

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 September 2024

The figures are unaudited

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

	<b>3 Months Ended 30 September</b>		<b>9 Months Ended 30 September</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	<b>273,530</b>	266,791	<b>679,075</b>	702,897
Operating profit	<b>43,480</b>	38,920	<b>113,091</b>	113,598
Interest expense	<b>(11,627)</b>	(8,008)	<b>(28,565)</b>	(23,273)
Interest income	<b>928</b>	1,284	<b>2,436</b>	3,288
Share of loss of associates & joint venture	<b>(772)</b>	(514)	<b>(1,358)</b>	(1,763)
Profit before tax	<b>32,009</b>	31,682	<b>85,604</b>	91,850
Taxation	<b>(11,009)</b>	(8,235)	<b>(26,509)</b>	(26,593)
Profit for the period	<b>21,000</b>	23,447	<b>59,095</b>	65,257
Profit attributable to:				
Ordinary equity holders of the Company	<b>16,390</b>	18,940	<b>48,330</b>	54,636
Non-controlling interest	<b>77</b>	61	<b>196</b>	84
Holder of private debt securities of the Company	<b>4,533</b>	4,446	<b>10,569</b>	10,537
	<b>21,000</b>	23,447	<b>59,095</b>	65,257
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	<b>2.63</b>	3.04	<b>7.76</b>	8.78
Diluted EPS	<b>N/A</b>	3.04	<b>N/A</b>	8.78

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**

Interim Financial Report for the period ended 30 September 2024

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

	<b>3 Months Ended 30 September</b>		<b>9 Months Ended 30 September</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<b>21,000</b>	23,447	<b>59,095</b>	65,257
Other comprehensive income/(loss)	<b>(7,234)</b>	(382)	<b>(7,330)</b>	(260)
Total comprehensive income for the period	<b>13,766</b>	23,065	<b>51,765</b>	64,997
Total comprehensive income/(loss) attributable to:				
Ordinary equity holders of the Company	<b>9,156</b>	18,558	<b>41,000</b>	54,376
Non-controlling interest	<b>77</b>	61	<b>196</b>	84
Holder of private debt securities of the Company	<b>4,533</b>	4,446	<b>10,569</b>	10,537
	<b>13,766</b>	23,065	<b>51,765</b>	64,997

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**

Interim Financial Report for the period ended 30 September 2024

The figures are unaudited

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

	<b>As at 30/9/2024</b>	<b>As at 31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	<b>114,303</b>	117,197
Right-of-use asset	<b>21,442</b>	20,697
Inventories - land held for property development	<b>487,613</b>	812,235
Investment properties	<b>423,095</b>	530,156
Investments in associates and a joint venture	<b>161,897</b>	38,480
Other investments	<b>11,691</b>	8,331
Other receivables	<b>26,858</b>	23,966
Deferred tax assets	<b>40,953</b>	45,627
	<b>1,287,852</b>	1,596,689
<b>Current assets</b>		
Inventories - property development costs	<b>346,824</b>	219,758
Inventories - completed properties and other inventories	<b>271,007</b>	60,929
Contract cost assets	<b>237,890</b>	157,984
Trade receivables	<b>133,808</b>	82,420
Other receivables	<b>37,808</b>	34,723
Other current assets	<b>12,724</b>	9,098
Contract assets	<b>419,925</b>	596,176
Tax recoverable	<b>22,274</b>	16,125
Cash and bank balances	<b>172,992</b>	203,188
	<b>1,655,252</b>	1,380,401
Non-current asset held for sale	<b>5,261</b>	0
	<b>1,660,513</b>	1,380,401
<b>Total assets</b>	<b>2,948,365</b>	2,977,090
<b>Current liabilities</b>		
Borrowings	<b>279,351</b>	268,949
Lease liabilities	<b>5,041</b>	5,437
Trade payables	<b>201,476</b>	217,231
Other payables	<b>263,403</b>	241,857
Tax payable	<b>4,172</b>	1,435
Contract liabilities	<b>325</b>	252
	<b>753,768</b>	735,161
<b>Net current assets</b>	<b>906,745</b>	645,240

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 September 2024

The figures are unaudited

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

	<b>As at 30/9/2024</b>	<b>As at 31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities</b>		
Borrowings	<b>597,218</b>	545,315
Lease liabilities	<b>17,571</b>	16,143
Other payables	<b>47,329</b>	47,329
Deferred tax liabilities	<b>4,086</b>	2,655
	<b>666,204</b>	611,442
<b>Total liabilities</b>	<b>1,419,972</b>	1,346,603
<b>Equity</b>		
Share capital	<b>335,181</b>	335,181
Reserves	<b>1,091,888</b>	1,094,480
Private debt securities	<b>99,911</b>	199,609
Non-controlling interests	<b>1,413</b>	1,217
<b>Total equity</b>	<b>1,528,393</b>	1,630,487
<b>Total equity and liabilities</b>	<b>2,948,365</b>	2,977,090
<b>Net assets (NA) per share (RM)</b>	<b>2.29</b>	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 September 2024

The figures are unaudited

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

	<-----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 2024</b>	335,181	-	(7,377)	(336)	1,102,193	1,217	199,609	1,630,487
Total comprehensive income	-	-	(202)	(7,128)	48,330	196	10,569	51,765
<b>Transactions with owners</b>								
Redemption of private debt securities	-	-	-	-	-	-	(100,000)	(100,000)
Private debt securities distribution	-	-	-	-	-	-	(10,267)	(10,267)
Dividends	-	-	-	-	(43,592)	-	-	(43,592)
<b>Total transactions with owners</b>	-	-	-	-	<b>(43,592)</b>	-	<b>(110,267)</b>	<b>(153,859)</b>
<b>As at 30 September 2024</b>	<b>335,181</b>	<b>-</b>	<b>(7,579)</b>	<b>(7,464)</b>	<b>1,106,931</b>	<b>1,413</b>	<b>99,911</b>	<b>1,528,393</b>

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 September 2024

The figures are unaudited

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

	<-----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	-	-	(503)	243	54,636	84	10,537	64,997
<b>Transactions with owners</b>								
Vesting of LTIP shares	882	(882)	-	-	-	-	-	-
Private debt securities distribution	-	-	-	-	-	-	(10,234)	(10,234)
Dividends	-	-	-	-	(115,204)	-	-	(115,204)
<b>Total transactions with owners</b>	<b>882</b>	<b>(882)</b>	<b>-</b>	<b>-</b>	<b>(115,204)</b>	<b>-</b>	<b>(10,234)</b>	<b>(125,438)</b>
<b>As at 30 September 2023</b>	<b>335,181</b>	<b>2,321</b>	<b>(7,472)</b>	<b>(272)</b>	<b>1,074,504</b>	<b>762</b>	<b>199,509</b>	<b>1,604,533</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 2023.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 September 2024

The figures are unaudited

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

	9 Months Ended	
	30/9/2024	30/9/2023
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	85,604	91,850
Adjustment for:		
Non-cash items	18,887	16,659
Non-operating items	29,829	16,386
<b>Operating profit before working capital changes</b>	<b>134,320</b>	124,895
Decrease in receivables	118,553	16,684
Decrease in inventories	71,802	88,405
Decrease in payables	7,112	(4,860)
<b>Cash generated from operations</b>	<b>331,787</b>	225,124
Taxes paid	(23,826)	(21,930)
Interest paid	(35,420)	(31,997)
Net cash generated from operating activities	<b>272,541</b>	171,197
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Movement in land held for development	(37,551)	(35,879)
Purchase of property, plant and equipment	(5,240)	(2,688)
Investment in real-estate portfolio	(3,563)	-
Cost incurred for investment properties under construction	(18,289)	(7,568)
Purchase of quoted investment	-	(8)
Investment in Peer-to-Peer notes	(4,495)	(4,864)
Investment in an associate	(170,610)	-
Proceeds from disposal of investment properties	-	9,249
Proceeds from disposal of property, plant and equipment	7	45
Dividend received from an associate	31,020	-
Interest received	2,436	3,288
Net cash used in investing activities	<b>(206,285)</b>	(38,425)

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the period ended 30 September 2024

The figures are unaudited

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

	<b>9 Months Ended</b>	
	<b>30/9/2024</b>	<b>30/9/2023</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>(43,592)</b>	(115,204)
Drawdown of borrowings	<b>413,280</b>	246,449
Redemption of PDS	<b>(100,000)</b>	-
PDS distribution	<b>(10,267)</b>	(10,234)
Withdrawal/(placement) in banks restricted for use	<b>14,078</b>	(4,853)
Repayment of borrowings	<b>(360,783)</b>	(410,339)
Lease payments	<b>(4,896)</b>	(4,268)
Net cash used in financing activities	<b>(92,180)</b>	(298,449)
NET DECREASE IN CASH AND CASH EQUIVALENTS	<b>(25,924)</b>	(165,677)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<b>141,871</b>	296,811
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>115,947</b>	131,134
	<b>30/9/2024</b>	<b>30/9/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	<b>156,593</b>	143,657
Fixed deposits	<b>16,399</b>	58,256
Cash and bank balances	<b>172,992</b>	201,913
Cash and bank balances restricted for use	<b>(15,510)</b>	(17,301)
Fixed deposits maturing more than 3 months	<b>(10,288)</b>	(10,058)
Bank overdrafts	<b>(31,247)</b>	(43,420)
	<b>115,947</b>	131,134
Cash and bank balances held in HDA accounts	<b>80,459</b>	103,067

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 September 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**

	9 months ended	
	30/9/2024	30/9/2023
	RM'000	RM'000
1st Interim dividend		
FY2024 - 3.0 sen single tier	18,683	
(FY2023 - 3.0 sen single tier)		18,682
Special dividend		
FY2022 - 12.0 sen single tier	0	74,727
2nd Interim dividend		
FY2023 - 4.0 sen single tier	24,909	0
Final dividend		
FY2022 - 3.5 sen single tier	0	21,795
	<u>43,592</u>	<u>115,204</u>

**A9. Profit before tax**

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

	3 months ended		9 months ended	
	30 September		30 September	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- Property, plant and equipment	2,736	1,691	8,122	6,640
- Right-of-use asset	1,864	1,093	4,585	3,060
- Investment properties	2,126	2,896	6,180	6,959
Interest expense on:				
- Borrowings	11,410	7,889	27,911	22,966
- Lease liabilities	217	119	654	307
Property, plant and equipment written off	9	0	11	0
Additions/(reversal) of allowance for				
impairment of receivables	81	242	300	241
Impairment of asset held for sale	2,448	0	2,448	0
Bad debts written off	531	64	975	64
(Gain)/loss on disposal of:				
- Property, plant and equipment	(7)	0	(7)	(34)
- Investment properties	0	(2,984)	0	(5,553)
Net foreign exchange (gain)/loss	27	(219)	794	(5)
Net derivative (gain)/loss:				
Forward foreign exchange contract	11	(172)	(1,212)	(386)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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>	9 months ended 30 September Revenue		9 months ended 30 September Profit/(loss) before tax	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Property	642,535	674,582	103,326	107,985
Coworking	14,801	9,619	24	1,110
Other Businesses & Investments	136,600	129,398	65,557	48,035
	<u>793,936</u>	<u>813,599</u>	<u>168,907</u>	<u>157,130</u>
Inter-segment elimination	(114,861)	(110,702)	(83,303)	(65,280)
Total	<u>679,075</u>	<u>702,897</u>	<u>85,604</u>	<u>91,850</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**

There was no other 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**

Save for disclosed below, there was no change in composition of the Group since the last annual reporting date.

Pursuant to the Share Purchase Agreement dated 19 November 2018 between the Company and UOWM Sdn Bhd (UOWM), UOWM had on 30 August 2024 exercised the call option to acquire the 10% of the total issued ordinary shares of University of Wollongong Malaysia Sdn Bhd (UOWMSB) and UOW Malaysia KDU Penang University College Sdn Bhd (KDUPG) from the Company for a total consideration of RM5,261,000.

Accordingly, the Company's 10% interest in UOWMSB and KDUPG of RM3,304,000 and RM4,405,000 respectively have been classified as non-current assets held for sale in accordance with MFRS 5 Non-current Assets Held for Sale for Discontinued Operation. An impairment loss of RM2,448,000 was recognised to profit or loss.

The transaction is pending approval from the Ministry of Higher Education.

**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 September 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:

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Property, plant and equipment	1,410	5,240

## A17. Related party transactions

### Sale and purchase of goods & services

Sale of properties to:

	<b>Financial Year-to-date RM'000</b>
(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 University of Wollongong Malaysia Sdn Bhd and UOW Malaysia KDU Penang University College Sdn Bhd, associated companies of the Company	4,931
Interest income receivable from Navarang Charoennakhon Company Limited, a joint venture of a subsidiary company	1,432
Consultancy fees paid to Datuk Paul Wong Baan Chun, a director of a subsidiary company	135
Rental income received from Peoplender Sdn Bhd, a company in which Mr. Chew Sun Teong and Mr. Benjamin Teo Jong Hian have interest	104
Platform fee paid to Peoplender Sdn Bhd	68
	35,040

The directors are of the opinion that all the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of performance**

	<b>3Q2024</b>	<b>3Q2023</b>	<b>Var.</b>	<b>9M2024</b>	<b>9M2023</b>	<b>Var.</b>
	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>	
Revenue	<b>273,530</b>	266,791	3%	<b>679,075</b>	702,897	-3%
Operating profit	<b>43,480</b>	38,920	12%	<b>113,091</b>	113,598	0%
Profit before interest & tax	<b>42,708</b>	38,406	11%	<b>111,733</b>	111,835	0%
Profit before tax	<b>32,009</b>	31,682	1%	<b>85,604</b>	91,850	-7%
Profit for the period	<b>21,000</b>	23,447	-10%	<b>59,095</b>	65,257	-9%
Profit attributable to ordinary equity holders of the Company	<b>16,390</b>	18,940	-13%	<b>48,330</b>	54,636	-12%

**3Q2024 vs 3Q2023**

For 3Q2024, the Group achieved revenue of RM273.5 million (3Q2023: RM266.8 million) and Profit Before Tax (PBT) of RM32.0 million (3Q2023: RM31.7 million), which were marginally higher year-on-year by 3% and 1% respectively, primarily driven by the improvements in the property division. The Group's profit attributable to ordinary equity holders of the Company for 3Q2024 was, however, lower at RM16.4 million compared to the RM18.9 million recorded a year ago, mainly due to the higher tax expenses.

**Property segment**

The property segment's revenue for the third quarter of 2024 was RM260.1 million, 1% higher than the RM256.5 million recorded a year ago. The largest revenue contributor in 3Q2024 was Sejati Lakeside 2 development in Selangor, followed by Paramount Palmera and Utropolis Batu Kawan developments both of which are in Penang. On the back of the higher revenue and change in product mix, the property segment's PBT was 4% higher at RM39.3 million (3Q2023: RM37.7 million).

**Coworking segment**

The coworking segment's revenue for 3Q2024 was RM5.6 million, 62% higher than the same period last year of RM3.4 million, mainly attributable to higher revenue from Scalable Malaysia, a one-stop workspace solution provider. Aside from this, the expanded coworking space at Tropicana Gardens in Selangor and the two new spaces at Ken TTDI and The Five in Kuala Lumpur were amongst the key contributors to the increase in the segment's revenue. Despite the higher revenue, the coworking segment recorded a lower PBT of RM0.2 million in 3Q2024 (3Q2023: RM0.5 million) primarily due to the losses recorded by the two new spaces coupled with the higher depreciation and amortisation expenses of the Naza Tower space.

**Investment & Others segment**

In 3Q2024, the investment & others segment revenue was 15% higher at RM8.3 million (3Q2023: RM7.2 million) mainly driven by higher revenue from the Mercure Kuala Lumpur Glenmarie hotel and Dewakan (fine dining restaurant). Despite the higher revenue, the segment's Loss Before Tax (LBT) for 3Q2024 was higher at RM7.5 million (3Q2023: RM6.5 million) mainly due to impairment loss recognised on its investment in associates that are involved in the tertiary education business as explained in Note A13 above.

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

### **9M2024 vs 9M2023**

The Group's revenue for the first nine months of 2024 (9M2024) was RM679.1 million (9M2023: RM702.9 million) while its PBT was RM85.6 million (9M2023: RM91.9 million). The lower financial performance in 9M2024 was mainly attributed to the weaker financial performance in the first two quarters of 2024 in part due to the deferred launches. However, such impact was partly cushioned by the improved financial results in the third quarter. For 9M2024, the Group's profit attributable to ordinary equity holders of the Company was also lower at RM48.3 million (9M2023: RM54.6 million).

### **Property segment**

The property segment's revenue for 9M2024 was RM642.5 million (9M2023: RM674.6 million) while PBT was RM103.3 million (9M2023: RM108.0 million), which were 5% and 4% respectively lower than that recorded a year ago. The largest revenue contributor in 9M2024 was Sejati Lakeside 2 development in Selangor followed by Utropolis Batu Kawan development and Paramount Palmera development, both of which are located in Penang.

Despite the lower first half revenue, the segment's third quarter revenue recorded a year-on-year improvement underpinned by the higher sales and the more advanced stage of completion of certain projects thus narrowing the gaps in the first two quarters of 2024 caused mainly by the deferment in launches. In May 2024, the Group launched its largest project for the year, The Ashwood in Kuala Lumpur (gross development value (GDV) of RM781 million), boosting the total GDV of properties launched for the first nine months in 2024 to RM2.0 billion.

Projects	Location	For period ended 30/9/2024			As at 30/9/2024
		Launched units	Units sold**	Sales value RM'M	Unbilled sales RM'M
Central region	Klang Valley	1,685	524	753	1,256
Northern region	Kedah & Penang	328	402	240	204
<b>Total</b>		<b>2,013</b>	<b>926</b>	<b>993</b>	<b>1,460</b>

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

In the first nine months of 2024, the property division sold RM993 million worth of properties, 9% higher than the same period last year of RM909 million GDV. The top three developments that contributed the most to the 9M2024 sales were The Ashwood at U-Thant in Kuala Lumpur, The Atera in Selangor and Bukit Banyan in Kedah.

### **Coworking segment**

The coworking segment's revenue for 9M2024 was RM14.8 million, 54% higher than the same period last year of RM9.6 million mainly attributable to higher revenue from its coworking spaces and its design and build business, Scalable Malaysia. The expansion of Co-labs Coworking space at Tropicana Gardens in Selangor and the contributions from the two new spaces at Ken TTDI and The Five, both in Kuala Lumpur, have also contributed to the improvement in the segment's revenue. Despite the higher revenue, the coworking segment recorded a lower PBT at RM24,000 in 9M2024 (9M2023: RM1.1 million) primarily due to the losses recorded by the two new spaces coupled with the higher depreciation and amortisation expenses of the Naza Tower space.

### **Investment & Others segment**

In 9M2024, the investment & others segment recorded a 15% increase in revenue at RM23.0 million (9M2023: RM19.9 million) mainly due to the higher revenue from the Mercure Kuala Lumpur Glenmarie hotel (Hotel) and Dewakan (fine dining restaurant). Despite the higher revenue, the segment's LBT for 9M2024 was RM17.7 million, 3% higher than LBT of RM17.2 million recorded in the same period last year, mainly due to impairment loss recognised in 3Q2024 on its investment in associates that are involved in the tertiary education business (as explained in Note A13 above) and the absence of non recurring gains from the disposal of investment properties that were recognised in 9M2023. This was however mitigated by the higher improved financial performance of the Hotel and Dewakan.

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

	3Q2024 RM'000	2Q2024 RM'000	Var.
Revenue	273,530	232,939	17%
Operating profit	43,480	45,057	-4%
Profit before interest & tax	42,708	45,054	-5%
Profit before tax	32,009	36,566	-12%

The Group's PBT for 3Q2024 was RM32.0 million, 12% lower compared to RM36.6 million recorded in the immediate preceding quarter that was mainly due to higher losses recorded by the investment & others segment. Among the factors contributing to the higher losses were the impairment loss recognised in 3Q2024 on its investment in associates that are involved in the tertiary education business (as explained in Note A13 above) and the higher share of losses from associates. The property segment's 3Q2024 PBT of RM39.3 million was 4% lower than the immediate preceding quarter (2Q2024: RM40.9 million), which was boosted by the savings from the finalisation of some project costings.

**B3. Prospects**

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024. Going forward, growth of the Malaysian economy will be driven by robust expansion in investment activity, continued improvement in exports, and resilient household spending. Household spending will be underpinned by continued employment and wage growth as well as policy measures.

(Source: Press release issued by Bank Negara Malaysia on the Economic, Monetary and Financial Developments in the Third Quarter of 2024)

According to National Property Information Centre's Property Market Report for the third quarter of 2024, residential market activity recorded a total of 70,520 transactions worth RM28.74 billion in 3Q2024, which were 3% and 1%, respectively higher than a year ago. The favourable outlook of the economy for 2024 and the low unemployment rate will bode well for the Malaysian property market.

(a) Property segment

The Group is optimistic that the sales traction will continue for the rest of the year backed by record launch of properties of RM2.0 billion GDV for the first nine months of 2024. Additionally, there is a growing interest for the purchase or lease of Atwater office towers and retail units in Petaling Jaya since its completion in 3Q2024. For the fourth quarter of 2024, the Group targets to launch Uptown Residences 2 at Berkeley Uptown with a projected GDV of RM163 million, the second phase of serviced apartments and park villas that are designed for multi-generational living in Klang.

The Group's unbilled sales of RM1.5 billion as at 30 September 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 September 2024, the Group's undeveloped land stood at 379.4 acres.

Projects	Location	No. of projects	Original land size (Acres)	Undeveloped (Acres)**
Central region	Klang Valley	5	869.3	152.0
Northern region	Kedah, Penang	5	774.4	227.4
<b>Total</b>		<b>10</b>	<b>1,643.7</b>	<b>379.4</b>

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

### B3. Prospects (cont'd)

(b) Coworking segment

Co-labs Coworking is optimistic that overall occupancy of the spaces will continue to improve in the fourth quarter of the year.

Moving into the final quarter of the year, the Directors expect the Group's financial performance for the financial year ending 31 December 2024 to be satisfactory.

### 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	8,189	20,227
Deferred tax	2,821	6,283
	<u>11,010</u>	<u>26,510</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/losses which were not deductible for tax purposes.

### B6. Corporate proposal

There was no corporate proposal announced but not completed as at 27 November 2024.



**B7. Borrowings and debt securities**

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

	<b>30/9/2024</b>	<b>30/9/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Short-term borrowings</u>		
Bank overdraft - Secured	15,873	1,184
Bank overdraft - Unsecured	15,374	42,236
Revolving credit - Secured	20,726	40,423
Revolving credit - Unsecured	85,000	60,000
Current portion of long term loans - Secured	142,378	109,980
Total short-term borrowings	<u>279,351</u>	<u>253,823</u>
<u>Long-term borrowings (Secured)</u>		
Term loans	203,593	259,889
Medium Term Notes (MTN)	293,625	293,411
Sukuk Wakalah	100,000	0
Sukuk Murabahah	-	75,911
Total long-term borrowings	<u>597,218</u>	<u>629,211</u>
Total borrowings	<u>876,569</u>	<u>883,034</u>

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

Floating interest rate	4.94%	4.79%
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 and issuance of RM100,000,000 Sukuk Wakalah to refinance the PDS due on 13 August 2024.

**B8. Derivative financial instrument**

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

	<b>Contract amount</b>	<b>Net Fair value</b>
	<b>THB'000</b>	<b>Assets/ (Liabilities) RM'000</b>
Forward foreign exchange contracts*		
- Within 1 year	28,420	134
- More than 1 year	124,130	781

\* The above contracts were entered into as hedges for investment denominated in foreign currency and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currency

### B9. Fair value gain/(loss)

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Forward foreign exchange contracts	(11)	1,212

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 27 November 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 second interim dividend of 3.0 sen per share, (3Q2023: Nil) in respect of the financial year ending 31 December 2024, which will be paid on 26 December 2024 to shareholders whose names appear on the Record of Depositors on 11 December 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 December 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 dividends for the current financial year is single tier 6.0 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.

	<b>Current Quarter</b>	<b>Financial Year-to-date</b>
Profit attributable to equity holders of the Company (RM'000)	16,390	48,330
Weighted average number of ordinary shares ('000)	622,726	622,726
Basic EPS (sen)	2.63	7.76

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

By order of the Board  
Ng Wai Peng  
Company Secretary  
27 November 2024