

PARAMOUNT

Unaudited FY2021 Results

26th February 2022

FY2021 Results

4Q2021 vs 4Q2020 Financial Results

		4Q2021	4Q2020 (Restated)	+/-	%
<u>Continuing</u>					
Revenue	RM'Mil	317.3	188.4	128.9	68%
Profit before tax	RM'Mil	42.9	12.9	30.0	233%
EBITDA	RM'Mil	57.9	22.0	35.9	163%
Profit after tax	RM'Mil	25.8	4.6	21.2	461%
<u>Discontinued</u>					
Profit after tax	RM'Mil	0.0	0.5	(0.5)	-100%
Profit for the period					
	RM'Mil	25.8	5.1	20.7	406%
Profit attributable to ordinary equity holders of the company					
	RM'Mil	24.3	3.5	20.8	594%
Earnings per share	Sen	3.93	0.58	3.35	578%
Dividend per share	Sen	3.00	2.50	0.50	20%

For 4Q2021, the Group registered a revenue from continuing operations of RM317.3 million, which was 68% higher than RM188.4 million in the last financial year. On the back of the higher revenue, the Group achieved a profit before tax (PBT) from continuing operations of RM42.9 million (4Q2020: RM12.9 million) and a profit attributable to ordinary equity holders of the Company of RM24.3 million (4Q2020: RM3.53 million). The Group's improved financial performance in 4Q2021 was mainly attributable to the higher profit contribution from the property division, recognition of one-off gains upon consolidation of a subsidiary and the lower share-based payment to staff and executive directors from the investment & others division.

FY2021 vs FY2020 Financial Results

		FY2021	FY2020 (Restated)	+/-	%
<u>Continuing</u>					
Revenue	RM'Mil	681.4	593.6	87.8	15%
Profit before tax	RM'Mil	70.3	51.5	18.8	37%
EBITDA	RM'Mil	113.9	89.2	24.7	28%
Profit after tax	RM'Mil	42.7	31.3	11.4	36%
<u>Discontinued</u>					
Profit after tax	RM'Mil	0.0	471.1	(471.1)	-100%
Profit for the period					
	RM'Mil	42.7	502.5	(459.8)	-92%
Profit attributable to ordinary equity holders of the Company					
	RM'Mil	28.5	486.4	(457.9)	-94%
Earnings per share	Sen	4.61	79.38	(74.77)	-94%
Dividend per share	Sen	3.00	31.50	(28.50)	-90%
Net asset per share	RM	2.32	2.33	(0.01)	0%
Shareholders' funds	RM'Mil	1,437.6	1,429.7	7.9	1%
ROE	%	2.0	42.7	(40.7)	-95%
Gross Debt/Equity Ratio	Times	0.57	0.57	0.00	0%

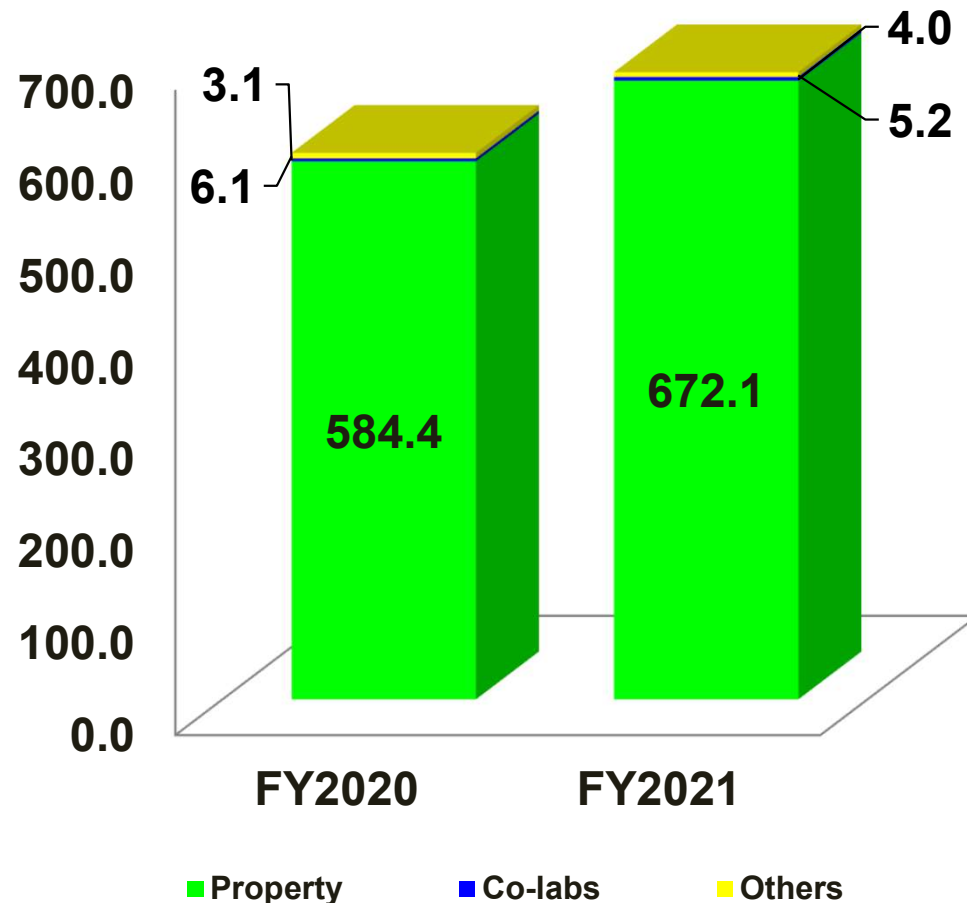
FY2021 vs FY2020 Financial Results

Continuing operations

For the FY2021, the Group achieved a revenue of RM681.4 million, which was 15% higher than RM593.6 million in the last financial year. On the back of the higher revenue, the Group achieved a PBT from continuing operations of RM70.3 million (FY2020: RM51.5 million). However, the Group's profit attributable to ordinary equity holders of the Company was lower at RM28.5 million (FY2020: RM486.4 million) mainly due to the financial results of the Pre-Tertiary Education business was no longer consolidated and a gain of disposal of RM462.7 million was recognised pursuant to the completion of this divestment in FY2020.

Revenue – continuing operations

Revenue By Division (RM'Million)



Property Division

Revenue were affected by various degrees of disruptions such as closure of construction sites and sales galleries mostly in 3Q2021.

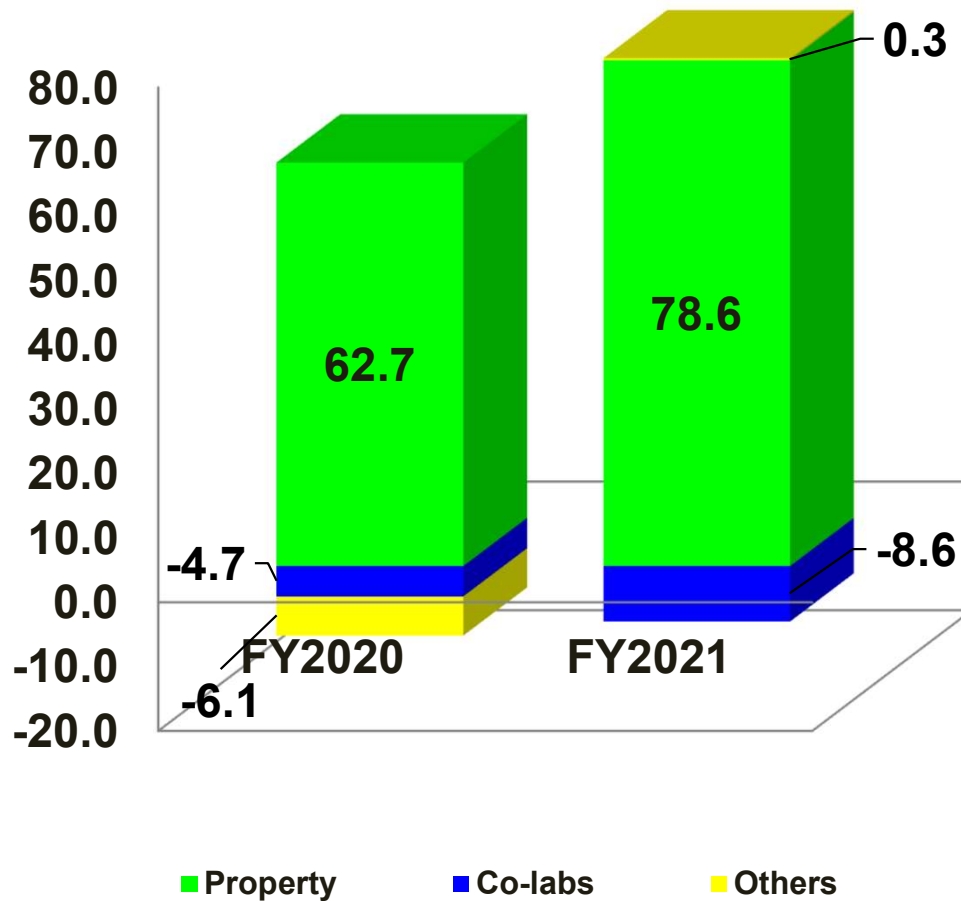
Included in the revenue was sale of commercial land at the Sekitar26 development in Selangor. Top 3 revenue contributors were Bukit Banyan development in Kedah, Utropolis Batu Kawan development in Penang and ATWATER development in Selangor.

Co-labs Coworking Division

Maiden contribution from Scalable Malaysia and total contribution from the five Co-labs Coworking outlets were higher this year

PBT - continuing operations

PBT By Division (RM'Million)



Property Division	PBT was higher on the back of the higher revenue
Co-labs Coworking Division	Higher loss before tax mainly due to an impairment loss of RM4.6 million recognised in respect of Co-labs Coworking Naza Tower, Platinum Park.

Statement of Financial Position

RM'000	31/12/2021	31/12/2020 (Restated)
Non-current assets	1,627,982	1,847,610
Current assets	1,317,579	1,116,964
Total assets	2,945,561	2,964,574
Current liabilities	511,770	474,935
Net current assets	805,809	642,029
Non-current liabilities	746,658	810,331
Total liabilities	1,258,428	1,285,266
Total equity	1,687,133	1,679,308
Total equity and liabilities	2,945,561	2,964,574

Debt/Equity Ratio

	31/12/2021	31/12/2020 (Restated)
	RM'Mil	RM'Mil
Borrowings	963.1	954.2
Cash & bank balances	178.2	204.3
Total equity*	1,687.1	1,679.3
	31/12/2021	31/12/2020
Gross D/E ratio	0.57	0.57
Net D/E ratio	0.47	0.45

*Included Private Debt Securities of RM249 million (2020: RM249 million)

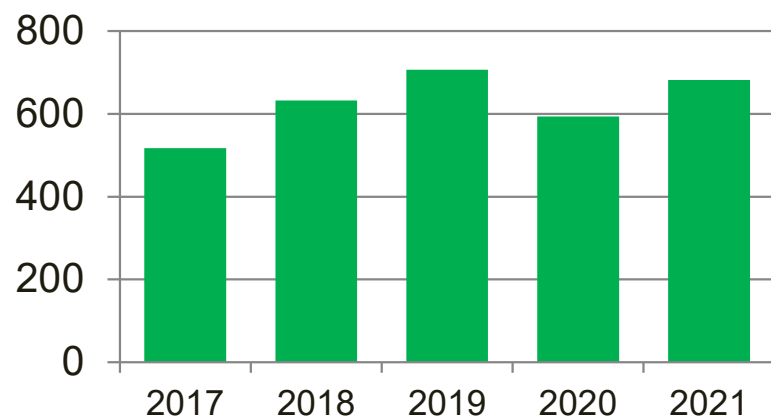
Gross D/E Ratio = Total Borrowings/Total Equity

Net D/E Ratio = (Total Borrowings-Cash & Bank Balances)/Total Equity

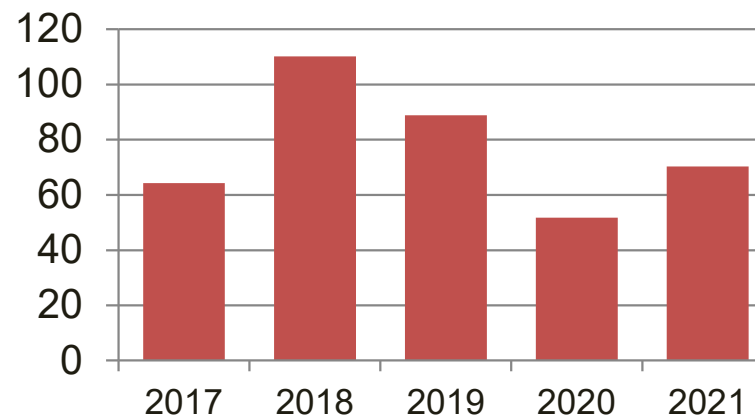
5-Year Financial Highlights

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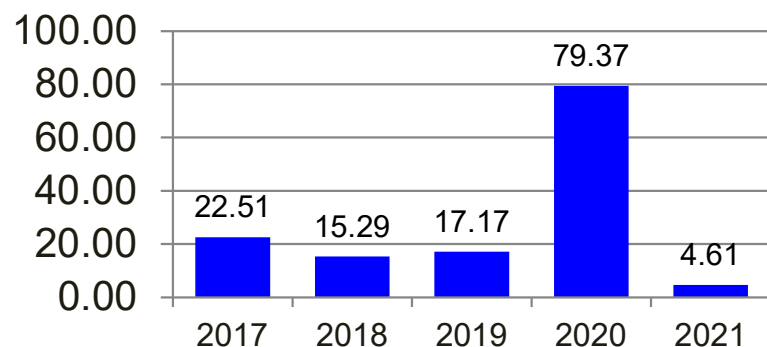
Revenue (RM'Mil)



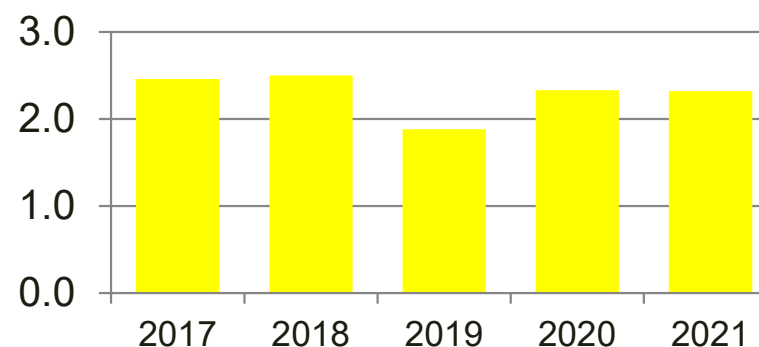
PBT (RM'Mil)



Earnings Per Share (Sen)



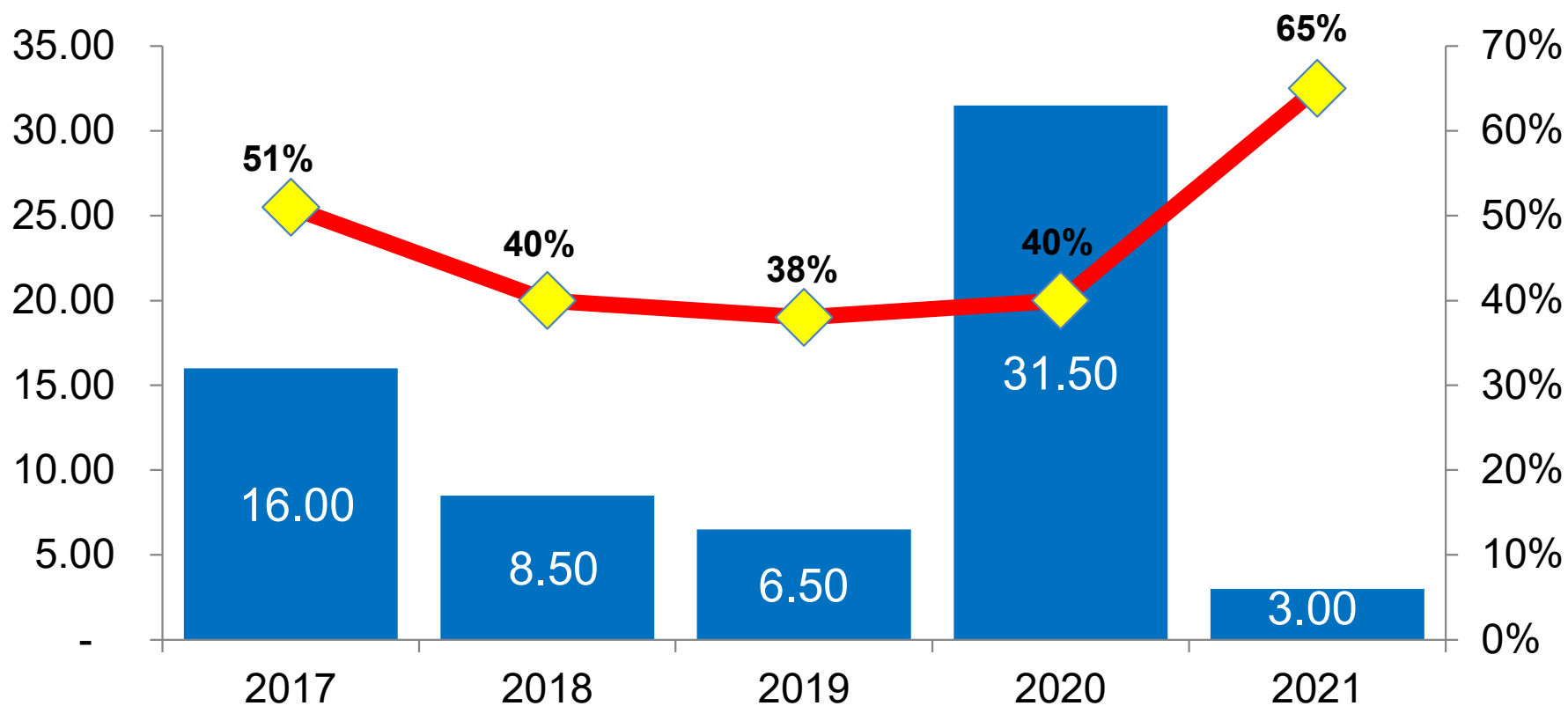
Net Assets Per Share (RM)



Note:
Revenue & PBT – These represent financials from continuing operations

5-Year Financial Highlights

Gross Dividend Per Share (sen) and Payout Ratio (%)



FY2021 Highlights

FY2021 Highlights

Property Division

- 1,192 units of properties were launched in FY2021 (FY2020: 1,432 units).
- Property sales of 1,062 units with a sales value of RM806 million, 4.7% higher than FY2020 of RM770 million.
- Unbilled sales stood at RM1.13 million as at 31 December 2021.
- Effective 1 January 2021, the Group had adopted the Agenda Decision on borrowing costs which has also been retrospectively applied

Co-labs Coworking Division

- New outlet opened at Tropicana Gardens, Kota Damansara in January 2021
- Maiden contribution from Scalable Malaysia, a one-stop workspace solution provider

Total landbank & GDV

Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	Remaining GDV* (Million)	Development Period	
			Start	End
On going Developments				
Kemuning Utama, Shah Alam	26.7	586	2004	2028
Sekitar26, Shah Alam	0.0	61	2013	2021
Bandar Laguna Merbok, Sungai Petani	0.0	1	1996	2018
Utropolis Glenmarie, Shah Alam	0.0	2	2013	2020
Bukit Banyan, Sungai Petani	123.0	640	2012	2027
Sejati Residences, Cyberjaya	10.0	522	2013	2027
Greenwoods, Salak Perdana	100.5	737	2015	2027
Utropolis Batu Kawan, Penang	19.3	1,721	2016	2027
Atwater, Petaling Jaya	0.0	261	2018	2023
Berkeley Uptown, Klang	15.4	648	2019	2028
Sejati Lakeside, Cyberjaya	0.0	112	2019	2023
Ampang Hilir, Kuala Lumpur	3.6	986	2021	2025
Total	298.5	6,277		

Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	GDV* (Million)	Development Period	
			Start	End
Future Projects				
Bukit Banyan II, Sungai Petani	137.1	405	2023	2027
Machang Bubuk, Penang	69.2	420	2023	2027
Total	206.3	825		
Grand Total	504.8	7,102		

* Comprising potential GDV from undeveloped lands and GDV from properties launched but remained unsold as at 31 December 2021

Total Landbank & GDV

Project developed by associate company	Remaining Gross Undeveloped Lands (Acres)	GDV [^] (Million)	Development Period	
			Start	End
Na Reva	-	44	2020	2024

[^] Being the Group's share of GDV from properties launched by Navarang Charoennakhon Company Limited but remained unsold as at 31 December 2021

Prospect for 2022

Prospect

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%), as economic activities resumed with the easing of containment measures. The rebound in economic activity was aided by recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth.

For 2022, the domestic economy is expected to remain on its recovery path, supported by the continued expansion in global demand and higher private sector expenditure given improving labour market conditions and on-going policy support. The continuation of major investment projects in both private and public sectors will also support growth. However, the balance of risks remains tilted to the downside, mainly from development surrounding COVID-19, both globally and domestically.

(Source: Press Release from Bank Negara Malaysia on the Economic and Financial Developments in Malaysia in the Fourth Quarter of 2021)

The reopening of the economy and the gradual easing of the country into accepting COVID-19 as endemic is expected to restore consumer confidence and aid the recovery of the property market in 2022. In addition, the low interest rate environment and the abolishment of the real property gains tax for disposals in year 6 onwards is expected to help invigorate the property market in spite of the Home Ownership Campaign that has come to an end on 31 December 2021. Headwinds for the property sector such as uncertainties arising from the emergence of a new variant of COVID-19 virus, potential interest rate hike, escalating prices of building materials and the shortage of construction workers could dampen its recovery.

Prospect (cont'd)

a) Property Division

Despite the headwinds, with the encouraging momentum of recovery of economic activities, Paramount Property looks forward to launching six projects in 2022 (including new phases of existing projects) with an estimated gross development value of RM1.3 billion. Among the new projects lined up are Arinna and a transit-oriented development project situated next to the Asia Jaya Light Rail Transit Station in Petaling Jaya, both of which will be launched after securing all the necessary authority approvals. Arinna is a low density smart home project at Kemuning Utama in Shah Alam, Selangor.

The Group's unbilled sales of RM1.1 billion as at 31 December 2021 will provide some visibility on the Group's cashflow in the near term, the pace at which this can be converted into billings would depend largely on the construction progress of the projects.

b) Co-labs Coworking Division

Co-labs Coworking is well positioned to meet the needs of organisations that wish to mitigate risks arising from current uncertainties as it provides organisations the flexibility to scale up or scale down their workspace requirements depending on their business needs and market conditions. As for those organisations that wish to reintegrate employees back to their offices, Scalable Malaysia can help design, build, manage, and operate people-centric workspaces to bring out the best in its customers' workforce.

Prospect (cont'd)

As long as COVID-19 infection remains a risk in the community, the Group will continue to be vigilant, safeguard its staff and workers' wellbeing and take actions to minimise disruption to its supply chain. Pursuant to the measures taken by the Group to vaccinate its workers, all its construction sites are now operating at 100% workforce capacity with standard operating procedures in place. The Group has also put in place risk mitigation plans and cost rationalisation measures to manage the Group's expenses but will continue to invest for long term business sustainability.

The Group remains cautious in the early stage of endemic and the business environment is expected to remain challenging for the financial year ending 2022 given the headwinds faced by the property sector. Notwithstanding the external circumstances, the Group will continue to maintain its strong financial resilience and optimise its operations to navigate through these uncertain times.

Statement Regarding Unaudited Financial Information

The unaudited financial information set forth above is preliminary and subject to adjustments and modifications.

Disclaimer on Forward-Looking Statements

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We therefore caution against placing undue reliance on the forward-looking statements contained in this presentation, which are based on current view of management on future events.

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Thank You