

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the year ended 31 December 2023

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR YEAR ENDED 31 DECEMBER 2023**

	<b>3 Months Ended 31 December</b>		<b>12 Months Ended 31 December</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Revenue	<b>309,355</b>	245,240	<b>1,012,252</b>	847,464
Operating profit	<b>46,441</b>	40,706	<b>160,039</b>	128,725
Interest expense	<b>(8,574)</b>	(8,816)	<b>(31,847)</b>	(28,202)
Interest income	<b>1,268</b>	1,209	<b>4,556</b>	2,807
Share of profit/(loss) of associates	<b>(762)</b>	(117)	<b>(2,525)</b>	1,793
Profit before tax	<b>38,373</b>	32,982	<b>130,223</b>	105,123
Taxation	<b>(8,554)</b>	(12,850)	<b>(35,147)</b>	(29,985)
Profit for the period	<b>29,819</b>	20,132	<b>95,076</b>	75,138
Profit attributable to:				
Ordinary equity holders of the Company	<b>28,202</b>	18,892	<b>82,838</b>	60,200
Non-controlling interest	<b>(58)</b>	(343)	<b>26</b>	(173)
Holder of private debt securities of the Company	<b>1,675</b>	1,583	<b>12,212</b>	15,111
	<b>29,819</b>	20,132	<b>95,076</b>	75,138
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	<b>4.53</b>	3.04	<b>13.31</b>	9.69
Diluted EPS	<b>4.53</b>	3.01	<b>13.31</b>	9.62

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**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR YEAR ENDED 31 DECEMBER 2023**

	<b>3 Months Ended 31 December</b>		<b>12 Months Ended 31 December</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>29,819</b>	20,132	<b>95,076</b>	75,138
Other comprehensive income/(loss)	<b>31</b>	29	<b>(229)</b>	(2,282)
Total comprehensive income for the period	<b>29,850</b>	20,161	<b>94,847</b>	72,856
Total comprehensive income/(loss) attributable to:				
Ordinary equity holders of the Company	<b>28,233</b>	18,921	<b>82,609</b>	57,918
Non-controlling interest	<b>(58)</b>	(343)	<b>26</b>	(173)
Holder of private debt securities of the Company	<b>1,675</b>	1,583	<b>12,212</b>	15,111
	<b>29,850</b>	20,161	<b>94,847</b>	72,856

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**

Interim Financial Report for the year ended 31 December 2023

The figures are unaudited

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

	<b>As at 31/12/2023</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	117,197	118,897
Right-of-use asset	20,697	8,538
Inventories - land held for property development	812,235	860,690
Investment properties	522,814	522,176
Investment in associates	38,481	40,172
Other investments	8,331	8,730
Other receivables	23,966	15,076
Deferred tax assets	45,629	50,895
	<b>1,589,350</b>	<b>1,625,174</b>
<b>Current assets</b>		
Inventories - property development costs	213,826	232,986
Inventories - completed properties and other inventories	61,334	58,558
Contract cost assets	156,844	172,244
Trade receivables	86,917	111,374
Other receivables	44,803	35,307
Other current assets	9,098	9,118
Contract assets	596,177	534,590
Tax recoverable	16,124	10,774
Cash and bank balances	202,745	331,050
	<b>1,387,868</b>	<b>1,496,001</b>
Non-current asset held for sale	0	3,970
	<b>1,387,868</b>	<b>1,499,971</b>
<b>Total assets</b>	<b>2,977,218</b>	<b>3,125,145</b>
<b>Current liabilities</b>		
Borrowings	259,688	329,807
Lease liabilities	5,437	5,210
Trade payables	222,104	184,775
Other payables	223,264	181,235
Tax payable	1,435	7,396
Contract liabilities	252	206
	<b>712,180</b>	<b>708,629</b>
<b>Net current assets</b>	<b>675,688</b>	<b>791,342</b>

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the year ended 31 December 2023

The figures are unaudited

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

	<b>As at 31/12/2023</b>	<b>As at 31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities</b>		
Borrowings	<b>568,424</b>	685,431
Lease liabilities	<b>16,143</b>	5,791
Other payables	<b>47,329</b>	56,494
Deferred tax liabilities	<b>2,655</b>	3,826
	<b>634,551</b>	751,542
<b>Total liabilities</b>	<b>1,346,731</b>	1,460,171
<b>Equity</b>		
Share capital	<b>335,181</b>	334,299
Reserves	<b>1,094,480</b>	1,130,791
<b>Equity attributable to ordinary equity holders of the Company</b>	<b>1,429,661</b>	1,465,090
Private debt securities	<b>199,609</b>	199,206
Non-controlling interests	<b>1,217</b>	678
<b>Total equity</b>	<b>1,630,487</b>	1,664,974
<b>Total equity and liabilities</b>	<b>2,977,218</b>	3,125,145
<b>Net assets (NA) per share (RM)</b>	<b>2.30</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**

Interim Financial Report for the year ended 31 December 2023

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 31 DECEMBER 2023**

	<-----Non Distributable----->				Distributable	Non-	Private	Total
	Share	Employee	Fair value	Translation	Retained	controlling	debt	Equity
	Capital	Share	Reserve	Reserve	Earnings	interests	securities	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	(408)	179	82,838	26	12,212	94,847
<b>Transactions with owners</b>								
Vesting of LTIP shares	882	(882)	-	-	-	-	-	-
Re-measurement of LTIP prior to settlement	-	(2,321)	-	-	-	-	-	(2,321)
Acquisition of non-controlling interest	-	-	-	-	(513)	513	-	-
Private debt securities distribution	-	-	-	-	-	-	(11,809)	(11,809)
Dividends	-	-	-	-	(115,204)	-	-	(115,204)
<b>Total transactions with owners</b>	<b>882</b>	<b>(3,203)</b>	<b>-</b>	<b>-</b>	<b>(115,717)</b>	<b>513</b>	<b>(11,809)</b>	<b>(129,334)</b>
<b>As at 31 December 2023</b>	<b>335,181</b>	<b>-</b>	<b>(7,377)</b>	<b>(336)</b>	<b>1,102,193</b>	<b>1,217</b>	<b>199,609</b>	<b>1,630,487</b>

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the year ended 31 December 2023

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 31 DECEMBER 2023**

	<-----Non Distributable----->							
	Share Capital RM'000	Employee Share Reserve# RM'000	Fair value Reserve RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000	Non- controlling interests RM'000	Private debt securities RM'000	Total Equity 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	-	-	(2,177)	(105)	60,200	(173)	15,111	72,856
<b>Transactions with owners</b>								
Vesting of LTIP shares	3,465	(3,465)	-	-	-	-	-	-
Award of LTIP shares to employees	-	416	-	-	-	-	-	416
Redemption of Private debt securities	-	-	-	-	-	-	(50,000)	(50,000)
Private debt securities distribution	-	-	-	-	-	-	(14,612)	(14,612)
Dividends	-	-	-	-	(34,206)	-	-	(34,206)
<b>Total transactions with owners</b>	<b>3,465</b>	<b>(3,049)</b>	<b>-</b>	<b>-</b>	<b>(34,206)</b>	<b>-</b>	<b>(64,612)</b>	<b>(98,402)</b>
<b>As at 31 December 2022</b>	<b>334,299</b>	<b>3,203</b>	<b>(6,969)</b>	<b>(515)</b>	<b>1,135,072</b>	<b>678</b>	<b>199,206</b>	<b>1,664,974</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 year ended 31 December 2023

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR YEAR ENDED 31 DECEMBER 2023**

	<b>12 Months Ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>130,223</b>	105,123
Adjustment for:		
Non-cash items	<b>23,324</b>	25,367
Non-operating items	<b>20,150</b>	8,722
<b>Operating profit before working capital changes</b>	<b>173,697</b>	139,212
Increase in receivables	<b>(50,244)</b>	(63,083)
Decrease in inventories	<b>137,071</b>	16,060
Increase in payables	<b>70,184</b>	147,962
<b>Cash generated from operations</b>	<b>330,708</b>	240,151
Taxes paid	<b>(42,363)</b>	(32,876)
Interest paid	<b>(44,759)</b>	(36,716)
Net cash generated from operating activities	<b>243,586</b>	170,559
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Movement in land held for development	<b>(44,839)</b>	(113,798)
Purchase of property, plant and equipment	<b>(8,323)</b>	(7,217)
Purchase of unquoted investment	-	(7,500)
Cost incurred for investment properties under construction	<b>(11,199)</b>	(19,075)
Purchase of quoted investment	<b>(8)</b>	(283)
Other investment	<b>(6,472)</b>	-
Proceeds from disposal of investment properties	<b>9,249</b>	60,000
Proceeds from disposal of property, plant and equipment	<b>50</b>	18
Proceeds from disposal of investment in associates	<b>5,659</b>	120,000
Interest received	<b>4,556</b>	2,807
Net cash (used in)/generated from investing activities	<b>(51,327)</b>	34,952

**PARAMOUNT CORPORATION BERHAD**

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The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR YEAR ENDED 31 DECEMBER 2023**

	<b>12 Months Ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</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>(115,204)</b>	(34,206)
Drawdown of borrowings	<b>297,079</b>	478,689
Redemption of PDS	-	(50,000)
PDS distribution	<b>(12,212)</b>	(14,612)
Withdrawal/(placement) in banks restricted for use	<b>(16,851)</b>	(3,052)
Repayment of borrowings	<b>(493,911)</b>	(402,703)
Lease payments	<b>(6,022)</b>	(6,140)
Net cash used in financing activities	<b>(347,121)</b>	(32,024)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<b>(154,862)</b>	173,487
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<b>296,811</b>	123,324
CASH AND CASH EQUIVALENTS AT END OF YEAR	<b>141,949</b>	296,811
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	<b>162,816</b>	218,792
Fixed deposits	<b>39,929</b>	112,258
Cash and bank balances	<b>202,745</b>	331,050
Cash and bank balances restricted for use	<b>(29,299)</b>	(12,411)
Fixed deposits maturing more than 3 months	<b>(10,057)</b>	(10,095)
Bank overdrafts	<b>(21,440)</b>	(11,733)
	<b>141,949</b>	296,811
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances held in HDA accounts	<b>116,408</b>	167,978

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 year ended 31 December 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

	12 months ended	
	31/12/2023	31/12/2022
	RM'000	RM'000
Interim dividends		
FY2023 - 3.0 sen single tier (FY2022 - 2.5 sen single tier)	18,682	15,548
Special dividend		
FY2022 - 12.0 sen single tier	74,727	0
Final dividend		
FY2022 - 3.5 sen single tier (FY2021 - 3.0 sen single tier)	21,795	18,658
	<u>115,204</u>	<u>34,206</u>

## A9. Profit before tax

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

	3 months ended		12 months ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- Property, plant and equipment	4,034	5,621	10,674	12,741
- Right-of-use asset	1,392	961	4,452	4,086
- Investment properties	1,240	2,033	8,199	8,325
Reversal of Impairment of:				
- Property, plant and equipment	(955)	0	(955)	0
- Right-of-use asset	(407)	0	(407)	0
Interest expense on:				
- Borrowings	8,368	8,739	31,334	27,650
- Lease liabilities	206	77	513	552
Property, plant and equipment written off	285	0	285	0
Additions/(reversal) of allowance for impairment of receivables	114	(2)	355	(12)
Impairment of asset held for sale	0	0	0	38,664
Bad debts written off	186	62	250	62
(Gain)/loss on disposal of:				
- Property, plant and equipment	0	8	(34)	5
- Investment properties	0	0	(5,553)	(53,686)
- Equity interest in an associate	(1,689)	0	(1,689)	0
Net foreign exchange (gain)/loss	(1,095)	(443)	(1,100)	(281)
Net derivative (gain)/loss:				
Forward foreign exchange contract	1,486	356	1,100	208

#### A9. Profit before tax (cont'd)

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>	12 months ended 31 December		12 months ended 31 December	
	Revenue		Profit/(loss) before tax	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property	973,680	823,403	140,055	104,694
Coworking	13,070	9,394	1,959	(579)
Other Businesses & Investments	162,354	114,300	55,633	(25,910)
	<u>1,149,104</u>	<u>947,097</u>	<u>197,647</u>	<u>78,205</u>
Inter-segment elimination	(136,852)	(99,633)	(67,424)	26,918
Total	<u>1,012,252</u>	<u>847,464</u>	<u>130,223</u>	<u>105,123</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

On 13 December 2023, the Company completed the sale of its 5% equity interest in UOW KDU University College Sdn Bhd (KDUUC) and UOW KDU Penang University Sdn Bhd (KDUPG) to UOWM Sdn Bhd for a consideration of RM5,659,000. Consequently, the remaining equity interests owned by the Company in KDUUC and KDUPG is 30%

#### 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 December 2023 were as follows:

	RM'000
Approved and contracted for:-	
Investment properties	30,240
Property, plant and equipment	1,193
	<u>31,433</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	5,635	8,323

## 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 Penang University College Sdn Bhd, associated companies of the Company	8,568
Sale of property to Mr. Ooi Hun Peng, a director of certain subsidiaries of the Company	500
Sale of property to Mr. Wang Chong Hwa, a director of certain subsidiaries of the Company	2,043
Consultancy fees paid to a Datuk Paul Wong Baan Chun, a director of a subsidiary company	180
Rental income received from Peoplender Sdn Bhd, a company in which Mr. Chew Sun Teong and Mr. Benjamin Teo Jong Hian have interest	132
Platform fee paid to Peoplender Sdn Bhd	26
	<u>11,449</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**

	4Q2023 RM'000	4Q2022 RM'000	Var.	FY2023 RM'000	FY2022 RM'000	Var.
Revenue	309,355	245,240	26%	1,012,252	847,464	19%
Operating profit	46,441	40,706	14%	160,039	128,725	24%
Profit before interest & tax	45,679	40,589	13%	157,514	130,518	21%
Profit before tax	38,373	32,982	16%	130,223	105,123	24%
Profit for the period	29,819	20,132	48%	95,076	75,138	27%
Profit attributable to ordinary equity holders of the Company	28,202	18,892	49%	82,838	60,200	38%

**4Q2023 vs 4Q2022**

For 4Q2023, the Group achieved revenue of RM309.4 million, 26% higher than that of RM245.2 million of the same period last year underpinned by improvements in all three business segments. The Group's Profit Before Tax (PBT) and profit attributable to ordinary equity holders of the Company for the 4Q2023 were RM38.4 million (4Q2022: RM33.0 million) and RM28.2 million (4Q2022: RM18.9 million), which were 16% and 49% higher than that of 4Q2022.

**Property Division**

The property division's 4Q2023 revenue was 26% higher at RM299.1 million (4Q2022: RM237.4 million) with the Sejati Lakeside 2 and Berkeley Uptown developments in Selangor, and Utropolis Batu Kawan development in Penang, as the top three revenue contributors. In spite of the higher revenue, PBT for 4Q2023 was 7% lower at RM32.1million compared to RM34.4 million recorded in 4Q2022 that was boosted by cost savings realised from certain completed projects.

**Coworking Division**

The coworking division's revenue for 4Q2023 was RM3.5 million, 25% higher than the same period last year of RM2.8 million mainly attributed to the higher revenue from The Starling and Naza Tower spaces coupled with the newly opened space at Ken TTDI. The coworking division recorded PBT of RM0.9 million in 4Q2023 compared to Loss Before Tax (LBT) of RM0.1 million in 4Q2022 contributed by the improvement in revenue and the reversal of impairment loss in respect of the Naza Tower space but was mitigated by the higher operating cost from the expansion of coworking spaces in 4Q2023.

**Investment & Others Division**

In 4Q2023, the investment & others division recorded a 32% increase in revenue at RM7.2 million (4Q2022: RM5.5 million) mainly attributed to the higher contributions from the Group's education investment properties, the Mercure Kuala Lumpur Glenmarie hotel and Dewakan (fine dining restaurant). The division recorded a PBT of RM5.5 million in 4Q2023 compared to a LBT of RM1.3 million in the same period last year. Among the factors that had contributed to the improved financial performance were the higher interest income, a gain recognised in 4Q2023 from the disposal of the Group's 5% equity interest in its tertiary education associates and lower non recurring expenses.

**FY2023 vs FY2022**

The Group's revenue for the financial year ended 31 December 2023 (FY2023) was 19% higher at RM1,012.3 million (FY2022: RM847.5 million) while PBT has improved by 24% to RM130.2 million (FY2022: RM105.1 million) in spite of a non recurring net gain of RM15 million that was recognised in the last financial year. The non recurring net gain of RM15 million (Non Recurring Net Gain) were in relation to the disposals of a tertiary education campus in Damansara Jaya and the remaining 20% equity interests in the pre-tertiary education business in 3Q2022. Hence, the Group's profit attributable to ordinary equity holders of the Company in FY2023 has improved by 38% to RM82.8 million compared to RM60.2 million recorded in the last financial year.

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

### Property Division

For FY2023, the property division achieved a 18% improvement in revenue at RM973.7 million compared to RM823.4 million recorded a year ago. The top three revenue contributors in FY2023 were Utropolis Batu Kawan development in Penang, Bukit Banyan development in Kedah and Sejati Lakeside development in Selangor. On the back of higher revenue coupled with savings from the finalisation of some project costings, the property division recorded PBT of RM140.1 million, 34% higher than that of RM104.7 million in the last financial year.

In 2023, the property division achieved a new record for property sales of RM1,120 million gross development value (GDV) in spite of a 27% lower launched GDV of RM886 million (FY2022: RM1,213 million). The top three contributors to FY2023 sales were Sejati Lakeside 2 development in Selangor, The Atera development in Selangor, and Utropolis Batu Kawan development in Penang.

Projects	Location	For period ended 31/12/2023			As at 31/12/2023
		Launched units	Units sold**	Sales value RM'M	Unbilled sales RM'M
Central region	Klang Valley	112	858	724	1,044
Northern region	Kedah & Penang	854	493	396	384
<b>Total</b>		<b>966</b>	<b>1,351</b>	<b>1,120</b>	<b>1,428</b>

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

### Coworking Division

The coworking division's revenue for FY2023 was 39% higher at RM13.1 million (FY2022: RM9.4 million) mainly attributed to higher revenue from all six Co-labs Coworking spaces and Scalable Malaysia (design, build and manage solutions provider) business. Co-labs Coworking spaces increased by 37,000 square feet in 4Q2023 comprising the expansion of the Tropicana Gardens space and an existing space taken over at Ken TTDI at Taman Tun Dr Ismail, Kuala Lumpur. On the back of higher revenue and the reversal of impairment loss in respect of the Naza Tower space, the coworking division showed improved financial performance with PBT of RM2.0 million compared to LBT of RM0.6 million recorded a year ago.

### Investment & Others Division

The investment & others division recorded a 65% increase in revenue at RM27.1 million in FY2023 (FY2022: RM16.4 million) on the back of higher contribution from the Mercure Kuala Lumpur Glenmarie hotel, the Group's education investment properties and Dewakan (fine dining restaurant). In spite of the higher revenue, the division recorded a LBT of RM11.8 million compared to a PBT of RM1 million in FY2022, which included the Non Recurring Net Gain of RM15 million.

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

	4Q2023 RM'000	3Q2023 RM'000	Var.
Revenue	309,355	266,791	16%
Operating profit	46,441	38,920	19%
Profit before interest & tax	45,679	38,406	19%
Profit before tax	38,373	31,682	21%

The Group's PBT for 4Q2023 was 21% higher at RM38.4 million compared to RM31.7 million recorded in the immediate preceding quarter mainly attributed by the higher contribution from the investment and others division in 4Q2023.

### B3. Prospects

The Malaysian economy expanded by 3% in the fourth quarter of 2023 (3Q 2023: 3.3%; 2Q 2023: 2.9%). Household spending remained supported by improving labour market conditions and easing cost pressures. The unemployment rate declined to the pre-pandemic level of 3.3% while the labour force participation rate was at a historic high in 2023. Overall, the 2023 growth for the Malaysian economy normalised to 3.7%, following a strong growth registered in the previous year (2022: 8.7%). For 2024, growth of the Malaysian economy is expected to trend higher, lifted by the recovery in exports and resilient domestic expenditure. Household spending will be supported by continued growth in employment and wages.

(Source: Press Release and publication issued by Bank Negara Malaysia on the Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023)

According to the National Property Information Centre, the volume of residential property transactions in the third quarter of 2023 was 5.6% year-on-year higher at 68,561 valued at RM28.36 billion (3Q2022: RM25.02 billion). The maintenance of the overnight policy rate at 3.0% coupled with the expected expansion of the Malaysian economy and the improving labour market is expected to bode well for the property market in 2024. Nevertheless, shifts in consumer preferences is expected given the rising cost environment and the growing concern about climate change and its impacts.

#### (a) Property Division

While 2023 was a year of record sales, it was also the second consecutive year of achieving sales above RM1 billion GDV. This achievement is part of the Group's strategic plan of scaling up its property division for better efficiency. The encouraging property sales achieved will contribute positively to the Group's revenue as construction of these properties progresses. Capitalising on the Group's established brand, the Group targets to launch 7 projects (including new phases of existing projects) in 2024 with a projected GDV of RM2.4 billion at its current project locations in Penang, Kedah and the Klang Valley. The three largest launches (in GDV) are The Ashwood (high rise condominiums, duplexes and low-rise villas at the prestigious U-Thant enclave in Kuala Lumpur), Phase 2 of The Atera (transit-oriented development project in Petaling Jaya situated next to the Asia Jaya Light Rail Transit Station) and a new phase of high-rise residential development with commercial components at Utropolis Batu Kawan, Penang.

The Group's unbilled sales of RM1.4 billion as at 31 December 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 December 2023, the Group's undeveloped land stood at 457.8 acres.

Projects	Location	No. of projects	Original land size (Acres)	Undeveloped (Acres)**
Central region	Klang Valley	7	923.8	197.6
Northern region	Kedah, Penang	5	774.4	260.2
<b>Total</b>		<b>12</b>	<b>1,698.2</b>	<b>457.8</b>

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

#### (b) Coworking Division

Co-labs Coworking took over an existing space at Ken TTDI at Taman Tun Dr Ismail, Kuala Lumpur in 4Q2023 and opened the new space at The Five at Damansara Heights, Kuala Lumpur in January 2024. Aside from this, it also expanded its Tropicana Gardens space in 4Q2023. With the expansion, Co-labs Coworking has now scaled up by 45% to 167,000 square feet at seven locations in the Klang Valley providing "asset light" and flexible lease options that suit the changing needs of businesses. Hence, it looks towards capitalising on opportunities arising from the continuous growth of the Malaysian economy amid the rising cost environment.

### B3. Prospects (cont'd)

The Directors expect the Group's performance for the financial year ending 2024 to remain satisfactory as the Group strives to sustain positive sales growth against the backdrop of a moderate growth in the Malaysian economy. The Group will continue to optimise its operations and invest for long term business sustainability.

### 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	5,661	34,176
Real property gains tax	64	160
Deferred tax	2,829	811
	<u>8,554</u>	<u>35,147</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 28 February 2024.

### B7. Borrowings and debt securities

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

	<b>31/12/2023 RM'000</b>	<b>31/12/2022 RM'000</b>
<u>Short-term borrowings</u>		
Bank overdraft - Secured	1,262	829
Bank overdraft - Unsecured	20,178	10,904
Revolving credit - Secured	45,450	69,620
Revolving credit - Unsecured	70,000	120,000
Current portion of long term loans - Secured	122,798	110,393
Sukuk Murabahah	0	18,061
Total short-term borrowings	<u>259,688</u>	<u>329,807</u>
<u>Long-term borrowings (Secured)</u>		
Term loans	210,743	310,868
Medium Term Notes (MTN)	293,464	293,250
Sukuk Murabahah	64,217	81,313
Total long-term borrowings	<u>568,424</u>	<u>685,431</u>
Total borrowings	<u>828,112</u>	<u>1,015,238</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	4.85%	4.50%
Fixed interest rate	N/A	N/A

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

The decrease in bank borrowings was attributed to the repayment of property development related borrowings from the higher progressive billings.

**B8. Derivative financial instrument**

The outstanding forward foreign exchange contracts as at 31 December 2023 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 contracts*		
- Within 1 year	62,034	(383)
- More than 1 year	124,130	(105)
	<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	(1,486)	(1,100)
	<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 28 February 2024, there was no material litigation since the last annual reporting date of 31 December 2022.

## B11. Dividends payable

The Board of Directors of the Company has declared a single tier second interim dividend of 4.00 sen per share in respect of the financial year ended 31 December 2023 (2022: Final dividend of 3.50 sen) which will be paid on 27 March 2024 to shareholders whose names appear on the Record of Depositors on 13 March 2024.

- (i) shares transferred into the depositor's securities account before 4.30 p.m. on 13 March 2024 in respect of ordinary transfers.
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

The total dividend for the current financial year is single tier 7.00 sen (2022: 18.00 sen\*\*)

\*\* Include a single tier special dividend of 12.00 sen

For the benefit of shareholders, the Board of Directors of the Company has resolved to adopt the practice of declaring second interim dividends, if any, as opposed to proposing final dividends. This will enable shareholders to receive the dividend earlier.

## 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)	28,202	82,838
Weighted average number of ordinary shares ('000)	622,726	622,593
	<hr/>	<hr/>
Basic EPS (sen)	4.53	13.31
	<hr/>	<hr/>

### (b) Diluted EPS

Profit attributable to equity holders of the Company (RM'000)	28,202	82,838
Weighted average number of ordinary shares ('000)	622,726	622,593
Effect of dilution ('000)	0	0
	<hr/>	<hr/>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	622,726	622,593
Diluted EPS (sen)	4.53	13.31
	<hr/>	<hr/>

By order of the Board  
Ng Wai Peng  
Company Secretary  
28 February 2024