

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR PERIOD ENDED 30 JUNE 2021**

	<b>3 Months Ended 30 June</b>		<b>6 Months Ended 30 June</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>127,446</b>	64,198	<b>279,255</b>	186,313
Operating profit/(loss) from continuing operations	<b>13,906</b>	(1,121)	<b>30,915</b>	7,905
Interest expense	<b>(4,561)</b>	(5,615)	<b>(10,479)</b>	(12,688)
Interest income	<b>514</b>	2,512	<b>901</b>	4,033
Share of profit/(loss) of associates & joint venture	<b>357</b>	1,823	<b>(300)</b>	2,207
Profit/(loss) before tax from continuing operations	<b>10,216</b>	(2,401)	<b>21,037</b>	1,457
Taxation	<b>(5,947)</b>	(23)	<b>(9,965)</b>	(1,201)
Profit/(loss) after tax from continuing operations	<b>4,269</b>	(2,424)	<b>11,072</b>	256
Profit after tax from discontinued operations	-	-	-	470,628
Profit/(loss) for the period	<b>4,269</b>	(2,424)	<b>11,072</b>	470,884
Profit/(loss) attributable to:				
Ordinary equity holders of the Company	<b>1,624</b>	(4,014)	<b>3,921</b>	462,632
Non-controlling interest	<b>(91)</b>	(2)	<b>(188)</b>	48
Holder of private debt securities of the Company	<b>2,736</b>	1,592	<b>7,339</b>	8,204
	<b>4,269</b>	(2,424)	<b>11,072</b>	470,884
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	<b>0.26</b>	(0.65)	<b>0.63</b>	75.61
Diluted EPS	<b>0.25</b>	(0.63)	<b>0.62</b>	72.88

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 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR PERIOD ENDED 30 JUNE 2021**

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
		(Restated)		(Restated)
Profit/(loss) for the period	<b>4,269</b>	(2,424)	<b>11,072</b>	470,884
Other comprehensive income/(loss)	<b>(1,863)</b>	718	<b>(4,733)</b>	1,060
Total comprehensive income/(loss) for the period	<b>2,406</b>	(1,706)	<b>6,339</b>	471,944
Total comprehensive income/(loss) attributable to:				
Ordinary equity holders of the Company	<b>(239)</b>	(3,296)	<b>(812)</b>	463,692
Non-controlling interest	<b>(91)</b>	(2)	<b>(188)</b>	48
Holder of private debt securities of the Company	<b>2,736</b>	1,592	<b>7,339</b>	8,204
	<b>2,406</b>	(1,706)	<b>6,339</b>	471,944

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 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	<b>As at 30/6/2021</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	42,911	44,644	42,935
Right-of-use asset	14,261	16,514	20,224
Inventories - land held for property development	1,016,587	993,664	873,440
Investment properties	519,179	517,014	514,626
Investment in associates	192,513	192,618	29,242
Investment in a joint venture	639	1,110	235
Other investments	20,818	25,077	10,212
Deferred tax assets	55,761	55,979	46,565
	<b>1,862,669</b>	1,846,620	1,537,479
<b>Current assets</b>			
Inventories and contract cost assets	323,379	380,907	294,967
Trade receivables	136,212	136,415	141,691
Other receivables	37,079	30,177	35,774
Other current assets	6,135	5,080	5,584
Contract assets	282,739	353,004	252,413
Tax recoverable	9,891	8,187	3,863
Cash and bank balances	248,104	204,260	134,739
	<b>1,043,539</b>	1,118,030	869,031
Assets of disposal group/Non-current assets held for sale	<b>0</b>	0	664,478
	<b>1,043,539</b>	1,118,030	1,533,509
<b>Total assets</b>	<b>2,906,208</b>	2,964,650	3,070,988
<b>Current liabilities</b>			
Borrowings	191,462	165,215	211,308
Lease liabilities	3,513	4,509	3,708
Trade payables	127,018	178,531	166,622
Other payables	119,432	119,449	123,266
Tax payable	5,102	7,017	6,718
Contract liabilities	74	214	53
	<b>446,601</b>	474,935	511,675
Liabilities directly associated with the assets held for sale	<b>0</b>	0	373,235
	<b>446,601</b>	474,935	884,910
<b>Net current assets</b>	<b>596,938</b>	643,095	648,599

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	<b>As at 30/6/2021</b>	As at 31/12/2020	As at 1/1/2020
	<b>RM'000</b>	RM'000 (Restated)	RM'000 (Restated)
<b>Non-current liabilities</b>			
Borrowings	<b>776,516</b>	788,995	700,637
Lease liabilities	<b>13,813</b>	15,235	17,659
Deferred tax liabilities	<b>6,074</b>	6,101	6,198
	<b>796,403</b>	810,331	724,494
<b>Total liabilities</b>	<b>1,243,004</b>	1,285,266	1,609,404
<b>Equity</b>			
Share capital	<b>330,834</b>	324,909	316,945
Reserves	<b>1,082,603</b>	1,104,820	821,470
<b>Equity attributable to ordinary equity holders of the Company</b>	<b>1,413,437</b>	1,429,729	1,138,415
Private debt securities	<b>248,707</b>	248,707	248,972
Non-controlling interests	<b>1,060</b>	948	74,197
<b>Total equity</b>	<b>1,663,204</b>	1,679,384	1,461,584
<b>Total equity and liabilities</b>	<b>2,906,208</b>	2,964,650	3,070,988
<b>Net assets (NA) per share (RM)</b>	<b>2.28</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 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 30 JUNE 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	-	-	(4,258)	(475)	3,921	(188)	7,339	6,339
<b>Transactions with owners</b>								
Vesting of LTIP shares	5,925	(5,925)	-	-	-	-	-	-
Capital contribution from NCI	-	-	-	-	-	300	-	300
Private debt securities distribution	-	-	-	-	-	-	(7,339)	(7,339)
Dividends	-	-	-	-	(15,480)	-	-	(15,480)
<b>Total transactions with owners</b>	<b>5,925</b>	<b>(5,925)</b>	<b>-</b>	<b>-</b>	<b>(15,480)</b>	<b>300</b>	<b>(7,339)</b>	<b>(22,519)</b>
<b>As at 30 June 2021</b>	<b>330,834</b>	<b>2,864</b>	<b>(4,182)</b>	<b>(620)</b>	<b>1,084,541</b>	<b>1,060</b>	<b>248,707</b>	<b>1,663,204</b>

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 30 JUNE 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 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)	463,350	48	8,204	471,944
<b>Transactions with owners</b>								
Vesting of LTIP shares	7,964	(7,964)	-	-	-	-	-	-
Private debt securities distribution	-	-	-	-	-	-	(8,204)	(8,204)
Disposal of discontinued operations	-	-	-	-	-	(75,797)	-	(75,797)
Acquisition of non-controlling interest	-	-	-	-	(1,579)	1,579	-	-
Dividends	-	-	-	-	(178,189)	-	-	(178,189)
<b>Total transactions with owners</b>	<b>7,964</b>	<b>(7,964)</b>	<b>-</b>	<b>-</b>	<b>(179,768)</b>	<b>(74,218)</b>	<b>(8,204)</b>	<b>(262,190)</b>
<b>As at 30 June 2020 (Restated)</b>	<b>324,909</b>	<b>1,373</b>	<b>(2,309)</b>	<b>(1,557)</b>	<b>1,099,923</b>	<b>27</b>	<b>248,972</b>	<b>1,671,338</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 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR PERIOD ENDED 30 JUNE 2021**

	<b>6 Months Ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax		
- from continuing operations	<b>21,037</b>	1,457
- from discontinued operations	-	472,838
	<b>21,037</b>	474,295
Profit before tax		
Adjustment for:		
Non-cash items	<b>9,517</b>	9,053
Non-operating items	<b>10,081</b>	(455,264)
	<b>40,635</b>	28,084
<b>Operating profit before working capital changes</b>	<b>40,635</b>	28,084
Decrease in receivables	<b>57,720</b>	51,130
Decrease in inventories	<b>77,108</b>	14,506
Decrease in payables	<b>(57,690)</b>	(72,980)
	<b>117,773</b>	20,740
<b>Cash generated from operations</b>	<b>117,773</b>	20,740
Taxes paid	<b>(13,072)</b>	(10,233)
Interest paid	<b>(17,170)</b>	(17,043)
	<b>87,531</b>	(6,536)
Net cash generated from/(used in) operating activities	<b>87,531</b>	(6,536)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Movement in land held for development	<b>(25,971)</b>	6,940
Capital contribution from non-controlling interest	<b>300</b>	-
Acquisition of non-controlling interest	-	(3,000)
Investment in an associate	-	(7,898)
Purchase of property, plant and equipment	<b>(1,239)</b>	(2,988)
Purchase of investment properties	<b>(5,600)</b>	(4,196)
Proceeds from disposal of investment properties	-	1,600
Proceeds from disposal of property, plant and equipment	<b>50</b>	25
Proceeds from disposal of asset held for sale	-	479,929
Movement in other investment	<b>(195)</b>	444
Movement in asset held for sale	-	39,131
Interest received	<b>901</b>	4,195
	<b>(31,754)</b>	514,182
Net cash (used in)/generated from investing activities	<b>(31,754)</b>	514,182

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 June 2021

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR PERIOD ENDED 30 JUNE 2021**

	<b>6 Months Ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to ordinary equity holders of the Company	<b>(15,480)</b>	(178,189)
Drawdown of borrowings	<b>223,881</b>	63,000
PDS distribution	<b>(7,339)</b>	(8,204)
Withdrawal in banks restricted for use	<b>(1,257)</b>	3,658
Repayment of borrowings	<b>(194,643)</b>	(192,156)
Lease payments	<b>(2,883)</b>	(2,453)
Net cash generated from/(used in) financing activities	<b>2,279</b>	(314,344)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>58,056</b>	193,302
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<b>176,100</b>	119,872
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>234,156</b>	313,174
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	<b>165,376</b>	113,544
Fixed deposits	<b>82,728</b>	210,840
Cash and bank balances	<b>248,104</b>	324,384
Cash and bank balances restricted for use	<b>(13,854)</b>	(11,116)
Fixed deposits maturing more than 3 months	<b>(94)</b>	(94)
	<b>234,156</b>	313,174
Cash and bank balances held in HDA accounts	<b>104,421</b>	88,497

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 30 June 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:

<b>CONSOLIDATED INCOME STATEMENT</b>							
	<b>Previously Reported</b>		<b>Effect of the Agenda Decision</b>		<b>Restated</b>		
	<b>2Q</b>	<b>YTD</b>	<b>2Q</b>	<b>YTD</b>	<b>2Q</b>	<b>YTD</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Continuing operations</b>							
Revenue	64,198	186,313	-	-	64,198	186,313	
Operating profit/(loss) from continuing operations	(1,588)	6,831	467	1,074	(1,121)	7,905	
Interest expense	(4,736)	(10,797)	(879)	(1,891)	(5,615)	(12,688)	
Interest income	2,512	4,033	-	-	2,512	4,033	
Share of profit/(loss) of associates & joint venture	1,823	2,207	-	-	1,823	2,207	
Profit before tax from continuing operations	(1,989)	2,274	(412)	(817)	(2,401)	1,457	
Taxation	(122)	(1,397)	99	196	(23)	(1,201)	
Profit after tax from continuing operations	(2,111)	877	(313)	(621)	(2,424)	256	
Profit after tax from discontinued operations	-	470,628	-	-	-	470,628	
Profit for the period	(2,111)	471,505	(313)	(621)	(2,424)	470,884	
Profit attributable to:							
Ordinary equity holders of the Company	(3,701)	463,253	(313)	(621)	(4,014)	462,632	
Non-controlling interest	(2)	48	-	-	(2)	48	
Holder of private debt securities of the Company	1,592	8,204	-	-	1,592	8,204	
	(2,111)	471,505	(313)	(621)	(2,424)	470,884	
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):							
Basic EPS	(0.60)	75.71	(0.05)	(0.10)	(0.65)	75.61	
Diluted EPS	(0.58)	72.98	(0.05)	(0.10)	(0.63)	72.88	
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>							
Profit for the period	(2,111)	471,505	(313)	(621)	(2,424)	470,884	
Other comprehensive income	718	1,060	-	-	718	1,060	
Total comprehensive income for the period	(1,393)	472,565	(313)	(621)	(1,706)	471,944	

## 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	As at 1/1/2020	As at 31/12/2020	As at 1/1/2020	As at 31/12/2020	As at 1/1/2020
	RM'000	RM'000	RM'000	RM'000	RM'000 (Restated)	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

	6 months ended	
	30/6/2021	30/6/2020
	RM'000	RM'000
Special dividends		
FY2020 - 29.0 sen single tier	0	178,189
2nd Interim dividends		
FY2020 - 2.50 sen single tier	15,480	0
	<u>15,480</u>	<u>178,189</u>

## A9. Profit/(loss) before tax

The following items have been included in arriving at profit before tax:

	3 months ended 30 June		6 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b><u>Continuing operations</u></b>				
Depreciation of:				
- Property, plant and equipment	1,457	1,138	2,972	2,519
- Right-of-use asset	1,255	1,059	2,271	2,143
- Investment properties	2,134	2,266	4,268	4,242
Interest expense on:				
- Borrowings	4,335	5,276	10,028	12,186
- Lease liabilities	226	339	451	502
Additions/(reversal) of allowance for impairment of receivables	0	0	6	0
(Gain)/loss on disposal of:				
- Property, plant and equipment	0	36	(2)	29
- Investment properties	0	0	0	(478)
Net derivative (gain)/loss:				
Forward foreign exchange contract	(235)	0	(314)	0
	<hr/>	<hr/>	<hr/>	<hr/>
	3 months ended 30 June		6 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b><u>Discontinued operations</u></b>				
Interest expense on:				
- Borrowings	0	596	0	596
- Lease liabilities	0	786	0	786
Additions/(reversal) of allowance for impairment of receivables	0	160	0	160
Bad debts written off	0	75	0	75
(Gain)/loss on disposal of:				
- Equity interest in subsidiaries	0	(460,595)	0	(460,595)
	<hr/>	<hr/>	<hr/>	<hr/>

Save for the items disclosed in the Income Statement and the note above, other items pursuant to Appendix 9B Note16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

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

<u>Analysis by Business Segment</u>	6 months ended 30 June Revenue		6 months ended 30 June Profit/(loss) before tax	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Property	274,821	182,010	35,709	1,156
Co-labs Coworking	2,631	1,852	(2,373)	(2,353)
Investment & others	41,700	53,483	(17,719)	4,256
	<u>319,152</u>	<u>237,345</u>	<u>15,617</u>	<u>3,059</u>
Inter-segment elimination	(39,897)	(51,032)	5,420	(1,602)
Total - continuing	<u>279,255</u>	<u>186,313</u>	<u>21,037</u>	<u>1,457</u>
Education - discontinued	-	34,200	-	472,838

**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 30 June 2021 were as follows:

	RM'000
Approved and contracted for:-	
Payment under DRA (Note: B6(i))	113,000
Investment properties	70,573
	<u>183,573</u>
Approved but not contracted for:-	
Investment properties	8,626
	<u>8,626</u>
	<u>192,199</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	485	1,239

## A17. Related party transactions

	<b>Financial Year-to-date RM'000</b>
<b>Sale and purchase of goods &amp; services</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	1,026
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	1,837
Rental income received from Peoplender Sdn Bhd, a company in which Mr. Chew Sun Teong and Mr. Benjamin Teo Jong Hian have direct interest	66
Rental charges paid to Mr Chew Sun Teong, a director of the Company	24
	<u>2,953</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**

	<b>2Q2021</b>	<b>2Q2020</b>	<b>Var.</b>		<b>6M2021</b>	<b>6M2020</b>	<b>Var.</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>		<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
		<b>(Restated)</b>			<b>(Restated)</b>		
<b><u>Continuing</u></b>							
Revenue	<b>127,446</b>	64,198	99%		<b>279,255</b>	186,313	50%
Operating profit/(loss)	<b>13,906</b>	(1,121)	1340%		<b>30,915</b>	7,905	291%
Profit before interest & tax	<b>14,263</b>	702	1932%		<b>30,615</b>	10,112	203%
Profit/(loss) before Tax	<b>10,216</b>	(2,401)	525%		<b>21,037</b>	1,457	1344%
Profit/(loss) after tax	<b>4,269</b>	(2,424)	276%		<b>11,072</b>	256	4225%
<b><u>Discontinued</u></b>							
Profit after tax	<b>0</b>	0	0%		<b>0</b>	470,628	-100%
<b>Profit/(loss) for the period</b>	<b>4,269</b>	<b>(2,424)</b>	<b>276%</b>		<b>11,072</b>	<b>470,884</b>	<b>-98%</b>
Profit/(loss) attributable to ordinary equity holders of the Company	<b>1,624</b>	(4,014)	140%		<b>3,921</b>	462,632	-99%

**2Q2021 vs 2Q2020**

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) and a profit attributable to ordinary equity holders of the Company of RM1.6 million (2Q2021: loss attributable to ordinary equity holder of the company of RM4.0 million). The improved financial performance in 2Q2021 compared to the same period last year 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.

**Continuing operations - Property Division**

For 2Q2021, the property division achieved a revenue of RM125.2 million, which was 101% higher than that of the corresponding quarter last year of RM62.3 million. The top three revenue contributors in 2Q2021 were Bukit Banyan development in Kedah, ATWATER development in Selangor and Utropolis Batu Kawan development in Penang. On the back of the higher revenue, the property division recorded a PBT of RM20.6 million compared to a loss before tax of RM4.5 million in 2Q2020.

The higher revenue of the property division in 2Q2021 compared to the same period last year was in line with the higher level of construction progress recognised, coupled with the higher sales achieved given the low base of last year due to the first movement control order (MCO 1.0). The disruption to the Group's operations in 2Q2021 was less severe than those experienced in 2Q2020. Although all of the Group's construction sites were closed from 1 June 2021 in compliance with the full movement control order (FMCO), most of these sites have subsequently resumed operations during the same month, after obtaining the relevant approvals and complying with the standard operating procedures, including a cap on the workforce capacity at 60%. Apart from disruption in construction progress, the Group's sales of properties have also been negatively affected. Delay in new property launches and the closure of all sales galleries were among the contributing factors that have disrupted the strong sales momentum gained in the first five months of this year.



#### Continuing operations - Co-labs Coworking

For 2Q2021, the Co-labs Coworking division recorded a revenue of RM1.2 million, which was 55% higher than the same period last year of RM0.8 million. This was mainly due to the contribution from the newly opened outlet at Tropicana Gardens, Kota Damansara coupled with the higher contribution from all other outlets. In 2Q2020, rental rebates were offered by Co-labs Coworking to its members during the MCO 1.0. The Co-labs Coworking division's LBT in 2Q2021 was RM1.2 million, 20% higher than RM1.0 million recorded in the same period last year mainly due to the additional costs for operating the new outlet at Tropicana Gardens, Kota Damansara which was opened in January 2021 that was partially offset by higher revenue.

#### 6M2021 vs 6M2020

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.

#### Continuing operations - Property Division

For the 6M2021, the property division achieved a revenue of RM274.8 million (6M2020: RM182.0 million) and a PBT of RM35.7 million (6M2020: RM1.2 million), which were 51% and 2875% higher than the same period last year. This was mainly due to the disruption to the Group's operations in the first half of 2021 was less severe than the same period last year as explained above. The top three revenue contributors in 6M2021 were Bukit Banyan development in Kedah, ATWATER development in Selangor and Utropolis Batu Kawan development in Penang.

Despite the on-going pandemic, the Group's property sales for 6M2021 grew by 62% to RM309 million (6M2020: RM191 million) on the back of steady demand from the sales of existing products as well as new products from an existing project. During the first half of last year, sales of properties could not be transacted during MCO 1.0 as legal documents could not be executed resulting in the lower sales achievement. The sales status and unbilled sales of the property division are as follow:

Projects	Location	For period ended 30/6/2021			As at 30/6/2021
		Launched units	Units sold**	Sales value RM'M	Unbilled sales RM'M
Central region	Klang Valley	0	194	130	792
Northern region	Kedah, Penang	217	330	179	234
<b>Total</b>		<b>217</b>	<b>524</b>	<b>309</b>	<b>1,026</b>

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

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

### Continuing operations - Co-labs Coworking

For 6M2021, the Co-labs Coworking division achieved a revenue of RM2.6 million, which was 42% higher than the same period last year of RM1.9 million. Apart from the contribution from the newly opened outlet at Tropicana Gardens, Kota Damansara and the maiden contribution from Scalable Malaysia, all other 4 outlets have also registered higher revenue. In the first half of 2020, higher rental rebates have been offered by Co-labs Coworking to its members when compared to the same period this year. Despite the higher revenue, the Co-labs Coworking division achieved a LBT at RM2.4 million (6M2020: RM2.4 million) mainly due to the higher revenue achieved was offset by the increase in operating costs from the newly opened outlet at Tropicana Gardens, Kota Damansara in January 2021.

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

	2Q2021 RM'000	1Q2021 RM'000	Var. %
<b>Continuing</b>			
Revenue	127,446	151,809	-16%
Operating profit	13,906	17,009	-18%
Profit before interest & tax	14,263	16,352	-13%
Profit before tax	10,216	10,821	-6%

For 2Q2021, the Group recorded a PBT from continuing operations of RM10.2 million which was 6% lower than RM10.8 million in the preceding quarter. This was mainly due to the lower interest income and the higher non-recurring expenses in the investment & others division that was partially offset by the higher contribution from the property division.

## B3. Prospects

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.

### B3. Prospects (cont'd)

#### (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.

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. As at 30 June 2021, the Group had 551.1 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	187.6
Northern region	Kedah, Penang	4	760.0	363.5
<b>Total</b>		<b>11</b>	<b>1,680.7</b>	<b>551.1</b>

#### (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.

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.

### 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	5,950	10,242
Deferred tax	(3)	(277)
	<u>5,947</u>	<u>9,965</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 27 August 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 ("Proposed Investment"). The Proposed Investment was completed on 13 August 2021.

## B7. Borrowings and debt securities

The Group's borrowings and debt securities as at 30 June 2021 and 30 June 2020 were as follows:

	<b>30/6/2021 RM'000</b>	<b>30/6/2020 RM'000</b>
<u>Short-term borrowings</u>		
Revolving credit - Secured	70,200	70,200
Revolving credit - Unsecured	80,000	60,000
Current portion of long term loans - Secured	41,262	260
Total short-term borrowings	<u>191,462</u>	<u>130,460</u>
<u>Long-term borrowings (Secured)</u>		
Term loans	388,511	233,854
Medium Term Notes (MTN)	292,929	293,042
Sukuk Murabahah	95,076	125,433
Total long-term borrowings	<u>776,516</u>	<u>652,329</u>
Total borrowings	<u>967,978</u>	<u>782,789</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	3.47%	3.82%
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 30 June 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	315

\* 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 RM'000</b>	<b>Financial Year-to-date RM'000</b>
Forward foreign exchange contract	456	610

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

Reason for gain: The exchange rate has moved favourably for the Group from the last measurement date.

## B10. Changes in material litigation

As at 27 August 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 30 June 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)	1,624	3,921
Weighted average number of ordinary shares ('000)	619,198	617,614
	<hr/>	<hr/>
Basic EPS (sen)	0.26	0.63
	<hr/>	<hr/>

### (b) Diluted EPS

Profit attributable to equity holders of the Company (RM'000)	1,624	3,921
Weighted average number of ordinary shares ('000)	619,198	617,614
Effect of dilution ('000)	19,653	19,653
	<hr/>	<hr/>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	638,851	637,267
	<hr/>	<hr/>
Diluted EPS (sen)	0.25	0.62
	<hr/>	<hr/>