

Summary of Key Financial Information for the period ended 31 March 2020

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 31/03/2020 RM'000	3 MONTHS ENDED 31/03/2019 RM'000	Amount RM'000	%	12 MONTHS ENDED 31/03/2020 RM'000	12 MONTHS ENDED 31/03/2019 RM'000	Amount RM'000	%
1	Revenue	22,094	18,982	3,112	16.4%	87,451	52,928	34,523	65.2%
2	(Loss)/profit before tax	(124)	(330)	206	-62.4%	4,701	(1,966)	6,667	-339.1%
3	(Loss)/profit for the period	(1,936)	(1,570)	(366)	23.3%	1,765	(3,008)	4,773	-158.7%
4	(Loss)/profit attributable to the ordinary equity holders of the parent	(1,936)	(1,570)	(366)	23.3%	1,765	(3,008)	4,773	-158.7%
5	Basic (loss)/earnings per share (sen)	(1.04)	(0.84)	(0.20)	23.3%	0.95	(1.61)	2.56	-158.7%
6	Diluted (loss)/earnings per share (sen)	(1.04)	(0.80)	(0.24)	30.3%	0.95	(1.53)	2.48	-162.0%
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 31/03/2020 RM'000	3 MONTHS ENDED 31/12/2019 RM'000	Amount RM'000	%
1	Revenue	22,094	15,757	6,337	40.2%
2	Loss before tax	(124)	(681)	557	-81.8%
3	Loss for the period	(1,936)	(1,504)	(432)	28.7%
4	Loss attributable to the ordinary equity holders of the parent	(1,936)	(1,504)	(432)	28.7%
5	Basic loss per share (sen)	(1.04)	(0.81)	(0.23)	28.1%
6	Diluted loss per share (sen)	(1.04)	(0.80)	(0.24)	30.4%
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)	1.29	1.28

ADDITIONAL INFORMATION

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 31/03/2020 RM'000	3 MONTHS ENDED 31/03/2019 RM'000	Amount RM'000	%	12 MONTHS ENDED 31/03/2020 RM'000	12 MONTHS ENDED 31/03/2019 RM'000	Amount RM'000	%
1	Gross interest income	61	63	(2)	-3.2%	216	589	(373)	-63.3%
2	Gross interest expense	401	798	(397)	-49.7%	2,103	800	1,303	162.9%

PARAGON GLOBE BERHAD (194801000095 (1713-A))
 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL PERIOD
 ENDED 31 MARCH 2020



(The figures have not been audited)

	INDIVIDUAL		CUMULATIVE	
	3 MONTHS ENDED 31/03/2020 RM'000	3 MONTHS ENDED 31/03/2019 RM'000	12 MONTHS ENDED 31/03/2020 RM'000	12 MONTHS ENDED 31/03/2019 RM'000
Revenue	22,094	18,982	87,451	52,928
Cost of sales	(17,312)	(15,063)	(68,613)	(39,057)
Gross profit	4,782	3,919	18,838	13,871
Gross profit margin	21.6%	20.6%	21.5%	26.2%
Other items of income				
Other income	1,017	619	3,599	2,059
Other items of expense				
Marketing & distribution expenses	(1,119)	(1,504)	(4,345)	(3,148)
Administrative expenses	(4,401)	(2,507)	(11,269)	(9,537)
Finance costs	(401)	(798)	(2,103)	(800)
Other expenses	(2)	(272)	(19)	(5,159)
Share of results in an associate company	-	213	-	748
(Loss)/profit before tax	(124)	(330)	4,701	(1,966)
Taxation	(1,812)	(1,240)	(2,936)	(1,042)
(Loss)/profit net of tax	(1,936)	(1,570)	1,765	(3,008)
Other comprehensive (loss)/income, net of tax	(387)	373	(387)	360
Total comprehensive (loss)/income	(2,323)	(1,197)	1,378	(2,648)
(Loss)/profit attributable to:				
Owners of the parent	(1,936)	(1,570)	1,765	(3,008)
	(1,936)	(1,570)	1,765	(3,008)
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(2,323)	(1,197)	1,378	(2,648)
	(2,323)	(1,197)	1,378	(2,648)
(Loss) / profit per share attributable to owners of the parent (sen per share)				
Basic	(1.04)	(0.84)	0.95	(1.61)
Diluted	(1.04)	(0.80)	0.95	(1.53)

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 (194801000095 (1713-A))
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2020



	AS AT 31/03/2020 RM'000 (Unaudited)	AS AT 31/03/2019 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	774	1,359
Right-of-use assets	1,049	-
Intangible assets	165	209
Inventories	45,602	47,509
Other investments	54	54
	<u>47,644</u>	<u>49,131</u>
Current Assets		
Inventories	89,625	111,890
Assets held for sale	334	334
Other investments	77,192	109,706
Trade and other receivables	25,323	12,455
Tax recoverable	712	1,190
Contract assets	32,099	9,131
Short term fixed income instruments	-	102
Cash and bank balances	5,234	11,384
	<u>230,519</u>	<u>256,192</u>
Total Assets	<u>278,163</u>	<u>305,323</u>
EQUITIES AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	203,224	203,224
Retained earnings	20,080	18,315
Other reserves	16,729	17,412
Total Equity	<u>240,033</u>	<u>238,951</u>
Current Liabilities		
Trade and other payables	9,704	17,751
Tax payable	885	1,368
Lease liabilities	379	37
Total Current Liabilities	<u>10,968</u>	<u>19,156</u>
Net Current Assets	<u>219,551</u>	<u>237,036</u>
Non Current Liabilities		
Term loan	26,097	47,071
Deferred tax	48	-
Lease liabilities	1,017	145
Total Non Current Liabilities	<u>27,162</u>	<u>47,216</u>
Total Liabilities	<u>38,130</u>	<u>66,372</u>
Net Assets	<u>240,033</u>	<u>238,951</u>
TOTAL EQUITY AND LIABILITIES	<u>278,163</u>	<u>305,323</u>
Net assets per share (RM)	1.29	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 (194801000095 (1713-A))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

(The figures have not been audited)



	2020	2019
	12 months ended	12 months ended
	31 March	31 March
	RM'000	RM'000
Cash flow from operating activities		
Profit/(loss) before tax	4,701	(1,966)
Adjustments for non-cash flow items :-		
Share of results in an associate company	-	(748)
Non-cash items	3,148	5,061
Non-operating items	129	(856)
Operating profit before changes in working capital	<u>7,978</u>	<u>1,491</u>
Changes in working capital		
Net change in assets	(23,620)	(22,151)
Net change in current liabilities	1,201	(72,180)
Net cash used in operations	<u>(14,441)</u>	<u>(92,840)</u>
Income distribution from investment fund	2,251	1,100
Interest received	216	589
Tax recovered	490	679
Tax paid	(4,282)	(503)
Interest paid	(2,103)	(800)
Net cash used in operating activities	<u>(17,869)</u>	<u>(91,775)</u>
Cash flow from investing activities		
Withdrawal in investment deposit	33,219	71,527
Purchase of other investment	-	(62,244)
(Placement) / withdrawal of other investment	-	(102)
Disposal of a subsidiary, net of cash disposed of	(93)	(60)
Disposal of an associate, net of cash disposed of	-	13,365
Purchase of intangible asset	-	(220)
Purchase of property, plant and equipment	(135)	(721)
Proceeds from disposal of property, plant and equipment	1	180
Net cash generated from investing activities	<u>32,992</u>	<u>21,725</u>
Cash flow from financing activities		
Repayment of hire purchase payables	-	(18)
Redemption of term loan	(20,974)	(8,119)
Repayment of lease liabilities	(299)	-
Drawdown of bank borrowings	-	55,190
Net cash generated (used in)/from financing activities	<u>(21,273)</u>	<u>47,053</u>
Net change in cash & cash equivalents	(6,150)	(22,997)
Cash & cash equivalents at beginning of the period	<u>11,384</u>	<u>34,381</u>
Cash & cash equivalents at end of the period	<u><u>5,234</u></u>	<u><u>11,384</u></u>
Cash & cash equivalents comprise:		
Cash & bank balances	4,558	6,210
Fixed deposits with licensed banks	676	5,174
	<u><u>5,234</u></u>	<u><u>11,384</u></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 (194801000095 (1713-A))
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 MARCH 2020

(The figures have not been audited)



	Attributable to owners of the Parent			Other Reserves RM'000	Share Capital RM'000	Distributable Retained Earnings RM'000	Sub Total Equity RM'000	Total Equity RM'000
	Capital Reserves RM'000	Fair value Adjustment reserve RM'000	Warrant Reserves 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 finance assets at fair value through other comprehensive income	-	(387)	-	(387)	-	-	(387)	(387)
Disposal of subsidiaries	(296)	-	-	(296)	-	-	(296)	(296)
Profit for the period	-	-	-	-	-	1,765	1,765	1,765
Total comprehensive income/(loss)	(296)	(387)	-	(683)	-	1,765	1,082	1,082
Closing balance at 31 March 2020	2,257	(14)	14,486	16,729	203,224	20,080	240,033	240,033
Opening balance at 1 April 2018	2,553	13	14,486	17,052	203,224	21,484	241,760	241,760
Adjustment from adoption of MFRS 9	-	-	-	-	-	(163)	(163)	(163)
Fair value changes in finance assets at fair value through other comprehensive income	-	360	-	360	-	-	360	360
Loss for the period	-	-	-	-	-	(3,008)	(3,008)	(3,008)
Total comprehensive income	-	360	-	360	-	(3,008)	(2,648)	(2,648)
Closing balance at 31 March 2019	2,553	373	14,486	17,412	203,224	18,313	238,949	238,949

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 financial statements except the changes arising from MFRS 16 Leases, as disclosed below:

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. The right-of-use asset is depreciated in accordance with the principle in MFRS 116, Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in profit or loss. A lessor continues to classify all leases as either operating leases or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted the MFRS 16 using the modified retrospective method of adoption, under which the amount of both the lease liability and right-of-use asset are calculated based on the present value of all remaining lease payment at initial application date on 1 April 2019. The Group does not restate the comparative information, which continues to be reported under MFRS 117.

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation (cont'd)

	As at 31/03/2019	Effect on adoption of MFRS 16	As at 01/04/2019
	RM'000	RM'000	RM'000
Assets			
Non-current assets			
Right-of-use assets	-	941	941
Current Assets			
Right-of-use assets	-	251	251
	-	1,192	1,192
Non-Current Liabilities			
Lease liabilities	145	968	1,113
Current Liabilities			
Lease liabilities	37	224	261
	182	1,192	1,374

- 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

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.

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

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	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
Segment Revenue				
Trading	2,265	2,238	13,285	9,477
Investments	220	295	1,232	1,320
Property and construction	19,609	16,449	72,934	42,131
	<u>22,094</u>	<u>18,982</u>	<u>87,451</u>	<u>52,928</u>

(RM'000)	Current Quarter Ended		Cumulative Quarter Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
Segment Result				
Trading	(3,493)	(775)	(3,546)	(2,614)
Investments	(3,038)	(1,225)	(5,128)	(6,652)
Property and construction	6,407	1,457	13,375	6,552
Share of Results in an Associate	-	213	-	748
	<u>(124)</u>	<u>(330)</u>	<u>4,701</u>	<u>(1,966)</u>

8. Changes in group composition

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

- i) On 10 January 2020, the Company has disposed entire issued share capital in its subsidiaries namely GBH Bathroom Products Sdn Bhd ("GBHBP") and Crown Lynn Sdn Bhd ("CLSB"), representing 100% of the total number of issued shares of GBHBP and CLSB, for a total cash consideration of RM10,200,001 only inclusive of the assumption of liabilities. GBHBP has an issued share capital of RM59,900,000 comprising 5,000,000 ordinary shares and 54,900,000 redeemable non-convertible non-cumulative preference shares while CLSB has an issued share capital of RM5,442,354 comprising 1,092,354 ordinary shares and 4,350,000 redeemable non-convertible non-cumulative preference shares. On 10 February 2020, the share sale agreement has been completed and both GBHBP and CLSB had ceased to be subsidiaries of Paragon Globe Berhad.
- ii) On 21 January 2020, the Company has disposed 4,000,000 ordinary shares in its subsidiary, namely Dcor Bath Sdn Bhd ("Dcor") representing 100% of the issued shares of Dcor, for a total cash consideration of RM3,000,000 only inclusive of the assumption of liabilities. On 21 February 2020, the share sale agreement has been completed and Dcor has ceased to be a subsidiary of Paragon Globe Berhad.

9. Capital commitments

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

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

10. Contingent assets and liabilities

	Unaudited	Audited
	31 March 2020	31 March 2019
	RM'000	RM'000
Secured		
Bank guarantee given to third parties	67	2,961
Unsecured		
Corporate guarantee given by the Company to licensed financial institutions for banking facilities granted to the subsidiary		
- Current exposure	26,097	55,071

11. Significant related party transaction

There was no significant related party transaction entered by the Company for the fourth quarter ended 31 March 2020.

12. Subsequent Events

There were no material events subsequent to the end of the financial quarter ended 31 March 2020 except for the following:

- i) On 22 May 2020, the Company has entered into a Share Sale Agreement with Marex Corporation Sdn Bhd to dispose entire issued share capital in its subsidiaries, namely Zone Nine Sdn Bhd (formerly known as GBH Ceramics Sdn Bhd) ("Zone Nine"), Bright Moore Sdn Bhd (formerly known as GBH Clay Pipes Sdn Bhd) ("Bright Moore") and Capital Leap Sdn Bhd ("Capital Leap") for a total cash consideration of RM1,696,818 only inclusive of the assumption of liabilities. Zone Nine has an issued share capital of RM26,695,002 comprising 3,195,002 ordinary shares and 23,500,000 redeemable non-convertible non-cumulative preference shares while Bright Moore has an issued share capital of RM24,350,000 comprising 20,000,000 ordinary shares and 4,350,000 redeemable non-convertible non-cumulative preference shares. Capital Leap has an issued share capital of RM500,000 comprising 500,000 ordinary shares. On 10 June 2020, the share sale agreement has been completed and all three companies had ceased to be subsidiaries of Paragon Globe Berhad.
- ii) On 10 June 2020, the below significant events have obtained approvals from the shareholders of the Company at an extraordinary general meeting convened:
 - a. On 05 December 2019, Paragon Globe Properties Sdn Bhd ("Paragon Globe Properties"), the wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Iskandar Capital Sdn Bhd for the proposed acquisition of part of the freehold land held under Geran 507162 Lot 149989 (formerly held under HS(D) 484311 PTD 175988), PTD 175989, Geran 507161 Lot 149991 (formerly held under HS(D) 484312 PTD 175990), all in Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 31.1 acres in area known as Plot ED-5A and Plot ED-5B for a total cash consideration of Ringgit Malaysia Sixty Million Nine Hundred Sixty Two Thousand Two Hundred and Twenty (RM60,962,220) only.
 - b. On 20 December 2019, the Company had entered into a conditional subscription agreement on even date with Dato' Sri Edwin Tan Pei Seng and Builtech Acres Sdn Bhd to subscribe 52,900,000 new Builtech Shares representing approximately 99.06% of the enlarged issued share capital of Builtech Acres Sdn Bhd at RM 52,900,000.

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

12. Subsequent Events

- iii) On 24 June 2020, Paragon Platinum Sdn Bhd (“Paragon Platinum”), a wholly-owned subsidiary of the Company, has entered into a Sale and Purchase Agreement with Jimmy Tan @ Tan Meng Kow and Tan Meng Kuan both as the Administrator of the Estate of Tan Kim Hong (Deceased) to purchase a piece of freehold land held under Title No. Geran 25002, Lot 19 Seksyen 87A, Bandar Kuala Lumpur, Daerah Kuala Lumpur di Negeri Wilayah Persekutan measuring approximately 3874 square meter for at a consideration price of Ringgit Malaysia Six Million Two Hundred Fifty Six Thousand and Fifty (RM6,256,050.00) only.

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

For the current quarter, the property and construction segment has recorded a revenue of RM19.61 million as compared to RM16.45 million in the corresponding quarter of the preceding year. The performance of the property and construction segment has increased mainly due to the higher sales registered in the current quarter boosted by the sale of shop offices located in Pekan Nenas Business Park and also derived from the construction of marketplace in Tampoi. The Company has launched Pekan Sentral Phase 2 which consist of 46 units of double storey shop offices and this property has started to generate revenue to the Company in current quarter. Correspondingly, profit before tax has increased from RM1.46 million in the previous year corresponding quarter to RM6.41 million in current quarter.

Year to date

The property and construction segment revenue for the current year to date of FY2020 has improved by 73.11% to RM72.93 million from RM42.13 million as compared to previous financial year end. The result has also improved from profit before tax of RM6.55 million in the preceding year to date of FY2019 to RM13.38 million in the current year to date of FY2020. The increase in revenue and profit before tax in the property and construction segment was mainly contributed by the Group's core property development operations. This reflects the strong sales achieved during the current financial year to date while the progress of construction works on-site of shop offices located in Pekan Nenas Business Park and the construction of marketplace in Tampoi have also contributed positively towards revenue and profit recognition.

Trading segmentCurrent quarter

The trading segment revenue for the current quarter of FY2020 slightly increased from RM2.24 million in the preceding year corresponding quarter to RM2.27 million in the current quarter. The subsidiaries that contributed to the sales in trading segment had been disposed in the early of March 2020 and hence the sales recognition for sanitaryware division has halted when disposal. The result has worsened from a loss before tax of RM 775,000 in the preceding year corresponding quarter to RM3.49 million in the current quarter mainly due to the provision of slow-moving stock amounting to RM2.54 million in current quarter.

Year to date

The trading segment revenue for the current year to date increased by 40.19% from RM9.48 million in FY2019 to RM13.29 million in FY2020 mainly due to the increased sale through walk-in sales and projects secured during the year. However, the result has worsened from a loss before tax of RM2.61 million in the previous financial year end to RM3.55 million in current year to date mainly due to the provision of slow-moving stock. Thus, the Company has disposed the investment of these trading subsidiaries which are loss making even though the revenue has increased compared with prior financial year.

Investment segmentCurrent quarter

The investment segment reported revenue of RM 220,000 for the fourth quarter of FY2020 compared to revenue of RM 295,000 for preceding year corresponding quarter mainly due to the decrease in dividend income distribution from investment fund. Loss before tax has increased from RM1.23 million in the preceding year corresponding quarter to RM 3.04 million in the current quarter mainly due to the loss incurred in disposal of subsidiaries amounting to RM1.59 million in the current period.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D)**1. Performance review (Cont'd)****Investment segment****Year to date**

The investment segment revenue for the current year to date of FY2020 has slightly decreased from RM1.32 million to RM1.23 million compared to prior year. The result has improved from loss before tax of RM6.65 million in the previous financial year end to loss before tax RM5.13 million in the current year to date mainly due to loss incurred in disposal of associate in prior year.

2. Comparison with preceding quarter's results

The Company registered a revenue and loss before tax of RM22.09 million and RM 124,000 respectively for the current quarter under review as compared to the revenue and loss before tax of RM15.76 million and RM681,000 in the preceding quarter. The revenue and profit before tax were mainly derived from the property development and construction division.

Revenue increased by RM 6.33 million and loss before tax decreased by RM 557,000 for the current quarter respectively as compared to the immediate preceding quarter mainly due to the higher number of properties sold and higher percentage of completion from Pekan Sentral Phase 1 where the properties have obtained Certificate of Completion and Compliance.

3. Prospects

The overall Malaysia economic activity fell sharply with GDP only register a growth rate of 0.7% in the first quarter of 2020 caused by the outbreak of Covid-19 pandemic and the implementation of Movement Control Order (MCO). As such, for the property segment, the market environment is expected to remain resilient for the year 2020 due to the uncertainties posted by Covid-19 pandemic. The Group remains cautious and vigilant in view of the new impact and challenges arising including the existing continued stringent lending requirements by the financial institutions, the intense competition among developers and weak market sentiments. However, the Company believe that property with right concept, products, pricing and location will still maintain favourable response from the owner occupiers. Bank Negara Malaysia announced on 5 May 2020 that the Overnight Policy Rate (OPR) was reduced by further 50 basis points to 2.0 per cent with immediate effect. This bodes well for the property industry as lower interest rates environment would improve the affordability for buyers.

The Company will continue to focus on the launches of the Pekan Nenas Business Park project in the established townships of Johor while in the meantime expanding landbanks of the Company through land acquisition from Iskandar Capital Sdn Bhd. In the long term, the Company recognizes that Covid-19 might alter lifestyle trends of consumers which might drive changes to our properties to be launched in future. The Company will continuously monitor the prevailing up to date market conditions before launching the upcoming development project.

The Company has also completed the subscription of ordinary shares in Builtech Acres Sdn Bhd in June 2020 which would 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 private hospital project in Builtech Acres Sdn Bhd 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 and hence the Company has disposed its investment in the subsidiaries that involved in the businesses of trading and distribution of ceramic sanitary wares.

4. Variance on profit forecast

Not applicable.

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

5. Items included in the Statement of Income

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

	Individual Quarter		Cumulative Quarter	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(61)	(63)	(216)	(589)
Other income	(676)	(479)	(2,315)	(1,328)
Interest expense	401	798	2,103	800
Depreciation and amortisation	160	91	653	271
(Reversal)/Provision for and write off of receivables	(97)	133	(169)	133
(Reversal)/Provision for and write off of inventories	2,540	365	2,540	365
(Gain)/loss on disposal of properties, plant and equipment	-	37	-	(39)
(Gain)/loss on disposal of investment	(299)	(20)	(1,091)	425
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	-	(2)	9	44
(Gain)/loss on derivatives	-	-	-	-
(Gain)/loss on disposal of subsidiary	1,585	-	1,585	(322)
(Gain)/loss on disposal of associate	-	213	-	4,248
Exceptional items	-	-	-	-

6. Taxation

	Current Quarter	Year to date
	RM'000	RM'000
Income tax:		
- Real property gain tax	(25)	(25)
- Current year	(1,739)	(2,637)
- (Under)/over provision of taxation in prior year	-	(226)
- Deferred tax	(48)	(48)
	(1,812)	(2,936)

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>31 March</u>	<u>31 March</u>
	<u>2020</u>	<u>2019</u>
	RM'000	RM'000
Non-Current:		
Lease liabilities	1,017	145
Term loans	26,097	47,071
	<u>27,114</u>	<u>47,216</u>
Current:		
Lease liabilities	<u>379</u>	<u>37</u>

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

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.

10. Corporate Proposals

Save from the following, there were no corporate proposals announced but not completed as at 29 June 2020, being the last practicable date from the date of the issuance of this report:

- i) On 05 December 2019, the Company's wholly owned subsidiary, Paragon Globe Properties, had on even date, entered into a conditional sale and purchase agreement with Iskandar Capital Sdn Bhd for the proposed acquisition of part of the freehold land held under Geran 507162 Lot 149989 (formerly held under HS(D) 484311 PTD 175988), PTD 175989, Geran 507161 Lot 149991 (formerly held under HS(D) 484312 PTD 175990), all in Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 31.1 acres in area known as Plot ED-5A and Plot ED-5B for a total cash consideration of Ringgit Malaysia Sixty Million Nine Hundred Sixty Two Thousand Two Hundred and Twenty (RM60,962,220.00) only.

11. (Loss)/earnings per share

a) Basic (loss)/earnings per share

	Individual Quarter		Cumulative Quarter	
	31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
Net (loss)/profit attributable to owners of the parent	(1,936)	(1,570)	1,765	(3,008)
Weighted average number of ordinary shares	186,653	186,653	186,653	186,653
Basic (loss)/earnings per share (sen)	(1.04)	(0.84)	0.95	(1.61)

b) Diluted (loss)/earnings per share

	Individual Quarter		Cumulative Quarter	
	31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
Net (loss)/profit attributable to owners of the parent	(1,936)	(1,570)	1,765	(3,008)
Weighted average number of ordinary shares	186,653	186,653	186,653	186,653
Diluted potential ordinary shares	(1,061)	9,477	(1,061)	9,477
Diluted (loss)/earnings per share (sen)	(1.04)	(0.80)	0.95	(1.53)

PARAGON GLOBE BERHAD (194801000095 (1713-A))



**BY ORDER OF THE BOARD
PARAGON GLOBE BERHAD**

**Dato' Sri Edwin Tan Pei Seng
Group Managing Director**

**Johor Bahru
30/06/2020**