

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2023

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR PERIOD ENDED 31 MARCH 2023**

	3 Months Ended 31 March		3 Months Ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	<b>194,555</b>	168,097	<b>194,555</b>	168,097
Operating profit	<b>30,653</b>	19,965	<b>30,653</b>	19,965
Interest expense	<b>(7,622)</b>	(6,286)	<b>(7,622)</b>	(6,286)
Interest income	<b>950</b>	640	<b>950</b>	640
Share of profit/(loss) of associates & joint venture	<b>(640)</b>	290	<b>(640)</b>	290
Profit before tax	<b>23,341</b>	14,609	<b>23,341</b>	14,609
Taxation	<b>(7,347)</b>	(3,890)	<b>(7,347)</b>	(3,890)
Profit for the period	<b>15,994</b>	10,719	<b>15,994</b>	10,719
Profit attributable to:				
Ordinary equity holders of the Company	<b>11,584</b>	5,024	<b>11,584</b>	5,024
Non-controlling interest	<b>2</b>	(15)	<b>2</b>	(15)
Holder of private debt securities of the Company	<b>4,408</b>	5,710	<b>4,408</b>	5,710
	<b>15,994</b>	10,719	<b>15,994</b>	10,719
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	<b>1.86</b>	0.81	<b>1.86</b>	0.81
Diluted EPS	<b>1.85</b>	0.80	<b>1.85</b>	0.80

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2022.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2023

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR PERIOD ENDED 31 MARCH 2023**

	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit for the period	<b>15,994</b>	10,719	<b>15,994</b>	10,719
Other comprehensive income/(loss)	<b>(469)</b>	(502)	<b>(469)</b>	(502)
Total comprehensive income for the period	<b>15,525</b>	10,217	<b>15,525</b>	10,217
Total comprehensive income/(loss) attributable to:				
Ordinary equity holders of the Company	<b>11,115</b>	4,522	<b>11,115</b>	4,522
Non-controlling interest	<b>2</b>	(15)	<b>2</b>	(15)
Holder of private debt securities of the Company	<b>4,408</b>	5,710	<b>4,408</b>	5,710
	<b>15,525</b>	10,217	<b>15,525</b>	10,217

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2022.

**PARAMOUNT CORPORATION BERHAD**

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The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

	<b>As at 31/3/2023</b>	<b>As at 31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	<b>118,609</b>	118,897
Right-of-use asset	<b>7,538</b>	8,538
Inventories - land held for property development	<b>855,058</b>	860,690
Investment properties	<b>523,938</b>	522,176
Investment in associates	<b>39,532</b>	40,172
Other investments	<b>8,720</b>	8,730
Other receivables	<b>15,305</b>	15,076
Deferred tax assets	<b>49,687</b>	50,895
	<b>1,618,387</b>	1,625,174
<b>Current assets</b>		
Inventories - property development costs	<b>219,309</b>	232,986
Inventories - completed properties and other inventories	<b>57,730</b>	58,558
Contract cost assets	<b>182,502</b>	172,244
Trade receivables	<b>119,628</b>	111,374
Other receivables	<b>34,568</b>	35,307
Other current assets	<b>10,344</b>	9,118
Contract assets	<b>462,271</b>	534,590
Tax recoverable	<b>12,262</b>	10,774
Cash and bank balances	<b>276,937</b>	331,050
	<b>1,375,551</b>	1,496,001
Non-current asset held for sale	<b>3,970</b>	3,970
	<b>1,379,521</b>	1,499,971
<b>Total assets</b>	<b>2,997,908</b>	3,125,145
<b>Current liabilities</b>		
Borrowings	<b>269,296</b>	329,807
Lease liabilities	<b>4,830</b>	5,210
Trade payables	<b>200,347</b>	184,775
Other payables	<b>159,991</b>	181,235
Tax payable	<b>5,683</b>	7,396
Contract liabilities	<b>246</b>	206
	<b>640,393</b>	708,629
<b>Net current assets</b>	<b>739,128</b>	791,342

**PARAMOUNT CORPORATION BERHAD**

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The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

	<b>As at 31/3/2023</b>	<b>As at 31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities</b>		
Borrowings	<b>691,369</b>	685,431
Lease liabilities	<b>4,715</b>	5,791
Other payables	<b>56,234</b>	56,494
Deferred tax liabilities	<b>3,642</b>	3,826
	<b>755,960</b>	751,542
<b>Total liabilities</b>	<b>1,396,353</b>	1,460,171
<b>Equity</b>		
Share capital	<b>335,181</b>	334,299
Reserves	<b>1,066,297</b>	1,130,791
<b>Equity attributable to ordinary equity holders of the Company</b>	<b>1,401,478</b>	1,465,090
Private debt securities	<b>199,397</b>	199,206
Non-controlling interests	<b>680</b>	678
<b>Total equity</b>	<b>1,601,555</b>	1,664,974
<b>Total equity and liabilities</b>	<b>2,997,908</b>	3,125,145
<b>Net assets (NA) per share (RM)</b>	<b>2.25</b>	2.36

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2022.

**PARAMOUNT CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 31 MARCH 2023**

	<-----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 2023</b>	334,299	3,203	(6,969)	(515)	1,135,072	678	199,206	1,664,974
Total comprehensive income	-	-	(375)	(94)	11,584	2	4,408	15,525
<b>Transactions with owners</b>								
Vesting of LTIP shares	882	(882)	-	-	-	-	-	-
Private debt securities distribution	-	-	-	-	-	-	(4,217)	(4,217)
Dividends	-	-	-	-	(74,727)	-	-	(74,727)
<b>Total transactions with owners</b>	<b>882</b>	<b>(882)</b>	<b>-</b>	<b>-</b>	<b>(74,727)</b>	<b>-</b>	<b>(4,217)</b>	<b>(78,944)</b>
<b>As at 31 March 2023</b>	<b>335,181</b>	<b>2,321</b>	<b>(7,344)</b>	<b>(609)</b>	<b>1,071,929</b>	<b>680</b>	<b>199,397</b>	<b>1,601,555</b>

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2023

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 31 MARCH 2023**

	<-----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 2022</b>	330,834	6,252	(4,792)	(410)	1,109,078	851	248,707	1,690,520
Total comprehensive income	-	-	(814)	312	5,024	(15)	5,710	10,217
<b>Transactions with owners</b>								
Vesting of LTIP shares	3,465	(3,465)	-	-	-	-	-	-
Private debt securities distribution	-	-	-	-	-	-	(5,710)	(5,710)
<b>Total transactions with owners</b>	<b>3,465</b>	<b>(3,465)</b>	-	-	-	-	<b>(5,710)</b>	<b>(5,710)</b>
<b>As at 31 March 2022</b>	<b>334,299</b>	<b>2,787</b>	<b>(5,606)</b>	<b>(98)</b>	<b>1,114,102</b>	<b>836</b>	<b>248,707</b>	<b>1,695,027</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 2022.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2023

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR PERIOD ENDED 31 MARCH 2023**

	3 Months Ended	
	31/3/2023 RM'000	31/3/2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	23,341	14,609
Adjustment for:		
Non-cash items	5,464	5,238
Non-operating items	7,263	5,235
<b>Operating profit before working capital changes</b>	<b>36,068</b>	<b>25,082</b>
Decrease in receivables	63,529	99,923
Decrease in inventories	4,248	30,611
Decrease in payables	(6,668)	(26,062)
<b>Cash generated from operations</b>	<b>97,177</b>	<b>129,554</b>
Taxes paid	(9,524)	(3,399)
Interest paid	(10,663)	(8,069)
Net cash generated from operating activities	<b>76,990</b>	<b>118,086</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Movement in land held for development	8,436	(5,736)
Purchase of property, plant and equipment	(2,188)	(607)
Purchase of unquoted investment	-	(7,500)
Purchase of investment properties	(3,456)	(3,127)
Purchase of quoted investment	(8)	-
Proceeds from disposal of property, plant and equipment	24	11
Interest received	950	640
Net cash generated from/(used in) investing activities	<b>3,758</b>	<b>(16,319)</b>

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 31 March 2023

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR PERIOD ENDED 31 MARCH 2023**

	<b>3 Months Ended</b>	
	<b>31/3/2023</b>	<b>31/3/2022</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>(74,727)</b>	-
Drawdown of borrowings	<b>58,338</b>	6,728
PDS distribution	<b>(4,217)</b>	(5,710)
Withdrawal/(placement) in banks restricted for use	<b>1,179</b>	(2,969)
Repayment of borrowings	<b>(108,528)</b>	(48,728)
Lease payments	<b>(1,558)</b>	(1,411)
Net cash used in financing activities	<b>(129,513)</b>	(52,090)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<b>(48,765)</b>	49,677
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<b>296,811</b>	123,324
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>248,046</b>	173,001
	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	<b>230,815</b>	151,305
Fixed deposits	<b>46,122</b>	45,947
Cash and bank balances	<b>276,937</b>	197,252
Cash and bank balances restricted for use	<b>(11,269)</b>	(22,329)
Fixed deposits maturing more than 3 months	<b>(10,058)</b>	(94)
Bank overdrafts	<b>(7,564)</b>	(1,828)
	<b>248,046</b>	173,001
Cash and bank balances held in HDA accounts	<b>176,414</b>	101,400

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2022.



**PARAMOUNT CORPORATION BERHAD**  
**Interim Financial Report for the period ended 31 March 2023**

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 2022. 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 2022.

**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 2022.

**A3. Audit report qualification**

The audit report for the financial year ended 31 December 2022 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**

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 item 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.

### Employees share scheme

On 15 March 2023, 799,900 new ordinary shares in the Company were allotted and issued pursuant to the Company's Long Term Incentive Plan ("LTIP") via third vesting of 799,900 restricted shares ("RS") under the 2020 RS Grant.

## A8. Dividends paid

	3 months ended	
	31/3/2023	31/3/2022
	RM'000	RM'000
Special dividend		
FY2022 - 12.0 sen single tier	74,727	0

## A9. Profit before tax

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

	3 months ended		3 months ended	
	31 March		31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- Property, plant and equipment	2,431	2,265	2,431	2,265
- Right-of-use asset	1,000	839	1,000	839
- Investment properties	2,033	2,129	2,033	2,129
Interest expense on:				
- Borrowings	7,521	6,121	7,521	6,121
- Lease liabilities	101	165	101	165
Additions/(reversal) of allowance for impairment of receivables	(1)	(10)	(1)	(10)
(Gain)/loss on disposal of:				
- Property, plant and equipment	(15)	(1)	(15)	(1)
Net foreign exchange (gain)/loss	(68)	(109)	(68)	(109)
Net derivative (gain)/loss:				
Forward foreign exchange contract	124	97	124	97

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>	3 months ended 31 March Revenue		3 months ended 31 March Profit/(loss) before tax	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Property	185,773	163,954	29,291	20,656
Coworking	2,873	2,201	132	(269)
Investment & others	25,358	18,697	(2,110)	(3,946)
	<u>214,004</u>	<u>184,852</u>	<u>27,313</u>	<u>16,441</u>
Inter-segment elimination	(19,449)	(16,755)	(3,972)	(1,832)
Total	<u>194,555</u>	<u>168,097</u>	<u>23,341</u>	<u>14,609</u>

**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 2022.

**A12. Subsequent events**

There was no material event 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. Commitments**

The amount of commitments not provided for in the interim financial statements as at 31 March 2023 were as follows:

	RM'000
Approved and contracted for:-	
Investment properties	<u>41,112</u>
Approved but not contracted for:-	
Land held for property development	49,500
Property, plant and equipment	<u>1,116</u>
	<u>50,616</u>
	<u>91,728</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	2,188	2,188

## A17. Related party transactions

	<b>Financial Year-to-date RM'000</b>
<b>Sale and purchase of goods &amp; services</b>	
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	2,128
Consultancy fees paid to a Datuk Paul Wong Baan Chun, a director of a subsidiary company	45
Rental income received from Peoplender Sdn Bhd, a company in which Mr. Chew Sun Teong and Mr. Benjamin Teo Jong Hian have interest	32
	<u>2,205</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**

	1Q2023 RM'000	1Q2022 RM'000	Var.		3M2023 RM'000	3M2022 RM'000	Var.
Revenue	194,555	168,097	16%		194,555	168,097	16%
Operating profit	30,653	19,965	54%		30,653	19,965	54%
Profit before interest & tax	30,013	20,255	48%		30,013	20,255	48%
Profit before tax	23,341	14,609	60%		23,341	14,609	60%
Profit for the period	15,994	10,719	49%		15,994	10,719	49%
Profit attributable to ordinary equity holders of the Company	11,584	5,024	131%		11,584	5,024	131%

**1Q2023 vs 1Q2022**

For 1Q2023, the Group achieved revenue of RM194.6 million (1Q2022: RM168.1 million) and Profit Before Tax (PBT) of RM23.3 million (1Q2022: RM14.6 million), which were 16% and 60% higher than that of 1Q2022 driven by improvements recorded by the property division. Hence, the Group's profit attributable to ordinary equity holders of the Company was also higher at RM11.6 million (1Q2022: RM5.0 million).

**Property Division**

The property division's 1Q2023 revenue was RM185.8 million (1Q2022: RM163.9 million) with Utropolis Batu Kawan development in Penang, Bukit Banyan development in Kedah and Berkeley Uptown development in Selangor as the top three revenue contributors. PBT was 41% higher at RM29.3 million compared to the RM20.7 million recorded in 1Q2022. The improvement in financial performance was mainly attributed to the larger base of on-going projects in 1Q2023.

The property division's sales for 1Q2023 was RM292 million, 88% higher than the same period last year of RM155 million. The higher sales was driven mainly by launches in the third and fourth quarters of 2022 coupled with the new launches in 2023, such as the freehold serviced apartments Savana Utropolis Batu Kawan in Penang and the freehold landed homes in Bukit Banyan, Kedah. Aside from this, 1Q2022 was a low base as the Malaysian economy was not fully re-opened yet. The sales and unbilled sales status of the property division for 1Q2023 are as follows:

Projects	Location	For period ended 31/3/2023			As at 31/3/2023
		Launched units	Units sold**	Sales value RM'M	Unbilled sales RM'M
Central region	Klang Valley	0	235	184	1,015
Northern region	Kedah & Penang	685	163	108	378
<b>Total</b>		<b>685</b>	<b>398</b>	<b>292</b>	<b>1,393</b>

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

**Coworking Division**

The coworking division's revenue for 1Q2023 was RM2.9 million, 32% higher than the same period last year of RM2.2 million, mainly attributed to the higher revenue from all Co-labs Coworking outlets. On the back of higher revenue, the coworking division recorded its maiden PBT in 1Q2023 at RM0.1 million compared to Loss Before Tax (LBT) of RM0.3 million in 1Q2022.

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

### Investment & Others Division

The investment & others division recorded revenue of RM6.3 million in 1Q2023, which was 152% higher than the same period last year of RM2.5 million. This was mainly attributed to the higher occupancy rate and food & beverage revenue recorded by the 4-star Mercure Kuala Lumpur Glenmarie. In spite of the higher revenue, the division's LBT in 1Q2023 was marginally higher at RM6.0 million compared to LBT of RM5.8 million in 1Q2022, mainly due to the weaker financial performance of its investments in associates.

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

	1Q2023 RM'000	4Q2022 RM'000	Var.
Revenue	194,555	245,240	-21%
Operating profit	30,653	40,706	-25%
Profit before interest & tax	30,013	40,589	-26%
Profit before tax	23,341	32,982	-29%

The Group's PBT for 1Q2023 was 29% lower at RM23.3 million compared to RM33.0 million recorded in the immediate preceding quarter mainly due to the lower contribution from the property division and investment & others division by RM5.2 million and RM4.7 million respectively. The property division's PBT in 4Q2022 was boosted by the completion of a few phases/projects during the quarter while the higher LBT for the investment & others was without a non-recurring profit recognised in 4Q2022.

## B3. Prospects

The Malaysian economy further expanded in the first quarter of 2023 (5.6%; 4Q 2022: 7.1%), driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Despite global headwinds, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. Improving employment and income as well as continued implementation of multi-year projects would support consumption and investment activity. Moreover, higher inbound tourism activity would lift high-touch services industries.

(Source: Press Release from Bank Negara Malaysia on the Economic and Financial Developments in Malaysia in the First Quarter of 2023)

According to the National Property Information Centre, the volume of residential property transactions in 1Q2023 was 6.6% lower at 53,923 valued at RM20.9 billion compared to that of 1Q2022. Nonetheless, the 1Q2023 record was higher than the pre-pandemic level in 1Q2019, which recorded 52,195 transactions at RM18.2 billion. Although the rising cost environment coupled with the interest rate hike could dampen consumer sentiment, the expected expansion of the Malaysian economy and the improving labour market would be conducive for property demand.

### (a) Property Division

Riding on the strong sales momentum achieved in 1Q2023, the Group targets to launch properties with an estimated gross development value of RM1.1 billion in the remaining nine months of 2023. Other notable launches for the rest of the year are Paramount Palmera Industrial Park in Bukit Minyak, Penang (a strategically located light industrial development), a new residential development at the prestigious U-Thant enclave, Kuala Lumpur (high-end serviced apartments located next to The Atrium) and Phase 2 of Sejati Lakeside 2 landed homes in Cyberjaya (non-strata double storey semi-detached homes).

### B3. Prospects (cont'd)

The Group's unbilled sales of RM1.4 billion as at 31 March 2023 will provide some visibility on the Group's cashflow in the near term. However, the pace at which this can be converted into billings would depend largely on the construction progress of projects. As at 31 March 2023, the Group's undeveloped land stood at 525.8 acres.

Projects	Location	No. of projects	Original land size (Acres)	Undeveloped (Acres)**
Central region	Klang Valley	8	956.5	212.8
Northern region	Kedah, Penang	6	792.3	313.0
<b>Total</b>		<b>14</b>	<b>1,748.8</b>	<b>525.8</b>

\*\* - Includes land of which the Group has development rights

#### (b) Coworking Division

Having achieved its maiden profit in 1Q2023, Co-labs Coworking will focus on improving its occupancy rate and explore expansion opportunities, while Scalable Malaysia will continue to leverage Paramount Property's expertise to design and build more workspaces for its growing customer base.

Despite the challenging global economic environment, the Group is cautiously optimistic of its prospects for the financial year 2023 underpinned by domestic economic growth. Apart from optimising the Group's operations on an on-going basis, the Group will remain prudent and agile to navigate through this rapidly changing environment.

### 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:

	Current Quarter RM'000	Financial Year-to-date RM'000
Income tax	7,844	7,844
Deferred tax	(497)	(497)
	<u>7,347</u>	<u>7,347</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

There was no corporate proposal announced but not completed as at 29 May 2023.

## B7. Borrowings and debt securities

The Group's borrowings and debt securities as at 31 March 2023 and 31 March 2022 were as follows:

	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Short-term borrowings</u>		
Bank overdraft - Secured	1,507	1,670
Bank overdraft - Unsecured	6,057	158
Revolving credit - Secured	65,620	29,200
Revolving credit - Unsecured	80,000	80,000
Current portion of long term loans - Secured	116,112	62,972
Total short-term borrowings	<u>269,296</u>	<u>174,000</u>
<u>Long-term borrowings (Secured)</u>		
Term loans	308,749	355,176
Medium Term Notes (MTN)	293,304	293,090
Sukuk Murabahah	89,316	65,080
Total long-term borrowings	<u>691,369</u>	<u>713,346</u>
Total borrowings	<u>960,665</u>	<u>887,346</u>

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

Floating interest rate	4.48%	3.53%
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 was mainly due to:

- (i) Drawdown of term loans of RM88 million to finance the purchase of land for development; and
- (ii) Issuance of Sukuk Murabahah of RM82 million to finance the purchase of land for development



**B8. Derivative financial instrument**

The outstanding forward foreign exchange contracts as at 31 March 2023 were as follows:

	<b>Contract amount</b>	<b>Net Fair value</b>
		<b>Assets/ (Liabilities)</b>
	<b>THB'000</b>	<b>RM'000</b>
Forward foreign exchange contracts*		
- Within 1 year	124,130	678
- More than 1 year	33,614	(239)
	<u>          </u>	<u>          </u>

\* 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 contracts	(173)	(173)
	<u>          </u>	<u>          </u>

The fair value was measured based on the differences between contracted rates and market forward rates. During the quarter, the exchange rate has moved against the Group from the last measurement date.

**B10. Changes in material litigation**

As at 29 May 2023, there was no material litigation since the last annual reporting date of 31 December 2022.

**B11. Dividends payable**

The Board does not recommend the payment of any dividend for the current financial quarter ended 31 March 2023.

## 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)	11,584	11,584
Weighted average number of ordinary shares ('000)	622,193	622,193
	<hr/>	<hr/>
Basic EPS (sen)	1.86	1.86
	<hr/>	<hr/>

### (b) Diluted EPS

Profit attributable to equity holders of the Company (RM'000)	11,584	11,584
Weighted average number of ordinary shares ('000)	622,193	622,193
Effect of dilution ('000)	4,734	4,734
	<hr/>	<hr/>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	626,927	626,927
Diluted EPS (sen)	1.85	1.85
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By order of the Board  
Ng Wai Peng  
Company Secretary  
29 May 2023