

Summary of Key Financial Information for the period ended 30 June 2019

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 30/06/2019 RM'000	3 MONTHS ENDED 30/06/2018 RM'000	Amount RM'000	%	3 MONTHS ENDED 30/06/2019 RM'000	3 MONTHS ENDED 30/06/2018 RM'000	Amount RM'000	%
1	Revenue	23,401	3,088	20,313	657.8%	23,401	3,088	20,313	657.8%
2	Profit/(loss) before tax	2,636	(1,454)	4,090	-281.3%	2,636	(1,454)	4,090	-281.3%
3	Profit/(loss) for the period	2,515	(1,522)	4,037	-265.2%	2,515	(1,522)	4,037	-265.2%
4	Profit/(loss) attributable to the ordinary equity holders of the parent	2,515	(1,522)	4,037	-265.2%	2,515	(1,522)	4,037	-265.2%
5	Basic earnings/(loss) per share (sen)	1.35	(0.82)	2.16	-265.2%	1.35	(0.82)	2.16	-265.2%
6	Diluted earnings/(loss) per share (sen)	1.34	(0.75)	2.08	-279.2%	1.34	(0.75)	2.08	-279.2%
7	Proposed / Declared dividend per share (sen)	-	-	-		-	-	-	

Summary of Financial review for current quarter compared with immediate preceding quarter

		INDIVIDUAL		Individual changes	
		3 MONTHS ENDED 30/06/2019 RM'000	3 MONTHS ENDED 31/03/2019 RM'000	Amount RM'000	%
1	Revenue	23,401	18,980	4,421	23.3%
2	Profit/(loss) before tax	2,636	(327)	2,963	-906.1%
3	Profit/(loss) for the period	2,515	(1,568)	4,083	-260.4%
4	Profit/(loss) attributable to the ordinary equity holders of the parent	2,515	(1,568)	4,083	-260.4%
5	Basic earnings/(loss) per share (sen)	1.35	(0.84)	2.19	-260.4%
6	Diluted earnings/(loss) per share (sen)	1.34	(0.79)	2.13	-269.1%
7	Proposed / Declared dividend per share (sen)	-	-	-	

		As At End of Current Quarter	As At Preceding Financial Year End
8	Net assets per share attributable to ordinary equity holders of the parent (RM)	1.30	1.28

ADDITIONAL INFORMATION

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 30/06/2019 RM'000	3 MONTHS ENDED 30/06/2018 RM'000	Amount RM'000	%	3 MONTHS ENDED 30/06/2019 RM'000	3 MONTHS ENDED 30/06/2018 RM'000	Amount RM'000	%
1	Gross interest income	72	211	(139)	-65.9%	72	211	(139)	-65.9%
2	Gross interest expense	663	-	663	#DIV/0!	663	-	663	#DIV/0!

PARAGON GLOBE BERHAD (1713-A)
 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FINANCIAL PERIOD
 ENDED 30 JUNE 2019



(The figures have not been audited)

	INDIVIDUAL		CUMULATIVE	
	3 MONTHS ENDED 30/06/2019 RM'000	3 MONTHS ENDED 30/06/2018 RM'000	3 MONTHS ENDED 30/06/2019 RM'000	3 MONTHS ENDED 30/06/2018 RM'000
Revenue	23,401	3,088	23,401	3,088
Cost of sales	(17,728)	(1,667)	(17,728)	(1,667)
Gross profit	5,673	1,421	5,673	1,421
Gross profit margin	24.2%	46.0%	24.2%	46.0%
Other items of income				
Other income	671	274	671	274
Other items of expense				
Marketing & distribution expenses	(858)	(524)	(858)	(524)
Administrative expenses	(2,179)	(2,529)	(2,179)	(2,529)
Finance costs	(663)	-	(663)	-
Other expenses	(8)	(282)	(8)	(282)
Share of results in an associate company	-	186	-	186
Profit/(loss) before tax	2,636	(1,454)	2,636	(1,454)
Taxation	(121)	(68)	(121)	(68)
Profit/(loss) net of tax	2,515	(1,522)	2,515	(1,522)
Other comprehensive income/(loss), net of tax	489	(13)	489	(13)
Total comprehensive income/(loss)	3,004	(1,535)	3,004	(1,535)
Profit/(loss) attributable to:				
Owners of the parent	2,515	(1,522)	2,515	(1,522)
	<u>2,515</u>	<u>(1,522)</u>	<u>2,515</u>	<u>(1,522)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	3,004	(1,535)	3,004	(1,535)
	<u>3,004</u>	<u>(1,535)</u>	<u>3,004</u>	<u>(1,535)</u>
Profit/(loss) per share attributable to owners of the parent (sen per share)				
Basic	1.35	(0.82)	1.35	(0.82)
Diluted	1.34	(0.75)	1.34	(0.75)

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 31 March 2019.

PARAGON GLOBE BERHAD (1713-A)
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2019



	AS AT 30/06/2019 RM'000 (Unaudited)	AS AT 31/03/2019 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,282	1,359
Intangible assets	198	209
Inventories	47,509	47,509
Other investments	54	54
	<u>49,043</u>	<u>49,131</u>
Current Assets		
Inventories	109,495	111,890
Assets held for sale	334	334
Other investments	98,442	109,706
Trade and other receivables	14,823	12,455
Tax recoverable	733	1,190
Contract assets	12,957	9,131
Cash and bank balances	14,009	11,486
	<u>250,793</u>	<u>256,192</u>
Total Assets	<u>299,836</u>	<u>305,323</u>
EQUITIES AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	203,224	203,224
Retained earnings	20,830	18,315
Other reserves	17,901	17,412
Total Equity	<u>241,955</u>	<u>238,951</u>
Current Liabilities		
Trade and other payables	15,744	17,751
Contract liabilities	367	-
Tax payable	1,368	1,368
Hire purchase payables	38	37
Total Current Liabilities	<u>17,517</u>	<u>19,156</u>
Net Current Assets	<u>233,276</u>	<u>237,036</u>
Non Current Liabilities		
Term loan	40,229	47,071
Hire purchase payables	135	145
Total Non Current Liabilities	<u>40,364</u>	<u>47,216</u>
Total Liabilities	<u>57,881</u>	<u>66,372</u>
Net Assets	<u>241,955</u>	<u>238,951</u>
TOTAL EQUITY AND LIABILITIES	<u>299,836</u>	<u>305,323</u>
Net assets per share (RM)	1.30	1.28

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 March 2019.

PARAGON GLOBE BERHAD (1713-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019

(The figures have not been audited)



	2019	2018
	3 months ended	3 months ended
	30 June	30 June
	RM'000	RM'000
Cash flow from operating activities		
Profit/(loss) before tax	2,636	(1,454)
Adjustments for non-cash flow items :-		
Share of results in an associate company	-	(186)
Non-cash items	92	49
Non-operating items	144	(825)
Operating profit/(loss) before changes in working capital	<u>2,872</u>	<u>(2,416)</u>
Changes in working capital		
Net change in current assets	(3,801)	(2,253)
Net change in current liabilities	(1,640)	(123,989)
Net cash used in operations	<u>(2,569)</u>	<u>(128,658)</u>
Income distribution from investment fund	372	-
Interest received	72	211
Tax recovered	490	657
Tax paid	(154)	(256)
Interest paid	(663)	-
Net cash used in operating activities	<u>(2,452)</u>	<u>(128,046)</u>
Cash flow from investing activities		
Withdrawal in investment deposit	11,828	119,655
Purchase of property, plant and equipment	(3)	(267)
Proceeds from disposal of property, plant and equipment	1	3
Net cash generated from investing activities	<u>11,826</u>	<u>119,391</u>
Cash flow from financing activities		
Redemption of term loan	(6,842)	-
Repayment of hire purchase payables	(9)	-
Net cash used in financing activities	<u>(6,851)</u>	<u>-</u>
Net change in cash & cash equivalents	2,523	(8,655)
Cash & cash equivalents at beginning of the period	<u>11,486</u>	<u>34,381</u>
Cash & cash equivalents at end of the period	<u><u>14,009</u></u>	<u><u>25,726</u></u>
Cash & cash equivalents comprise:		
Cash & bank balances	8,685	7,790
Fixed deposits with licensed banks	5,324	17,936
	<u>14,009</u>	<u>25,726</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 March 2019.

PARAGON GLOBE BERHAD (1713-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019

(The figures have not been audited)



	Attributable to owners of the Parent							Total Equity RM'000
	Non-distributable			Distributable		Sub Total Equity RM'000	Total Equity RM'000	
	Capital Reserves RM'000	Fair value Adjustment reserve RM'000	Warrant Reserves RM'000	Other Reserves RM'000	Share Capital RM'000			Retained Earnings RM'000
Opening balance at 1 April 2019	2,553	373	14,486	17,412	203,224	18,315	238,951	238,951
Fair value changes in available-for-sale finance assets	-	489	-	489	-	-	489	489
Profit for the period	-	-	-	-	-	2,515	2,515	2,515
Total comprehensive income	-	489	-	489	-	2,515	3,004	3,004
Closing balance at 30 June 2019	2,553	862	14,486	17,901	203,224	20,830	241,955	241,955
Opening balance at 1 April 2018	2,553	13	14,486	17,052	203,224	21,484	241,760	241,760
Fair value changes in available-for-sale finance assets	-	(13)	-	(13)	-	-	(13)	(13)
Loss for the period	-	-	-	-	-	(1,522)	(1,522)	(1,522)
Total comprehensive loss	-	(13)	-	(13)	-	(1,522)	(1,535)	(1,535)
Closing balance at 30 June 2018	2,553	-	14,486	17,039	203,224	19,962	240,225	240,225

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Report for the year ended 31 March 2019.

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRSs") 134: Interim Financial Reporting in Malaysia and Para 9.22 of the Bursa Malaysia Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019. 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 Company since the financial year ended 31 March 2019.

The Company's financial statements was prepared in accordance with MFRSs, which is in line with International Financial Reporting Standards as issued by the International Accounting Standards Board. The adoptions of new and revised MFRSs, Amendments/Improvements to MFRSs, IC Interpretations and Amendments to IC Interpretations in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2019.

- a) During the current financial year, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments):-

MFRSs and IC Interpretations (including the Consequential Amendments)

MFRS 16 Leases

IC Interpretation 23, Uncertainty over Income Tax Treatments

Amendments to MFRS 119 – Plan Amendment, Curtailment or Settlement

Annual Improvements to MFRS Standards 2015 – 2017 Cycle:

- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 11 Joint Arrangements
- Amendments to MFRS 112 Income Taxes
- Amendments to MFRS 123 Borrowing Costs

Amendments to MFRS 9, Prepayment Features with Negative Compensation

The adoption of the above MFRSs either not relevant or do not have significant financial impact to the Group.

- b) The Standards, Amendments, Annual Improvements and IC Interpretation that have been issued but not yet effective up to the date of issuance of the Company's financial report are disclosed below. The Company intend to adopt these Standards, Amendments, Annual Improvements and IC Interpretations, if applicable, when they become effective.

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 3 – Definition of Business	1 January 2020
Amendments to MFRS 101 – Definition of Material	1 January 2020
Amendments to MFRS 108 – Definition of Material	1 January 2020
Amendments to MFRS 110 - Definition of Material	1 January 2020
Amendments to MFRS 134 – Definition of Material	1 January 2020
Amendments to MFRS 137 – Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

1. **Basis of preparation (cont'd)**

The directors are of opinion that the Standards, Amendments, Annual Improvements and IC Interpretations above would not have any material impact on the financial statements in the year of initial adoption.

2. **Auditors' report**

The auditor's report on the annual financial statements of the Company for the financial year ended 31 March 2019 was not qualified.

3. **Seasonality of operation**

The Company's business operations in the current quarter have not been materially affected by seasonal or cyclical factors.

4. **Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the financial quarter under review.

5. **Material changes in estimates**

There were no significant changes in estimates that have a material effect on the results for the quarter.

6. **Dividend Paid**

No dividend was paid in the financial quarter under review.

7. **Segmental information**

(RM'000)	Current Quarter Ended		Cumulative Quarter Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
<u>Segment Revenue</u>				
Trading	3,310	2,290	3,310	2,290
Investments	161	798	161	798
Property and construction	19,930	-	19,930	-
	<u>23,401</u>	<u>3,088</u>	<u>23,401</u>	<u>3,088</u>
(RM'000)	Current Quarter Ended		Cumulative Quarter Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
<u>Segment Result</u>				
Trading	22	(839)	22	(839)
Investments	(776)	(662)	(776)	(662)
Property and construction	3,390	(139)	3,390	(139)
Share of Results in an Associate	-	186	-	186
	<u>2,636</u>	<u>(1,454)</u>	<u>2,636</u>	<u>(1,454)</u>

PART A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

8. Changes in group composition

There were no changes in the composition of the Group during the financial quarter under review expect for the following:-

- i) On 17 April 2019, the Company has incorporated a subsidiary, Paragon Platinum Sdn Bhd (“PPSB”), with an issued and paid up capital of RM100.00, comprising of 100 ordinary shares of RM1.00 each, resulting in PPSB becoming a wholly-owned subsidiary of Paragon Globe Berhad.

9. Capital commitments

There were no material capital commitments for the Company as at the date of this report.

10. Contingent assets and liabilities

	Unaudited	Audited
	30 June 2019	31 March 2019
	RM'000	RM'000
Secured		
Bank guarantee given to third parties	2,961	2,961
Unsecured		
Corporate guarantee given by the Company to licensed financial institutions for banking facilities granted to the subsidiary		
- Current exposure	48,229	55,071

11. Significant related party transaction

There was no significant related party transaction entered by the Company for the first quarter ended 30 June 2019.

12. Subsequent Events

There were no material events subsequent to the end of the financial quarter ended 30 June 2019.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**1. Performance review****Property and construction segment**Current quarter and Year to date

For the current quarter of FY2020, the property and construction segment has recorded a revenue of RM19.93 million while the result as at 30 June 2019 recorded a profit of RM 3.39 million compared to a loss before tax of RM 139,000 in the previous year corresponding quarter. The performance of the property and construction segment was boosted by the sale of factories and shop offices located in Pekan Nenas Business Park and also derived from the construction of marketplace in Tampoi.

Trading segmentCurrent quarter and Year to date

The trading segment revenue for the current quarter of FY2020 increased by 44.5% from RM2.29 million in the preceding year corresponding quarter to RM3.31 million in the current quarter. The increase in revenue was mainly due to the increased sale from GBH brand sanitaryware division where there is increase in walk-in sales and projects secured during the current quarter.

The result has improved from a loss before tax of RM839,000 in the preceding year corresponding quarter to a profit before tax of RM22,000 in the current quarter mainly due to higher sales led to higher profit.

Investment segmentCurrent quarter and Year to date

The investment segment reported revenue of RM161,000 and loss before tax of RM 776,000 for the first quarter of FY2020 compared to revenue of RM798,000 and loss before tax of RM 662,000 for preceding year corresponding quarter mainly due to the decrease in interest income and dividend income distribution from investment fund.

2. Comparison with preceding quarter's results

The Company's revenue increase by RM4.42 million from RM18.98 million in the preceding quarter to RM23.40 million in the current quarter mainly due to the increase of sale in factories unit and shop offices in the property segment. Hence this has also led to an increase in the profit before tax for the current quarter which has recorded RM2.64 million comparing to the loss before tax of RM327,000 in the preceding quarter.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D)

3. Prospects

For the property segment, the Company believe that property with right concept, products, pricing and location will still maintain favourable response from the owner occupiers. Necessary steps have been taken to ensure the long-term sustainability of the property segment. The Company will continue to focus on the launches of the Pekan Nenas Business Park project in the established townships of Johor. The strategy is to provide the Company with opportunity to create greater economic value and increase the earnings potential of the Company over the medium to long term as the project has promising development potential.

In terms of trading segment, the outlook for the sanitary business is expected to be challenging in view of the keen competition from local and imported products. Sluggish global economy may further dampen demand for sanitary ware products.

4. Variance on profit forecast

Not applicable.

5. Items included in the Statement of Income

Profit/(loss) before tax is after charging/(crediting) the following:

	Individual Quarter		Cumulative Quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(72)	(211)	(72)	(211)
Other income	599	-	599	-
Interest expense	663	-	663	-
Depreciation and amortisation	89	41	89	41
(Reversal)/Provision for and write off of receivables	-	-	-	-
(Reversal)/Provision for and write off of inventories	-	-	-	-
(Gain)/loss on disposal of properties, plant and equipment	-	(26)	-	(26)
(Gain)/loss on disposal of investment	(75)	423	(75)	423
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	6	(2)	6	(2)
(Gain)/loss on derivatives	-	-	-	-
(Gain)/loss on disposal of subsidiary	-	-	-	-
(Gain)/loss on disposal of associate	-	-	-	-
Exceptional items	-	-	-	-

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D)

6. Taxation

	Current Quarter	Year to date
	RM'000	RM'000
Income tax:		
- Current year	(121)	(121)
- (Under)/over provision of taxation in prior year	-	-
	(121)	(121)

Current income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the quarter.

7. Borrowings and debt securities

The Company's borrowings, all are repayable in Ringgit Malaysia and secured, as of the end of the quarter are as follows:

	Unaudited	Audited
	<u>30 June</u>	<u>31 March</u>
	<u>2019</u>	<u>2019</u>
	RM'000	RM'000
Non-Current:		
Hire purchase and lease liabilities	135	145
Term loans	40,229	47,071
	<u>40,364</u>	<u>47,216</u>
Current:		
Hire purchase and lease liabilities	<u>38</u>	<u>37</u>

8. Material litigation

There is no material litigation since the date of the last annual statements of financial position.

9. Dividend

No dividend was recommended for this financial quarter under review.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D)

10. Earnings/(loss) per share

a) Basic earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	30/06/2019 RM'000	30/06/2018 RM'000	30/06/2019 RM'000	30/06/2018 RM'000
Net profit/(loss) attributable to owners of the parent	2,515	(1,522)	2,515	(1,522)
Weighted average number of ordinary shares	186,653	186,653	186,653	186,653
Basic earnings/(loss) per share (sen)	1.35	(0.82)	1.35	(0.82)

b) Diluted earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	30/06/2019 RM'000	30/06/2018 RM'000	30/06/2019 RM'000	30/06/2018 RM'000
Net profit/(loss) attributable to owners of the parent	2,515	(1,522)	2,515	(1,522)
Weighted average number of ordinary shares	186,653	186,653	186,653	186,653
Diluted potential ordinary shares	1,659	15,821	1,659	15,821
Diluted earnings/(loss) per share (sen)	1.34	(0.75)	1.34	(0.75)

BY ORDER OF THE BOARD
PARAGON GLOBE BERHAD

Dato' Sri Edwin Tan Pei Seng
Group Managing Director

Johor Bahru
26/08/2019