

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR PERIOD ENDED 31 MARCH 2021**

	<b>3 Months Ended 31 March</b>		<b>3 Months Ended 31 March</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
		(Restated)		(Restated)
<b>Continuing operations</b>				
Revenue	<b>151,809</b>	122,114	<b>151,809</b>	122,114
Operating profit from continuing operations	<b>17,009</b>	9,026	<b>17,009</b>	9,026
Interest expense	<b>(5,918)</b>	(7,073)	<b>(5,918)</b>	(7,073)
Interest income	<b>387</b>	1,521	<b>387</b>	1,521
Share of profit/(loss) of associates & joint venture	<b>(657)</b>	384	<b>(657)</b>	384
Profit before tax from continuing operations	<b>10,821</b>	3,858	<b>10,821</b>	3,858
Taxation	<b>(4,018)</b>	(1,178)	<b>(4,018)</b>	(1,178)
Profit after tax from continuing operations	<b>6,803</b>	2,680	<b>6,803</b>	2,680
Profit after tax from discontinued operations	-	470,628	-	470,628
Profit for the period	<b>6,803</b>	473,308	<b>6,803</b>	473,308
Profit attributable to:				
Ordinary equity holders of the Company	<b>2,297</b>	466,646	<b>2,297</b>	466,646
Non-controlling interest	<b>(97)</b>	50	<b>(97)</b>	50
Holder of private debt securities of the Company	<b>4,603</b>	6,612	<b>4,603</b>	6,612
	<b>6,803</b>	473,308	<b>6,803</b>	473,308
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	<b>0.37</b>	76.59	<b>0.37</b>	76.59
Diluted EPS	<b>0.36</b>	73.82	<b>0.36</b>	73.82

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2020.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR PERIOD ENDED 31 MARCH 2021**

	<b>3 Months Ended 31 March</b>		<b>3 Months Ended 31 March</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
		(Restated)		(Restated)
Profit for the period	<b>6,803</b>	473,308	<b>6,803</b>	473,308
Other comprehensive income	<b>(2,870)</b>	342	<b>(2,870)</b>	342
Total comprehensive income/(loss) for the period	<b>3,933</b>	473,650	<b>3,933</b>	473,650
Total comprehensive income attributable to:				
Ordinary equity holders of the Company	<b>(573)</b>	466,988	<b>(573)</b>	466,988
Non-controlling interest	<b>(97)</b>	50	<b>(97)</b>	50
Holder of private debt securities of the Company	<b>4,603</b>	6,612	<b>4,603</b>	6,612
	<b>3,933</b>	473,650	<b>3,933</b>	473,650

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2020.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	<b>As at 31/3/2021</b>	As at 31/12/2020	As at 1/1/2020
	<b>RM'000</b>	RM'000 (Restated)	RM'000 (Restated)
<b>Non-current assets</b>			
Property, plant and equipment	<b>43,882</b>	44,644	42,935
Right-of-use asset	<b>15,517</b>	16,514	20,224
Inventories - land held for property development	<b>992,093</b>	993,664	873,440
Investment properties	<b>516,739</b>	517,014	514,626
Investment in associates	<b>192,032</b>	192,618	29,242
Investment in a joint venture	<b>1,013</b>	1,110	235
Other investments	<b>22,432</b>	25,077	10,212
Deferred tax assets	<b>55,837</b>	55,979	46,565
	<b>1,839,545</b>	1,846,620	1,537,479
<b>Current assets</b>			
Inventories and contract cost assets	<b>373,911</b>	380,907	294,967
Trade receivables	<b>140,601</b>	136,415	141,691
Other receivables	<b>34,207</b>	30,177	35,774
Other current assets	<b>4,997</b>	5,080	5,584
Contract assets	<b>294,591</b>	353,004	252,413
Tax recoverable	<b>10,496</b>	8,187	3,863
Cash and bank balances	<b>164,735</b>	204,260	134,739
	<b>1,023,538</b>	1,118,030	869,031
Assets of disposal group/Non-current assets held for sale	<b>0</b>	0	664,478
	<b>1,023,538</b>	1,118,030	1,533,509
<b>Total assets</b>	<b>2,863,083</b>	2,964,650	3,070,988
<b>Current liabilities</b>			
Borrowings	<b>121,660</b>	165,215	211,308
Lease liabilities	<b>3,453</b>	4,509	3,708
Trade payables	<b>147,111</b>	178,531	166,622
Other payables	<b>111,320</b>	119,449	123,266
Tax payable	<b>3,560</b>	7,017	6,718
Contract liabilities	<b>126</b>	214	53
	<b>387,230</b>	474,935	511,675
Liabilities directly associated with the assets held for sale	<b>0</b>	0	373,235
	<b>387,230</b>	474,935	884,910
<b>Net current assets</b>	<b>636,308</b>	643,095	648,599
<b>Non-current liabilities</b>			
Borrowings	<b>775,785</b>	788,995	700,637
Lease liabilities	<b>15,257</b>	15,235	17,659

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	<b>As at 31/3/2021</b>	As at 31/12/2020	As at 1/1/2020
	<b>RM'000</b>	RM'000	RM'000
Deferred tax liabilities	<b>6,097</b>	6,101	6,198
	<b>797,139</b>	810,331	724,494
<b>Total liabilities</b>	<b>1,184,369</b>	1,285,266	1,609,404
<b>Equity</b>			
Share capital	<b>330,834</b>	324,909	316,945
Reserves	<b>1,098,322</b>	1,104,820	821,470
<b>Equity attributable to ordinary equity holders of the Company</b>	<b>1,429,156</b>	1,429,729	1,138,415
Private debt securities	<b>248,707</b>	248,707	248,972
Non-controlling interests	<b>851</b>	948	74,197
<b>Total equity</b>	<b>1,678,714</b>	1,679,384	1,461,584
<b>Total equity and liabilities</b>	<b>2,863,083</b>	2,964,650	3,070,988
<b>Net assets (NA) per share (RM)</b>	<b>2.31</b>	2.33	1.88

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2020.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 31 MARCH 2021**

	<-----Non Distributable----->				Distributable Retained Earnings RM'000	Non- controlling interests RM'000	Private debt securities RM'000	Total Equity RM'000
	Share Capital RM'000	Employee Share Reserve# RM'000	Fair value Reserve RM'000	Translation Reserve RM'000				
<b>As at 1 January 2021 (Restated)</b>	324,909	8,789	76	(145)	1,096,100	948	248,707	1,679,384
Total comprehensive income	-	-	(2,645)	(225)	2,297	(97)	4,603	3,933
<b>Transactions with owners</b>								
Vesting of LTIP shares	5,925	(5,925)	-	-	-	-	-	-
Private debt securities distribution	-	-	-	-	-	-	(4,603)	(4,603)
<b>Total transactions with owners</b>	<b>5,925</b>	<b>(5,925)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,603)</b>	<b>(4,603)</b>
<b>As at 31 March 2021</b>	<b>330,834</b>	<b>2,864</b>	<b>(2,569)</b>	<b>(370)</b>	<b>1,098,397</b>	<b>851</b>	<b>248,707</b>	<b>1,678,714</b>

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 31 MARCH 2021**

	<-----Non Distributable----->				Distributable	Non-	Private	Total
	Share	Employee	Fair value	Translation	Retained	controlling	debt	Equity
	Capital	Share	Reserve	Reserve	Earnings	interests	securities	
	RM'000	Reserve#	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2020 (Restated)</b>	316,945	9,337	(3,957)	(251)	816,341	74,197	248,972	1,461,584
Total comprehensive income	-	-	1,648	(1,306)	466,646	50	6,612	473,650
<b>Transactions with owners</b>								
Vesting of LTIP shares	7,964	(7,964)	-	-	-	-	-	-
Private debt securities distribution	-	-	-	-	-	-	(6,612)	(6,612)
Disposal of discontinued operations	-	-	-	-	-	(75,797)	-	(75,797)
Acquisition of non-controlling interest	-	-	-	-	(1,579)	1,579	-	-
<b>Total transactions with owners</b>	<b>7,964</b>	<b>(7,964)</b>	<b>-</b>	<b>-</b>	<b>(1,579)</b>	<b>(74,218)</b>	<b>(6,612)</b>	<b>(82,409)</b>
<b>As at 31 March 2020 (Restated)</b>	<b>324,909</b>	<b>1,373</b>	<b>(2,309)</b>	<b>(1,557)</b>	<b>1,281,408</b>	<b>29</b>	<b>248,972</b>	<b>1,852,825</b>

# - This represents reserve relating to fair valuation of restricted shares and performance shares under the long term incentive plan ("LTIP")

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2020.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR PERIOD ENDED 31 MARCH 2021**

	<b>3 Months Ended</b>	
	<b>31/3/2021</b>	<b>31/3/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax		
- from continuing operations	<b>10,821</b>	3,858
- from discontinued operations	-	472,838
	<b>10,821</b>	476,696
Profit before tax		
Adjustment for:		
Non-cash items	<b>4,671</b>	4,676
Non-operating items	<b>6,251</b>	(454,936)
	<b>21,743</b>	26,436
<b>Operating profit before working capital changes</b>	<b>21,743</b>	26,436
Decrease in receivables	<b>60,935</b>	43,181
Decrease in inventories	<b>19,722</b>	31,874
Decrease in payables	<b>(51,149)</b>	(24,112)
	<b>51,251</b>	77,379
<b>Cash generated from operations</b>	<b>51,251</b>	77,379
Taxes paid	<b>(10,774)</b>	(13,505)
Interest paid	<b>(8,461)</b>	(19,570)
	<b>32,016</b>	44,304
Net cash generated from operating activities	<b>32,016</b>	44,304
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in land held for development	<b>(7,095)</b>	(12,647)
Acquisition of non-controlling interest	-	(3,000)
Investment in an associate	-	(8,438)
Purchase of property, plant and equipment	<b>(754)</b>	(1,655)
Purchase of investment properties	<b>(1,440)</b>	(3,576)
Proceeds from disposal of investment properties	-	1,600
Proceeds from disposal of property, plant and equipment	<b>2</b>	8
Proceeds from disposal of asset held for sale	-	479,932
Movement in asset held for sale	-	39,066
Interest received	<b>387</b>	1,683
	<b>(8,900)</b>	492,973
Net cash (used in)/generated from investing activities	<b>(8,900)</b>	492,973

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR PERIOD ENDED 31 MARCH 2021**

	<b>3 Months Ended</b>	
	<b>31/3/2021</b>	<b>31/3/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	<b>42,562</b>	-
PDS distribution	<b>(4,603)</b>	(6,612)
Withdrawal in banks restricted for use	<b>(6,373)</b>	(2,597)
Repayment of borrowings	<b>(93,858)</b>	(166,240)
Lease payments	<b>(1,273)</b>	(1,817)
Net cash used in financing activities	<b>(63,545)</b>	(177,266)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<b>(40,429)</b>	360,011
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<b>176,100</b>	119,872
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>135,671</b>	479,883
	<b>31/3/2021</b>	<b>31/3/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	<b>142,999</b>	132,537
Fixed deposits	<b>21,736</b>	365,410
Cash and bank balances	<b>164,735</b>	497,947
Cash and bank balances restricted for use	<b>(18,970)</b>	(17,428)
Fixed deposits maturing more than 3 months	<b>(94)</b>	(36)
Overdrafts	<b>(10,000)</b>	(600)
	<b>135,671</b>	479,883
Cash and bank balances held in HDA accounts	<b>99,127</b>	90,988

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2020.



**PARAMOUNT CORPORATION BERHAD**  
**Interim Financial Report for the period ended 31 March 2021**

The figures are unaudited

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

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

**A2. Changes in accounting policies**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 31 December 2020, except for the adoption of the Agenda Decision on borrowing costs, which is discussed below.

Agenda Decision

In March 2019, IFRS Interpretations Committee (“IFRIC”) published an agenda decision on borrowing costs confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysian Accounting Standards Board (“MASB”) decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements for annual periods beginning on or after 1 July 2020.

In previous financial years, borrowing costs incurred were capitalised in inventory – property under development until the completion of the units. Effective 1 January 2021, the Group had retrospectively applied the Agenda Decision according to guidance given by the Agenda Decision.

## A2. Changes in accounting policies (cont'd)

The effects of the adoption of the Agenda Decision on the consolidated income statement and consolidated statement of comprehensive income are as follows:

	Previously Reported		Effect of the Agenda Decision		Restated	
	1Q	YTD	1Q	YTD	1Q	YTD
	31 March 2020 RM'000	31 March 2020 RM'000	31 March 2020 RM'000	31 March 2020 RM'000	31 March 2020 RM'000	31 March 2020 RM'000
<b>CONSOLIDATED INCOME STATEMENT</b>						
Continuing operations						
Revenue	122,114	122,114	-	-	122,114	122,114
Operating profit from continuing operations	8,419	8,419	607	607	9,026	9,026
Interest expense	(6,061)	(6,061)	(1,012)	(1,012)	(7,073)	(7,073)
Interest income	1,521	1,521	-	-	1,521	1,521
Share of profit/(loss) of associates & joint venture	384	384	-	-	384	384
Profit before tax from continuing operations	4,263	4,263	(405)	(405)	3,858	3,858
Taxation	(1,275)	(1,275)	97	97	(1,178)	(1,178)
Profit after tax from continuing operations	2,988	2,988	(308)	(308)	2,680	2,680
Profit after tax from discontinued operations	470,628	470,628	-	-	470,628	470,628
Profit for the period	473,616	473,616	(308)	(308)	473,308	473,308
Profit attributable to:						
Ordinary equity holders of the Company	466,954	466,954	(308)	(308)	466,646	466,646
Non-controlling interest	50	50	-	-	50	50
Holder of private debt securities of the Company	6,612	6,612	-	-	6,612	6,612
	473,616	473,616	(308)	(308)	473,308	473,308
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):						
Basic EPS	76.64	76.64	(0.05)	(0.05)	76.59	76.59
Diluted EPS	73.87	73.87	(0.05)	(0.05)	73.82	73.82
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>						
Profit for the period	473,616	473,616	(308)	(308)	473,308	473,308
Other comprehensive income	342	342	-	-	342	342
Total comprehensive income for the period	473,958	473,958	(308)	(308)	473,650	473,650

## A2. Changes in accounting policies (cont'd)

The effects of the adoption of the Agenda Decision on the consolidated statement of financial position are as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
	As at 31/12/2020 RM'000	As at 1/1/2020 RM'000	As at 31/12/2020 RM'000	As at 1/1/2020 RM'000	As at 31/12/2020 RM'000 (Restated)	As at 1/1/2020 RM'000 (Restated)
<b>Non-current assets</b>						
Property, plant and equipment	44,644	42,935			44,644	42,935
Right-of-use asset	16,514	20,224			16,514	20,224
Inventories - land held for property development	993,664	873,440			993,664	873,440
Investment properties	517,014	514,626			517,014	514,626
Investment in associates	192,618	29,242			192,618	29,242
Investment in a joint venture	1,110	235			1,110	235
Other investments	25,077	10,212			25,077	10,212
Deferred tax assets	56,299	47,533	(320)	(968)	55,979	46,565
	<u>1,846,940</u>	<u>1,538,447</u>	<u>(320)</u>	<u>(968)</u>	<u>1,846,620</u>	<u>1,537,479</u>
<b>Current assets</b>						
Inventories and contract cost assets	382,636	296,564	(1,729)	(1,597)	380,907	294,967
Trade receivables	136,415	141,691			136,415	141,691
Other receivables	30,177	35,774			30,177	35,774
Other current assets	5,080	5,584			5,080	5,584
Contract assets	353,004	252,413			353,004	252,413
Tax recoverable	8,187	3,863			8,187	3,863
Cash and bank balances	204,260	134,739			204,260	134,739
	<u>1,119,759</u>	<u>870,628</u>	<u>(1,729)</u>	<u>(1,597)</u>	<u>1,118,030</u>	<u>869,031</u>
Assets of disposal group/Non-current assets held for sale	0	664,478			0	664,478
	<u>1,119,759</u>	<u>1,535,106</u>	<u>(1,729)</u>	<u>(1,597)</u>	<u>1,118,030</u>	<u>1,533,509</u>
<b>Total assets</b>	<u>2,966,699</u>	<u>3,073,553</u>	<u>(2,049)</u>	<u>(2,565)</u>	<u>2,964,650</u>	<u>3,070,988</u>
<b>Current liabilities</b>						
Borrowings	165,215	211,308			165,215	211,308
Lease liabilities	4,509	3,708			4,509	3,708
Trade payables	178,531	166,622			178,531	166,622
Other payables	119,449	123,266			119,449	123,266
Tax payable	7,017	6,718			7,017	6,718
Contract liabilities	214	53			214	53
	<u>474,935</u>	<u>511,675</u>	<u>0</u>	<u>0</u>	<u>474,935</u>	<u>511,675</u>
Liabilities directly associated with the assets held for sale	0	373,235			0	373,235
	<u>474,935</u>	<u>884,910</u>	<u>0</u>	<u>0</u>	<u>474,935</u>	<u>884,910</u>
<b>Net current assets</b>	<u>644,824</u>	<u>650,196</u>	<u>(1,729)</u>	<u>(1,597)</u>	<u>643,095</u>	<u>648,599</u>
<b>Non-current liabilities</b>						
Borrowings	788,995	700,637			788,995	700,637
Lease liabilities	15,235	17,659			15,235	17,659
Deferred tax liabilities	6,101	6,198			6,101	6,198
	<u>810,331</u>	<u>724,494</u>	<u>0</u>	<u>0</u>	<u>810,331</u>	<u>724,494</u>
<b>Total liabilities</b>	<u>1,285,266</u>	<u>1,609,404</u>	<u>0</u>	<u>0</u>	<u>1,285,266</u>	<u>1,609,404</u>
<b>Equity</b>						
Share capital	324,909	316,945			324,909	316,945
Reserves	1,106,869	824,035	2,049	2,565	1,104,820	821,470
<b>Equity attributable to ordinary equity holders of the Company</b>	<u>1,431,778</u>	<u>1,140,980</u>	<u>2,049</u>	<u>2,565</u>	<u>1,429,729</u>	<u>1,138,415</u>
Private debt securities	248,707	248,972			248,707	248,972
Non-controlling interests	948	74,197			948	74,197
<b>Total equity</b>	<u>1,681,433</u>	<u>1,464,149</u>	<u>2,049</u>	<u>2,565</u>	<u>1,679,384</u>	<u>1,461,584</u>
<b>Total equity and liabilities</b>	<u>2,966,699</u>	<u>3,073,553</u>	<u>2,049</u>	<u>2,565</u>	<u>2,964,650</u>	<u>3,070,988</u>
<b>Net assets (NA) per share (RM)</b>	<u>2.36</u>	<u>1.88</u>			<u>2.36</u>	<u>1.88</u>

**A3. Audit report qualification**

The audit report for the financial year ended 31 December 2020 was not subject to any qualification.

**A4. Seasonal or cyclical factors**

The operations of the Group were not materially affected by any factor of a seasonal or cyclical nature.

**A5. Exceptional or unusual items**

Save for items disclosed in Notes A9 and B1, there were no items of an exceptional or unusual nature that have affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year to date.

**A6. Changes in estimates of amounts reported previously**

There were no significant changes in estimates in prior periods that have materially affected the current quarter and financial year to date results.

**A7. Debt and equity securities**

Save for items disclosed below, there were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year to date.

Employee share scheme

On 19 March 2021, the Company issued 4,754,400 shares to its eligible employees pursuant to the vesting of the Restricted Share Incentive Plan ("RS Award") and Performance-based Incentive Plan ("PS Award") of the Long Term Incentive Plan ("LTIP"). The details of the vested shares are as below:

	LTIP	Grant date	Vesting	No. of shares
(a)	2018 RS Award	11 June 2018	Third	903,400
(b)	2019 RS Award	13 March 2019	Second	904,400
(c)	2020 RS Award	13 March 2020	First	845,800
(d)	2018 PS Award	11 June 2018	Final	2,100,800
				<u>4,754,400</u>

**A8. Dividends paid**

There was no dividend paid during the current quarter and financial year to date.



**A10. Segment reporting for the current financial year to date**

<u>Analysis by Business Segment</u>	3 months ended		3 months ended	
	31 March		31 March	
	Revenue		Profit/(loss) before tax	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Property	149,612	119,659	15,087	5,575
Co-labs Coworking	1,399	1,059	(1,141)	(1,358)
Investment & others	21,651	25,272	(7,544)	(10,364)
	<u>172,662</u>	<u>145,990</u>	<u>6,402</u>	<u>(6,147)</u>
Inter-segment elimination	(20,853)	(23,876)	4,419	10,005
Total - continuing	<u>151,809</u>	<u>122,114</u>	<u>10,821</u>	<u>3,858</u>
Education - discontinued	-	34,200	0	34,200

**A11. Carrying amount of revalued assets**

The valuations of property, plant and equipment and investment properties have been brought forward without amendments from the financial statements for the financial year ended 31 December 2020.

**A12. Subsequent events**

Save for the corporate proposal disclosed in B6(ii), there were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial report.

**A13. Changes in composition of the Group**

There was no change in composition of the Group since the last annual reporting date.

**A14. Changes in contingent assets and contingent liabilities**

There were no contingent assets or contingent liabilities of the Group since the last annual reporting date.

**A15. Capital commitment**

The amount of commitments not provided for in the interim financial statements as at 31 March 2021 were as follows:

	RM'000
Approved and contracted for:-	
Payment under DRA (Note: B6(i))	113,000
Investment properties	69,345
	<u>182,345</u>
Approved but not contracted for:-	
Investment properties	8,628
	<u>8,628</u>
	<u>190,973</u>

## A16. Capital expenditure

The major additions and disposals to the property, plant and equipment during the current quarter and financial year to date were as follows:

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Property, plant and equipment	754	754

## A17. Related party transactions

	<b>Financial Year-to-date RM'000</b>
Rental charges and license fees paid to Damansara Uptown One Sdn Bhd, Damansara Uptown Seven Sdn Bhd, Damansara Uptown Retail Centre Sdn Bhd and Damansara Uptown Car Parks Sdn Bhd, companies in which a brother of the late Dato' Teo Chiang Quan has interest	524
Rental income received from UOW Malaysia KDU University College Sdn Bhd and UOW Malaysia KDU University College (PG) Sdn Bhd, associated companies of the Company	924
Rental income received from Peoplender Sdn Bhd, a company in which Mr. Chew Sun Teong and Mr. Benjamin Teo Jong Hian have direct interest	31
Rental charges paid to Mr Chew Sun Teong, a director of the Company	12
	<u>1,491</u>

The directors are of the opinion that all the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of performance**

	1Q2021 RM'000	1Q2020 RM'000 (Restated)	Var. %		3M2021 RM'000	3M2020 RM'000 (Restated)	Var. %
<b>Continuing</b>							
Revenue	151,809	122,114	24%		151,809	122,114	24%
Operating profit	17,009	9,026	88%		17,009	9,026	88%
Profit before interest & tax	16,352	9,410	74%		16,352	9,410	74%
Profit before Tax	10,821	3,858	180%		10,821	3,858	180%
Profit after tax	6,803	2,680	154%		6,803	2,680	154%
<b>Discontinued</b>							
Profit after tax	0	470,628	-100%		0	470,628	-100%
<b>Profit for the period</b>	<b>6,803</b>	<b>473,308</b>	<b>-99%</b>		<b>6,803</b>	<b>473,308</b>	<b>-99%</b>
Profit attributable to ordinary equity holders of the Company	2,297	466,646	-100%		2,297	466,646	-100%

**1Q2021 vs 1Q2020**

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.

**Continuing operations - Property Division**

For 1Q2021, the property division achieved a revenue of RM149.6 million, which was 25% higher than that of the corresponding quarter last year of RM119.6 million. The top three revenue contributors in 1Q2021 were Bukit Banyan development in Kedah, Atwater development in Selangor and Utropolis Batu Kawan development in Penang. On the back of the higher revenue coupled with the higher level of construction progress recognised, the property division recorded a higher PBT of RM15.1 million as compared to RM5.6 million in 1Q2020. During 1Q2020, all of the Group's construction sites were closed when the first Movement Control Order (MCO 1.0) was imposed from 18 March 2020 and the construction works at each site progressively re-opened from mid-May till the end-May 2020, after having complied with the required standard operating procedures.

Despite the on-going pandemic, the Group's property sales for 1Q2021 grew by 63% to RM182 million (1Q2020: RM112 million) as more properties were launched during this quarter coupled with the good sales response from the existing phases. Conversely in 1Q2020, no sales could be materialised during MCO 1.0 period as legal documents could not be executed. The sales status and unbilled sales of the property division are as follow:

Projects	Location	For period ended 31/3/2021			As at 31/3/2021
		Launched units	Units sold**	Sales value RM'M	Unbilled sales RM'M
Central region	Klang Valley	0	98	75	786
Northern region	Kedah, Penang	251	202	107	247
<b>Total</b>		<b>251</b>	<b>300</b>	<b>182</b>	<b>1,033</b>

\*\* - Includes sales of units launched in the prior years



## B1. Review of performance (cont'd)

### Discontinued operations

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.

## B2. Material changes in Profit Before Tax for the quarter reported on as compared with the immediate preceding quarter

	1Q2021 RM'000	4Q2020 RM'000 (Restated)	Var. %
<b>Continuing</b>			
Revenue	151,809	188,385	-19%
Operating profit	17,009	16,663	2%
Profit before interest & tax	16,352	16,365	0%
Profit before tax	10,821	13,017	-17%

For 1Q2021, the Group recorded a PBT from continuing operations of RM10.8 million which was 17% lower as compared to the preceding quarter of RM13.0 million mainly due to the higher interest expense in 1Q2021.

## B3. Prospects

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.

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.

### B3. Prospects (cont'd)

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. As at 31 March 2021, the Group had 554.6 acres of undeveloped land as detailed below.

Projects	Location	No. of projects	Original land size (Acres)	Undeveloped (Acres)
Central region	Klang Valley	7	920.7	187.9
Northern region	Kedah, Penang	4	760.0	366.7
<b>Total</b>		<b>11</b>	<b>1,680.7</b>	<b>554.6</b>

#### (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.

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.

### B4. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee for the current quarter and financial year to date.

## B5. Taxation

The taxation charge included the following:

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Income tax	4,292	4,292
Deferred tax	(274)	(274)
	<u>4,018</u>	<u>4,018</u>

The effective tax rate for the current quarter and financial year to date was higher than the statutory income tax rate in Malaysia due to the losses of certain subsidiaries that were not available for full set off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

## B6. Corporate proposal

Save for the proposals disclosed below, there were no corporate proposals announced but not completed as at 25 May 2021.

- (i) On 22 December 2017, the Group entered into a Development Rights Agreement ("DRA") with Kumpulan Hartanah Selangor Berhad (KHSB) to accept the rights granted by KHSB to the proposed development of two (2) contiguous parcels of leasehold commercial land measuring approximately 9.662 acres in total area situated in Section 14, Bandar Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan. On 31 December 2020, both parties have agreed to further extend the second phase conditions precedent period to 30 September 2021.
- (ii) On 15 April 2021, Magna Intelligent Sdn Bhd (MISB), a wholly-owned subsidiary of the Company, has entered into a conditional share subscription agreement and a shareholders' agreement with P2P Venture Sdn Bhd and Omegaxis Sdn Bhd in connection with the proposed investment of RM13,700,000.00 by MISB for a 30% direct equity interest in the holding company of a peer-to-peer financing platform operator.

## B7. Borrowings and debt securities

The Group's borrowings and debt securities as at 31 March 2021 and 31 March 2020 were as follows:

	<b>31/3/2021 RM'000</b>	<b>31/3/2020 RM'000</b>
<u>Short-term borrowings</u>		
Bank overdraft - Unsecured	10,000	600
Revolving credit - Secured	20,000	70,200
Revolving credit - Unsecured	39,200	0
Current portion of long term loans - Secured	52,460	14,559
Total short-term borrowings	<u>121,660</u>	<u>85,359</u>
<u>Long-term borrowings (Secured)</u>		
Term loans	372,669	241,630
Medium Term Notes (MTN)	292,875	293,067
Sukuk Murabahah	110,241	126,249
Total long-term borrowings	<u>775,785</u>	<u>660,946</u>
Total borrowings	<u>897,445</u>	<u>746,305</u>

## B7. Borrowings and debt securities (cont'd)

The weighted average interest rates at the end of the reporting period were as follows:

Floating interest rate	3.99%	4.31%
Fixed interest rate	N/A	N/A

There were no bank borrowings denominated in foreign currencies as at the reporting date.

The increase in bank borrowings were mainly due to:

- (i) Drawdown of term loan of RM195 million to part finance the purchase of a freehold land for property development at a total consideration of RM243.8 million in 4Q2020.

## B8. Derivative financial instrument

The outstanding forward foreign exchange contracts as at 31 March 2021 were as follows:

	<b>Contract amount</b>	<b>Net Fair value Assets/ (Liabilities)</b>
	<b>THB'000</b>	<b>RM'000</b>
Forward foreign exchange contract*		
- More than 3 years	124,130	(141)

\* The above contracts were entered into as hedges for investment denominated in foreign currency and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currency

## B9. Fair value gain/(loss)

	<b>Current Quarter</b>	<b>Financial Year-to-date</b>
	<b>RM'000</b>	<b>RM'000</b>
Forward foreign exchange contract	(141)	(141)

Basis of fair value measurement: The differences between contracted rates and the market forward rates

Reason for loss: The exchange rate has moved unfavourably against the Group from the last measurement date.

## B10. Changes in material litigation

As at 25 May 2021, there were no changes in material litigation since the last annual reporting date of 31 December 2020.

## B11. Dividends payable

The Board does not recommend the payment of any dividend for the current financial quarter ended 31 March 2021.

## B12. Earnings per share

### (a) Basic EPS

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>Current Quarter</b>	<b>Financial Year-to-date</b>
Profit attributable to equity holders of the Company (RM'000)	2,297	2,297
Weighted average number of ordinary shares ('000)	619,198	616,029
Basic EPS (sen)	0.37	0.37

### (b) Diluted EPS

Profit attributable to equity holders of the Company (RM'000)	2,297	2,297
Weighted average number of ordinary shares ('000)	619,198	616,029
Effect of dilution ('000)	19,653	19,653
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	638,851	635,682
Diluted EPS (sen)	0.36	0.36