

## Summary of Key Financial Information for the period ended 31 December 2021

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 31/12/2021 RM'000	3 MONTHS ENDED 31/12/2020 RM'000	Amount RM'000	%	9 MONTHS ENDED 31/12/2021 RM'000	9 MONTHS ENDED 31/12/2020 RM'000	Amount RM'000	%
1	Revenue	16,189	4,550	11,639	255.8%	43,441	9,343	34,098	365.0%
2	Profit/(loss) before tax	1,511	(1,093)	2,604	238.2%	1,108	(3,932)	5,040	128.2%
3	Profit/(loss) for the period	1,439	(1,142)	2,581	226.0%	875	(4,724)	5,599	118.5%
4	Profit/(loss) attributable to the ordinary equity holders of the parent	1,441	(1,142)	2,583	226.2%	886	(4,724)	5,610	118.8%
5	Basic earnings/(loss) per share (sen)	0.19	(0.61)	0.80	131.5%	0.12	(2.53)	2.65	104.7%
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 31/12/2021 RM'000	3 MONTHS ENDED 30/09/2021 RM'000	Amount RM'000	%
1	Revenue	16,189	14,146	2,043	14.4%
2	Profit before tax	1,511	294	1,217	413.9%
3	Profit for the period	1,439	153	1,286	840.5%
4	Profit attributable to the ordinary equity holders of the parent	1,441	155	1,286	829.7%
5	Basic earnings per share (sen)	0.19	0.02	0.17	865.0%
6	Proposed / Declared dividend per share (sen)	-	-	-	-

		As At End of Current Quarter	As At Preceding Financial Year End
7	Net assets per share attributable to ordinary equity holders of the parent (RM)	0.40	1.28

## ADDITIONAL INFORMATION

		INDIVIDUAL		Individual changes		CUMULATIVE		Cumulative changes	
		3 MONTHS ENDED 31/12/2021 RM'000	3 MONTHS ENDED 31/12/2020 RM'000	Amount RM'000	%	9 MONTHS ENDED 31/12/2021 RM'000	9 MONTHS ENDED 31/12/2020 RM'000	Amount RM'000	%
1	Gross interest income	31	4	27	675.0%	33	51	(18)	-35.3%
2	Gross interest expense	35	241	(206)	-85.5%	279	877	(598)	-68.2%

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



(The figures have not been audited)

	INDIVIDUAL		CUMULATIVE	
	3 MONTHS ENDED 31/12/2021 RM'000	3 MONTHS ENDED 31/12/2020 RM'000	9 MONTHS ENDED 31/12/2021 RM'000	9 MONTHS ENDED 31/12/2020 RM'000
Revenue	16,189	4,550	43,441	9,343
Cost of sales	(11,743)	(3,034)	(32,837)	(6,955)
Gross profit	4,446	1,516	10,604	2,388
<b>Gross profit margin</b>	<b>27.5%</b>	<b>33.3%</b>	<b>24.4%</b>	<b>25.6%</b>
<b>Other items of income</b>				
Other income	376	468	991	1,830
<b>Other items of expense</b>				
Marketing & distribution expenses	(1,365)	(1,210)	(3,911)	(2,292)
Administrative expenses	(1,910)	(1,626)	(6,296)	(4,980)
Finance costs	(36)	(241)	(280)	(877)
Other expenses	-	-	-	(1)
<b>Profit/(loss) before tax</b>	<b>1,511</b>	<b>(1,093)</b>	<b>1,108</b>	<b>(3,932)</b>
Taxation	(72)	(49)	(233)	(792)
<b>Profit/(loss) after tax</b>	<b>1,439</b>	<b>(1,142)</b>	<b>875</b>	<b>(4,724)</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>63</b>
<b>Total comprehensive income/(loss)</b>	<b>1,439</b>	<b>(1,082)</b>	<b>875</b>	<b>(4,661)</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the parent	1,441	(1,142)	886	(4,724)
Non-controlling interest	(2)	-	(11)	-
	<b>1,439</b>	<b>(1,142)</b>	<b>875</b>	<b>(4,724)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	1,441	(1,082)	886	(4,661)
Non-controlling interest	(2)	-	(11)	-
	<b>1,439</b>	<b>(1,082)</b>	<b>875</b>	<b>(4,661)</b>
<b>Profit/(loss) per share attributable to owners of the parent (sen per share)</b>				
Basic	0.19	(0.61)	0.12	(2.53)

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 2021.

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



	AS AT 31/12/2021 RM'000 (Unaudited)	AS AT 31/03/2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	219	236
Right-of-use assets	1,511	1,876
Investment properties	64,971	63,273
Intangible assets	100	135
Inventories	37,344	36,637
	<u>104,145</u>	<u>102,157</u>
<b>Current Assets</b>		
Inventories	74,884	97,208
Other investments	95,939	38,657
Trade and other receivables	25,760	23,574
Tax recoverable	1,292	1,571
Contract assets	3,089	5,657
Cash and bank balances	6,744	2,775
	<u>207,708</u>	<u>169,442</u>
<b>Total Assets</b>	<u>311,853</u>	<u>271,599</u>
<b>EQUITIES AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Parent</b>		
Share capital	259,224	203,227
Retained earnings	33,608	32,722
Other reserves	2,257	2,257
	<u>295,089</u>	<u>238,206</u>
<b>Shareholders' Equity</b>	295,089	238,206
Minority interest	501	512
<b>Total Equity</b>	<u>295,590</u>	<u>238,718</u>
<b>Current Liabilities</b>		
Trade and other payables	10,112	11,527
Lease liabilities	541	512
	<u>10,653</u>	<u>12,039</u>
<b>Total Current Liabilities</b>	10,653	12,039
<b>Net Current Assets</b>	<u>197,055</u>	<u>157,403</u>
<b>Non Current Liabilities</b>		
Term loan	-	14,720
Deferred tax	4,660	4,841
Lease liabilities	950	1,281
	<u>5,610</u>	<u>20,842</u>
<b>Total Non Current Liabilities</b>	5,610	20,842
<b>Total Liabilities</b>	<u>16,263</u>	<u>32,881</u>
<b>Net Assets</b>	<u>295,590</u>	<u>238,718</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>311,853</u>	<u>271,599</u>
<b>Net assets per share (RM)</b>	0.40	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 2021.

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

*(The figures have not been audited)*



	2021 9 months ended 31 December RM'000	2020 9 months ended 31 December RM'000
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax	1,108	(3,932)
<b>Adjustments for non-cash flow items :-</b>		
Non-cash items	551	419
Non-operating items	(283)	(382)
Operating profit/(loss) before changes in working capital	1,376	(3,895)
<b>Changes in working capital</b>		
Net change in assets	20,302	32,781
Net change in current liabilities	(1,415)	(525)
Net cash generated from operations	20,263	28,361
Income distribution from investment fund	514	923
Interest received	33	51
Tax recovered	280	-
Tax paid	(414)	(1,685)
Interest paid	(279)	(877)
Net cash generated from operating activities	20,397	26,773
<b>Cash flow from investing activities</b>		
(Placement)/withdrawal in investment deposit	(57,267)	34,748
Net cash flow on acquisition of subsidiary	-	(52,896)
Proceeds from disposal of quoted shares	-	2
Net cash outflow from disposal of subsidiaries	-	132
Placement of fixed income instruments	(1)	(1)
Purchase of property, plant and equipment	(31)	(19)
Proceeds from disposal of investment properties	-	1,200
Net cash used in investing activities	(57,299)	(16,834)
<b>Cash flow from financing activities</b>		
Redemption of term loan	(14,721)	(9,921)
Repayment of finance lease liabilities	(57)	(38)
Repayment of operating lease liabilities	(349)	(226)
Proceeds from issuance of shares	55,997	-
Proceeds from exercise of warrants	-	3
Net cash generated from / (used in) financing activities	40,870	(10,182)
<b>Net change in cash &amp; cash equivalents</b>	<b>3,968</b>	<b>(243)</b>
Cash & cash equivalents at beginning of the period	2,647	5,108
Cash & cash equivalents at end of the period	6,615	4,865
<b>Cash &amp; cash equivalents comprise:</b>		
Cash & bank balances	6,744	4,992
Less: Short term fixed income instruments pledged	(129)	(127)
Total cash and cash equivalents	6,615	4,865

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 March 2021.

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

(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	Non-Controlling Interest RM'000	Total Equity RM'000
	Non-distributable								
	Capital Reserves RM'000	Fair value Adjustment reserve RM'000	Warrant Reserves RM'000						
Opening balance at 1 April 2021	2,257	-	-	2,257	203,227	32,722	238,206	512	238,718
Issuance of shares	-	-	-	-	55,997	-	55,997	-	55,997
Profit/(loss) for the period	-	-	-	-	-	886	886	(11)	875
Total comprehensive loss	-	-	-	-	-	886	886	(11)	875
Closing balance at 31 December 2021	2,257	-	-	2,257	259,224	33,608	295,089	501	295,590
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	-	63	-	63	-	-	63	-	63
Acquisition of subsidiaries	-	-	-	-	-	2,128	2,128	-	2,128
Loss for the period	-	-	-	-	-	(4,724)	(4,724)	-	(4,724)
Total comprehensive income/(loss)	-	63	-	63	-	(2,596)	(2,533)	-	(2,533)
Closing balance at 31 December 2020	2,257	49	-	2,306	203,227	31,972	237,505	-	237,505

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Report for the year ended 31 March 2021.

## 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 2021. 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 2021.

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 2021.

- 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)

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Amendment to MFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021

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
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
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 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)	1 January 2023
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 2021 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.

**Quarter Ended 31 December 2021**

	<b>Investment RM'000</b>	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Adjustments and eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
External sales	323	15,866	-	-	16,189
Inter-segment sales	435	-	3,641	(4,076)	-
Total revenue	758	15,866	3,641	(4,076)	16,189
<b>Results</b>					
Segmental results	(547)	1,985	350	(277)	1,511

**PART A. NOTES TO THE INTERIM FINANCIAL REPORT**

**7. Segmental information (Cont'd)**

**Quarter Ended 31 December 2020**

	<b>Investment RM'000</b>	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Adjustments and eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
External sales	130	4,420	-	-	4,550
Inter-segment sales	435	-	3,697	(4,132)	-
<b>Total revenue</b>	<b>565</b>	<b>4,420</b>	<b>3,697</b>	<b>(4,132)</b>	<b>4,550</b>

**Results**

Segmental results	(496)	(535)	287	(349)	(1,093)
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**Cumulative Quarter Ended 31 December 2021**

	<b>Investment RM'000</b>	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Adjustments and eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
External sales	544	42,897	-	-	43,441
Inter-segment sales	1,305	-	8,942	(10,247)	-
<b>Total revenue</b>	<b>1,849</b>	<b>42,897</b>	<b>8,942</b>	<b>(10,247)</b>	<b>43,441</b>

**Results**

Segmental results	(2,675)	3,694	906	(817)	1,108
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**Cumulative Quarter Ended 31 December 2020**

	<b>Investment RM'000</b>	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Adjustments and eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
External sales	797	7,682	864	-	9,343
Inter-segment sales	1,386	-	6,862	(8,248)	-
<b>Total revenue</b>	<b>2,183</b>	<b>7,682</b>	<b>7,726</b>	<b>(8,248)</b>	<b>9,343</b>

**Results**

Segmental results	1,209	(2,416)	(395)	(2,330)	(3,932)
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**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. Commitments**

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

	<b>Unaudited</b> <b>As at 31 December</b> <b>2021</b> <b>RM'000</b>	<b>Audited</b> <b>As at 31 March</b> <b>2021</b> <b>RM'000</b>
(i) <u>Capital commitments</u>		
Capital expenditure in respect of investment property under construction:		
- Approved but not contracted for	91,534	93,913
- Contracted but not provided for	5,471	4,762
	97,005	98,675
(ii) <u>Commitment</u>		
Commitment in respect of purchase of land held for property development:		
- Contracted but not provided for	48,770	48,770
	48,770	48,770

**10. Contingent assets and liabilities**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31 December 2021</b>	<b>31 March 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>		
Bank guarantee given to third parties	100	147
<b>Unsecured</b>		
Corporate guarantee given by the Company to licensed financial institutions for banking facilities granted to the subsidiary		
- Current exposure	-	14,720

**11. Significant related party transaction**

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

**12. Subsequent Events**

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

## PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

## 1. Performance review

(RM'000)	Current Quarter Ended		Cumulative Quarter Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
<b><u>Segment Revenue</u></b>				
Investments	323	130	544	797
Property development	15,866	4,420	42,897	7,682
Construction	-	-	-	864
	<u>16,189</u>	<u>4,550</u>	<u>43,441</u>	<u>9,343</u>

(RM'000)	Current Quarter Ended		Cumulative Quarter Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
<b><u>Segment Result</u></b>				
Investments	(982)	(931)	(3,980)	(1,874)
Property development	2,579	(56)	5,367	(1,067)
Construction	(86)	(106)	(279)	(991)
	<u>1,511</u>	<u>(1,093)</u>	<u>1,108</u>	<u>(3,932)</u>

**Property development segment**Current quarter

For the current quarter, the property segment has recorded a revenue of RM15.87 million and profit before tax of RM2.58 million as at 31 December 2021 compared to a revenue of RM4.42 million and loss before tax of RM56,000 in the preceding year corresponding quarter. The performance of the property segment has increased mainly due to the higher sales registered in current quarter boosted by the sale of semi-detached factories, detached factories and shop offices located in Pekan Nenas, Johor.

Year to date

The property segment revenue for the current year to date increased from RM7.68 million in FY2021 to RM42.90 million in FY2022 while the results has also improved from loss before tax of RM1.07 million to profit before tax of RM5.37 million. The significant increase in revenue attributable to the recovery of market and economic activities and boosted by the higher sales of completed inventories and driven by progressive revenue recognition of Detached Factories project located in Pekan Nenas Industrial Park.

**Construction segment**Current quarter

The Group's construction arm largely provides intercompany construction services to the Group's property development companies. Hence, the revenue from these intercompany services is eliminated at consolidation and resulted no revenue generated during this quarter and preceding year corresponding quarter. However, the result has improved from a loss before tax RM106,000 to RM86,000. In current quarter, the cost incurred was mainly on the administration expenses.

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

The construction segment revenue for current year to-date is eliminated at consolidation and resulted no revenue generated as compared to RM864,000 in FY2021. However, the result has improved from a loss before tax of RM991,000 to RM279,000 is mainly due to the variation order absorbed for the construction of Paragon Market Place in FY2021. The administration expenses incurred remained at same level.

**Investment segment**Current quarter

The investment segment reported revenue of RM323,000 for Q3 of FY2022 compared to revenue of RM130,000 for preceding year corresponding quarter is mainly due to increase in dividend income distribution from investment fund. The loss before tax has increased from RM931,000 in the preceding year corresponding quarter to RM982,000 in current quarter is mainly due to addition administration expenses derived from a subsidiary, Builtech Acres Sdn Bhd, which is currently in the progress to build the Sepang Medical Centre.

Year to date

The investment segment revenue for the current year to date of FY2022 has decreased from RM797,000 to RM544,000 compared to prior year is mainly due to decrease in dividend income distribution from investment fund. The loss before tax has increased from RM1.87 million to RM3.98 million compared to prior year and mainly due to one off transaction of gain on disposal of asset held for sales in prior year and addition administration expenses derived from a subsidiary, Builtech Acres Sdn Bhd, which is currently in the progress to build the Sepang Medical Centre.

**2. Comparison with preceding quarter's results**

The Company registered a revenue and profit before tax of RM16.19 million and RM1.51 million respectively for the current quarter under review as compared to the revenue and profit before tax of RM14.15 million and RM294,000 in the preceding quarter. The revenue and profit before tax were mainly derived from the property development segment.

**3. Prospects**

It has been two years since the outbreak of Covid-19 as the world is adapting to the new normal and dealing with the crisis, on the back of improving vaccination rates around the globe. As all states in Malaysia comes to Phase 4 of the National Recovery Plan ("NRP") from 3 January 2022, and all of the Group's employees have fully vaccinated, the Group has also resumed full operations with 100% workforce from September 2021. The Group will continue to adhere to all standard operating procedures under the NRP to safeguard the health and safety of our employees and to ensure our business continuity amid the ongoing COVID-19 pandemic. In addition, the Group's employees are also required to conduct the Rapid Test Kit Antigen Test biweekly as a proactive measure to curb the potential spread of COVID-19 virus among the workspace.

Year 2021 has been extremely challenging for the Group in view of the unprecedented changes in the socio-economic landscape caused by the ongoing Covid-19 pandemic, together with the factors like rising in raw material costs and freight and logistics costs as well as shortage in labour supply. A sharp drop in the transactional activity were brought by rising infection rates and government-imposed movement restrictions, resulting in price depressions and fluctuating supply volume.

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

## 3. Prospects (cont'd)

In the Economic Report 2022, the Ministry of Finance (MoF) is expected that the economy to be strengthened by 5.5% to 6.5% in the coming year as this expansion will be supported by significant improvement in global trade, stabilised commodity prices, containment of the pandemic and gradual improvement in consumer and business sentiments. The Group found that the demand was back on an upward trend during the current financial year. This has indicated that the sentiments are improving in tandem with higher vaccination rates, the reopening of commercial activity and a less restricted environment for consumers. Government-driven initiatives such as the extension of moratorium on loan repayments to include an alternate option of 50% reduction on monthly loan repayment and retention of Overnight Policy Rate (OPR) at 1.75% by Bank Negara Malaysia helped to sustain the development of property market. Furthermore, the move from a “pandemic” to an “endemic” classification of the crisis means the government is adopting sustainable long-term policies in dealing with COVID-19. This will result in more consistent regulations on economic activity and bring clarity for businesses operations, improving sentiments toward consumer confidence.

The Group views that the outlook for the industrial property is expected to remain steady in the second half of year 2022. The take-up of our properties sales has been under pressure from the prolonged border closures and lower foreign direct investment. Nevertheless, the Group has been able to secure encouraging industrial property sales from local companies to fulfil our sales target. We will continue to focus on the launches of the Pekan Nenas Business Park project in the established townships of Johor, ensure the construction work progress of its existing development projects as per schedule and organize marketing campaigns to promote the development projects. While mindful of potential changes in the business landscape in light of economic challenges, the Group will remain exploring and identifying suitable landbank for future developments.

In view of the uncertain economic scenario posed by the ongoing COVID-19 pandemic and other abovementioned factors, the Board of Directors is cautiously optimistic of the Group’s financial performance for the coming year. New opportunities are still aplenty in these changing markets and the Group will continue to exercise caution for its existing and future development projects to ensure the development projects’ success without compromising on quality while improving operational efficiency.

## 4. Variance on profit forecast

Not applicable.

## 5. Items included in the Statement of Income

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

	Individual Quarter		Cumulative Quarter	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(31)	(4)	(33)	(51)
Other income	(368)	(488)	(973)	(1,973)
Interest expense	35	241	279	877
Depreciation and amortisation	180	138	551	418
(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	-	-	-	-
(Gain)/loss on disposal of investment	(6)	(10)	(16)	81
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	-	-	-	-

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

## 5. Items included in the Statement of Income (cont'd)

	Individual Quarter		Cumulative Quarter	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
(Gain)/loss on derivatives	-	-	-	-
(Gain)/loss on disposal of subsidiaries	-	-	-	501
(Gain)/loss on disposal of associate	-	-	-	-
Exceptional items	-	-	-	-

## 6. Taxation

	Current Quarter	Year to date
	RM'000	RM'000
Income tax:		
- Current year	(138)	(414)
- Over provision of taxation in prior year	-	-
Deferred tax:		
- Current year	66	181
	(72)	(233)

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:

	<b>Unaudited</b> <b>31 December</b> <b>2021</b> <b>RM'000</b>	<b>Audited</b> <b>31 March</b> <b>2021</b> <b>RM'000</b>
<b>Non-Current:</b>		
Lease liabilities owing to financial institutions	127	186
Term loan	-	14,720
	127	14,906
<b>Current:</b>		
Lease liabilities owing to financial institutions	78	76

## 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. (a) Status of Corporate Proposals

Save from the following, there were no corporate proposals announced but not completed as at 15 February 2022, being the last practicable date from the date of the issuance of this report:

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.

## (b) Status of utilisation of proceeds

On 28 September 2021, the Company announced that 559,967,499 Rights Shares issued pursuant to the Right Issue were listed and quoted on Main Market of Bursa Malaysia Securities Berhad. Status of utilisation of proceeds as at 15 February 2022, (the last practicable date from the date of the issuance of this report) derived from the corporate proposal by the company as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Reallocation RM'000	Unutilised proceeds RM'000	Intended timeframe for utilisation	Deviation Amount RM'000	Explanation (if the deviation >5%)
Partial settlement of the consideration for acquisition of freehold land	25,450	-	-	25,450	Within 9 months	-	N/A
Construction of medical centre	25,000	-	-	25,000	Within 12 months	-	N/A
Working capital	4,997	-	163	5,160	Within 12 months	-	N/A
Estimated expenses in relation to Right Issue	550	(387)	(163)	-	Upon completion	-	N/A
<b>Total</b>	<b>55,997</b>	<b>(387)</b>	<b>-</b>	<b>55,610</b>		<b>-</b>	

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

## 11. Profit/(loss) per share

Basic profit/(loss) per share

	Individual Quarter		Cumulative Quarter	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
Net profit/(loss) attributable to owners of the parent	1,441	(1,142)	886	(4,724)
Weighted average number of ordinary shares	746,623	186,656	746,623	186,656
Basic profit/(loss) per share (sen)	0.19	(0.61)	0.12	(2.53)

## 12. Comparative Figures

The following comparative figures in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income has been reclassified to conform with the current period's presentation:

	As previously reported RM	As reclassified RM
<b>Individual</b>		
Revenue	4,517	4,550
Other Income	501	468
<b>Cumulative</b>		
Revenue	9,170	9,343
Other Income	2,003	1,830

BY ORDER OF THE BOARD  
PARAGON GLOBE BERHAD

Dato' Sri Edwin Tan Pei Seng  
Executive Chairman

Johor Bahru  
22/02/2022