

# Unaudited 1Q2021 Results

27<sup>th</sup> May 2021

# 1Q2021 Results

# 1Q2021 vs 1Q2020 Financial Results

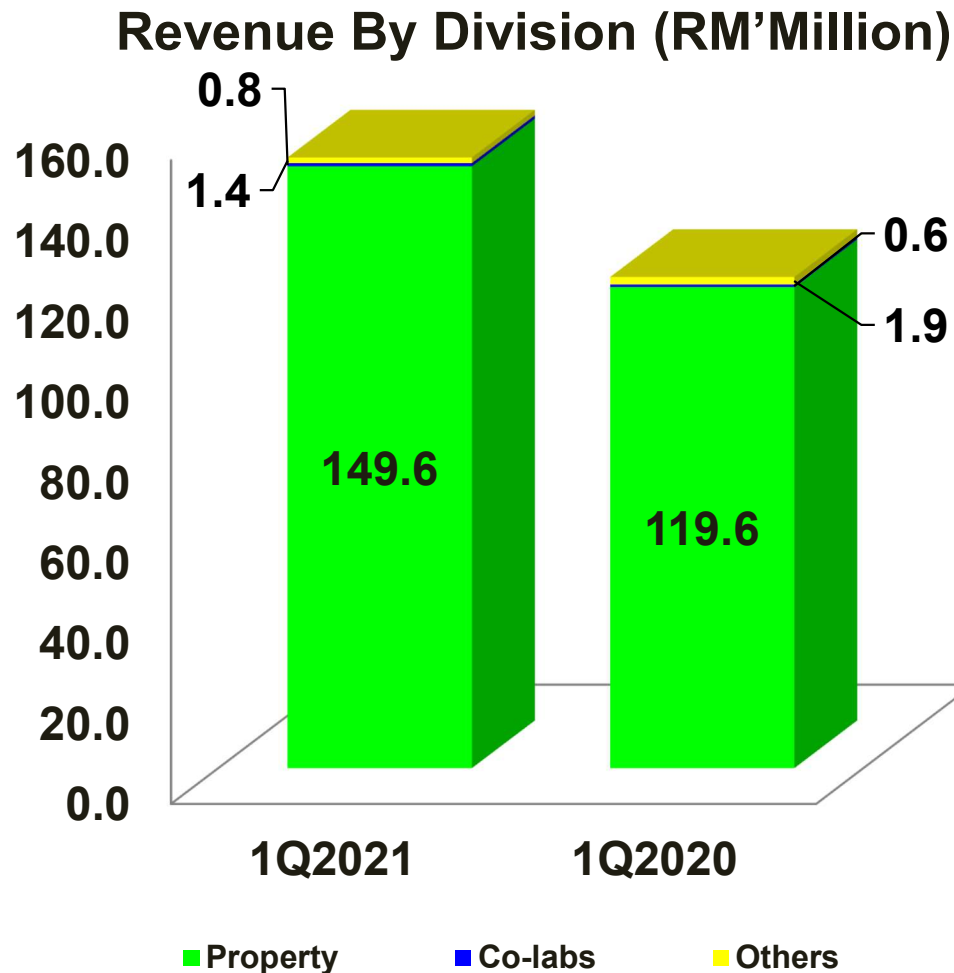
|  |       | 1Q2021  | 1Q2020<br>(Restated) | +/-     | %     |
|--|-------|---------|----------------------|---------|-------|
| <b><u>Continuing</u></b>   |       |         |                      |         |       |
| Revenue  | RMMil | 151.8   | 122.1                | 29.7    | 24%   |
| Profit before tax  | RMMil | 10.8    | 3.9                  | 6.9     | 177%  |
| EBITDA   | RMMil | 21.0    | 13.3                 | 7.7     | 58%   |
| Profit after tax   | RMMil | 6.8     | 2.7                  | 4.1     | 152%  |
| <b><u>Discontinued</u></b>   |       |         |                      |         |       |
| Profit after tax   | RMMil | 0.0     | 470.6                | (470.6) | -100% |
| <b>Profit for the period</b>   |       |         |                      |         |       |
|  | RMMil | 6.8     | 473.3                | (466.5) | -99%  |
| <b>Profit attributable to ordinary equity holders of the Company</b> |       |         |                      |         |       |
|  | RMMil | 2.3     | 466.6                | (464.3) | -100% |
| Earnings per share   | Sen   | 0.37    | 76.59                | (76.22) | -100% |
| Dividend per share   | Sen   | 0.00    | 0.00                 | 0.00    | 0%    |
| Net asset per share  | RM    | 2.31    | 2.61                 | (0.30)  | -11%  |
| Shareholders' funds  | RMMil | 1,431.5 | 1,606.4              | (174.9) | -11%  |
| ROE  | %     | 0.2     | 40.9                 | (40.7)  | -100% |
| Gross Debt/Equity Ratio  | Times | 0.53    | 0.40                 | 0.13    | 33%   |

# 1Q2021 vs 1Q2020 Financial Results

## **Continuing operations**

For 1Q2021, the Group recorded a revenue from continuing operations of RM151.8 million, which was 24% higher than that of the corresponding quarter last year of RM122.1 million. However, the Group's profit before tax (PBT) from continuing operations was 177% higher at RM10.8 million (1Q2020: RM3.9 million) mainly attributable to the higher profit contribution from the property division but was mitigated by the lower non-recurring income from the investment & others division. However, the Group's profit attributable to ordinary equity holders of the Company was lower at RM2.3 million (1Q2020: RM466.6 million) mainly due to the financial results of the Pre-Tertiary Education business was no longer consolidated and a gain of disposal of RM460.6 million was recognised pursuant to the completion of this divestment in 1Q2020.

# Revenue – continuing operations



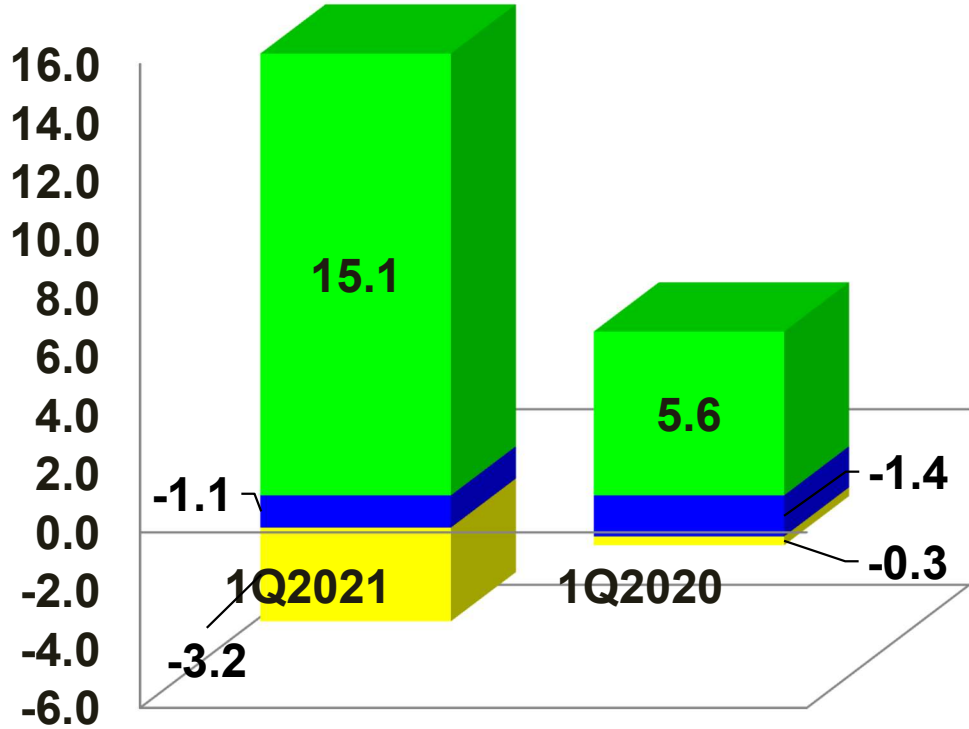
Property Division

Increase in revenue was mainly due to higher level of construction progress recognised and sales of properties.

Top 3 revenue contributions were Bukit Banyan development in Kedah, Atwater development in Selangor and Utropolis Batu Kawan development in Penang.

# PBT - continuing operations

PBT By Division (RM'Million)



|                   |   |
|-------------------|---|
| Property Division | Higher PBT was in line with the higher revenue. |
|-------------------|---|

■ Property    ■ Co-labs    ■ Others

## Statement of Financial Position

| RM'000                       | 31/3/2021 | 31/12/2020<br>(Restated) |
|------------------------------|-----------|--------------------------|
| Non-current assets           | 1,839,545 | 1,846,620                |
| Current assets               | 1,023,538 | 1,118,030                |
| Total assets                 | 2,863,083 | 2,964,650                |
| Current liabilities          | 387,230   | 474,935                  |
| Net current assets           | 636,308   | 643,095                  |
| Non-current liabilities      | 797,139   | 810,331                  |
| Total liabilities            | 1,184,369 | 1,285,266                |
| Total equity                 | 1,678,714 | 1,679,384                |
| Total equity and liabilities | 2,863,083 | 2,964,650                |

## Debt/Equity Ratio

|                      | 31/3/2021 | 31/12/2020<br>(Restated) |
|----------------------|-----------|--------------------------|
|                      | RM'Mil    | RM'Mil                   |
| Borrowings           | 897.4     | 954.2                    |
| Cash & bank balances | 164.7     | 204.3                    |
| Total equity*        | 1,681.1   | 1,681.7                  |
|                      | 31/3/2021 | 31/12/2020               |
| Gross D/E ratio      | 0.53      | 0.57                     |
| Net D/E ratio        | 0.44      | 0.45                     |

\*Included Private Debt Securities of RM249 million (2020: RM249 million)

*Gross D/E Ratio = Total Borrowings/Total Equity*

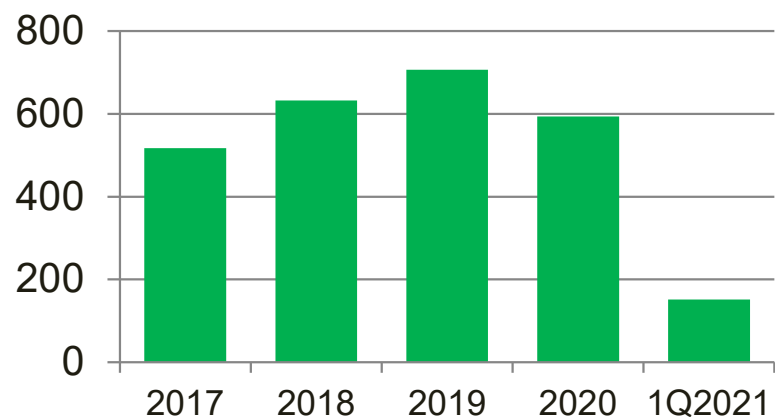
*Net D/E Ratio = (Total Borrowings-Cash & Bank Balances)/Total Equity*



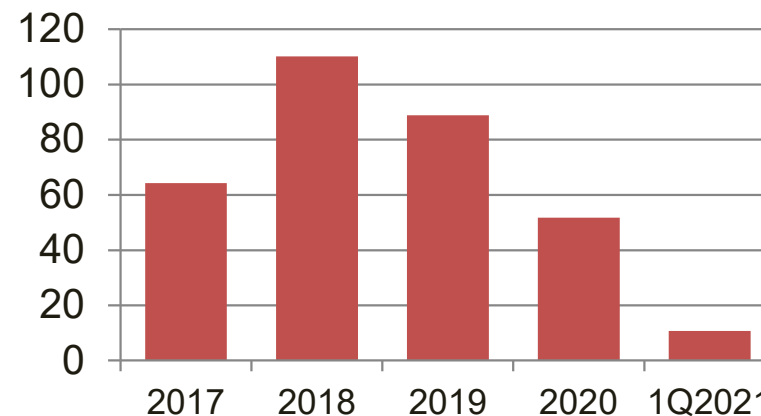
# 5-Year Financial Highlights

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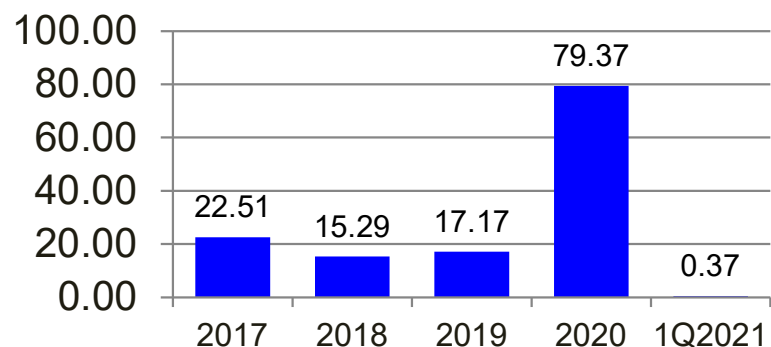
**Revenue (RM'Mil)**



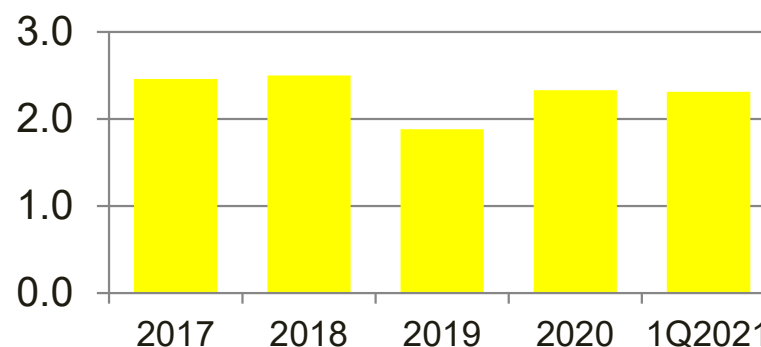
**PBT (RM'Mil)**



**Earnings Per Share (Sen)**



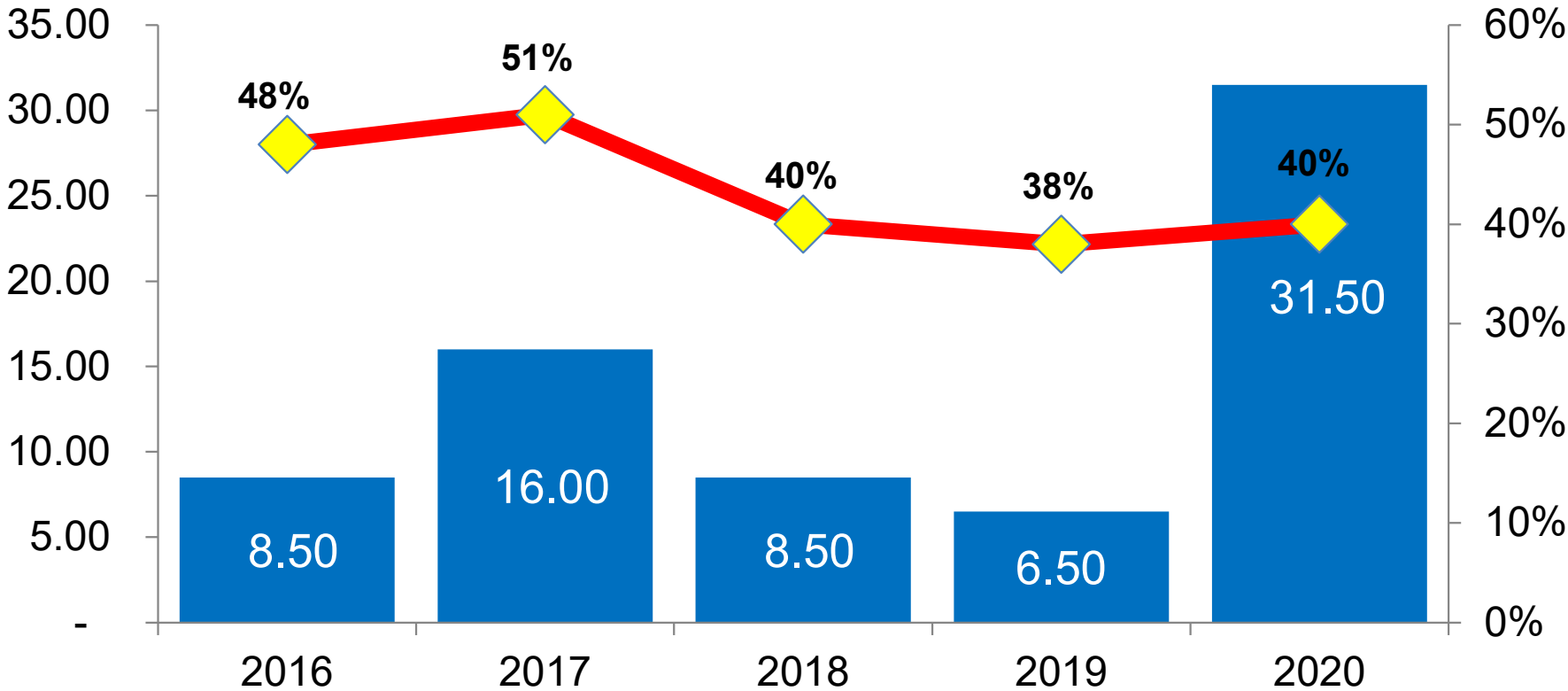
**Net Assets Per Share (RM)**



Note:  
Revenue & PBT – These represent financials from continuing operations

# 5-Year Financial Highlights

Gross Dividend Per Share (sen) and Payout Ratio (%)



# 1Q2021 Highlights

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## Property Division

- 251 units of properties were launched in 1Q2021 (1Q2020: 49 units).
- Property sales of 300 units with a sales value of RM182 million, 63% higher than 1Q2020 of RM112 million.
- Unbilled sales stood at RM1,033 million as at 31 March 2021.
- Effective 1 January 2021, the Group had adopted the Agenda Decision on borrowing costs which has also been retrospectively applied

## Education Division

- There was no contribution from the education division in 1Q2021 as the Group has divested its controlling equity stakes in the tertiary and the pre-tertiary education businesses. The Company retains minority stakes in these businesses.

# Total landbank & GDV

## Total Landbank & GDV

| Projects developed by subsidiary companies | Remaining Gross Undeveloped Lands (Acres) | Remaining GDV* (Million) | Development Period |      |
|--|---|--------------------------|--------------------|------|
|  |   |                          | Start              | End  |
| <b>On going Developments</b>               |   |                          |                    |      |
| Kemuning Utama, Shah Alam                  | 26.7                                      | 422                      | 2004               | 2026 |
| Sekitar26, Shah Alam                       | 11.6                                      | 604                      | 2013               | 2026 |
| Bandar Laguna Merbok, Sungai Petani        | 0.0                                       | 1                        | 1996               | 2018 |
| Utropolis Glenmarie, Shah Alam             | 0.0                                       | 7                        | 2013               | 2020 |
| Bukit Banyan, Sungai Petani                | 139.0                                     | 333                      | 2012               | 2027 |
| Sejati Residences, Cyberjaya               | 10.3                                      | 463                      | 2013               | 2025 |
| Greenwoods, Salak Perdana                  | 100.5                                     | 646                      | 2015               | 2027 |
| Utropolis Batu Kawan, Penang               | 21.4                                      | 1,848                    | 2016               | 2027 |
| Atwater, Petaling Jaya                     | 0.0                                       | 286                      | 2018               | 2022 |
| Berkeley Uptown, Klang                     | 15.4                                      | 714                      | 2019               | 2028 |
| Sejati Lakeside, Cyberjaya                 | 18.9                                      | 267                      | 2019               | 2023 |
| <b>Total</b>                               | <b>343.8</b>                              | <b>5,591</b>             |                    |      |

## Total Landbank & GDV

| Projects developed by subsidiary companies | Remaining Gross Undeveloped Lands (Acres) | GDV* (Million) | Development Period |      |
|--|---|----------------|--------------------|------|
|  |   |                | Start              | End  |
| <b>Project in the pipeline</b>             |   |                |                    |      |
| Ampang Hilir, Kuala Lumpur                 | 4.5                                       | 968            | 2021               | 2027 |
| <b>Future Projects</b>                     |   |                |                    |      |
| Bukit Banyan II, Sungai Petani             | 137.1                                     | 405            | 2023               | 2027 |
| Machang Bubuk, Penang                      | 69.2                                      | 420            | 2023               | 2027 |
| <b>Total</b>                               | <b>206.3</b>                              | <b>825</b>     |                    |      |
| <b>Grand Total</b>                         | <b>554.6</b>                              | <b>7,384</b>   |                    |      |

\* Comprising potential GDV from undeveloped lands and GDV from properties launched but remained unsold as at 31 March 2021



## Total Landbank & GDV

| Project developed by associate company | Remaining Gross Undeveloped Lands (Acres) | GDV <sup>^</sup> (Million) | Development Period |      |
|--|---|----------------------------|--------------------|------|
|  |   |                            | Start              | End  |
| Na Reva                                | -   | 67                         | 2020               | 2023 |

<sup>^</sup> Being the Group's share of GDV from properties launched by Navarang Charoennakhon Company Limited but remained unsold as at 31 March 2021

# Prospect for 2021

# Prospect

The Malaysian economy registered a smaller GDP decline of 0.5% in the first quarter (4Q 2020: -3.4%). All economic sectors registered an improvement, particularly in the manufacturing sector. Going forward, Malaysia is well positioned to continue benefitting from stronger global economic and trade activities. While the growth outlook continues to be shaped by developments surrounding the pandemic, the implementation of containment measures which are mainly aimed at curbing social activities and allow almost all economic sectors to operate, would minimise the impact on economic activity.

(Source: Press Release from Bank Negara Malaysia on the Economic and Financial Developments in Malaysia in the First Quarter of 2021)

The property market is expected to remain soft in 2021, being contingent on the country's economic and financial outlook. Nevertheless, the low interest rate environment coupled with the stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes under the home ownership campaign and 2021 Budget initiatives are expected to continue to spur buying interests in properties.

## a) Property

Unlike the previous movement control order (MCO), the re-imposed MCO in 2021 has allowed almost all economic sectors to operate. Hence, the Group's construction activities remained operational during such period while the sales of properties have been carried out on virtual platforms.

## Prospect (cont'd)

### a) Property (cont'd)

Despite the on-going pandemic, the Group's property sales for 1Q2021 was 63% higher than the corresponding quarter last year. Capitalising on this strong sales momentum, the Group would intensify the promotional activities to boost sales. While the pipeline of property launches for the remaining nine months of 2021 is RM1.1 billion, the pandemic could, however, derail the timing of these launches. We are hopeful that the pandemic would be brought under control with the rollout of the National COVID-19 Immunisation Programme.

In April 2021, the Group has successfully launched Tower B of Sinaran Residences, Utropolis Batu Kawan in Penang given the encouraging response to Tower A that was launched last year. Among the new projects lined up is The Atrium, a high-rise residential development at the prestigious U-Thant enclave of Kuala Lumpur in June 2021. Another notable launch would be Arinna, a low-density residential development at Kemuning Utama in the second half of the year.

The Group's unbilled sales of RM1.0 billion as at 31 March 2021 will provide some visibility on the Group's cashflow in the near term, the pace at which this can be converted into billings would depend largely on the construction progress of the projects.

### b) Co-labs Coworking

With 5 outlets in Klang Valley providing 114,945 sq ft of holistic work environment in a collaborative ecosystem, Co-labs Coworking looks towards capitalising on opportunities arising from the change in business landscape as a result of the COVID-19 pandemic. Its wide range of membership plans provide the financial and office space flexibility that are the key considerations in a leasing decision, particularly in a period of economic uncertainties..

## Prospect (cont'd)

### b) Co-labs Coworking (cont'd)

On the office solutions provider front, Scalable Malaysia has made progress since its launch in 2020 to provide an end-to-end consult, design, build and manage workspace ecosystem solution to the corporates. It is currently working on a office refurbishment project and has several potential customers in the pipeline.

For so long as COVID-19 infection remains a risk, the Group will continue to be vigilant and have taken measures to safeguard its staff wellbeing and minimise disruption to its supply chain. As cash and liquidity management are critical during this challenging time, the Group has also put in place risk mitigation plans and cost rationalisation measures to manage the Group's expenses but will continue to invest for long term business sustainability. To this end, Paramount's wholly owned subsidiary, Magna Intelligent Sdn Bhd is investing in a peer-to-peer financing platform as its entry point into the fintech sector. This transaction is expected to be completed in 2Q2021 at a total cash consideration of RM13.7 million for a 30% equity stake in Omegaxis Sdn Bhd.

The Group remains cautious as the pandemic persists and stricter containment measures are being imposed to curb the spread of the virus. Although the National Immunisation Programme is hoped to bring the pandemic under control, there remains uncertainties as to the duration of the pandemic and its negative economic impact on the property market and hence, the Group's financial performance. Overall, the business environment is expected to remain challenging for the rest of 2021.

## **Statement Regarding Unaudited Financial Information**

The unaudited financial information set forth above is preliminary and subject to adjustments and modifications.

## **Disclaimer on Forward-Looking Statements**

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We therefore caution against placing undue reliance on the forward-looking statements contained in this presentation, which are based on current view of management on future events.

**Thank You**