

PARAMOUNT

Unaudited 6M2021 Results

27th August 2021

6M2021 Results

2Q2021 vs 2Q2020 Financial Results

		2Q2021	2Q2020 (Restated)	+/-	%
<u>Continuing</u>					
Revenue	RM'Mil	127.4	64.2	63.2	98%
Profit/(loss) before tax	RM'Mil	10.2	(2.4)	12.6	525%
EBITDA	RM'Mil	19.1	5.2	13.9	267%
Profit/(loss) after tax	RM'Mil	4.3	(2.4)	6.7	279%
<u>Discontinued</u>					
Profit after tax	RM'Mil	0.0	0.0	0.0	0%
Profit/(loss) for the period					
	RM'Mil	4.3	(2.4)	6.7	279%
Profit/(loss) attributable to ordinary equity holders of the company					
	RM'Mil	1.6	(4.0)	5.6	140%
Earnings per share	Sen	0.26	(0.65)	0.91	140%
Dividend per share	Sen	0.00	0.00	0.00	0%

For 2Q2021, the Group registered a revenue from continuing operations of RM127.4 million, which was 98% higher than the same period last year of RM64.2 million. On the back of the higher revenue, the Group achieved a profit before tax (PBT) from continuing operations of RM10.2 million (2Q2020: loss before tax (LBT) of RM2.4 million). This was mainly attributed to the low base of last year and the less severe disruptions to the Group's operations as a result of containment measures implemented to curb the spread of COVID-19.

6M2021 vs 6M2020 Financial Results

		6M2021	6M2020 (Restated)	+/-	%
<u>Continuing</u>					
Revenue	RM'Mil	279.2	186.3	92.9	50%
Profit before tax	RM'Mil	21.0	1.5	19.5	1300%
EBITDA	RM'Mil	40.1	19.1	21.0	110%
Profit after tax	RM'Mil	11.1	0.3	10.8	3600%
<u>Discontinued</u>					
Profit after tax	RM'Mil	0.0	470.6	(470.6)	-100%
Profit for the period					
	RM'Mil	11.1	470.9	(459.8)	-98%
Profit attributable to ordinary equity holders of the Company					
	RM'Mil	3.9	462.6	(458.7)	-99%
Earnings per share	Sen	0.63	75.61	(74.98)	-99%
Dividend per share	Sen	0.00	29.00	(29.00)	-100%
Net asset per share	RM	2.28	2.30	(0.02)	-1%
Shareholders' funds	RM'Mil	1,413.4	1,422.3	(8.9)	-1%
ROE	%	0.3	40.6	(40.3)	-99%
Gross Debt/Equity Ratio	Times	0.58	0.47	0.11	23%

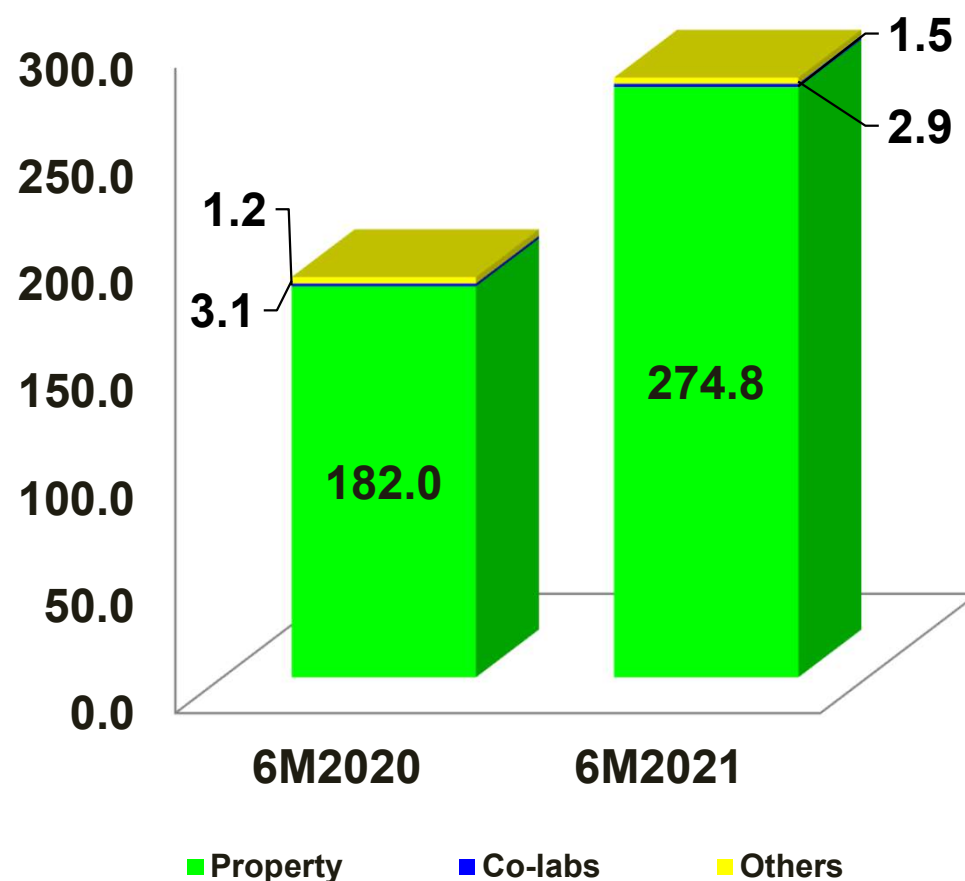
6M2021 vs 6M2020 Financial Results

Continuing operations

For 6M2021, the Group's revenue from continuing operations was RM279.2 million, which was 50% higher than the same period last year of RM186.3 million. On the back of the higher revenue, the Group achieved a profit before tax (PBT) from continuing operations of RM21.0 million (6M2020: RM1.5 million). However, the Group's profit attributable to ordinary equity holders of the Company was lower at RM3.9 million (6M2020: RM462.6 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 that was recognised pursuant to the completion of this divestment in 1Q2020.

Revenue – continuing operations

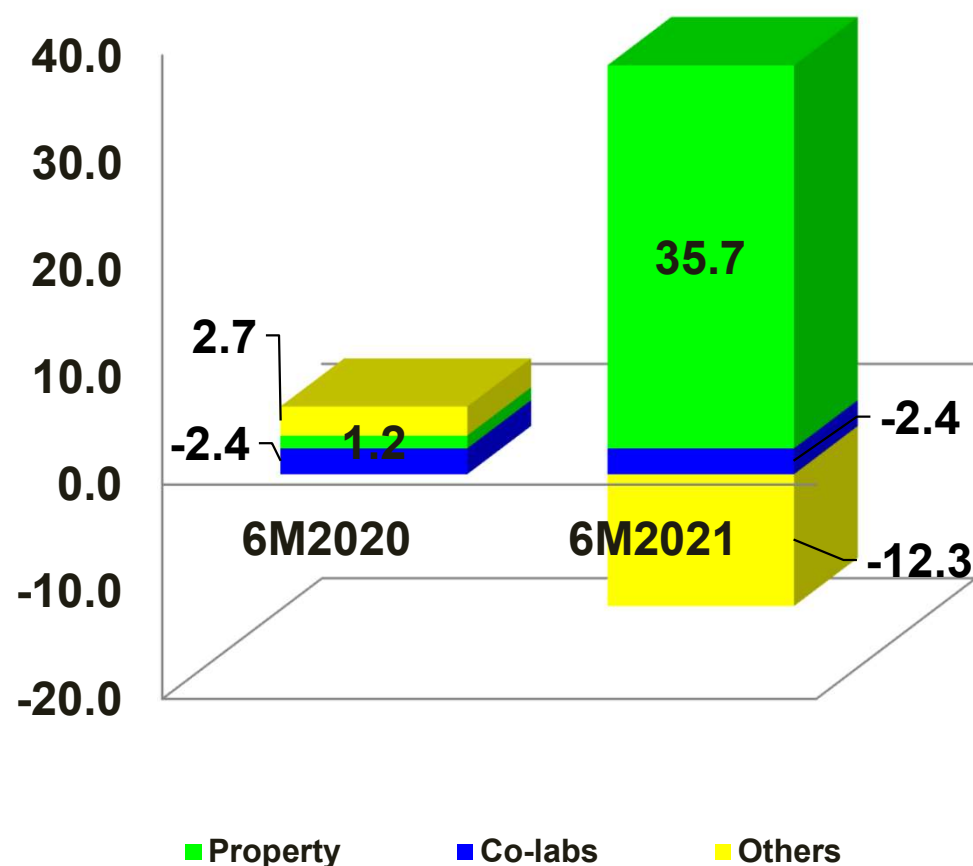
Revenue By Division (RM'Million)



<p>Property Division</p>	<p>Increase in revenue was mainly due to higher level of construction progress recognised and sales of properties.</p> <p>Top 3 revenue contributions were Bukit Banyan development in Kedah, Atwater development in Selangor and Utropolis Batu Kawan development in Penang.</p>
<p>Co-labs Coworking Division</p>	<p>Higher revenue mainly due to the newly opened outlet at Tropicana Gardens, Kota Damansara and the maiden contribution from Scalable Malaysia</p>

PBT - continuing operations

PBT By Division (RM'Million)



Property Division	Higher PBT was in line with the higher revenue and that the disruption to the Group's operations in 6M2021 was less severe than the same period last year
Co-labs Coworking Division	Loss before tax remained at RM2.4 million as the higher revenue in 6M2021 was offset by the additional costs for operating the new outlet at Tropicana Gardens, Kota Damansara

Statement of Financial Position

RM'000	30/6/2021	31/12/2020 (Restated)
Non-current assets	1,862,669	1,846,620
Current assets	1,043,539	1,118,030
Total assets	2,906,208	2,964,650
Current liabilities	446,601	474,935
Net current assets	596,938	643,095
Non-current liabilities	796,403	810,331
Total liabilities	1,243,004	1,285,266
Total equity	1,663,204	1,679,384
Total equity and liabilities	2,906,208	2,964,650

Debt/Equity Ratio

	30/6/2021	31/12/2020 (Restated)
	RM'Mil	RM'Mil
Borrowings	968.0	954.2
Cash & bank balances	248.1	204.3
Total equity*	1,663.2	1,679.4
	30/6/2021	31/12/2020
Gross D/E ratio	0.58	0.57
Net D/E ratio	0.43	0.45

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

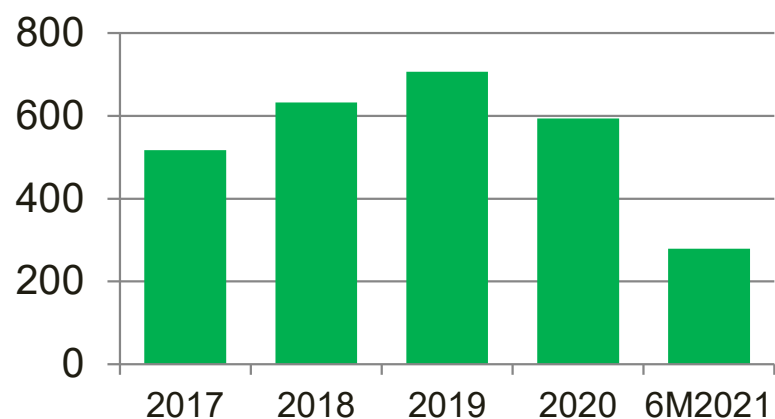
Gross D/E Ratio = Total Borrowings/Total Equity

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

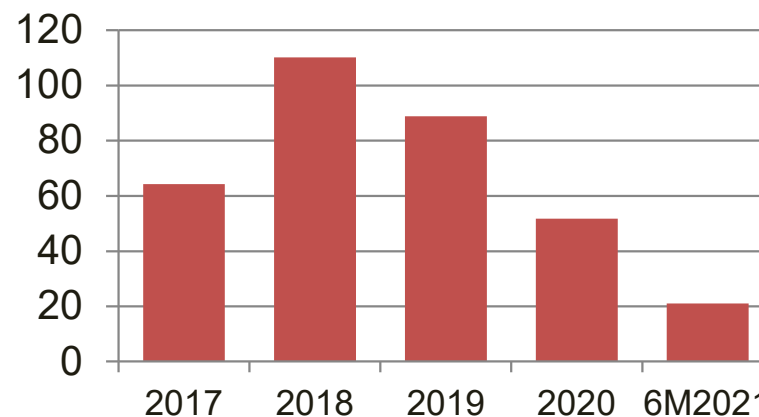
5-Year Financial Highlights

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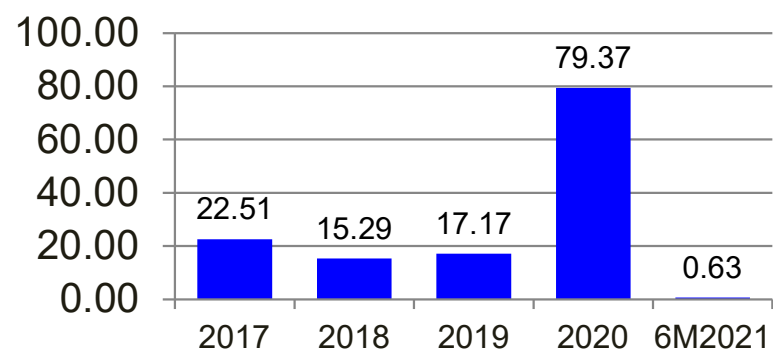
Revenue (RM'Mil)



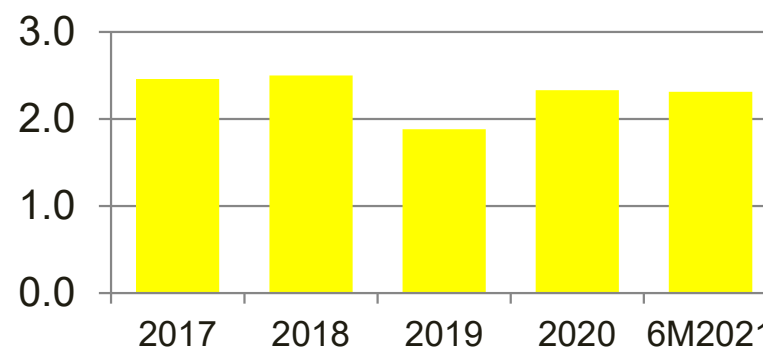
PBT (RM'Mil)



Earnings Per Share (Sen)



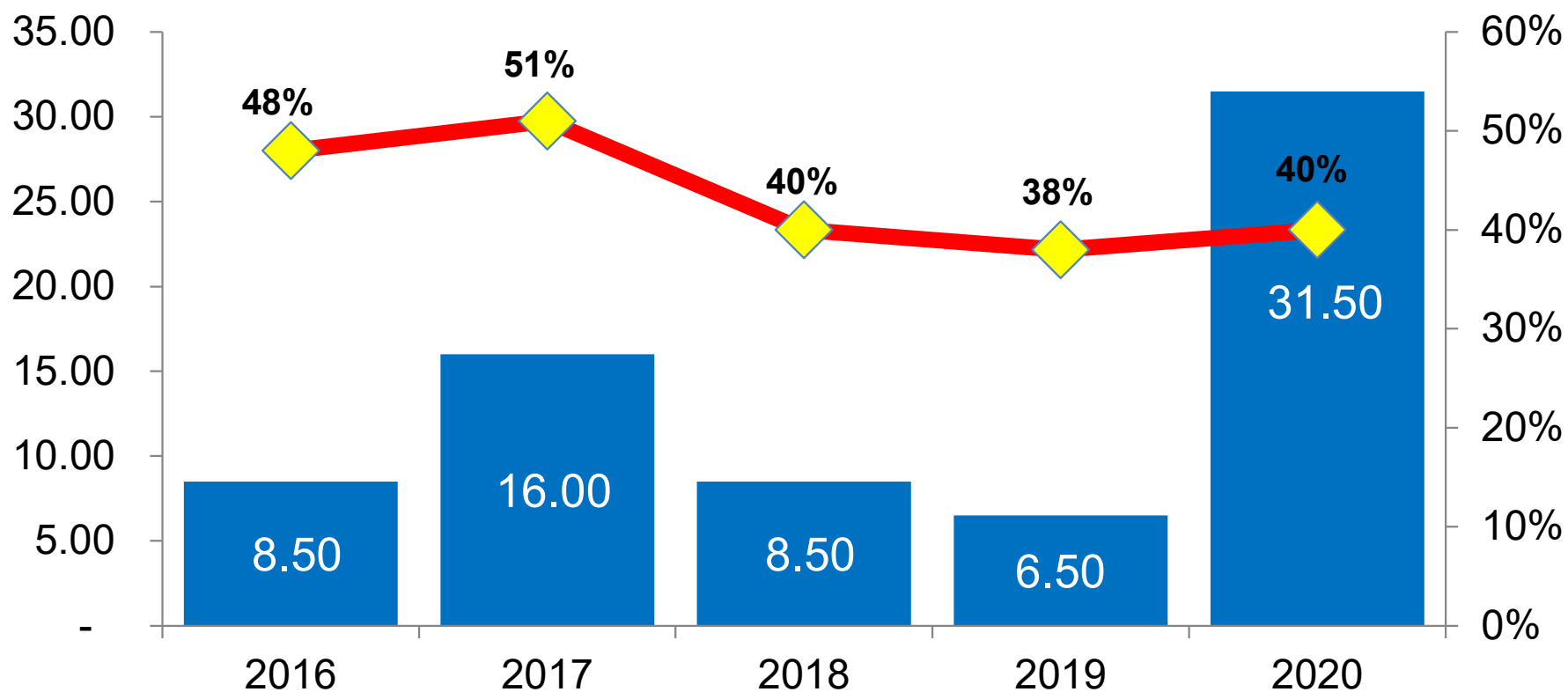
Net Assets Per Share (RM)



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

5-Year Financial Highlights

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



6M2021 Highlights

6M2021 Highlights

Property Division

- 217 units of properties were launched in 6M2021 (6M2020: 548 units).
- Property sales of 524 units with a sales value of RM309 million, 62% higher than 6M2020 of RM191 million.
- Unbilled sales stood at RM1,026 million as at 30 June 2021.
- Effective 1 January 2021, the Group had adopted the Agenda Decision on borrowing costs which has also been retrospectively applied

Co-labs Coworking Division

- New outlet opened at Tropicana Gardens, Kota Damansara in January 2021

Total landbank & GDV

Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	Remaining GDV* (Million)	Development Period	
			Start	End
On going Developments				
Kemuning Utama, Shah Alam	26.7	418	2004	2026
Sekitar26, Shah Alam	11.6	597	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	135.8	679	2012	2027
Sejati Residences, Cyberjaya	10.0	463	2013	2025
Greenwoods, Salak Perdana	100.5	642	2015	2027
Utropolis Batu Kawan, Penang	21.4	1,811	2016	2027
Atwater, Petaling Jaya	0.0	279	2018	2022
Berkeley Uptown, Klang	15.4	685	2019	2028
Sejati Lakeside, Cyberjaya	18.9	253	2019	2023
Total	340.3	5,835		

Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	GDV* (Million)	Development Period	
			Start	End
Project in the pipeline				
Ampang Hilir, Kuala Lumpur	4.5	968	2021	2027
Future Projects				
Bukit Banyan II, Sungai Petani	137.1	405	2023	2027
Machang Bubuk, Penang	69.2	420	2023	2027
Total	206.3	825		
Grand Total	551.1	7,628		

* Comprising potential GDV from undeveloped lands and GDV from properties launched but remained unsold as at 30 June 2021

Total Landbank & GDV

Project developed by associate company	Remaining Gross Undeveloped Lands (Acres)	GDV [^] (Million)	Development Period	
			Start	End
Na Reva	-	65	2020	2023

[^] Being the Group's share of GDV from properties launched by Navarang Charoennakhon Company Limited but remained unsold as at 30 June 2021

Prospect for 2021

Prospect

The Malaysian economy grew by 16.1% in the second quarter (1Q 2021: -0.5%). Economic performance was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected the low base from the significant decline in activity during the second quarter of 2020. All economic sectors registered an improvement, particularly the manufacturing sector. Going forward, the growth trajectory will depend on the ability to contain the epidemic and materialisation of health outcomes from the nationwide vaccination programme. This will allow economic sectors to gradually reopen and provide some lift to household and business sentiments. Against this backdrop, the Malaysian economy is projected to expand between 3.0% and 4.0% in 2021.

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

The property market will be weighed down by continued economic uncertainties due to the prolonged pandemic situation which could result in cautious household spending, reduced business expenditure and weakened employment market. 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 are expected to continue to spur buying interests in properties.

a) Property

In July 2021, an enhanced movement control order was imposed in certain localities in Selangor which resulted in work stoppages at five (5) of the Group's project sites but work has since resumed. Hence, all of the Group's seven (7) construction sites are currently in operations albeit at a much reduced level of workforce in line with the government enforced restrictions. Apart from disruptions to the Group's construction progress, the Group's sales galleries in Selangor, Penang and Kedah remained closed under Phase 1 and 2 of the National Recovery Plan. .

Prospect (cont'd)

a) Property (cont'd)

Despite the on-going pandemic, the Group's property sales for the first half of 2021 was 63% higher than the same period last year. This strong sales momentum, however, could be disrupted by weakened consumer and business sentiments as well as lengthened sales conversion and project approval amid the prolonged movement restrictions.

Among the new projects lined up for the second half of this year is The Atrium, a high-rise residential development at the prestigious U-Thant enclave of Kuala Lumpur and Arinna, a low-density smart home project at Kemuning Utama in Selangor.

The Group's unbilled sales of RM1.0 billion as at 30 June 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 five (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 that provide the financial and office space flexibility are some 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 take measures to safeguard its staff's wellbeing and minimise disruption to its supply chain. In addition, measures are underway for the Group to meet the relevant standard operating procedures such as vaccination of workers, to allow construction activities to be carried out at a higher workforce capacity. 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.

The Group remains cautious as the pandemic persists and economic restrictions continue to be imposed in the country. Although the National Immunisation Programme is expected to bring the pandemic under control, there remain uncertainties as to the duration of the economic restrictions and their negative 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 and the Board has exercised prudence not to declare any dividend in this quarter.

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.

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Thank You