods has been transferred, being when the goods have been shipped to the customer's specific location (delivery) and acceptance by customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the good, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

(e) Management fees

Management fees from the provision of management services are recognised over time when customers simultaneously receive and consume the benefits.

(f) Interest income is recognised on a time proportion basis that reflects the effective yield on asset.

(g) Dividend income is recognised when the right to receive payment is established.

(h) Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

26. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, major products and service lines. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group.

Group	Malaysia RM'000	Asia Pacific (excluding Malaysia) RM'000	Europe RM'000	North America RM'000	Other countries RM'000	Total RM'000
31 December 2023						
Major product and service line						
Revenue from property development	69,788	-	-	-	-	69,788
Revenue from construction contracts	74,014	-	-	-	-	74,014
Revenue from energy solution contracts	6,412	94,548	-	-	-	100,960
Revenue from maintenance services	89	13,110	-	-	-	13,199
Sales of goods	5,750	71,127	6,477	19,249	675	103,278
Rental income	60	-	-	-	-	60
Management fees	240	-	-	-	-	240
Revenue from external customers	156,353	178,785	6,477	19,249	675	361,539
31 December 2022						
Major product and service line						
Revenue from property development	131,059	-	-	-	-	131,059
Revenue from construction contracts	11,420	-	-	-	-	11,420
Revenue from energy solution contracts	27	42,265	-	-	-	42,292
Revenue from maintenance services	-	6,386	-	-	-	6,386
Sales of goods	6,746	75,874	8,478	22,183	1,171	114,452
Rental income	203	-	-	-	-	203
Management fees	1,464	-	-	-	-	1,464
Revenue from external customers	150,919	124,525	8,478	22,183	1,171	307,276

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

27. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
After charging: (Cont'd)				
Auditors' remuneration:				
- BDO PLT				
statutory audit	229	198	68	50
other services	17	24	14	21
under provision in prior year	-	13	-	-
- overseas affiliates of BDO International				
statutory audit	41	39	-	-
- other auditors statutory audit	394	337	-	-
Fair value adjustment on biological assets	20,416	-	-	-
Interest expense on:				
- term loans	2,565	3,499	-	-
- trade bills	24	19	-	-
- lease liabilities	401	222	42	-
- bank overdraft	42	33	-	-
- other payables	819	-	-	-
- amount owing to a subsidiary	-	-	300	30
- shareholder advance	478	489	36	252
Loss on foreign exchange:				
- unrealised	556	1,008	34	527
- realised	324	490	-	-
Management fee expenses	-	-	1,250	1,090
Rental expense on:				
- short term leases	637	773	-	-
- low value assets	20	8	7	-
And after crediting:				
Gain on foreign exchange:				
- unrealised	252	11	-	-
- realised	839	926	-	-
Interest income from:				
- bank balances	126	86	-	1
- deposits placed with financial institutions	1,171	702	-	-
- amount owing by other receivable	2,537	2,537	2,537	2,537
Gain on disposal of subsidiaries	347	-	-	-
Gain on disposals of property, plant and equipment	633	33	-	-
Rental income	-	547	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

28. TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial year:				
Malaysia				
- current year provision	6,820	11,653	304	232
- (over)/under provision in prior years	(311)	341	(100)	(22)
Overseas				
- current year provision	3,904	2,494	-	-
- under/(over) provision in prior years	394	(4)	-	-
	10,807	14,484	204	210
Deferred tax (Note 14)				
Relating to origination and reversal of temporary differences	700	317	-	-
(Over)/Under provision in prior years	(116)	113	-	-
	584	430	-	-
	11,391	14,914	204	210

The Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profits for the fiscal year.

Tax on each component of other comprehensive income is as follows:

	Before tax	Group	After tax
	RM'000	Tax effect	RM'000
	RM'000	RM'000	RM'000
2023			
Foreign currency translations	2,323	-	2,323
Realisation of reserves from disposal of a subsidiary	(1,151)	-	(1,151)
Share of other comprehensive income of a joint venture	2	-	2
	1,174	-	1,174
2022			
Foreign currency translations	1,831	-	1,831
Realisation of reserves from deemed disposal of an associate	(189)	-	(189)
Share of other comprehensive income of associates	138	-	138
Share of other comprehensive income of a joint venture	18	-	18
	1,798	-	1,798

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

28. TAX EXPENSE (CONT'D)

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

The numerical reconciliations between the tax expense and the product of accounting profit before tax multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	3,254	13,929	1,753	1,341
Tax effects in respect of:				
Effects of different tax rates in foreign jurisdictions	(790)	(1,208)	-	-
Non-allowable expenses	3,490	4,261	532	391
Tax incentives	(205)	(195)	-	-
Income not subject to tax	(681)	(2,675)	(1,978)	(1,500)
Crystallisation of deferred tax liabilities	(10)	(10)	-	-
Deferred tax assets not recognised	6,677	1,354	-	-
Utilisation of previously unrecognised deferred tax assets	(311)	-	(3)	-
Share of profits of associates	-	(881)	-	-
Share of profit of a joint venture	-	(111)	-	-
Under/(Over) provision in prior years:				
- current tax	83	337	(100)	(22)
- deferred tax	(116)	113	-	-
	11,391	14,914	204	210

29. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year:

	Group	
	2023	2022
(Loss)/Profit attributable to owners of the parent (RM'000)	(11,375)	19,483
Weighted average number of ordinary shares in issue (units'000)	429,745	429,439
Basic (loss)/earnings per ordinary share (sen)	(2.65)	4.54

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

29. (LOSS)/EARNINGS PER ORDINARY SHARE (CONT'D)

(b) Diluted

Diluted (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group 2023	2022
(Loss)/Profit attributable to owners of the parent (RM'000)	(11,375)	19,483
Weighted average number of ordinary shares in issue (units'000)		
Effect of dilution:	429,745	429,439
- employee share options (units'000)	3,225	-
Adjusted weighted average number of ordinary shares applicable to diluted (loss)/earnings per ordinary share	432,970	432,439
Basic (loss)/earnings per ordinary share (sen)	(2.63)	4.54

30. EMPLOYEE BENEFITS

	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Wages, salaries and bonuses	46,485	26,762	312	290
Contributions to defined contribution plans	4,360	2,038	-	-
Social security contributions	1,420	1,171	-	-
Other benefits	3,751	3,968	-	13
Share options granted under Share Option Plan ("SOP")				
- Directors of the subsidiaries	78	-	-	-
- Other employees	555	-	-	-
	56,649	33,939	312	303

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM8,945,000 and RM226,000 (2022: RM6,891,000 and RM228,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

31. SHARE OPTION PLAN (“SOP”) AND/OR SHARE GRANT PLAN (“SGP”) PURSUANT TO THE LONG TERM INCENTIVE PLAN (“LTIP”) (“SCHEME”)

The LTIP was approved by the shareholders at an Extraordinary General Meeting held on 8 August 2022. The LTIP was implemented on 1 November 2022.

The LTIP is administered by the LTIP Committee and governed by the By-Laws of the LTIP.

The salient features of the LTIP are as follows:

- (a) The maximum number of PRG Shares which may be made available pursuant to the LTIP shall not in aggregate exceed 15% of the total number of issued new ordinary shares in PRG (“PRG Shares”) (excluding treasury shares, if any) at any point of time during the tenure of the Scheme;
- (b) The LTIP involves a SOP and a SGP for eligible directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries), who meet the eligibility criteria for participation in the Scheme (“Eligible Persons”) as set out in the LTIP By-Laws;

SOP

The SOP involves the granting of options (“SOP Options”) to the Eligible Persons to subscribe for new PRG Shares at a prescribed option price (“Option Price”) (“SOP Awards”), subject to terms and conditions of the By-Laws.

Upon acceptance of the SOP Awards by the selected Eligible Persons (“SOP Participants”), the SOP Awards shall be vested to the SOP Participants and may be subjected to the fulfilment of such vesting conditions as may be determined by the LTIP Committee, in accordance with the terms of the By-Laws.

SGP

The SGP involves the granting of new PRG Shares to the Eligible Persons (“SGP Awards”), subject to the terms and conditions of the By-Laws.

Upon acceptance of the SGP Awards by the selected Eligible Persons (“SGP Participants”), the SGP Awards will be vested to the SGP Participants at no cost over the duration of the LTIP, subject to the SGP Participants fulfilling certain vesting conditions as may be determined by the LTIP Committee, in accordance with the By-Laws.

- (c) The LTIP shall be in force for a period of 5 years from the effective date of commencement of the LTIP and is renewable for a period of up to five (5) years immediately from the expiry of first five (5) years and shall not in aggregate exceed 10 years from the date of commencement of the LTIP;
- (d) Subject to any adjustments to be made under the By-Laws and Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”), the Option Price and reference price of the SGP Awards shall be determined based on the 5-day volume weighted average market price (“5D-VWAP”) of PRG Shares immediately preceding the date of offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the LTIP as set out in the By-Laws;
- (e) Subject to the By-Laws, the maximum number of PRG Shares to be awarded to an Eligible Person at any point of time in the LTIP Awards made under the LTIP shall be at the sole and absolute discretion of the LTIP Committee taking into consideration, inter alia, the Eligible Person’s designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions; and
 - (i) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of PRG Shares to be issued under the LTIP shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued PRG Shares (excluding treasury shares, if any); and

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

31. SHARE OPTION PLAN ("SOP") AND/OR SHARE GRANT PLAN ("SGP") PURSUANT TO THE LONG TERM INCENTIVE PLAN ("LTIP") ("SCHEME") (CONT'D)

- (e) The salient features of the LTIP are as follows: (Cont'd)
- (ii) up to 80% of the total number of PRG Shares which may be made available under the LTIP could be allocated, in aggregate, to the Directors and senior management of PRG Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time). This is intended to incentivise the Directors of the Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of the Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance.
- (f) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company.

The details of the options over ordinary shares of the Company was as follows:

Option Price	Number of options over ordinary shares					Balance as at 31.12.2023	Exercisable as at 31.12.2023
	Balance as at 1.1.2023	Granted	Retracted*	Exercised			
RM0.0551	-	25,901,933	(7,233,074)	(1,226,854)		17,442,005	3,980,918
RM0.0876	-	6,698,315	(560,000)	-		6,138,315	338,663
RM0.1075	-	196,800	(196,800)	-		-	-
	-	32,797,048	(7,989,874)	(1,226,854)		23,580,320	4,319,581

* Due to resignation and offer being rejected.

The fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share option measured at grant date and the assumptions used are as follows:

Average share price at grant date (RM)	0.1818 - 0.2203
Exercise price (RM)	0.1650 - 0.2000
Fair value of share options (RM)	0.0551 - 0.1075
Risk free rate of interest (%)	3.6220 - 3.9300
Expected volatility (%)	20.932 - 44.033

32. RELATED PARTY DISCLOSURES

- (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, associates, a joint venture, corporation in which a Director of an associate has interest, Directors and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

32. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year which were carried out based on negotiated terms and conditions and mutually agreed with related parties:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Rental income	-	-	385	-
Interest expense	-	-	330	30
Joint venture				
Commission income	91	111	-	-
Dividend income	435	-	-	-
Sales of goods	1,197	713	-	-
Sales of services	69	77	-	-
Purchases of materials	132	90	-	-
Rental income	115	108	-	-
Joint venture partner *				
Sale of goods	714	1,391	-	-

* The joint venture partner of the Group is Trunet (UK) Limited, a company that owns 50% of Trunet (Vietnam) Co. Ltd., a joint venture of the Group.

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors of the Company and close family member of the Directors				
Progress billings	1,391	1,244	-	-
Director of subsidiary company				
Progress billing	232	198	-	-
Rental expenses	657	174	-	-
Interest expense	478	-	36	253
Advances	10,676	3,500	743	611

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

32. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of the Directors of the Group and of the Company during the financial year was as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration:				
- Directors of the Company:				
- fees	336	314	216	214
- emoluments other than fees	1,878	1,429	10	14
	2,214	1,743	226	228
- Directors of subsidiaries:				
- fees	120	150	-	-
- emoluments other than fees	6,611	4,998	-	-
	6,731	5,148	-	-
	8,945	6,891	226	228

The estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group and of the Company amounted to RM116,000 (2022: RM51,000) and RM46,000 (2022: RM Nil) respectively.

Executive Directors of the Group have been granted the following number of options under the SOP:

	Group	
	Number of	Number of
	share option	share grant
	('000)	('000)
Balance as at 1 January 2023	-	-
Granted	11,582	783
Retracted*	(1,760)	-
Exercised during the financial year	(469)	-
Balance as at 31 December 2023	9,353	783

* Due to resignation and offer being rejected.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

32. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel (Cont'd)

Non-executive Directors of the Group have been granted the following number of options under the SOP:

	Number of share option (‘000)
Balance as at 1 January 2023	-
Granted	1,300
Balance as at 31 December 2023	1,300

The terms and conditions of the SOP are detailed in Note 31 to the financial statements.

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with related parties.

33. OPERATING SEGMENTS

The Group determines its operating segments based on the internal management reporting and operating results were reviewed by the Group's management to make decisions about the resources to be allocated to the segments and to assess their performance.

The Group has arrived at four (4) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements and which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Manufacturing

Principally engaged in the manufacturing and sale of elastic textile, webbing and rubber tape.

(ii) Energy efficiency

Principally engaged in the provision of smart energy solution.

(iii) Property development and construction

Development and construction of residential and commercial properties.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

The Group has arrived at four (4) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements and which requires different business and marketing strategies. The reportable segments are summarised as follows: (Cont'd)

(iv) Agriculture

Principally engaged in the harvesting and selling of teak logs activities.

Other operating segments that do not constitute reportable segments comprise operations related to investment holding and healthcare.

The segmentation for the respective investment holding companies will be determined by the segment of its respective subsidiaries.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

33. OPERATING SEGMENTS (CONT'D)

2023	Manufacturing RM'000	Energy efficiency RM'000	Property development and construction RM'000	Agriculture RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
Revenue from external customers	96,113	120,546	144,051	778	231	-	361,719
Inter-segment revenue	7,653	13,298	1,254	-	21,349	(43,554)	-
Total revenue	103,766	133,844	145,305	778	21,580	(43,554)	361,719
Finance costs	(883)	(246)	(202)	(2,300)	(379)	(328)	(4,338)
Interest income	1,189	22	83	-	2,847	(307)	3,834
Net finance income/(expense)	306	(224)	(119)	(2,300)	2,468	(635)	(504)
Amortisation of intangible assets	(2)	-	(1)	-	-	(737)	(740)
Depreciation of							
- property, plant and equipment	(1,486)	(167)	(47)	-	(184)	-	(1,834)
- right-of-use assets	(1,389)	(1,349)	(23)	(293)	(247)	650	(2,651)
Segment profit/(loss) before tax	6,000	16,457	19,450	(25,260)	(3,087)	-	13,560
- Gain on disposal of subsidiaries	347	-	-	-	-	-	347
- Share of profit of a joint venture	291	-	-	-	-	-	291
- Fair value adjustments on biological assets	-	-	-	(20,416)	-	-	(20,416)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

2023	Manufacturing RM'000	Energy efficiency RM'000	Property development and construction RM'000	Agriculture RM'000	Others RM'000	Elimination RM'000	Total RM'000
Segment profit/(loss) before tax (Cont'd)							
- Net (losses)/gain on impairment of financial assets	(4,591)	(89)	(221)	(8)	(330)		(5,239)
- Net unrealised loss on foreign exchange	(196)	(75)	-	-	(33)	-	(304)
Capital expenditure	8,857	1,688	73	4,461	984	-	16,063
Investment in a joint venture	1,270	-	-	-	-	-	1,270
Segment assets	112,109	59,901	134,843	74,619	80,455	-	461,927
Segment liabilities	31,156	18,245	129,513	109,784	95,495	(180,914)	203,279

33. OPERATING SEGMENTS (CONT'D)

2022	Manufacturing RM'000	Energy efficiency RM'000	Property development and construction RM'000	Agriculture RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
Revenue from external customers	112,145	49,754	144,146	1,231	256	-	307,532
Inter-segment revenue	2,788	211	1,413	-	5,003	(9,415)	-
Total revenue	114,933	49,965	145,559	1,231	5,259	(9,415)	307,532
Finance costs	(602)	(65)	(328)	(3,014)	(253)	-	(4,262)
Interest income	723	5	59	-	2,538	-	3,325
Net finance income/(expense)	121	(60)	(269)	(3,014)	2,285	-	(937)
Amortisation of intangible assets	(3)	(237)	(1)	-	-	-	(241)
Depreciation of:							
- property, plant and equipment	(1,511)	(73)	(425)	(6)	-	-	(2,015)
- right-of-use assets	(551)	(307)	(14)	(281)	-	-	(1,153)
Segment profit/(loss) before tax	12,364	13,018	40,695	(4,501)	(3,540)	-	58,036
- Gain on deemed disposal of an associate	-	2,105	-	-	-	-	2,105
- Share of profit of a joint venture	462	-	-	-	-	-	462
- Share of profits of associates	-	3,669	-	-	-	-	3,669

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

2022	Manufacturing RM'000	Energy efficiency RM'000	Property development and construction RM'000	Agriculture RM'000	Others RM'000	Elimination RM'000	Total RM'000
Segment profit/(loss) before tax (Cont'd)							
- Net (losses)/gain on impairment of financial assets	(339)	-	(201)	(87)	-	-	(627)
- Net unrealised loss on foreign foreign exchange	(473)	-	-	-	(524)	-	(997)
Capital expenditure	2,912	11	7	-	856	-	3,786
Investment in a joint venture	1,411	-	-	-	-	-	1,411
Segment assets	132,645	77,531	126,050	91,411	56,159	-	483,796
Segment liabilities	23,785	35,060	69,116	45,196	52,164	-	225,321

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	2023 RM'000	2022 RM'000
Profit for the financial year		
Total profit for reportable segments	13,560	58,036
Tax expense	(11,391)	(14,914)
Group's profit for the financial year	2,169	43,122
Assets		
Total assets for reportable segments	461,927	483,796
Tax assets	4,270	2,287
Group's assets	466,197	486,083
Liabilities		
Total liabilities for reportable segments	203,279	225,321
Tax liabilities	6,486	8,667
Group's liabilities	209,765	233,988

Geographical information

With the exception of manufacturing facilities and sales offices set up in Vietnam and Singapore, the entire Group's active business operations are located in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers from which the sales transactions originated.

Segment assets are based on the geographical location of the Group's assets. The non-current assets do not include financial instruments, investments in associates, investment in a joint venture and deferred tax assets.

	2023 RM'000	2022 RM'000
Revenue from external customers		
Malaysia	156,651	150,919
Asia Pacific (excluding Malaysia)	178,487	124,525
Europe	6,477	8,478
North America	19,249	22,183
Others	675	1,171
	361,539	307,276

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

Geographical information (Cont'd)

	2023 RM'000	2022 RM'000
Non-current assets		
Malaysia	50,623	39,757
Asia Pacific (excluding Malaysia)	18,672	23,276
	69,295	63,033

Major customer

There is no customer with revenue equal to or more than ten percent (10%) of the revenue of the Group.

34. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from the financial year ended 31 December 2022.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group regularly reviews the gearing ratio to ensure they are at acceptable levels and within industry norms. Net debts are calculated as total borrowings less cash and bank balances. Capital represents equity attributable to the owners of the parent. A detailed calculation of the net debt is shown below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Borrowings	45,561	65,502	-	-
Less: Cash and bank balances	(101,108)	(71,469)	(1,799)	(125)
Net cash	(55,547)	(5,967)	(1,799)	(125)
Total capital	159,695	169,484	159,930	151,834
Gearing ratio	*	*	*	*

* Gearing ratio is not presented as the Group and the Company are in net cash position as at the end of reporting period.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement during the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of financial instruments

	2023 RM'000	2022 RM'000
Group		
Financial assets		
Amortised cost		
Trade and other receivables, excluding prepayments	178,803	134,764
Cash and bank balances	101,108	71,469
	279,911	206,233
Financial liabilities		
Amortised cost		
Trade and other payables	135,768	145,200
Borrowings	45,561	65,502
	181,329	210,702
Company		
Financial assets		
Amortised cost		
Trade and other receivables, excluding prepayments	135,353	121,689
Cash and bank balances	1,799	125
	137,152	121,814
Financial liabilities		
Amortised cost		
Other payables	39,227	31,752

(c) Fair value information

The carrying amounts of cash and bank balances and short term receivables, payables and borrowings are reasonable approximation of fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of each reporting period.

The fair values of long term receivables, payables and borrowings are estimated by discounting the expected future cash flows at weighted average cost of capital, which is similar to the market incremental lending rate offered by financial institution and hence, the carrying amounts of the financial instruments are reasonable approximation of fair value.

Fair value of the borrowings, long term receivables and payables of the Group and of the Company are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objectives of the Group and of the Company are to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group and the Company are exposed mainly to foreign currency risk, interest rate risk, liquidity and cash flow risks and credit risk. Information on the management of the related exposures is detailed below:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign exchange rate risk on sales and purchases and amount owing to a shareholder that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Hong Kong Dollar ("HKD").

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. Information regarding the currency exposure profile of cash and bank balances is disclosed in Note 18 to the financial statements.

The Group and the Company do not hedge these exposures by purchasing or selling forward currency contracts at present. However, the management keeps this policy under review.

In respect of its overseas subsidiaries, the Group and the Company maintain a natural hedge, where possible, by borrowing in the currency of the country in which the subsidiary is located or by borrowing in currencies that match the future revenue stream to be generated from its subsidiaries.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit after tax and equity to a reasonably possible change in the USD, SGD and HKD exchange rates against the Ringgit Malaysia ("RM") respectively, with all other variables held constant. 10% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Foreign currency risk (Cont'd)

The sensitivity analysis includes outstanding balances denominated in foreign currencies.

		Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
		Profit	Profit	Profit	Profit
		after tax	after tax	after tax	after tax
		and equity	and equity	and equity	and equity
USD/RM	- strengthen by 10%				
	(2022: 10%)	1,255	1,122	-	-
	- weaken by 10%				
	(2022: 10%)	(1,255)	(1,122)	-	-
SGD/RM	- strengthen by 10%				
	(2022: 10%)	(378)	(873)	-	-
	- weaken by 10%				
	(2022: 10%)	378	873	-	-
HKD/RM	- strengthen by 10%				
	(2022: 10%)	(65)	(156)	(565)	(173)
	- weaken by 10%				
	(2022: 10%)	65	156	565	173

Sensitivity analysis of other currencies are not disclosed as the fluctuation of these foreign exchange rates against the Group's functional currency would not be significant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's deposits placed with financial institutions and borrowings are exposed to a risk of changes in their fair values due to changes in market interest rates. The Group's and the Company's borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not exposed to interest rate risk.

The Group and the Company borrow for operations at fixed and variable rates using hire purchase, trust receipts, term loans, trade financing facilities and bank overdraft. There is no formal hedging policy with respect to interest rate exposure.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group	Note	Effective interest rate %	Total RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
At 31 December 2023									
Fixed rate									
Other receivable	12(i)	5.00	56,340	56,340	-	-	-	-	-
Deposits placed with financial institutions	18(b)								
- RM		1.90 - 3.30	2,833	2,833	-	-	-	-	-
- USD		0.20	2,444	2,444	-	-	-	-	-
- VND		3.40 - 6.20	15,838	15,838	-	-	-	-	-
Amount owing to a shareholder									
- RM	22(b)	4.00 - 6.00	(15,499)	(15,499)	-	-	-	-	-
- HKD	22(b)	4.00	(861)	(861)	-	-	-	-	-
Floating rate									
Term loans									
- RM	21(c)	3.43 - 5.75	(40,751)	(5,320)	(5,692)	(7,024)	(5,788)	(6,127)	(10,800)
- SGD		2.50 - 3.00	(3,717)	(2,412)	(1,305)	-	-	-	-
Bank overdraft									
- RM	21(c)	8.64 - 8.89	(243)	(243)	-	-	-	-	-
Trade bills									
- USD	21(c)	5.14 - 5.39	(850)	(850)	-	-	-	-	-

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (Cont'd)

Group	Note	Effective interest rate %	Total RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
At 31 December 2022									
Fixed rate									
Other receivable	12(i)	5.00	59,126	-	59,126	-	-	-	-
Deposits placed with financial institutions	18(b)								
- RM		1.90 - 4.97	1,977	1,977	-	-	-	-	-
- USD		0.20	1	1	-	-	-	-	-
- VND		2.90 - 6.20	13,183	13,183	-	-	-	-	-
Amount owing to a shareholder									
- RM	22(b)	4.00 - 6.00	(8,358)	(8,358)	-	-	-	-	-
- HKD	22(b)	4.00	(2,285)	(2,285)	-	-	-	-	-
Floating rate									
Term loans									
- RM	21(c)	3.43 - 4.97	(44,238)	(5,582)	(5,778)	(6,076)	(6,356)	(6,650)	(13,796)
- SGD		2.50 - 3.00	(5,696)	(2,225)	(3,471)	-	-	-	-
Trust receipts									
- SGD	21(c)	5.13 - 6.35	(15,299)	(15,299)	-	-	-	-	-
Bank overdraft									
- RM	21(c)	8.39 - 8.64	(269)	(269)	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (Cont'd)

Company	Note	Effective interest rate %	Total RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
At 31 December 2023									
Fixed rate									
Other receivable	12(i)	5.00	56,340	56,340	-	-	-	-	-
Amount owing to a shareholder									
- RM	22(b)	4.00	(817)	(817)	-	-	-	-	-
- HKD	22(b)	4.00	(861)	(861)	-	-	-	-	-
At 31 December 2022									
Fixed rate									
Other receivable	12(i)	5.00	59,126	-	59,126	-	-	-	-
Amount owing to a shareholder									
- RM	22(b)	4.00	(630)	(630)	-	-	-	-	-
- HKD	22(b)	4.00	(2,285)	(2,285)	-	-	-	-	-
Amount owing to a subsidiary	22(b)	6.00	(5,000)	-	(5,000)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

Sensitivity analysis for fixed rate instruments as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates. The following table demonstrates the sensitivity analysis of the floating rate instruments of the Group and of the Company if interest rates at the end of reporting period changed by 50 basis points with all other variables held constant:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
	Profit	Profit	Profit	Profit
	after tax	after tax	after tax	after tax
	and equity	and equity	and equity	and equity
Increase by 0.5% (2022: 0.5%)	173	191	-	-
Decrease by 0.5% (2022: 0.5%)	(173)	(191)	-	-

The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

(iii) Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group and the Company measure and forecasts the cash commitments and maintain a level of cash and cash equivalents deemed adequate to finance the Group's and the Company's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2023				
Financial liabilities				
Trade and other payables	135,768	-	-	135,768
Borrowings	10,613	36,472	6,875	53,960
Contract liabilities	14,334	-	-	14,334
Lease liabilities	2,912	3,692	2,704	9,308
Total undiscounted financial liabilities	163,627	40,164	9,579	213,370

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Liquidity and cash flow risks (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. (Cont'd)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2022				
Financial liabilities				
Trade and other payables	129,631	15,569	-	145,200
Borrowings	25,376	33,351	15,392	74,119
Contract liabilities	7,325	-	-	7,325
Lease liabilities	1,840	1,745	5,283	8,868
Total undiscounted financial liabilities	164,172	50,665	20,675	235,512
Company				
As at 31 December 2023				
Financial liabilities				
Other payables	39,227	-	-	39,227
Lease liabilities	240	180	-	420
Total undiscounted financial liabilities	39,467	180	-	39,647
As at 31 December 2022				
Financial liabilities				
Other payables	26,752	5,000	-	31,752
Total undiscounted financial liabilities	26,752	5,000	-	31,752

Financial guarantee contracts

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount and the Group and the Company regularly follow up on receivables outstanding beyond their stipulated time threshold for payments. The Group and the Company do not require collateral in respect of financial assets.

Receivables

At the end of the reporting period, the maximum exposure of the Group and of the Company maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group mitigates its credit risk in trade receivables arising from the sale of development properties by maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchaser's end-financier.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any individual customer or counterparty except that 27% (2022: 44%) of the Group's trade receivables and 79% (2022: 78%) of Group's other receivables as at reporting date were due from ten (10) (2022: nine (9)) major trade customers and one (1) (2022: one (1)) major non-trade customer respectively.

The Company has no significant concentration of credit risk except for the amounts owing by subsidiaries and a third party constituting approximately 50% and 27% respectively (2022: 56% and 44%) of the total receivables of the Company.

The maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period are as follows:

	Group		Group	
	2023		2022	
	RM'000	% of total	RM'000	% of total
By country				
Malaysia	81,089	75%	30,623	47%
Asia Pacific (excluding Malaysia)	22,947	21%	29,811	45%
Europe	688	1%	1,124	2%
North America	2,947	3%	3,932	6%
Other countries	30	*	22	*
	107,701	100%	65,512	100%

* Amount is less than 1%

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023 (CONT'D)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Credit risk (Cont'd)

Credit risk concentration profile (Cont'd)

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period are as follows: (Cont'd)

	Group			
	2023		2022	
	RM'000	% of total	RM'000	% of total
By industry sectors				
Manufacturing	11,552	11%	18,456	28%
Energy efficiency	16,573	15%	17,120	26%
Management services	3,866	4%	4,026	6%
Agriculture	192	*	223	*
Property development and construction	75,518	70%	25,687	40%
	107,701	100%	65,512	100%

* Amount is less than 1%

At the end of the reporting period, approximately 69% (2022: 66%) of the Group's trade receivables were due from ten (10) (2022: nine (9)) major customers located in Malaysia, Asia Pacific (excluding Malaysia), Europe and North America.

Financial guarantee contracts

The maximum credit risk exposure of the financial guarantees issued is limited to the credit amount utilised of RM41,599,000 (2022: RM45,638,000). The financial guarantees have low credit risk at the end of the year as the financial guarantee is unlikely to be called by the financial institutions.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) **Proposed disposal by the Company 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 the Company, for a total consideration of RM61,982,000 (“Proposed Disposal of Properties”); and**

Proposed diversification of the business of the Company and its subsidiaries (“PRG Group”) to include the property investment business (“Proposed Diversification”)

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

On the same date, the Company 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.

The Company 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 the Company and Furniweb to exclude property investment business as restricted activity in order to provide flexibility to the Company 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. The Proposed Disposal of Properties and Proposed Diversification are subject to approval from shareholders of the Company at an extraordinary general meeting (“EGM”) to be convened.

- (b) **Disposal of Meinaide Holdings Group Limited and its subsidiaries (“Meinaide Group”)**

On 19 September 2023, the Board of Furniweb had approved the disposal of Meinaide Group to independent third party purchaser, Omen Wealth Limited for a total consideration of HKD15,000,000 (approximately RM8,988,000). The disposal of Meinaide was completed on 30 September 2023.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

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

On 25 August 2023, the Company 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 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 ("Settlement Shares"); 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, wholly-owned subsidiary of Furniweb and a substantial shareholder of the Company amounting to RM4,993,271.46 to be satisfied via issuance of 23,365,800 new Settlement Shares.

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.

LIST OF GROUP PROPERTIES

Address	Owner	Description	Age of building	Tenure / Expiry	Existing Use	Land Area (Sq ft.)	Carrying Value as at 31/12/2023 (RM'000)	Date of Valuation (*Date of Acquisition)
Title No. H.S. (M) 967, P.T. No. 208, Mukim of Cheras, District of Hulu Langat, Selangor	FMSB	Land and a 1 ½ -storey detached office cum factory building and ancillary buildings	31	Leasehold (60 years)/ 11 February 2075^	Industrial	51,905	2,923	#31/7/2017
Title No. H.S. (M) 943, P.T. No. 7179, Mukim of Cheras, District of Hulu Langat, Selangor	SSKSB FMSB	Land and a 2-storey detached factory building	31	Leasehold (60 years)/ 26 October 2081	Industrial	56,253	2,977	#31/7/2017
Title No. H.S. (M) 1594, P.T. No. 2374, Kg. Bharu Balakong, Mukim of Cheras, District of Hulu Langat, Selangor	FMSB	Land, a purpose built 2-storey detached factory, 3-storey office building and ancillary buildings	15	Leasehold (99 years)/ 3 July 2083	Industrial	87,123	7,293	#31/7/2017
No. 18, Road 3A, Bien Hoa Industrial Zone II, Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	FVSC	Two-level office, two workshops, a warehouse, a canteen and a security booth	25	Lease (47 years)/ 16 January 2044	Industrial	150,544	1,700	#31/7/2017
Title No. H.S. (D) 37374, P.T. No. 4886, Mukim and District of Klang, Selangor Address : No. 46, Jalan Harum 25/49, Seksyen 25, 40400 Shah Alam, Selangor	Texstrip	3 storey compact terrace house	40	Freehold	Residential	840	63	#31/7/2017

LIST OF GROUP PROPERTIES (CONT'D)

Address	Owner	Description	Age of building	Tenure / Expiry	Existing Use	Land Area (Sq ft.)	Carrying Value as at 31/12/2023 (RM'000)	Date of Valuation (*Date of Acquisition)
Title No. GM 8265, Lot 87591, Mukim and District of Klang, Selangor	Texstrip	Land and a single-storey industrial building with a double-storey office annex	33	Freehold	Industrial	50,515	2,044	#31/7/2017
PT 12, H.S.(D) 27062, Daerah Jajahan Kecil Lojing, Mukim Blau, 18300 Gua Musang, Kelantan.	PRG Agro	Plantation land	-	Leasehold (50 years) / 7 August 2066	Agriculture	227.79 hectares	6,208	#29/11/2019
PT 96, H.S.(D) 27403, Daerah Jajahan Kecil Lojing, Mukim Blau, 18300 Gua Musang, Kelantan	PRG Agro	Plantation land	-	Leasehold (50 years) / 21 June 2053	Agriculture	137 hectares	3,083	#29/11/2019

There were no revaluation on the land and properties owned by the Group for the financial year ended 31 December 2023.

^ Land premium was paid for an extension of sixty (60) years on 12 February 2015 and subject to perfection of the documentation by authorities.

The market value from the recent valuation was not recorded in the financial statements as the land and buildings of the Group are measured at cost.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Total number of issued shares	:	431,220,056*
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote for each ordinary share held

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	124	3.21	5,122	0.00
100-1,000	371	9.61	143,506	0.03
1,001-10,000	1,159	30.03	7,295,946	1.69
10,001-100,000	1,717	44.48	69,577,614	16.14
100,001 and below 5% of issued shares	487	12.62	296,805,268	68.83
5% and above of issued shares	2	0.05	57,392,600	13.31
Total	3,860	100.00	431,220,056	100.00

* Excluding 417,800 ordinary shares purchased by the Company and retained as treasury shares.

DIRECTORS' SHAREHOLDINGS

(As per Register of Directors' Shareholdings)

Name of Director	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Shares in the Company				
Dato' Lua Choon Hann	14,540,391 ^(a)	3.37	300,000 ^(b)	0.07
Andrew Chan Lim-Fai	-	-	-	-
Dato' Wee Cheng Kwan	11,374,079 ^(a)	2.64	-	-
Ng Tzee Penn	-	-	-	-
Ji Haitao	1,417,000 ^(a)	0.33	-	-
Lim Chee Hoong	154,000	0.04	134,000 ^(b)	0.03
Ng Khang Chyi	2,206,000	0.51	-	-
Tan Sri Datuk Seri (Dr) Mazlan bin Lazim	275,800	0.06	-	-
Datin Arlina binti Ariff	-	-	-	-
Joyce Tan Soo Yuen	-	-	-	-

Shares in a subsidiary, Furniweb Holdings Limited

Dato' Lua Choon Hann	260,000	0.04	-	-
Ji Haitao	1,104,000	0.18	-	-

Notes:

(a) Held through nominees company/ies.

(b) Disclosure of interest held by spouse pursuant to Section 59(1)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 MARCH 2024

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per Register of Substantial Shareholders' Shareholdings)

Name of Substantial Shareholder	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Ng Yan Cheng	56,863,027 ^(a)	13.19%	2,178,600 ^(b)	0.51%
Wang Jing	28,232,800 ^(a)	6.55%	-	-

Notes:

(a) Held through nominees company/ies.

(b) Held through Kenanga Nominees (Asing) Sdn Bhd Exempt An for Guotai Junan Securities (Hong Kong) Limited. Deemed interested pursuant to Section 8(4)(c) of the Companies Act 2016.

TOP 30 SHAREHOLDERS

	Shareholder	No. of Shares	Percentage %
1	CITIGROUP NOMINEES (ASING) SDN BHD BENEFICIARY : EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	29,209,800	6.77
2	CIMB GROUP NOMINEES (ASING) SDN. BHD. BENEFICIARY : EXEMPT AN FOR DBS BANK LTD (SFS-PB)	28,182,800	6.54
3	SY DIOCELDO SY	16,529,580	3.83
4	NG YAN CHENG	16,257,200	3.77
5	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LUA CHOON HANN	14,539,200	3.37
6	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR WEE CHENG KWAN	11,374,079	2.64
7	NG YAN CHENG	11,330,400	2.63
8	FOO FOOK MIN	7,366,600	1.71
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SHEAH KOK FAH (7000808)	6,400,000	1.48
10	SHEAH KOK FAH	6,250,000	1.45
11	TEH PIAK HUAT	5,550,000	1.29
12	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR YAU KOK SENG (001)	5,097,100	1.18
13	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. BENEFICIARY : EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. (RETAIL CLIENTS)	5,049,100	1.17
14	TEH HWA POH	4,227,100	0.98
15	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SHEAH KOK FAH	4,000,000	0.93
16	ONG LOCK HOO	3,550,000	0.82

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 MARCH 2024

TOP 30 SHAREHOLDERS (Cont'd)

	Shareholder	No. of Shares	Percentage %
17	VARIN DERJIT SINGH A/L MEHAR SINGH	3,546,700	0.82
18	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR JAMES JR LEE WENG KEI (MY3350)	3,327,300	0.77
19	QIAN QING	3,140,400	0.73
20	ATAT HOLDINGS SDN. BHD.	3,120,000	0.72
21	ZHANG SHUAI	2,749,400	0.64
22	CHOY WEE CHIAP	2,664,000	0.62
23	HSBC NOMINEES (ASING) SDN BHD BENEFICIARY : EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	2,400,000	0.56
24	NG KHANG CHYI	2,206,000	0.51
25	KENANGA NOMINEES (ASING) SDN BHD BENEFICIARY : EXEMPT AN FOR GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED (CLIENT ACCOUNT)	2,178,600	0.51
26	LEE JAM	2,167,100	0.50
27	KENANGA NOMINEES (ASING) SDN BHD BENEFICIARY : EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	2,143,900	0.50
28	CHOONG YOKE CHING	2,140,000	0.50
29	TEO CHIN SIONG	1,880,500	0.44
30	HLIB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LEE SIM HAK (M)	1,850,000	0.43
		210,426,859	48.81

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting (“AGM”) of PRG Holdings Berhad (“PRG” or “the Company”) will be conducted on a virtual basis through live streaming from the Broadcast Venue at Unit 4.02, Level 4, Plaza Damansara, Block A, Bukit Damansara, 50490 Kuala Lumpur on Friday, 28 June 2024, at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of Directors’ fees and allowances to the Non-Executive Directors of up to RM335,000 from 29 June 2024 until the next AGM of the Company. **Resolution 1**
3. To re-elect the following Directors who retire in accordance with Clause 92 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (i) Dato’ Lua Choon Hann **Resolution 2**
 - (ii) Dato’ Wee Cheng Kwan **Resolution 3**
4. To re-elect the following Directors who retire in accordance with Clause 99 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (i) Ng Khang Chyi **Resolution 4**
 - (ii) Joyce Tan Soo Yuen **Resolution 5**
 - (iii) Andrew Chan Lim-Fai **Resolution 6**
5. To re-appoint Messrs. BDO PLT as the Company’s Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolutions:-

6. **ORDINARY RESOLUTION AUTHORITY FOR DIRECTORS TO ISSUE SHARES** **Resolution 8**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approvals of the relevant governmental and/or regulatory authorities (if applicable), the Directors be and are hereby empowered to issue and allot new shares in the Company at any time, to such person or persons at such price, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue.

AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.”

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

**7. ORDINARY RESOLUTION
PROPOSED SHARE BUY-BACK AUTHORITY**

Resolution 9

“THAT subject to the Companies Act 2016, provisions of the Constitution of the Company and the Listing Requirements of Bursa Securities and approvals of any other relevant authorities, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares of the Company through Bursa Securities (“Proposed Share Buy-Back Authority”), provided that:-

- (i) the maximum number of ordinary shares purchased and/or held as treasury shares by the Company shall not exceed 10% of the total number of issued shares of the Company;
- (ii) the maximum amount of funds to be utilised shall not exceed the retained profits of the Company; and
- (iii) upon completion of the purchase(s) of its shares by the Company, the shares shall be dealt with in the following manner:-
 - (a) to cancel the shares so purchased; or
 - (b) to retain the shares so purchased as treasury shares (which may be dealt with in accordance with Section 127(7) of the Companies Act 2016); or
 - (c) to retain part of the shares so purchased as treasury shares and cancel the remainder.

AND THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at that meeting, either unconditionally or subject to conditions;
- (b) the expiry of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever so occurs first, but not to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver all such documents as they may deem necessary or expedient in the best interest of the Company, with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities to give effect to the Proposed Share Buy-Back Authority.”

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

8. **ORDINARY RESOLUTION PROPOSED GRANTING OF LTIP AWARDS TO NG KHANG CHYI**

Resolution 10

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the Long Term Incentive Plan (“LTIP”), to offer and grant to Ng Khang Chyi, being the Non-Independent Non-Executive Director of the Company, options to subscribe for such number of new ordinary shares in the Company (“PRG Shares”) to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the LTIP, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued PRG Shares (excluding treasury shares, if any), does not exceed 10% of the Share Option Plan (“SOP”) Awards and Share Grant Plan (“SGP”) Awards (“LTIP Awards”) granted, and subject always to such terms and conditions of the LTIP as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new PRG Shares to Ng Khang Chyi pursuant to the exercise of SOP options under the LTIP.”

9. **ORDINARY RESOLUTION PROPOSED GRANTING OF LTIP AWARDS TO JOYCE TAN SOO YUEN**

Resolution 11

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the LTIP, to offer and grant to Joyce Tan Soo Yuen, being the Independent Non-Executive Director of the Company, options to subscribe for such number of new PRG Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the LTIP, provided that the allocation to any eligible participant who, either singly or collectively through person connected with her, holds 20% or more of the total number of issued PRG Shares (excluding treasury shares, if any), does not exceed 10% of the LTIP Awards granted, and subject always to such terms and conditions of the LTIP as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new PRG Shares to Joyce Tan Soo Yuen pursuant to the exercise of SOP options under the LTIP.”

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

**10. ORDINARY RESOLUTION
PROPOSED GRANTING OF LTIP AWARDS TO ANDREW CHAN LIM-FAI**

Resolution 12

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the LTIP, to offer and grant to Andrew Chan Lim-Fai, being the Group Managing Director of the Company, options to subscribe for such number of new PRG Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the LTIP, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued PRG Shares (excluding treasury shares, if any), does not exceed 10% of the LTIP Awards granted, and subject always to such terms and conditions of the LTIP as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new PRG Shares to Andrew Chan Lim-Fai pursuant to the exercise of SOP options and/or vesting of SGP Awards under the LTIP.”

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

BY ORDER OF THE BOARD

**YEOH CHONG KEAT (MIA 2736)
(SSM PC NO. 201908004096)**

**LIM FEI CHIA (MAICSA 7036158)
(SSM PC NO. 202008000515)**

Company Secretaries

Kuala Lumpur
30 April 2024

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

NOTES:

1. The Twenty-Third Annual General Meeting ("AGM") will be conducted on a virtual basis from the Broadcast Venue. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to attend the Twenty-Third AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to participate and vote remotely at the Twenty-Third AGM via the remote participation and voting facilities provided by the Poll Administrator, Agmo Digital Solutions Sdn. Bhd..

Please refer to the Administrative Guide for the Twenty-Third AGM and follow the procedures provided in order to participate and vote remotely at the AGM.

2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 June 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the AGM.
3. A member shall be entitled to appoint not more than two (2) proxies to attend, speak and vote at this meeting. A proxy may but need not be a member of the Company.
4. Where a member appoints two (2) proxies, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. To be valid, the original Form of Proxy, duly completed must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. Alternatively, the Form of Proxy can be submitted electronically to vote2u@agmostudio.com not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. Kindly refer to the Administrative Guide for the Twenty-Third AGM on the procedures for electronic lodgement of the Form of Proxy.
7. If the appointor is a corporation the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of this meeting will be put to vote by way of poll.
9. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to the Company and/or its agents the personal data which may include the name, contact details and mailing address, a member of the Company hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to the member for the purposes of issuing the Notice of this meeting and convening the meeting (including any adjournment thereof), including but not limited to preparation and compilation of documents and other matters, whether or not supplied by the member. The member further confirms to have obtained the consent, agreement and authorisation of all persons whose personal data the member have disclosed and/or processed in connection with the foregoing.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES10. Audited Financial Statements for the financial year ended 31 December 2023

The Audited Financial Statements for the financial year ended 31 December 2023 are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under the first item of the Agenda and do not require shareholders' approval. As such, this item will not be put forward for voting by shareholders of the Company.

11. Resolution 1 - Directors' fees and allowances to the Non-Executive Directors

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The estimate amount of Directors' fees and benefits payable to the Non-Executive Directors from the date immediately after this AGM until the conclusion of the next AGM of the Company takes into consideration the size of the Board and the estimated number of meetings of the Board to be held during the period.

12. Resolutions 2 to 6 - Re-election of Directors

Dato' Lua Choon Hann and Dato' Wee Cheng Kwan are retiring in accordance with Clause 92 of the Company's Constitution, while Mr. Ng Khang Chyi, Ms. Joyce Tan Soo Yuen and Mr. Andrew Chan Lim-Fai are retiring pursuant to Clause 99 of the Company's Constitution. All the retiring Directors, being eligible, have offered themselves for re-election.

The Board had through the Nomination Committee ("NC") carried out fit and proper assessment on the retiring Directors and agreed that they met the criteria as set out in the Directors' Fit and Proper Policy on character and integrity, experience and competence, time and commitment to effectively discharge their role as Directors and recommends the re-election of the Directors. The NC had also noted the Directors Evaluation conducted encompassing fit and proper assessment on the Directors of the Company and satisfied that the Directors including the retiring Directors have effectively discharge their role as Directors of the Company.

13. Resolution 7 - Re-appointment of Auditors

The Board had through the Audit and Risk Management Committee performed an annual evaluation on the performance, independence and objectivity of the External Auditors, Messrs. BDO PLT. The Board is satisfied with the service and performance of the External Auditors for the financial year ended 31 December 2023 and recommends to the shareholders for approval the re-appointment of Messrs. BDO PLT at the AGM.

14. Resolution 8 - Authority for the Directors to issue shares

This proposed resolution, if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to the General Mandate, when aggregated with the number of shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate procured and approved in the preceding year 2023 which was not exercised by the Company during the year, will expire at the Twenty-Third AGM of the Company.

With the renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investments, projects, working capital and/or corporate proposals without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES (Cont'd)

15. Resolution 9 - Proposed Share Buy-Back Authority

This proposed resolution, if passed, will renew the authority given to the Company to purchase its own shares and/or hold up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company. Please refer to the Share Buy-Back Statement for further details of the Proposed Share Buy-Back Authority.

16. Resolutions 10 to 12 - Proposed Granting of LTIP Awards

The LTIP of the Company which comprises a SOP and SGP of up to 15% of the total number of issued shares in the Company (excluding treasury shares, if any) for eligible Directors and employees of the Company and its non-dormant subsidiaries, was implemented on 1 November 2022.

Mr. Ng Khang Chyi, Ms. Joyce Tan Soo Yuen and Mr. Andrew Chan Lim-Fai are persons eligible to participate in the LTIP and are deemed interested in the resolutions to the extent of their respective allocation of LTIP Awards and accordingly have abstained and shall continue to abstain from deliberation and voting in respect of their direct and indirect interest in the Company in the allocation to them.

STATEMENT ACCOMPANYING NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

No individual is standing for election as Director at the Twenty-Third AGM of the Company.

ADMINISTRATIVE GUIDE

FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING OF PRG HOLDINGS BERHAD (“23RD AGM”)

Day and Date	: Friday, 28 June 2024
Time	: 10.00 a.m.
Broadcast Venue	: Unit 4.02, Level 4, Plaza Damansara, Block A, Bukit Damansara, 50490 Kuala Lumpur, WP Kuala Lumpur
Remote Participation and Voting Facilities	: Vote2U at https://web.vote2u.my operated by Agmo Digital Solutions Sdn. Bhd.
Domain Registration Numbers with MYNIC	: D6A471702

The 23rd AGM of the Company will be held virtually through live streaming from the Broadcast Venue and voting via the Remote Participation and Voting Facilities (“**RPV**”) provided by Agmo Digital Solutions Sdn. Bhd. (“**AGMO**”) via its **Vote2U Online**, at <https://web.vote2u.my>.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the 23rd AGM is maintained.

ENTITLEMENT TO PARTICIPATE AND VOTE REMOTELY IN THE 23RD AGM

Shareholders whose names appear on the Record of Depositors as at 21 June 2024 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/corporate representative(s) to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedure to participate in RPV facilities as summarised below:

BEFORE THE DAY OF THE 23RD AGM

A: REGISTRATION		
Individual Shareholders		
	Description	Procedure
i.	Shareholders to register with Vote2U online	<p>The registration will open from the day of notice</p> <ol style="list-style-type: none"> Access website at https://web.vote2u.my. Click “Sign Up” to sign up as a user. Read the ‘Privacy Policy’ and ‘Terms & Conditions’ and indicate your acceptance of the ‘Privacy Policy’ and ‘Terms & Conditions’ on a small box <input type="checkbox"/>. Then click “Next”. *Fill-in your details (note: create your own password). Then click “Continue”. Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian). Click “Submit” to complete the registration. Your registration will be verified and an email notification will be sent to you. Please check your email.

ADMINISTRATIVE GUIDE (CONT'D)

A: REGISTRATION		
Individual Shareholders		
	Description	Procedure
		<p><u>Note:</u> If you have registered as a user with Vote2U Online previously, you are not required to register again.</p> <p>*Check your email address is keyed in correctly. *Remember the password you have keyed-in.</p>
B. REGISTER PROXY		
Individual Shareholder / Corporate Shareholder / Authorised Nominee / Exempt Authorised Nominee		
	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	<p>a. Fill-in details on the hardcopy Form of Proxy and ensure the email address of proxy(ies) is/are stated correctly in the Form of Proxy.</p> <p>b. Submit/Deposit the hardcopy Form of Proxy to the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, WP Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 23rd AGM i.e. no later than 26 June 2024 at 10.00 a.m..</p> <p>c. For body corporate, the original copy of Certificate of Appointment of Corporate Representative/ Power of Attorney/ other documents evidencing the appointment (i.e Corporate Representative's NRIC No., e-mail address and contact number) must be submitted to the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, WP Kuala Lumpur not later than 26 June 2024 at 10.00 a.m..</p> <p><u>Note:</u> The submitted Form of Proxy and Certificate of Appointment of Corporate Representative/ Power of Attorney/ other documents evidencing the appointment will be verified. After verification, an email notification will be sent to the Proxy(ies) and corporate representative(s) with a temporary password. The Proxy could use the temporary password to log in to Vote2U.</p>
ii.	Electronic Lodgement of Proxy Form (e-Proxy Form) (For individual shareholders only)	<p>a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U.</p> <p>b. Click "Register Proxy Now" for e-Proxy registration.</p> <p>c. Select the general meeting event that you wish to attend.</p> <p>d. Select/ add your Central Depository System ("CDS") account number and number of shares.</p> <p>e. Select "Appoint Proxy".</p> <p>f. Fill-in the details of your proxy(ies) – ensure proxy(ies) email address(es) is/are valid.</p> <p>g. Indicate your voting instruction should you prefer to do so.</p> <p>h. Thereafter, select "Submit".</p> <p>i. Your submission will be verified.</p> <p>j. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.</p> <p><u>Note:</u> You need to register as a shareholder before you can appoint a proxy and submit the e-Proxy Form. Please refer to section 'A: Registration' to register as shareholder.</p>

ADMINISTRATIVE GUIDE (CONT'D)

B: REGISTER PROXY		
Individual Shareholder / Corporate Shareholder / Authorised Nominee / Exempt Authorised Nominee		
	Description	Procedure
iii	Electronic Lodgement of Proxy Form (For Corporate Representatives/ Power of Attorney)	a. Please send the duly signed Form of Proxy or Certificate of Appointment of Corporate Representative/Power of Attorney/other documents evidencing the appointment (i.e Corporate Representative's NRIC No., e-mail address and contact number) to vote2u@agmostudio.com not later than 26 June 2024 at 10.00 a.m. b. After verification, the corporate representative will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.
iv.	Revocation of Proxy	For revocation of proxy(ies), please email to vote2u@agmostudio.com no later than 26 June 2024 at 10.00 a.m..

Shareholders who wishes to appoint proxy(ies) to participate in the 23rd AGM must ensure that the hardcopy Form of Proxy or e-Proxy Form is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON THE DAY OF 23RD AGM

A: WATCH LIVE STREAMING		
Individual Shareholders & Proxies		
	Description	Procedure
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	The Vote2U online portal will open for log in starting from 9.00a.m., Friday, 28 June 2024 , one (1) hour before the commencement of the AGM. a. Login with your email and password b. Select the General Meeting event (for example, "PRG Holdings Berhad's 23 rd AGM"). c. Check your details. d. Click " Watch Live " button to view the live streaming.
B: ASK QUESTION		
Individual Shareholders & Proxies		
	Description	Procedure
i.	Ask Question during AGM (real-time)	Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question. a. Click " Ask Question " button to post question(s). b. Type in your question and click " Submit ". The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the AGM.

ADMINISTRATIVE GUIDE (CONT'D)

C. VOTING REMOTELY		
Individual Shareholders & Proxies		
	Description	Procedure
i.	Online Remote Voting	<p>Once the Chairman announces the opening of remote voting:</p> <ol style="list-style-type: none"> Click “Confirm Details & Start Voting”. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click “Next” to continue voting for all resolutions. To change your vote, click “Back” and select another voting choice. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click “Confirm” to submit your vote. The live webcast will end following the announcement by the Chairman on the closure of the 23rd AGM. <p>[Please note that you are <u>not able</u> to change your voting choices after you have confirmed and submitted your votes.]</p>

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by Poll Administrator (Agmo Digital Solutions Sdn Bhd) and Independent Scrutineer (Aegis Communication Sdn Bhd) will be appointed to conduct the polling process and verify the results of the poll respectively.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at the 23rd AGM.

Enquiry

For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone Number: 03-7664 8520 / 03-7664 8521

Email: vote2u@agmostudio.com



PRG

HOLDINGS BERHAD

(Registration No. 200101005950 (541706-V))
(Incorporated in Malaysia)

No. of Shares Held	
CDS Account No.	
Contact No.	

FORM OF PROXY

*I/We _____ NRIC/Passport/Registration No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a member of **PRG HOLDINGS BERHAD** ("Company"), do hereby appoint

Full name and NRIC/Passport No.	Address	Proportion of shareholding (%) to be represented
Contact No.	Email Address	

*and/or failing him/her,

Full name and NRIC/Passport No.	Address	Proportion of shareholding (%) to be represented
Contact No.	Email Address	

or failing him/her, *the Chairman of the meeting as *my/our proxy(ies) to vote for *me/us on *my/our behalf at the Twenty-Third Annual General Meeting of the Company to be conducted on a virtual basis through live streaming from the Broadcast Venue at Unit 4.02, Level 4, Plaza Damansara, Block A, Bukit Damansara, 50490 Kuala Lumpur on Friday, 28 June 2024, at 10.00 a.m. or at any adjournment thereof on the following resolutions referred to in the Notice of Twenty-Third Annual General Meeting:-

No.	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees and allowances to the Non-Executive Directors of up to RM335,000 from 29 June 2024 until the next Annual General Meeting of the Company		
2.	To re-elect Dato' Lua Choon Hann who retires in accordance with Clause 92 of the Company's Constitution		
3.	To re-elect Dato' Wee Cheng Kwan who retires in accordance with Clause 92 of the Company's Constitution		
4.	To re-elect Ng Khang Chyi who retires in accordance with Clause 99 of the Company's Constitution		
5.	To re-elect Joyce Tan Soo Yuen who retires in accordance with Clause 99 of the Company's Constitution		
6.	To re-elect Andrew Chan Lim-Fai who retires in accordance with Clause 99 of the Company's Constitution		
7.	To re-appoint Messrs. BDO PLT as the Company's Auditors and to authorise the Directors to fix their Remuneration		
8.	Authority for the Directors to issue shares		
9.	Proposed Share Buy-Back Authority		
10.	Proposed Granting of LTIP Awards to Ng Khang Chyi		
11.	Proposed Granting of LTIP Awards to Joyce Tan Soo Yuen		
12.	Proposed Granting of LTIP Awards to Andrew Chan Lim-Fai		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

*Delete if not applicable.

Dated this _____ day of _____, 2024

Signature or Common Seal of Shareholder(s)

Notes:

1. The Twenty-Third Annual General Meeting ("AGM") will be conducted on a virtual basis from the Broadcast Venue. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) WILL NOT BE ALLOWED to attend the Twenty-Third AGM in person at the Broadcast Venue on the day of the meeting.

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5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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Affix Stamp

THE COMPANY SECRETARY
PRG HOLDINGS BERHAD
(Registration No. 200101005950 (541706-V))
c/o Archer Corporate Services Sdn. Bhd.
Lot 5, Level 10 Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur
WP Kuala Lumpur
Malaysia

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6. To be valid, the original Form of Proxy, duly completed must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. Alternatively, the Form of Proxy can be submitted electronically to vote2u@agmostudio.com not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. Kindly refer to the Administrative Guide for the Twenty-Third AGM on the procedures for electronic lodgement of the Form of Proxy.
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www.prg.com.my



PRG

HOLDINGS BERHAD

(Reg. No. 200101005950 (541706-V))

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