

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the period ended 30 June 2024

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR PERIOD ENDED 30 JUNE 2024**

	3 Months Ended 30 June		6 Months Ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	232,939	241,551	405,545	436,106
Operating profit	45,057	44,025	69,611	74,678
Interest expense	(9,269)	(7,643)	(16,938)	(15,265)
Interest income	781	1,054	1,508	2,004
Share of loss of associates & joint venture	(3)	(609)	(586)	(1,249)
Profit before tax	36,566	36,827	53,595	60,168
Taxation	(10,655)	(11,011)	(15,500)	(18,358)
Profit for the period	25,911	25,816	38,095	41,810
Profit attributable to:				
Ordinary equity holders of the Company	24,230	24,112	31,940	35,696
Non-controlling interest	89	21	119	23
Holder of private debt securities of the Company	1,592	1,683	6,036	6,091
	25,911	25,816	38,095	41,810
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	3.89	3.87	5.13	5.73
Diluted EPS	N/A	3.84	N/A	5.69

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2023.

PARAMOUNT CORPORATION BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR PERIOD ENDED 30 JUNE 2024**

	3 Months Ended 30 June		6 Months Ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period	25,911	25,816	38,095	41,810
Other comprehensive income/(loss)	(113)	591	(96)	122
Total comprehensive income for the period	25,798	26,407	37,999	41,932
Total comprehensive income/(loss) attributable to:				
Ordinary equity holders of the Company	24,117	24,703	31,844	35,818
Non-controlling interest	89	21	119	23
Holder of private debt securities of the Company	1,592	1,683	6,036	6,091
	25,798	26,407	37,999	41,932

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2023.

PARAMOUNT CORPORATION BERHAD
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The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	As at 30/6/2024	As at 31/12/2023
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	115,639	117,197
Right-of-use asset	18,048	20,697
Inventories - land held for property development	543,399	812,235
Investment properties	535,723	530,156
Investments in associates and a joint venture	208,530	38,480
Other investments	8,216	8,331
Other receivables	24,530	23,966
Deferred tax assets	45,434	45,627
	1,499,519	1,596,689
Current assets		
Inventories - property development costs	406,635	219,758
Inventories - completed properties and other inventories	77,708	60,929
Contract cost assets	229,160	157,984
Trade receivables	118,538	82,420
Other receivables	32,476	34,723
Other current assets	16,002	9,098
Contract assets	425,730	596,176
Tax recoverable	22,020	16,125
Cash and bank balances	222,468	203,188
	1,550,737	1,380,401
Total assets	3,050,256	2,977,090
Current liabilities		
Borrowings	328,350	268,949
Lease liabilities	4,771	5,437
Trade payables	209,068	217,231
Other payables	217,048	241,857
Tax payable	2,389	1,435
Contract liabilities	302	252
	761,928	735,161
Net current assets	788,809	645,240

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	As at 30/6/2024	As at 31/12/2023
	RM'000	RM'000
Non-current liabilities		
Borrowings	585,706	545,315
Lease liabilities	13,986	16,143
Other payables	47,329	47,329
Deferred tax liabilities	3,666	2,655
	650,687	611,442
Total liabilities	1,412,615	1,346,603
Equity		
Share capital	335,181	335,181
Reserves	1,101,415	1,094,480
Private debt securities	199,709	199,609
Non-controlling interests	1,336	1,217
Total equity	1,637,641	1,630,487
Total equity and liabilities	3,050,256	2,977,090
Net assets (NA) per share (RM)	2.31	2.30

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2023.

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the period ended 30 June 2024

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 JUNE 2024**

	<-----Non Distributable----->				Distributable	Non-	Private	Total
	Share	Employee	Fair value	Translation	Retained	controlling	debt	Equity
	Capital	Share	Reserve	Reserve	Earnings	interests	securities	
	RM'000	Reserve#	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	335,181	-	(7,377)	(336)	1,102,193	1,217	199,609	1,630,487
Total comprehensive income	-	-	(115)	19	31,940	119	6,036	37,999
Transactions with owners								
Private debt securities distribution	-	-	-	-	-	-	(5,936)	(5,936)
Dividend	-	-	-	-	(24,909)	-	-	(24,909)
Total transactions with owners	-	-	-	-	(24,909)	-	(5,936)	(30,845)
As at 30 June 2024	335,181	-	(7,492)	(317)	1,109,224	1,336	199,709	1,637,641

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The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 JUNE 2024**

	<-----Non Distributable----->				Distributable	Non-	Private	Total
	Share	Employee	Fair value	Translation	Retained	controlling	debt	Equity
	Capital	Share	Reserve	Reserve	Earnings	interests	securities	
	RM'000	Reserve#	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	334,299	3,203	(6,969)	(515)	1,135,072	678	199,206	1,664,974
Total comprehensive income	-	-	(76)	198	35,696	23	6,091	41,932
Transactions with owners								
Vesting of LTIP shares	882	(882)	-	-	-	-	-	-
Private debt securities distribution	-	-	-	-	-	-	(5,889)	(5,889)
Dividends	-	-	-	-	(96,522)	-	-	(96,522)
Total transactions with owners	882	(882)	-	-	(96,522)	-	(5,889)	(102,411)
As at 30 June 2023	335,181	2,321	(7,045)	(317)	1,074,246	701	199,408	1,604,495

- 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 2023.

PARAMOUNT CORPORATION BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30 JUNE 2024**

	6 Months Ended	
	30/6/2024	30/6/2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	53,595	60,168
Adjustment for:		
Non-cash items	12,161	10,979
Non-operating items	16,227	12,156
Operating profit before working capital changes	81,983	83,303
Decrease in receivables	131,484	15,921
Decrease in inventories	29,792	43,187
Decrease in payables	(32,516)	(3,816)
Cash generated from operations	210,743	138,595
Taxes paid	(19,246)	(14,258)
Interest paid	(23,243)	(21,190)
Net cash generated from operating activities	168,254	103,147
CASH FLOWS FROM INVESTING ACTIVITIES		
Movement in land held for development	(29,491)	(338)
Purchase of property, plant and equipment	(3,830)	(2,100)
Cost incurred for investment properties under construction	(9,175)	(4,511)
Purchase of quoted investment	-	(8)
Investment in Peer-to-Peer notes	(2,991)	(2,630)
Investment in an associate	(170,610)	-
Proceeds from disposal of investment properties	-	4,500
Proceeds from disposal of property, plant and equipment	-	43
Interest received	1,508	2,004
Net cash used in investing activities	(214,589)	(3,040)

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the period ended 30 June 2024

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30 JUNE 2024**

	6 Months Ended	
	30/6/2024	30/6/2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to ordinary equity holders of the Company	(24,909)	(74,727)
Drawdown of borrowings	287,880	124,346
PDS distribution	(5,936)	(5,889)
Withdrawal/(placement) in banks restricted for use	8,401	(464)
Repayment of borrowings	(180,798)	(164,949)
Lease payments	(3,331)	(2,974)
Net cash (generated from)/used in financing activities	81,307	(124,657)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	34,972	(24,550)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	141,871	296,811
CASH AND CASH EQUIVALENTS AT END OF YEAR	176,843	272,261
	30/6/2024	30/6/2023
	RM'000	RM'000
Cash and cash equivalents comprise:		
Cash and bank balances	152,962	159,355
Fixed deposits	69,506	136,697
Cash and bank balances	222,468	296,052
Cash and bank balances restricted for use	(48,908)	(12,911)
Fixed deposits maturing more than 3 months	(10,057)	(10,058)
Bank overdrafts	(14,150)	(822)
	149,353	272,261
Cash and bank balances held in HDA accounts	100,693	121,243

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2023.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the period ended 30 June 2024

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 2023. 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 2023.

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 2023.

A3. Audit report qualification

The audit report for the financial year ended 31 December 2023 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

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year to date.

A8. Dividends paid

	6 months ended	
	30/6/2024	30/6/2023
	RM'000	RM'000
Second Interim dividend FY2023 - 4.0 sen single tier	24,909	0
Special dividend FY2022 - 12.0 sen single tier	0	74,727
	<u>24,909</u>	<u>74,727</u>

A9. Profit before tax

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

	3 months ended		6 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- Property, plant and equipment	2,722	2,518	5,386	4,949
- Right-of-use asset	1,337	967	2,721	1,967
- Investment properties	2,027	2,030	4,054	4,063
Interest expense on:				
- Borrowings	9,058	7,249	16,501	14,770
- Lease liabilities	211	394	437	495
Property, plant and equipment written off	1	0	2	0
Additions/(reversal) of allowance for impairment of receivables	115	0	219	(1)
Bad debts written off	292	0	444	0
(Gain)/loss on disposal of:				
- Property, plant and equipment	0	(19)	0	(34)
- Investment properties	0	(2,569)	0	(2,569)
Net foreign exchange (gain)/loss	186	282	767	(214)
Net derivative (gain)/loss:				
Forward foreign exchange contract	(441)	(338)	(1,223)	214
	<u>(441)</u>	<u>(338)</u>	<u>(1,223)</u>	<u>214</u>

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Property	382,452	418,053	63,980	70,296
Coworking	9,218	6,177	(182)	608
Other Businesses & Investments	99,378	51,679	35,573	(1,157)
	<u>491,048</u>	<u>475,909</u>	<u>99,371</u>	<u>69,747</u>
Inter-segment elimination	(85,503)	(39,803)	(45,776)	(9,579)
Total	<u>405,545</u>	<u>436,106</u>	<u>53,595</u>	<u>60,168</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 2023.

A12. Subsequent events

Save for the events disclosed below, there was no other material event subsequent to the end of the current quarter that have not been reflected in the interim financial report.

- (i) On 13 August 2024, the Company redeemed RM100,000,000 in nominal value of unrated Perpetual Securities issued on 13 August 2019 pursuant to the Company's unrated Perpetual Securities Issuance Programme of up to RM500,000,000 in nominal value.
- (ii) On 13 August 2024, the Company issued RM100,000,000 in nominal value of unrated Islamic medium term notes (Sukuk Wakalah) pursuant to the Company's Sukuk Wakalah Programme of up to RM1,000,000,000 in nominal value.

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

There were no commitments not provided for in the interim financial statements as at 30 June 2024.

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:

	Current Quarter RM'000	Financial Year-to-date RM'000
Property, plant and equipment	1,934	3,830

A17. Related party transactions

Sale and purchase of goods & services

Sale of properties to:

	Financial Year-to-date RM'000
(i) Mr. Chew Sun Teong	4,308
(ii) Mr. Benjamin Teo Jong Hian	3,871
(iii) Mr. Chee Siew Pin (Property division CEO & director of subsidiaries)	2,159
(iv) Ms. Cheong Siew Ching (Mother of Mr. Benjamin Teo Jong Hian)	2,379
(v) Ms. Eunice Teo Wan Tien (Sister of Mr. Benjamin Teo Jong Hian)	3,868
(vi) Ms. Tai Shuk Huang (Spouse of Mr. Chew Sun Teong)	3,186
(vii) Pn. Fatimah Binti Merican (director of the Company)	1,904
(viii) Ms. Foong Pik Yee (director of the Company)	1,899
(ix) Mr. Ong Keng Siew (director of the Company)	2,422
(x) Mr. Quah Poh Keat (director of the Company)	2,374
	28,370

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 4,228

Interest income receivable from Navarang Charoennakhon Company Limited, a joint venture of a subsidiary company 593

Consultancy fees paid to Datuk Paul Wong Baan Chun, a director of a subsidiary company 90

Rental income received from Peoplender Sdn Bhd, a company in which Mr. Chew Sun Teong and Mr. Benjamin Teo Jong Hian have interest 69

Platform fee paid to Peoplender Sdn Bhd 42

33,392

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

	2Q2024	2Q2023	Var.		6M2024	6M2023	Var.
	RM'000	RM'000			RM'000	RM'000	
Revenue	232,939	241,551	-4%		405,545	436,106	-7%
Operating profit	45,057	44,025	2%		69,611	74,678	-7%
Profit before interest & tax	45,054	43,416	4%		69,025	73,429	-6%
Profit before tax	36,566	36,827	-1%		53,595	60,168	-11%
Profit for the period	25,911	25,816	0%		38,095	41,810	-9%
Profit attributable to ordinary equity holders of the Company	24,230	24,112	0%		31,940	35,696	-11%

2Q2024 vs 2Q2023

For 2Q2024, the Group achieved revenue of RM232.9 million, 4% lower than that of RM241.6 million for the same period last year primarily due to the lower work progress of the property segment. The Group's profit before tax (PBT) and profit attributable to ordinary equity holders of the Company for 2Q2024 were at RM36.6 million (2Q2023: RM36.8 million) and RM24.2 million (2Q2023: RM24.1 million), comparable to that of 2Q2023.

Property segment

The property segment's revenue for the second quarter of 2024 was RM220.7 million, 5% lower than RM232.3 million, with Sejati Lakeside 2 development in Selangor, Paramount Palmera development in Penang and Berkeley Uptown development in Selangor as the top 3 revenue contributors.

The revenue of 2Q2024 was without the sizeable contributions from Sinaran and Sinaran Avenue of Utropolis Batu Kawan development in Penang and Sejati Lakeside development in Selangor, which were both completed prior to 2Q2024. This has partly led to the lower revenue on a quarter-to-quarter basis and was compounded by the unexpected delay in property launches planned for the first quarter of 2024. However, the encouraging response to The Ashwood development in Kuala Lumpur that was launched in May 2024 has partly cushioned the impact of the decrease in revenue. Despite the lower revenue, the property segment's PBT was at RM41.0 million, similar to that of 2Q2023, mainly attributable to savings from the finalisation of some project costings.

Coworking segment

The coworking segment's revenue for 2Q2024 was RM5.4 million, 65% higher than the same period last year of RM3.3 million mainly attributable to higher revenue from the Tropicana Gardens space and the contributions from the two new spaces at Ken TTDI and The Five. Despite the higher revenue, the coworking segment recorded a lower PBT of RM0.3 million in 2Q2024 (2Q2023: RM0.5 million) primarily due to the losses recorded by the two new spaces.

Investment & Others segment

In 2Q2024, the investment & others segment recorded a 14% increase in revenue at RM7.2 million (2Q2023: RM6.4 million) mainly driven by higher revenue from Dewakan (fine dining restaurant) and the Mercure Kuala Lumpur Glenmarie hotel. Despite the higher revenue, the segment's LBT was RM4.7 million in 2Q2024, similar to that recorded in the same period last year, which was boosted by non recurring gains from the sale of investment properties.

B1. Review of performance (cont'd)

6M2024 vs 6M2023

The Group's revenue for the first six months of 2024 (6M2024) was RM405.5 million (6M2023: RM436.1 million) while its PBT was RM53.6 million (6M2023: RM60.2 million). The lower financial performance was mainly attributed to the lower work progress coupled with lower property sales in 1Q2024. Hence, the Group's profit attributable to ordinary equity holders of the Company was also lower at RM31.9 million (6M2023: RM35.7 million).

Property segment

The property segment's revenue for 6M2024 was RM382.5 million (6M2023: RM418.1 million) while PBT was RM64.0 million (6M2023: RM70.3 million), both of which were 9% lower than that recorded a year ago. The top three revenue contributors in 6M2024 were Sejati Lakeside 2 development in Selangor, Utropolis Batu Kawan development in Penang and Bukit Banyan

Projects	Location	For period ended 30/6/2024			As at 30/6/2024
		Launched units	Units sold**	Sales value RM'M	Unbilled sales RM'M
Central region	Klang Valley	1,317	289	481	1,179
Northern region	Kedah & Penang	248	274	157	237
Total		1,565	563	638	1,416

** - Includes sales of units launched in prior years

The lower work progress coupled with the completion of a few sizeable projects were amongst the key factors that led to the lower financial performance in the first six months of 2024 compared to that of 2023. Apart from this, sales in the first quarter of 2024 was lower partly due to delay in obtaining authorities' approvals but the projects were successfully launched in May and June 2024. The total gross development value of the projects launched in 2Q2024 was RM1.6 billion, comprising 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 is only 400m to the Asia Jaya Light Rail Transit Station) and the final phase of Sejati Residences (three-storey strata link homes in Cyberjaya). Hence, 2Q2024 sales had improved by 432% or RM436 million on a quarter-on-quarter basis, underpinned by the encouraging sales of The Ashwood, contributing RM391 million to the Group's total sales of RM638 million gross development value achieved in the first 6 months of 2024 (6M2023: RM617 million).

Coworking segment

The coworking segment's revenue for 6M2024 was RM9.2 million, 49% higher than the same period last year of RM6.1 million mainly attributable to higher revenue from Tropicana Gardens space in Selangor and the contributions from the two new spaces at Ken TTDI and The Five, both in Kuala Lumpur. Despite the higher revenue, the coworking segment recorded loss before tax (LBT) of RM0.2 million in 6M2024 (6M2023: PBT of RM0.6 million) primarily due the LBT in the first quarter of 2024 of RM0.5 million

Investment & Others segment

In 6M2024, the investment & others segment recorded a 16% increase in revenue at RM14.7 million (6M2023: RM12.7 million) mainly due to the higher revenue from Dewakan (fine dining restaurant) and the Mercure Kuala Lumpur Glenmarie hotel. On the back of a higher revenue, the segment's LBT was RM10.2 million in 6M2024, 5% lower than the LBT of RM10.7 million recorded in the same period last year.

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

	2Q2024 RM'000	1Q2024 RM'000	Var.
Revenue	232,939	172,606	35%
Operating profit	45,057	24,554	84%
Profit before interest & tax	45,054	23,971	88%
Profit before tax	36,566	17,029	115%

The Group's PBT for 2Q2024 was 115% higher at RM36.6 million, compared to RM17.0 million recorded in the immediate preceding quarter, driven by the improvement in the property segment. The improvement was mainly due to higher work progress and sales achieved in the second quarter of 2024 compared to that of the first quarter of 2024 with The Ashwood as the key sales contributor.

B3. Prospects

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. Growth of the Malaysian economy in the second half of the year is expected to be driven mainly by firm expansions in investment activity and resilient household spending, with larger support from exports recovery. Investment activities will be supported by continued implementation of multi-year projects in both the private and public sectors and augmented by the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments.

(Source: Quarterly Bulletin issued by Bank Negara Malaysia on the Economic, Monetary and Financial Developments in the Second Quarter of 2024)

The favourable outlook of the Malaysian economy coupled with the catalytic initiatives taken by the government to spur investments are conducive for the property market. Nevertheless, the implementation of subsidy rationalisation could further weigh on consumer spending and thus the performance of the Malaysian property sector.

(a) Property segment

In the second half of 2024, the Group targets to launch 4 projects (including new phases of existing projects) with a projected GDV of RM0.7 billion. Greenwoods Salak Perdana Senna (semi-detached cluster townhouses in Sepang) is expected to be launched in the third quarter of 2024. Along with the sizable launches in 2Q2024 and the completion of the commercial components of Atwater development in Petaling Jaya, the Group is optimistic that sales will gain traction in the second half of the year, which is expected to contribute positively to the Group's financial performance.

The Group's unbilled sales of RM1.4 billion as at 30 June 2024 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 30 June 2024, the Group's undeveloped land stood at 416.9 acres.

Projects	Location	No. of projects	Original land size (Acres)	Undeveloped (Acres)**
Central region	Klang Valley	5	869.3	180.5
Northern region	Kedah, Penang	5	774.4	236.4
Total		10	1,643.7	416.9

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

B3. Prospects (cont'd)

(b) Coworking segment

The segment's financial performance is expected to improve in the second half of the year after a first quarter loss which was partly due to the recent capacity expansion.

Barring any unforeseen circumstances, the Board is optimistic that the Group's operating results for the second half of this year are expected to surpass that of the first half.

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	7,825	12,038
Deferred tax	2,830	3,462
	<hr/>	<hr/>
	10,655	15,500

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 August 2024.

B7. Borrowings and debt securities

The Group's borrowings and debt securities as at 30 June 2024 and 30 June 2023 were as follows:

	30/6/2024	30/6/2023
	RM'000	RM'000
<u>Short-term borrowings</u>		
Bank overdraft - Secured	1,316	822
Bank overdraft - Unsecured	12,834	0
Revolving credit - Secured	72,298	97,196
Revolving credit - Unsecured	135,000	100,000
Current portion of long term loans - Secured	106,902	97,995
Total short-term borrowings	<u>328,350</u>	<u>296,013</u>
<u>Long-term borrowings (Secured)</u>		
Term loans	274,304	293,350
Medium Term Notes (MTN)	293,572	293,357
Sukuk Murabahah	17,830	81,004
Total long-term borrowings	<u>585,706</u>	<u>667,711</u>
Total borrowings	<u>914,056</u>	<u>963,724</u>

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

Floating interest rate	4.89%	4.70%
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, partly off-set by drawdown of term loan of RM136,488,000 for the acquisition of 21.54% equity interest in Eco World International Bhd on 10 May 2024.

B8. Derivative financial instrument

The outstanding forward foreign exchange contracts as at 30 June 2024 were as follows:

	Contract amount	Net Fair value
	THB'000	Assets/ (Liabilities) RM'000
Forward foreign exchange contracts*		
- Within 1 year	62,034	6
- More than 1 year	124,130	729
	<u>186,164</u>	<u>735</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)

	Current Quarter RM'000	Financial Year-to-date RM'000
Forward foreign exchange contracts	441	1,223

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

B10. Changes in material litigation

As at 28 August 2024, there was no material litigation since the last annual reporting date of 31 December 2023.

B11. Dividends payable

The Board of Directors has declared a single tier interim dividend of 3.0 sen per share, (2023: 3.00 sen) in respect of the financial year ending 31 December 2024, which will be paid on 26 September 2024 to shareholders whose names appear on the Record of Depositors on 11 September 2024.

A depositor shall qualify for entitlement only in respect of:

- (i) shares transferred into the depositor's securities account before 4.30 p.m. on 11 September 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 3.0 sen (2023: 3.00 sen)

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.

	Current Quarter	Financial Year-to-date
Profit attributable to equity holders of the Company (RM'000)	24,230	31,940
Weighted average number of ordinary shares ('000)	622,726	622,726
Basic EPS (sen)	3.89	5.13

(b) Diluted EPS - Not applicable to the Group.

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