

Summary of Key Financial Information for the year ended 31 March 2021

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 31/03/2021 RM'000	3 MONTHS ENDED 31/03/2020 RM'000	Amount RM'000	%	12 MONTHS ENDED 31/03/2021 RM'000	12 MONTHS ENDED 31/03/2020 RM'000	Amount RM'000	%
1	Revenue	13,235	19,830	(6,595)	-33.3%	22,405	74,167	(51,762)	-69.8%
2	Profit/(loss) before tax	1,782	4,955	(3,173)	-64.0%	(2,150)	9,833	(11,983)	-121.9%
3	Profit/(loss) for the period	2,872	(1,934)	4,806	-248.5%	(1,852)	1,767	(3,619)	-204.8%
4	Profit/(loss) attributable to the ordinary equity holders of the parent	2,877	(1,934)	4,811	-248.8%	(1,847)	1,767	(3,614)	-204.5%
5	Basic earnings/(loss) per share (sen)	1.54	(1.04)	2.58	-248.8%	(0.99)	0.95	(1.94)	-204.5%
6	Proposed / Declared dividend per share (sen)	-	-	-	-	-	-	-	-

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

		INDIVIDUAL		Individual changes	
		3 MONTHS ENDED 31/03/2021 RM'000	3 MONTHS ENDED 31/12/2020 RM'000	Amount RM'000	%
1	Revenue	13,235	4,517	8,718	193.0%
2	Profit/(loss) for the period	1,782	(1,093)	2,875	-263.1%
3	Profit/(loss) for the period	2,872	(1,142)	4,014	-351.5%
4	Profit/(loss) attributable to the ordinary equity holders of the parent	2,877	(1,142)	4,019	-351.9%
5	Basic earnings/(loss) per share (sen)	1.54	(0.61)	2.15	-352.7%
6	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)	1.28	1.29

ADDITIONAL INFORMATION

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 31/03/2021 RM'000	3 MONTHS ENDED 31/03/2020 RM'000	Amount RM'000	%	12 MONTHS ENDED 31/03/2021 RM'000	12 MONTHS ENDED 31/03/2020 RM'000	Amount RM'000	%
1	Gross interest income	1	36	(35)	-97.2%	52	57	(5)	-8.8%
2	Gross interest expense	206	401	(195)	-48.6%	1,083	2,103	(1,020)	-48.5%

PARAGON GLOBE BERHAD (194801000095 (1713-A))
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31
 MARCH 2021**



(The figures have not been audited)

	INDIVIDUAL		CUMULATIVE	
	3 MONTHS ENDED 31/03/2021 RM'000	3 MONTHS ENDED 31/03/2020 RM'000	12 MONTHS ENDED 31/03/2021 RM'000	12 MONTHS ENDED 31/03/2020 RM'000
Continuing Operations				
Revenue	13,235	19,830	22,405	74,167
Cost of sales	(9,770)	(12,074)	(16,725)	(55,496)
Gross profit	3,465	7,756	5,680	18,671
Gross profit margin	26.2%	39.1%	25.4%	25.2%
Other items of income				
Other income	1,755	991	3,758	3,345
Other items of expense				
Marketing & distribution expenses	(1,020)	(584)	(3,312)	(2,690)
Administrative expenses	(2,020)	(2,567)	(7,000)	(7,146)
Finance costs	(206)	(401)	(1,083)	(2,103)
Other expenses	(192)	(240)	(193)	(244)
(Loss)/profit before tax from continuing operations	1,782	4,955	(2,150)	9,833
Taxation	1,090	(1,812)	298	(2,936)
(Loss)/profit after taxation from continuing operations	2,872	3,143	(1,852)	6,897
Loss after taxation from discontinued operations	-	(5,077)	-	(5,130)
(Loss)/profit for the year	2,872	(1,934)	(1,852)	1,767
Other comprehensive (loss)/income, net of tax	(49)	(387)	14	(387)
Total comprehensive (loss)/income	2,823	(2,321)	(1,838)	1,380
(Loss)/profit attributable to:				
Owners of the parent	2,877	(1,934)	(1,847)	1,767
Non-controlling interest	(5)	-	(5)	-
	2,872	(1,934)	(1,852)	1,767
Total comprehensive (loss)/income attributable to:				
Owners of the parent	2,828	(2,321)	(1,833)	1,380
Non-controlling interest	(5)	-	(5)	-
	2,823	(2,321)	(1,838)	1,380
(Loss) / profit per share attributable to owners of the parent (sen per share)				
Basic				
- continuing operations	1.54	1.68	(0.99)	3.70
- discontinued operations	-	(2.72)	-	(2.75)
	1.54	(1.04)	(0.99)	0.95

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 2020.

PARAGON GLOBE BERHAD (194801000095 (1713-A))
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2021



	AS AT 31/03/2021 RM'000 (Unaudited)	AS AT 31/03/2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	624	774
Right-of-use assets	1,488	1,049
Investment properties	63,273	-
Intangible assets	135	165
Inventories	36,637	45,602
Other investments	-	54
	102,157	47,644
Current Assets		
Inventories	97,208	90,262
Other investments	38,657	77,192
Trade and other receivables	23,574	25,326
Tax recoverable	1,571	712
Contract assets	5,657	31,463
Cash and bank balances	2,775	5,234
	169,442	230,189
Assets classified as held for sale	-	334
Total Assets	271,599	278,167
EQUITIES AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	203,227	203,224
Retained earnings	32,721	20,082
Other reserves	2,257	16,729
Shareholders' Equity	238,205	240,035
Minority interest	512	-
Total Equity	238,717	240,035
Current Liabilities		
Trade and other payables	11,775	9,706
Tax payable	-	885
Lease liabilities	512	379
Total Current Liabilities	12,287	10,970
Net Current Assets	157,155	219,219
Non Current Liabilities		
Term loan	14,473	26,097
Deferred tax	4,841	48
Lease liabilities	1,281	1,017
Total Non Current Liabilities	20,595	27,162
Total Liabilities	32,882	38,132
Net Assets	238,717	240,035
TOTAL EQUITY AND LIABILITIES	271,599	278,167
Net assets per share (RM)	1.28	1.29

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 March 2020.

PARAGON GLOBE BERHAD (194801000095 (1713-A))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

(The figures have not been audited)



	2021 12 months ended 31 March RM'000	2020 12 months ended 31 March RM'000
Cash flow from operating activities		
(Loss)/profit before tax		9,833
- continuing operations	(2,150)	(5,130)
- discontinued operations	-	-
	<u>(2,150)</u>	<u>4,703</u>
Adjustments for non-cash flow items :-		
Non-cash items	569	4,256
Non-operating items	(1,938)	129
Operating (loss)/profit before changes in working capital	<u>(3,519)</u>	<u>9,088</u>
Changes in working capital		
Net change in assets	27,401	(24,401)
Net change in current liabilities	542	225
Net cash generated from/(used in) operations	<u>24,424</u>	<u>(15,088)</u>
Income distribution from investment fund	1,063	2,251
Interest received	50	216
Tax recovered	-	569
Tax paid	(1,760)	(3,816)
Interest paid	(1,083)	(2,103)
Net cash generated from/(used in) operating activities	<u>22,694</u>	<u>(17,971)</u>
Cash flow from investing activities		
Withdrawal in investment deposit	38,471	33,219
Net cash flow on acquisition of subsidiary	(52,896)	-
Proceeds from disposal of quoted shares	2	-
Net cash outflow from disposal of subsidiaries	132	(93)
Purchase of intangible asset	(14)	-
(Placement)/Withdrawal of fixed income instruments	(2)	(25)
Purchase of property, plant and equipment	(57)	(135)
Proceeds from disposal of property, plant and equipment	-	1
Proceeds from disposal of investment properties	1,200	-
Net cash (used in)/generated from investing activities	<u>(13,164)</u>	<u>32,967</u>
Cash flow from financing activities		
Redemption of term loan	(11,624)	(20,974)
Repayment of finance lease liabilities	(56)	(48)
Repayment of operating lease liabilities	(314)	(251)
Proceeds from exercise of warrants	3	-
Net cash used in financing activities	<u>(11,991)</u>	<u>(21,273)</u>
Net change in cash & cash equivalents	(2,461)	(6,277)
Cash & cash equivalents at beginning of the year	<u>5,108</u>	<u>11,385</u>
Cash & cash equivalents at end of the year	<u><u>2,647</u></u>	<u><u>5,108</u></u>
Cash & cash equivalents comprise:		
Cash & bank balances	2,775	5,234
Less: Short term fixed income instruments pledged	(128)	(126)
Total cash and cash equivalents	<u><u>2,647</u></u>	<u><u>5,108</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 2020.

PARAGON GLOBE BERHAD (194801000095 (1713-A))
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2021

(The figures have not been audited)



	Attributable to owners of the Parent						Sub Total Equity RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
	Non-distributable			Distributable					
	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 2020	2,257	(14)	14,486	16,729	203,224	20,082	240,035	-	240,035
Issuance of shares - exercise of warrants 2010/2020	-	-	-	-	3	-	3	-	3
Expiration of warrants 2010/2020	-	-	(14,486)	(14,486)	-	14,486	-	-	-
Fair value changes in finance assets at fair value through other comprehensive income	-	14	-	14	-	-	14	-	14
Acquisition of subsidiaries	-	-	-	-	-	-	-	517	517
Loss for the year	-	-	-	-	-	(1,847)	(1,847)	(5)	(1,852)
Total comprehensive loss	-	14	-	14	-	(1,847)	(1,833)	512	(1,321)
Closing balance at 31 March 2021	2,257	-	-	2,257	203,227	32,721	238,205	512	238,717
Opening balance at 1 April 2019	2,553	373	14,486	17,412	203,224	18,315	238,951	-	238,951
Transfer to profit or loss	(296)	-	-	(296)	-	-	(296)	-	(296)
Fair value changes in finance assets at fair value through other comprehensive income	-	(387)	-	(387)	-	-	(387)	-	(387)
Profit for the year	-	-	-	-	-	1,767	1,767	-	1,767
Total comprehensive income	-	(387)	-	(387)	-	1,767	1,380	-	1,380
Closing balance at 31 March 2020	2,257	(14)	14,486	16,729	203,224	20,082	240,035	-	240,035

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Report for the year ended 31 March 2020.

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 2020. 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 2020.

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 2020.

- 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)

Amendments to References to the Conceptual Framework in MFRS Standards
 Amendments to MFRS 3 – Definition of a Business
 Amendments to MFRS 101 – Definition of Material
 Amendments to MFRS 108 – Definition of Material
 Amendments to MFRS 110 – Definition of Material
 Amendments to MFRS 134 – Definition of Material
 Amendments to MFRS 137 – Definition of Material
 Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform

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

- 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 16 – Covid-19 – Related Rent Concessions	1 June 2020
Amendments to MFRS 116 – Proceeds Before Intended Use	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020 Cycle:	1 January 2022
• Amendments to MFRS 9 Financial Instruments	
Amendments to MFRS 137 – Onerous Contracts Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 – Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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.

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

2. Auditors' report

The auditor's report on the annual financial statements of the Company for the financial year ended 31 March 2020 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

The Group's reportable segments comprise of investments segment, property development segment, and construction segment. The trading segment which is in the business of trading of ceramic wares and ceramic tableware has been disposed in the financial year ended 31 March 2020.

Quarter Ended 31 March 2021

	<u>Continuing operations</u>			<u>Discontinued operations</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	<u>Investment</u>	<u>Property development</u>	<u>Construction</u>	<u>Trading</u>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	113	13,122	-	-	-	13,235
Inter-segment sales	435	-	3,654	-	(4,089)	-
Total revenue	548	13,122	3,654	-	(4,089)	13,235
Results						
Segmental results	905	860	336	-	(319)	1,782

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

7. Segmental information (Cont'd)

Quarter Ended 31 March 2020

	<u>Continuing operations</u>			<u>Discontinued operations</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	Property			Trading	RM'000	RM'000
	Investment	development	Construction			
	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue						
External sales	219	16,965	2,646	2,267	-	22,097
Inter-segment sales	475	-	2,440	-	(2,915)	-
Total revenue	694	16,965	5,086	2,267	(2,915)	22,097
Results						
Segmental results	(979)	6,733	(599)	(5,077)	(200)	(122)

Cumulative Quarter Ended 31 March 2021

	<u>Continuing operations</u>			<u>Discontinued operations</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	Property			Trading	RM'000	RM'000
	Investment	development	Construction			
	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue						
External sales	910	20,631	864	-	-	22,405
Inter-segment sales	1,821	-	10,516	-	(12,337)	-
Total revenue	2,731	20,631	11,380	-	(12,337)	22,405
Results						
Segmental results	417	(1,556)	(59)	-	(952)	(2,150)

Cumulative Quarter Ended 31 March 2020

	<u>Continuing operations</u>			<u>Discontinued operations</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	Property			Trading	RM'000	RM'000
	Investment	development	Construction			
	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue						
External sales	1,231	46,725	26,211	13,287	-	87,454
Inter-segment sales	1,311	-	5,580	-	(6,891)	-
Total revenue	2,542	46,725	31,791	13,287	(6,891)	87,454
Results						
Segmental results	(2,233)	12,030	529	(5,130)	(493)	4,703

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.

9. Capital commitments

The material capital commitments for the Company as at the date of this report is as follows:

	Unaudited As at 31 March 2021 RM'000	Audited As at 31 March 2020 RM'000
Contracted but not provided for:		
- Land held for property development	48,770	48,770
- Investment property	4,462	-
	53,232	48,770
Approved but not contracted for:		
- Investment property	95,538	-
	95,538	-

10. Contingent assets and liabilities

	Unaudited 31 March 2021 RM'000	Audited 31 March 2020 RM'000
Secured		
Bank guarantee given to third parties	147	67
Unsecured		
Corporate guarantee given by the Company to licensed financial institutions for banking facilities granted to the subsidiary		
- Current exposure	14,473	34,097

11. Significant related party transaction

There was no significant related party transaction entered by the Company for the fourth quarter ended 31 March 2021.

12. Subsequent Events

There were no material events subsequent to the end of the financial quarter ended 31 March 2021.

13. Comparatives

The comparatives for the Consolidated Statement of Profit or Loss and Other Comprehensive Income have been re-presented to show the discontinued operations pursuant to the disposals of subsidiaries in prior year and the effect of the adoption of MFRS 15 as disclosed.

PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Performance review

(RM'000)	Current Quarter Ended		Cumulative Quarter Ended	
	<u>31 March</u> <u>2021</u>	<u>31 March</u> <u>2020</u>	<u>31 March</u> <u>2021</u>	<u>31 March</u> <u>2020</u>
<u>Segment Revenue</u>				
Revenue from continuing operations				
- Investments	113	219	910	1,231
- Property development	13,122	16,965	20,631	46,725
- Construction	-	2,646	864	26,211
	<u>13,235</u>	<u>19,830</u>	<u>22,405</u>	<u>74,167</u>
Revenue from discontinued operations				
- Trading	-	2,267	-	13,287
	<u>-</u>	<u>2,267</u>	<u>-</u>	<u>13,287</u>
Total revenue	<u>13,235</u>	<u>22,097</u>	<u>22,405</u>	<u>87,454</u>

(RM'000)	Current Quarter Ended		Cumulative Quarter Ended	
	<u>31 March</u> <u>2021</u>	<u>31 March</u> <u>2020</u>	<u>31 March</u> <u>2021</u>	<u>31 March</u> <u>2020</u>
<u>Segment Result</u>				
Result from continuing operations				
- Investments	470	(1,454)	(1,404)	(3,544)
- Property development	1,430	7,168	363	13,200
- Construction	(118)	(759)	(1,109)	177
	<u>1,782</u>	<u>4,955</u>	<u>(2,150)</u>	<u>9,833</u>
Result from discontinued operations				
- Trading	-	(5,077)	-	(5,130)
	<u>-</u>	<u>(5,077)</u>	<u>-</u>	<u>(5,130)</u>
Total result	<u>1,782</u>	<u>(122)</u>	<u>(2,150)</u>	<u>4,703</u>

Property development segmentCurrent quarter

For the current quarter, the property segment has recorded a revenue of RM13.12 million as compared to RM16.97 million in the previous year corresponding quarter. The revenue had slight decreased mainly due to a lower number of properties sales in current period. On the other hand, the profit before tax has decreased from RM7.17 million in the previous year corresponding quarter to RM1.43 million in current quarter. In previous year corresponding quarter, Pekan Sentral Phase 1 project has been completed where the final account on the development projects had been finalized and hence led to higher profit being recognized.

Year to date

Site progress of Pekan Sentral projects came to a standstill during the MCO period, and the physical construction works only fully resumed in June 2020 after additional safety protocols being implemented prior to recommencement. This had impeded revenue recognition but catch-up efforts enabled work progress to be expedited. Hence the property development division inevitably reported lower revenue of RM20.63 million and a profit before tax of RM363,000 compared to a revenue of RM46.73 million and a profit before tax of RM13.20 million in prior year corresponding quarter.

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

For current quarter, there is no revenue generated from the construction segment compared to RM2.65 million in the preceding year corresponding quarter. However, the result has improved from a loss before tax of RM759,000 to RM118,000. Revenue from construction segment mainly derived from construction of Paragon Market Place located at Jalan Tampoi, Johor Bahru and the project has obtained the Certificate of Completion and Compliance in April 2020. In current quarter, the cost incurred was mainly on the administration expenses.

Year to date

The construction segment revenue for the current year to date decreased from RM26.21 million in FY2020 to RM864,000 in FY2021 while the result has also worsened from profit before tax of RM177,000 to loss before tax of RM1.11 million. The performance of the construction segment mainly derived from the construction for Paragon Market Place located in Tampoi where the loss before tax was mainly due to the variation order absorbed for the construction of Paragon Market Place.

Investment segment**Current quarter**

The investment segment reported revenue of RM113,000 for the fourth quarter of FY2021 compared to revenue of RM219,000 for preceding year corresponding quarter mainly due to the decrease in dividend income distribution from investment fund. Nevertheless, the investment segment result has improved from a loss before tax of RM1.45 million in the preceding year corresponding quarter to profit before tax of RM470,000 in current quarter mainly due to the goodwill on the acquisition of subsidiary during the financial year,

Year to date

The investment segment revenue for the current year to date of FY2021 slightly decreased from RM1.23 million to RM910,000 compared to prior year mainly due to decrease in dividend income distribution from investment fund. The result has improved from loss before tax of RM3.54 million in the preceding year to date of FY2020 to loss before tax RM1.40 million in the current year to date mainly due to the gain on disposal of asset held for sale and also the goodwill on the acquisition of subsidiary recognized in current year.

2. Comparison with preceding quarter's results

The Company registered a revenue and profit before tax of RM13.24 million and RM1.78 million respectively for the current quarter under review as compared to the revenue and loss before tax of RM4.52 million and RM1.09 million in the preceding quarter. The revenue and profit before tax were mainly derived from the higher number of properties sold in property development segment.

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

3. Prospects

The overall Malaysia economic activities have been seriously affected by the outbreak of Covid-19 pandemic and the implementation of Movement Control Order. As such, for the property segment, the market environment is expected to remain challenging for the year 2021 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 has announced on 06 May 2021 that the Overnight Policy Rate (OPR) to maintain at 1.75 per cent as the country's economic activity is projected to improve further. 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.

4. Variance on profit forecast

Not applicable.

5. Items included in the Statement of Income

(Loss)/profit before tax from the continuing operations is after charging/(crediting) the following:

	Individual Quarter		Cumulative Quarter	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(1)	(36)	(52)	(57)
Other income	(1,755)	(687)	(3,728)	(2,634)
Interest expense	206	401	1,083	2,103
Depreciation and amortisation	151	131	569	498
(Reversal)/Provision for and write off of receivables	39	(3)	39	(37)
(Reversal)/Provision for and write off of inventories	-	-	-	-
(Gain)/loss on disposal of properties, plant and equipment	-	-	-	-
(Gain)/loss on disposal of investment	(3)	(299)	78	(1,091)
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	-	-	-	-
(Gain)/loss on derivatives	-	-	-	-
(Gain)/loss on disposal of subsidiary	-	-	501	-
(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	799	-
- Over provision of taxation in prior year	-	7
Deferred tax	291	291
	1,090	298

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 <u>31 March</u> <u>2021</u> RM'000	Audited <u>31 March</u> <u>2020</u> RM'000
Non-Current:		
Lease liabilities	1,281	1,017
Term loan	14,473	26,097
	<u>15,754</u>	<u>27,114</u>
Current:		
Lease liabilities	<u>512</u>	<u>379</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.

10. Corporate Proposals

Save from the following, there were no corporate proposals announced but not completed as at 19 May 2021, 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. Subsequently, Paragon Globe Properties had entered into a supplemental agreement on the variation of the terms of sales and purchase agreement on 30 April 2021.

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

10. Corporate Proposals (cont'd)

- ii) On 21 October 2020, the Company proposed to undertake a private placement of up to 20% of the total number of issued shares of Paragon Globe Berhad (excluding treasury shares) to third party investor(s) to be identified later and at an issue price to be determined later. On 23 April 2021, the Company has submitted the application to Bursa Malaysia Securities Berhad to seek its approval on extension of time for the Company to implement and complete the private placement. Bursa Malaysia Securities Berhad had, vide its letter dated 4 May 2021, resolved to grant the Company an extension of time until 9 November 2021 to complete the implementation of the private placement.
- iii) On 7 April 2021, the Company proposed to undertake a renounceable rights issue of new ordinary shares in Paragon Globe Berhad to raise proceeds of up to RM56,000,000. Subsequently, the Board had on 26 April 2021 resolved to fix the entitlement basis for the Proposed Rights Issue at 3 Rights Shares for every 1 existing PGB Share held on an entitlement date to be determined and announced later. The entitlement basis was arrived at after taking into consideration the Minimum Subscription Level and the issue price of the Rights Shares set at RM 0.10 per Rights Share. The issue price of the Rights Shares represents a discount of RM0.1576 or approximately 61.2% to the theoretical ex-rights price (TERP) of PGB Shares of RM0.2576, calculated based on the 5-day volume weighted average market price (VWAP) of PGB Shares up to and including 23 April 2021, being the last trading day immediately preceding the price-fixing date. The proposed rights issue would entail the issuance of up to 559,967,499 Rights Shares based on the total issued shares of the Company of 186,655,833 PGB Shares.

11. Earnings/(loss) per share

Basic earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
Net profit/(loss) attributable to owners of the parent				
- Continuing operations	2,877	3,143	(1,847)	6,897
- Discontinued operations	-	(5,077)	-	(5,130)
	<u>2,877</u>	<u>(1,934)</u>	<u>(1,847)</u>	<u>1,767</u>
Weighted average number of ordinary shares	186,656	186,653	186,656	186,653
Diluted potential ordinary shares	-	(1,061)	-	(1,061)
	<u>186,656</u>	<u>185,592</u>	<u>186,656</u>	<u>185,592</u>
Basic earnings/(loss) per share (sen)				
- Continuing operations	1.54	1.68	(0.99)	3.70
- Discontinued operations	-	(2.72)	-	(2.75)
	<u>1.54</u>	<u>(1.04)</u>	<u>(0.99)</u>	<u>0.95</u>
Diluted earnings per share (sen)				
- Continuing operations	-	1.69	-	3.71
- Discontinued operations	-	(2.73)	-	(2.76)
	<u>-</u>	<u>(1.04)</u>	<u>-</u>	<u>0.95</u>

PARAGON GLOBE BERHAD (194801000095 (1713-A))



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

**Dato' Sri Edwin Tan Pei Seng
Executive Chairman**

**Johor Bahru
25/05/2021**