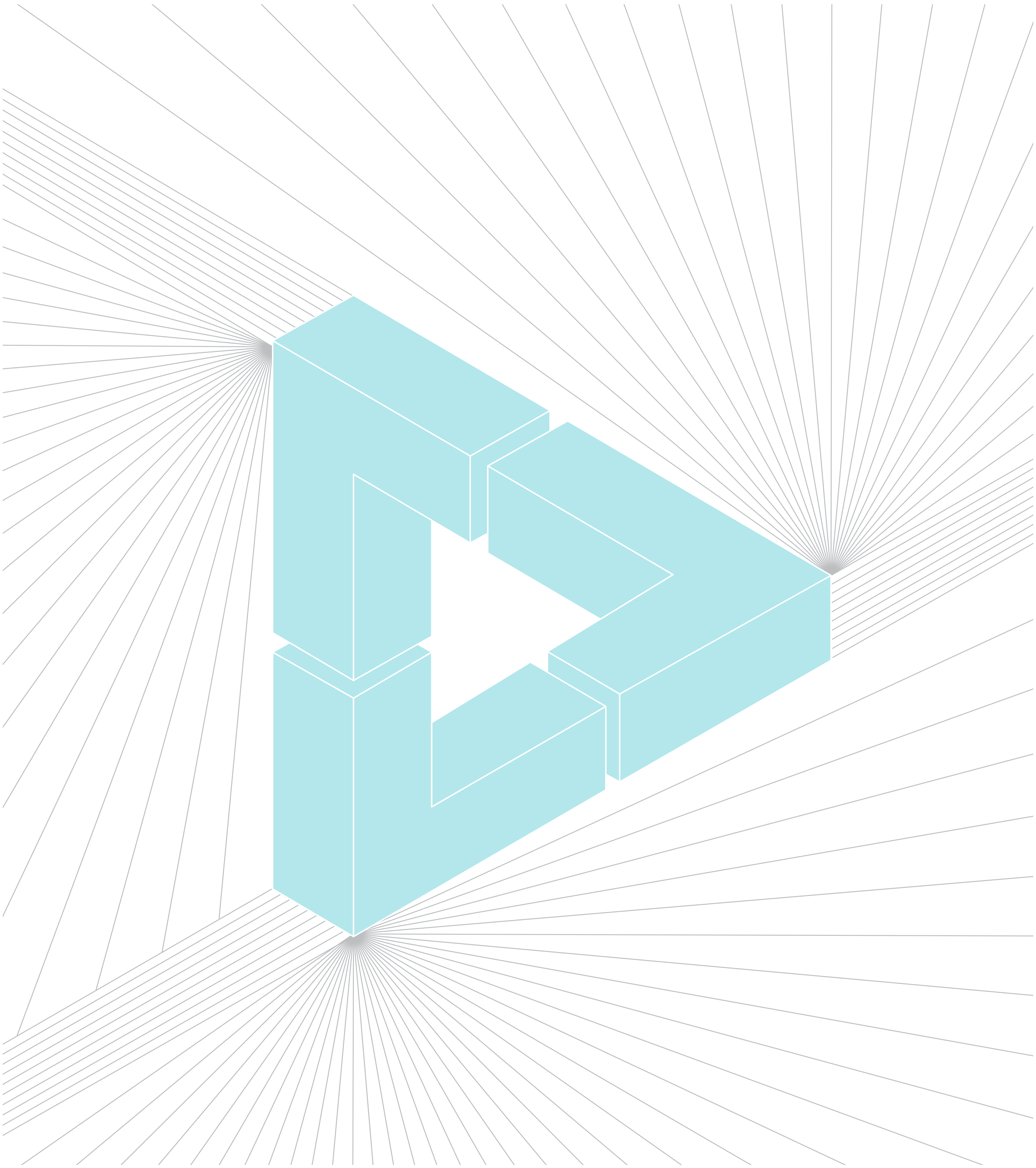
PARAMOUNT



Forging Ahead Together

ANNUAL REPORT 2021

52nd Annual General Meeting

Suite I, Level 2,
Mercure Kuala Lumpur Glenmarie Hotel,
Jalan Kontraktor U1/14, Seksyen U1,
40150 Shah Alam,
Selangor Darul Ehsan

Wednesday
8 June 2022, 10.30 a.m.

Scan the QR code to view or download a soft copy of this Annual Report 2021.

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04 Corporate Structure
05 At a Glance - 2021
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16 Corporate Information
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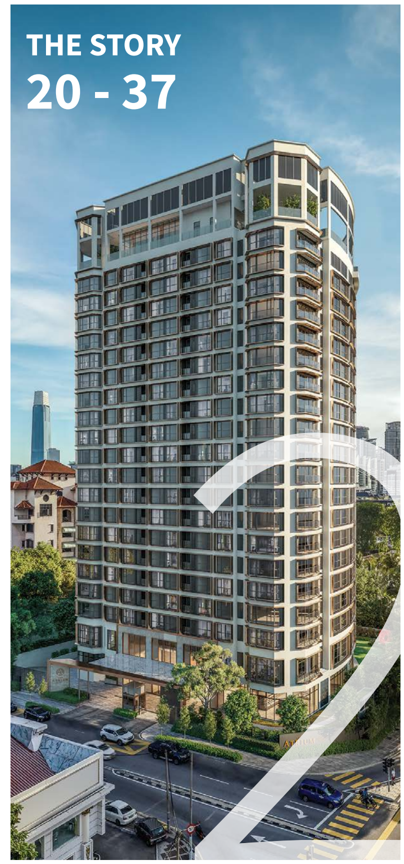

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THE COMPANY

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1

How We **Create Value**

Our Vision

Changing Lives And Enriching Communities For A Better World

Our Mission

We deliver superior products and services that benefit society, and shape future generations of leaders and thinkers.

We care for the safety and health of our people, and we believe in developing their talents through empowerment and enabling them to maximise their potential.

We grow our businesses to deliver sustainable and responsible shareholder returns while ensuring that we continue to protect our environment.

We must be bold in technological innovations to be market leaders in our core businesses.

We will leverage on the synergies within our business ecosystem to create unique product offerings.

Our Core Values

T R I B E

TRUST
We will strive to strengthen the faith that our shareholders, customers and the community have placed upon us to deliver sustainable returns.

RESPECT
We respect people as individuals, care for their well-being, and welcome diversity in capability and background. We encourage positive teamwork and expect everyone to be open, candid and constructive in their comments and suggestions and always seek to help our colleagues inside and outside Paramount.

INTEGRITY
We expect to do what is right, not only what is allowed. We believe in absolute honesty and strong principles of uncompromising ethical and moral behaviour from everyone – our employees as well as those who do business with us. Integrity must not only be heard but must also be seen in action at all times.

BRAVERY
We must have the courage to stand up for what we believe in and be bold enough to venture into new areas and businesses.

ENERGY
We embrace the future with vitality and vigour, exhibiting innovativeness and entrepreneurship in the true spirit upon which the company was founded.

Corporate **Structure**

PROPERTY

100%
- Aneka Sepakat Sdn Bhd
- Berkeley Sdn Bhd
- Berkeley Maju Sdn Bhd
- Broad Projects Sdn Bhd
- Carp Legacy Sdn Bhd
- Kelab Bandar Laguna Merbok Sdn Bhd
- Paramount Construction Sdn Bhd
- Paramount Construction (PG) Sdn Bhd
- Paramount Engineering & Construction Sdn Bhd (In members' voluntary liquidation)
- Paramount Property (Cityview) Sdn Bhd
- Paramount Property (Cjaya) Sdn Bhd
- Paramount Property Construction Sdn Bhd
- Paramount Property Development Sdn Bhd
- Paramount Property (Glenmarie) Sdn Bhd
- Paramount Property (Lakeview) Sdn Bhd
- Paramount Property (PG) Sdn Bhd
- Paramount Property (PW) Sdn Bhd
- Paramount Property (Sekitar 26 Enterprise) Sdn Bhd
- Paramount Property (Sepang) Sdn Bhd
- Paramount Property (Utara) Sdn Bhd
- Paramount Utropolis Retail Sdn Bhd
- Seleksi Megah Sdn Bhd (In members' voluntary liquidation)

99%
- Paramount Property (Lakeside) Sdn Bhd

70%
- Utropolis Sdn Bhd

COWORKING

100%
- Paramount Coworking Sdn Bhd

70%
- Gardens of Hope Sdn Bhd

INVESTMENT AND OTHERS

100%
- Flexsis Sdn Bhd
- Janahasil Sdn Bhd
- Jasarim Bina Sdn Bhd
- Magna Intelligent Sdn Bhd
- Paramount Capital Resources Sdn Bhd
- Paramount FoodPrint Sdn Bhd
- Paramount Global Sdn Bhd
- Paramount Global Investments Pty Ltd
- Paramount Globalcom Sdn Bhd
- Paramount Greencity Sdn Bhd
- Paramount Holdings Sdn Bhd
- Paramount Investments & Properties Pty Ltd
- Paramount Property Holdings Sdn Bhd
- Paramount Property (Seaview) Sdn Bhd
- Super Ace Resources Sdn Bhd

49%
- Navarang Charoennakhon Company Limited

35%
- UOW Malaysia KDU University College Sdn Bhd

35%
- UOW Malaysia KDU Penang University College Sdn Bhd

30.3%
- Paramount Education Sdn Bhd

30%
- Omegaxis Sdn Bhd
  - **63.5%** Peoplender Sdn Bhd

20%
- Sri KDU Sdn Bhd

20%
- Sri KDU Klang Sdn Bhd

Kindly refer to pages 144 to 145 of this Annual Report for the full list of subsidiary and associate companies of Paramount Corporation Berhad.

At a Glance - 2021

Proposed Final Dividend

3 sen

Payout ratio: **65%**

8 ongoing projects

in Malaysia & **1 equity** venture in Bangkok

Group Revenue

(continuing ops)

YOY ↑ 15%

RM 681.4 mil

(FY2020: RM593.6 mil)

PBT

(continuing ops)

YOY ↑ 37%

RM 70.3 mil

(FY2020: RM51.5 mil)

Properties Launched

1,192 residential units

(GDV: RM866 mil)

at **4 locations** including Paramount's first project in Kuala Lumpur, **The Atrium**.

Coworking

Launched outlet at

Tropicana Gardens - **17,000** sq ft

Now **5** outlets **115,000** sq ft

Remaining Land Bank

504.8 acres

Potential GDV **RM7.2 bil**

Corporate **Profile**

Paramount Corporation Berhad (Paramount or the Company), listed on the Main Market of Bursa Malaysia Securities Berhad, is an investment holding company with property development as its core business.

Paramount started off as a rice miller. It was incorporated as Malaysia Rice Industries Berhad on 15 April 1969 and was listed on the Kuala Lumpur Stock Exchange on 15 July 1971. The Company ventured into property development in 1978 after acquiring real estate company Perumahan Berjaya Sdn Bhd (now known as Paramount Property Holdings Sdn Bhd). It assumed its present name in 1980 to reflect its new business.

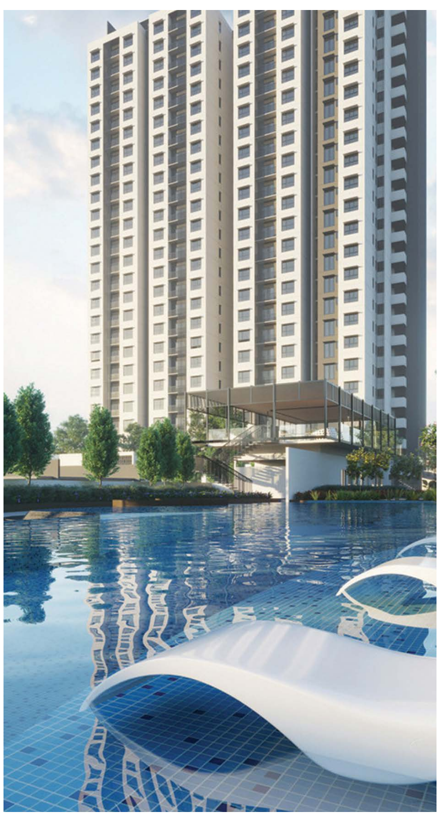
Over the last 53 years, Paramount had ventured into various businesses, but it is best known for property development and education. It maintains strategic equity stakes in the tertiary education and pre-tertiary education businesses, after divesting control in the last few years.

It has eight ongoing property development projects in Kedah, Penang, Selangor and Kuala Lumpur and a 49% equity venture in Bangkok.

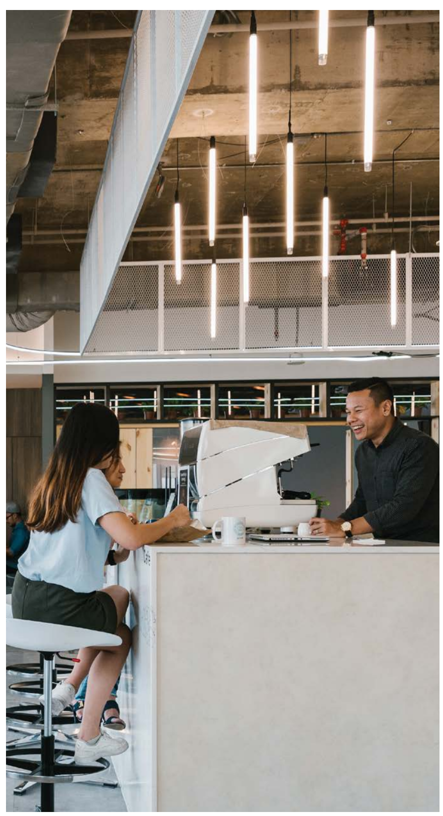
Paramount also offers a network of coworking spaces under Co-labs Coworking, and provides design, build and manage workspace solutions under Scalable Malaysia. It also owns a hotel, Mercure Kuala Lumpur Glenmarie, as well as Dewakan, the only Malaysian restaurant in the Asia's 50 Best Restaurants lists in 2019 and 2022. In 2021, Paramount invested in a peer-to-peer (P2P) financing platform and subsequently, an e-commerce platform in 2022.

With a vision of ***'Changing lives and enriching communities for a better world'*** Paramount continues to grow its businesses while contributing to nation building.

PROPERTY



COWORKING



INVESTMENT & OTHERS

Corporate Profile

PROPERTY

PARAMOUNT PROPERTY

The People's Developer™

Paramount Property, the people's developer, has more than four decades of experience in property development, winning awards for design innovation and quality. It is one of the most trusted property developers in Malaysia because of its excellent track record of delivering quality products on time.

It has developed landed homes and townships, integrated developments, schools and college campuses, condominiums and serviced apartments, as well as commercial and industrial buildings. It has built on various landscapes from a riverbank to a lakeside. It has turned a former palm oil plantation into an award-winning hill park township, and has built in suburbs as well as city centres.

Paramount Property has come a long way since its first township project of Taman Patani Jaya in Sungai Petani in 1981. Today, Paramount Property has eight ongoing projects in Kedah, Penang, Selangor and Kuala Lumpur.

In 2020, Paramount Property ventured overseas into Bangkok via an equity stake in a Thai property development company.

Paramount Property

COWORKING

CO-LABS COWORKING

COWORKING SPACES

Co-labs Coworking is a network of vibrant coworking spaces designed for entrepreneurs, SMEs and corporates. The spaces provide businesses a collaborative ecosystem and holistic work environment. Members enjoy opportunities to enhance their careers, develop personally and improve workspace wellness.

Co-labs Coworking started with just 3,700 sq ft in 2016 and has expanded more than 30 fold to some 115,000 sq ft across five locations in the Klang Valley i.e. two outlets at Damansara Uptown, Petaling Jaya (Starling Mall and Uptown 7), Naza Tower in Kuala Lumpur; Sekitar26 in Shah Alam, and the latest outlet at Tropicana Gardens, Kota Damansara.

SCALABLE

DESIGN, BUILD & MANAGE SOLUTIONS

In August 2020, Paramount Coworking together with Paramount Property, launched Scalable Malaysia, a one-stop workspace solutions provider that specialises in location sourcing, designing, and building cost-effective innovative interiors, with options for after-built service for facility management, including curated employee wellness engagement across a wide variety of businesses such as media, technology, government, retail, F&B and pharmaceutical.

Co-labs Coworking

Scalable Malaysia

INVESTMENT & OTHERS

EDUCATION

Paramount completed the divestment of its controlling stakes in its tertiary and pre-tertiary education businesses in September 2019 and February 2020 respectively.
It retains strategic stakes of 35% in the tertiary education business and 20% in the pre-tertiary education business.

DEWAKAN

FOOD & BEVERAGE

Dewakan is the only Malaysian restaurant on the list of Asia's 50 Best Restaurants 2022. The fine dining restaurant at Naza Tower, Kuala Lumpur, shot to fame in 2019 when it became the first Malaysian restaurant to appear on the list.

HOSPITALITY

Mercure Kuala Lumpur Glenmarie is a 229-key hotel of contemporary design at Utropolis Glenmarie. The business hotel houses Warna, an all-day dining restaurant, Urban@13, a rooftop pool lounge, meeting rooms featuring natural daylight, a rooftop pool and a fitness room.

Dewakan

Mercure Kuala Lumpur Glenmarie

DIGITAL BUSINESSES

Paramount has invested in

- Omegaxis Sdn Bhd whose subsidiaries operate Fundaztic, a P2P financing platform in Malaysia and Singapore;
- Commerce.Asia, an e-commerce platform;
- Openlearning Limited, an Australian listed edutech company, which operates an online education platform for tertiary education institutions.

ONGOING PROPERTY PROJECTS - CENTRAL REGION (KUALA LUMPUR & SELANGOR)

THE ATRIUM — AN EXQUISITE UNION

The Atrium is a freehold 20-storey tower of luxury serviced apartments at Jalan Ampang, Kuala Lumpur, just 1.8km to the city centre.

With 12 layout types and promising an exquisite union of elegant aesthetics and modern practicality, this prestigious address in the vicinity of the Embassy Row lets residents enjoy not only an exclusive community, but also the city's wealth of amenities, including premium malls, education institutions, medical centres, leisure spots, and more.

Beyond a multi-tier security system, all units at The Atrium are equipped with a digital door lock for easy-access safety, as well as smart home systems controlled by mobile devices.

Launched **2021**

Total no. of units **241**

Acreage **0.95 acres**

Expected completion **2024**

SEJATI LAKESIDE CYBERJAYA

Sejati Lakeside is a low-density freehold residential development set against a panoramic 45-acre lake and five acres of landscaped vistas. Three parks with more than 1,000 trees form the nucleus of the development, providing residents with ample green space for recreation and sports. Sejati Lakeside offers you *Your Ultimate Lakeside Living.*

The non-strata development comprises three phases of landed homes: 2-storey terrace and superlink homes and 2 to 2.5-storey lakefront semi-detached homes. Homes are spacious and designed with practical layouts that invite natural lighting and cross ventilation. Sejati Lakeside also offers the gold standard in multi-generational living with its spaciousness and features for elderly mobility.

Universities, international schools, shopping malls, sports and recreational centres, banks, hospitals, restaurants, and commercial hubs are all around the corner.

The third phase was launched in November 2021. Its earlier two phases were sold out.

Launched **2019**

Total no. of units **418**

Acreage **41.4 acres**

Expected completion **2023**

Berkeley UPTOWN

Berkeley Uptown is a freehold mixed-use development in Klang's central business district, presenting *Modern Living in the Heart of Klang*. The development comprises serviced apartments, retail shops, offices, and a public park. It is anchored by Sri KDU International School, the first Microsoft Flagship school in South East Asia.

Phase 1 of Uptown Residences offers a range of sizes: smaller units for first-time buyers and small families to garden villa units for bigger families. Residents will enjoy 16 modern facilities for all ages and multi-tiered security including 24-hour CCTV surveillance. The development is close to schools, commercial centres, malls, medical centres, major highways and trains. The Light Railway Transit (LRT) 3 line, targeted for completion in 2024, will further improve accessibility.

Berkeley Uptown's commercial hub BE spans 7.7 acres. It houses the first Family Mart drive-through in Malaysia, with other lifestyle brands slated to join in when the space opens in Q1 2023.

Launched
2019

Acreage
33 acres

Total no. of units (residential phases 1 & 2)
1,736
Note: Later phases under planning

Units launched (Phase 1)
736 including affordable homes

Expected completion
2028

GREENWOODS Salak Perdana

Paramount Property's second township in the Klang Valley is planned around the concept of *My Home, My Community*. The freehold development with double-storey terrace houses and shoplots is located at Salak Tinggi, Sepang, where one wakes up every morning to a vista of hills and parks.

Greenwoods Cendana, which comprises double-storey terrace houses, will be completed by 2022. Greenwoods Keranji which are also double-storey terrace houses won The Starter Home Award 2019 (Best Affordable Home) by The StarProperty.my.

It is accessible via major highways and the Express Rail Line (ERL). It is also close to Xiamen University Malaysia, Nilai University, Mitsui Outlet Park, Horizon Village Outlets and Aeon Nilai.

Launched
2015

Acreage
237 acres

Total no. of units
2,715

Units launched
601

Expected completion
2027

ONGOING PROPERTY PROJECTS - CENTRAL REGION (KUALA LUMPUR & SELANGOR)

ATWATER

ATWATER is designed for people to *Live Life in Free Flow*. The integrated development of stylish homes, office spaces and retail outlets at Section 13, Petaling Jaya, is built around lush gardens, water features and pocket parks.

The commercial portion takes up two thirds of the development while service apartments occupy the rest. The two office towers and retail spaces are designed for sustainability and connectivity: GreenRE for both towers and Multimedia Super Corridor (MSC) status for Office Tower A. The development is oriented North-South for comfort.

Launched
Service residences 2018
Office and retail spaces 2019

Acreage
5.09 acres

Total no. of units
Serviced apartments - 493
Retail spaces - 27
Two office towers

Expected completion
2023

KEMUNING IDAMAN

Kemuning Idaman offers affordable homes in the mature Kemuning Utama suburb, Paramount's first township project in the Klang Valley. It supports the Selangor government's Rumah Selangorku initiative to help Malaysians own homes. Kemuning Idaman (Phase 1) spans over 7 acres and comprises two towers with 650 affordable apartments. The development enjoys a mix of amenities and facilities, and is connected to multiple highways.

Launched
2019

Acreage
14.74 acres

Total no. of units
929

Units launched
650

Expected completion
2023

ONGOING PROPERTY PROJECTS - NORTHERN REGION (KEDAH & PENANG)

BUKIT BANYAN
Up Close To Nature

Bukit Banyan is Sungai Petani's first hill park gated-and-guarded township development that offers a lifestyle *Up Close to Nature*. Perched in the middle of this township is a 25-acre landscaped hill park that won the EdgeProp-ILAM Malaysia's Sustainable Landscape Awards 2021 – Landscape Planning (Gold).

The development comprises detached, semi-detached, double- and single-storey terrace houses, townhouses, and shop offices. Bukit Banyan has received several other awards for its family-centric designs and landscaping.

Wisma Paramount, Paramount Property's northern regional office, which is located at Bukit Banyan, enjoys a Platinum rating from GreenRE and a Silver from Green Building Index.

In 2020, Paramount purchased 137.1 acres of freehold agricultural land contiguous to the original 520 acres to expand this highly popular development.

Launched
2012

Total no. of units
4,360

Expected completion
2027

Acreage
520 acres (excluding the new 137.1 acres)

Units launched
2,709

PARAMOUNT
UTROPOLIS
BATU KAWAN
PENANG

Utropolis Batu Kawan is Paramount's first project in Penang. This integrated mixed development at Penang's eco-city comprises residential apartments, commercial and retail lots, as well as UOW Malaysia KDU Penang University College's campus.

The whole development, including its latest launch of Sinaran Residences Tower B in 2021, is equipped with modern amenities for health, safety and wellness. It also enjoys a spectacular view of the sea and sky.

Utropolis Batu Kawan is located with easy access to North-South Highway, the second Penang Bridge, McDonald's Drive-Thru, Starbucks Drive-Thru, IKEA, Design Village Outlet Mall and Batu Kawan Industrial Park where opportunities abound.

Launched
2016

Total no. of units
4,709

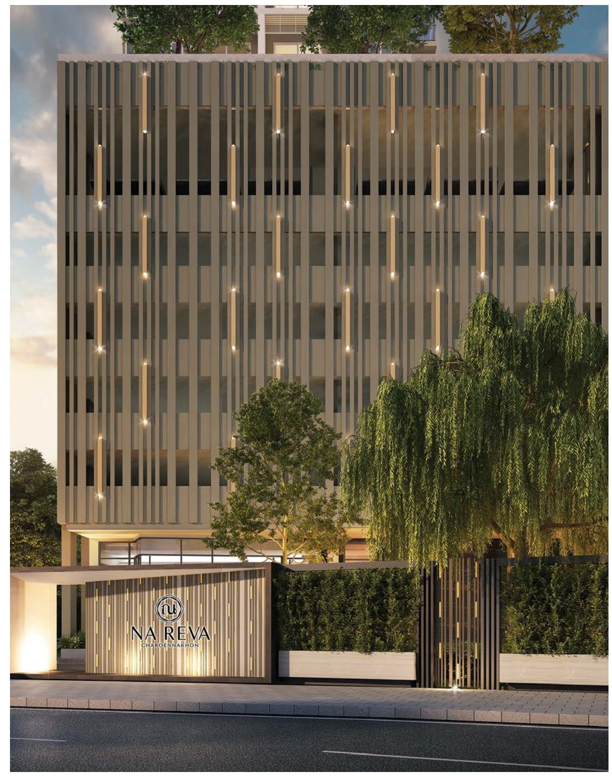
Expected completion
2030

Acreage
33.8 acres

Units launched
2,279

EQUITY VENTURE

NA REVA
CHAROENNAKHON



Na Reva Charaoennakhon in Bangkok is a freehold condominium project by Navarang Charoennakorn, which is 49% equity owned by Paramount.

The 29-storey building is a waterfront development next to Chao Phraya River, just minutes to the Central Business District and key attractions. It enjoys one of the best panoramic skylines with a river view in Bangkok. The modern apartments come amenities such as an infinity-edge pool, fitness centre, various gardens and even a co-working space.

The project marries timeless aesthetics with comfort and functionality for multi-generations and enjoys easy access to public transport. Our equity partner, Navarang Asset Co. Ltd was awarded 'Best Developer Residential High-Rise' by Dot Property Thailand Awards 2021.

Launched
2020

Total no. of units
253

Acreage
0.5 acres

Expected completion
2023

PROPERTY LAUNCHES IN 2022

ARINNA
KEMUNING UTAMA

Bearing the concept of *Smart Home Living at Your Fingertips*, Arinna Kemuning Utama will be Kemuning Utama, Shah Alam's latest launch. The freehold low density landscaped residential development comprises two residential towers. All units enjoy smart home features and are also protected with multi-tiered security.

A mini retail complex provides easy access to groceries, restaurants and other necessities. There are also public and international schools, banks, medical centres and commercial hubs in the vicinity.

Expected launch
Q2 2022

Acreage
6.02 acres

Total no. of units
959

No. of units (Phase 1)
356

Expected completion
2025

PROPERTY LAUNCHES IN 2022

Sejati Lakeside 2, Cyberjaya

Sejati Lakeside 2 is a freehold landed development by a 45-acre lake, an extension to Sejati Lakeside. It offer dual recreation experiences – garden and lakeside views. It also features a bonsai atelier, linear parks with exercise stations along the north-south orientation, promenade walk with pavilions as well as an eco-forest equipped with equipment for active play.

This exclusive non-strata development comprises double storey semi-detached homes. The homes are spacious and designed with practical layouts to achieve harmony between shade and cross ventilation.

Universities, schools, shopping malls, sports and recreational centres, banks, hospitals, restaurants, and commercial hubs are all around the corner.

Expected launch
Q3 2022

Acreage
32.70 acres

Total no. of units
234

No. of units (Phase 1)
122

Expected completion
2025

The Atera, Petaling Jaya

Located at a prime location in the heart of Petaling Jaya, this transit-oriented mix development is within a walking distance to the Asia Jaya LRT transit stop.

The development consists of serviced apartments and retail lots and is supported with facilities for family enjoyment. Comfortable and spacious, the homes are perfect for couples and young families.

Shopping malls, grocers, matured commercial hubs, hospitals, universities, colleges, public and private schools are all around the corner. Getting in and out of this development will be effortless as it is well-connected to major highways (Federal Highway, NKVE, Sprint Highway and the New Pantai Expressway).

Expected launch of Phase 1
Q4 2022

Acreage
9.66 acres

Total no. of units
2,100

No. of units (Phase 1)
756

Expected completion
2028

Awards in the past three years

2021

BCI Asia Awards 2020/2021
—
Paramount Corporation Berhad
—
Top 10 Developers 2020/2021

The Edge Property Top Developers Awards 2021 – Ranked 12
—
Paramount Property
—
The Edge Malaysia Property Excellence Awards 2021

EdgeProp Best Managed & Sustainable Property Awards 2021 – Landscape Planning category
—
Bukit Banyan
—
EdgeProp Best Managed & Sustainable Property Awards 2021

5-Star rating in Safety and Health Assessment System in Construction (SHASSIC) Award 2020
—
Phase 4 – Sierra 2, Bukit Banyan
—
SHASSIC Day 2021

Excellence Award for Corporate Governance Disclosure – Market Cap above RM300 million to below RM1 billion
—
Paramount Corporation Berhad
—
Minority Shareholder Watch Group (MSWG)-ASEAN Corporate Governance (CG) Scorecard Award 2020

Industry Excellence Award for Corporate Governance Disclosure – Property
—
Paramount Corporation Berhad
—
Minority Shareholder Watch Group (MSWG)-ASEAN Corporate Governance (CG) Scorecard Award 2020

2020

Top 10 Property Development Brand
—
Paramount Corporation Berhad
—
Property Insight Malaysia's Top 100 Property Developer Brand 2019/2020

Best Overall Champions
—
Paramount Property
—
StarProperty.my Awards 2020

All-Star Top Ranked Developers of the Year
—
Paramount Property
—
StarProperty.my Awards 2020

Most Sustainable Award
—
Paramount Property
—
StarProperty.my Awards 2020

The Edge Property Top Developers Awards 2020 – Ranked 12
—
Paramount Property
—
The Edge Malaysia Property Excellence Awards 2020

The Family Friendly Award (Landed) – Excellence
—
Sejati Lakeside
—
StarProperty.my Awards 2020

The Starter Home Award – Excellence
—
Utropolis Batu Kawan
—
StarProperty.my Awards 2020

Awards in the past three years

2020

5-Star rating in Safety and Health Assessment System for Building Construction Works 2020
—
Phase 3 – Utropolis Glenmarie
—
SHASSIC Day 2020

High QLASSIC Achievement (Landed Residential Development)
—
Sejati Residences Phase 3A – Amelia
—
QLASSIC Construction Quality Excellence Awards 2020

High QLASSIC Achievement (Landed Residential Development)
—
Sejati Residences Phase 3B – Amelia, Courtyard Villa and Eugenia
—
QLASSIC Construction Quality Excellence Awards 2020

GBI Silver
—
Utropolis Batu Kawan Phase 2
—
Green Building Index (GBI)

2019

FIABCI Malaysia Property Man of 2019
—
Dato' Teo Chiang Quan
—
FIABCI Malaysia Property Awards 2019

The Highest Returns to Shareholders Over Three Years in the Property Sector
—
Paramount Corporation Berhad
—
The Edge Centurion Club 2019

The Edge Property Top Developers Awards 2019 – Ranked 13
—
Paramount Property
—
The Edge Malaysia Property Excellence Awards 2019

All- Star Top Ranked Developers of the Year
—
Paramount Property
—
StarProperty.my Awards 2019

The Northern Star Award, Best Affordable Home – Honours
—
Utropolis Batu Kawan
—
StarProperty.my Awards 2019

The Starter Home Award, Best Affordable Home – Honours
—
Greenwoods, Salak Perdana
—
StarProperty.my Awards 2019

High QLASSIC Achievement
—
Sejati Residences Phase 3A & 3B
—
QLASSIC Construction Quality Excellence Awards 2019

Best Education Centric Development
—
Berkeley Uptown
—
PropertyInsight Prestigious Developer Awards 2019

GBI Silver, Non Residential New Construction Category
—
Wisma Paramount @ Bukit Banyan
—
Green Building Index (GBI)

GBI Certified
—
Utropolis Batu Kawan Phase 1
—
Green Building Index (GBI)

Corporate **Information**

BOARD OF DIRECTORS

QUAH CHEK TIN
Chairman &
Independent Non-Executive Director

JEFFREY CHEW SUN TEONG
Group Chief Executive Officer &
Executive Director

BENJAMIN TEO JONG HIAN
Deputy Group Chief Executive Officer &
Executive Director

DATUK SERI DR MICHAEL YAM KONG CHOY
SMW, DSNS, DUniv
Senior Independent Non-Executive Director
Mobile : 018-959 8578
Email : myam@pcb.my

ONG KENG SIEW
Independent Non-Executive Director

QUAH POH KEAT
Independent Non-Executive Director

FATIMAH BINTI MERICAN
Independent Non-Executive Director

FOONG PIK YEE
Independent Non-Executive Director

FAIZAH BINTI KHAIRUDDIN
Independent Non-Executive Director

SECRETARY

NG WAI PENG
MAICSA 7014112
SSM Practicing Certificate No. 202008003726

REGISTERED OFFICE

Level 8, Uptown 1
1, Jalan SS21/58, Damansara Uptown
47400 Petaling Jaya, Selangor Darul Ehsan
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Facsimile : 03-7712 3322
Email : info@pcb.my
Website : www.pcb.my

INVESTOR RELATIONS

Investor Relations Department
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Facsimile : 03-7712 3322
Email : ir@pcb.my

REGISTRAR

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59200 Kuala Lumpur
Telephone : 03-2783 9299
Facsimile : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com
Website : www.tricorglobal.com

AUDITORS

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Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Telephone : 03-7495 8000
Facsimile : 03-2095 5332

PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
Bank Islam Malaysia Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 1724
Stock Name : PARAMON
(Listed since 15 July 1971)

Other **Information**

Required by The Listing Requirements of Bursa Malaysia Securities Berhad

AUDIT AND NON-AUDIT SERVICES RENDERED

For financial year ended 31 December 2021, Ernst & Young PLT rendered the following audit services to the Group at the respective fees:

	Company RM'000	Group RM'000
Fees paid/payable to Ernst & Young PLT		
• Audit	120	456
• Audit-related		
- Accounting and other review work	65	65
- Review of the Statement on Risk Management and Internal Control	5	5
- Review of the Group's compliance with the Housing Development (Control and Licensing) Act, 1966	-	31
• Non-audit fee		
- Tax advisory services	34	34
Total	**224**	**591**

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

EMPLOYEE SHARE SCHEME

The Long Term Incentive Plan (**LTIP**) 2013-2023, which involves the allotment and issuance of new ordinary shares in the Company to eligible employees and executive directors of Paramount Corporation Berhad and its subsidiaries provided that the total number of shares so allotted shall not at any time exceed ten per centum (10%) of the issued share capital of the Company, was implemented on 17 September 2013.

Other **Information**

Details of the LTIP are set out in Note 35 to the Audited Financial Statements on pages 166 to 169 of this Annual Report, and the number of LTIP Shares granted, vested and outstanding since the commencement of the LTIP up to the end of the financial year ended 31 December 2021 are set out below:

1. LTIP Shares granted

Type of Grant	Total Granted	Executive Directors (EDs)	Key Senior Management (KSM)	Other Selected Employees (OSE)
2015 Restricted Shares (**RS**)	2,200,100	444,800	423,200	1,332,100
2015 Performance-based Shares (**PS**)	Up to 3,244,200	Up to 996,400	Up to 947,800	Up to 1,300,000
2016 RS	2,362,600	501,700	456,700	1,404,200
2016 PS	Up to 3,700,600	Up to 1,260,400	Up to 1,147,200	Up to 1,293,000
2017 RS	2,440,400	576,600	535,700	1,328,100
2017 PS	Up to 5,016,200	Up to 1,382,000	Up to 1,284,200	Up to 2,350,000
2018 RS	2,138,900	447,200	382,100	1,309,600
2018 PS	Up to 4,108,800	Up to 1,136,400	Up to 971,000	Up to 2,001,400
2019 RS	2,091,500	367,800	250,400	1,473,300
2019 PS	Up to 3,308,400	Up to 886,600	Up to 603,400	Up to 1,818,400
2020 RS	2,754,500	538,900	245,800	1,969,800
2020 PS	Up to 3,813,800	Up to 1,356,600	Up to 619,000	Up to 1,838,200

2. LTIP Shares vested

Type of Grant	Total Vested	EDs	KSM	OSE
2015 RS	1,895,000	444,800	423,200	1,027,000
2015 PS	1,801,500	685,000	579,600	536,900
2016 RS	2,236,600	501,700	418,400	1,316,500
2016 PS	2,841,300	1,052,400	817,500	971,400
2017 RS	2,722,700	653,400	557,600	1,511,700
2017 PS	4,734,300	1,377,100	1,151,600	2,205,600
2018 RS	2,551,100	566,400	403,000	1,581,700
2018 PS	2,100,800	795,400	457,600	847,800
2019 RS	1,867,100	343,200	200,300	1,323,600
2019 PS	0	0	0	0
2020 RS	845,800	179,600	49,100	617,100
2020 PS	0	0	0	0

3. Outstanding LTIP Shares (adjusted arising from the issue of bonus shares that was completed on 25 July 2019)

Type of Grant	Total Outstanding	EDs	KSM	OSE
2015 RS	0	0	0	0
2015 PS	0	0	0	0
2016 RS	0	0	0	0
2016 PS	0	0	0	0
2017 RS	0	0	0	0
2017 PS	0	0	0	0
2018 RS	0	0	0	0
2018 PS	0	0	0	0
2019 RS	977,600	171,600	117,000	689,000
2019 PS	Up to 4,629,200	Up to 1,241,000	Up to 844,600	Up to 2,543,600
2020 RS	1,838,800	359,300	164,000	1,315,500
2020 PS	Up to 3,813,800	Up to 1,356,600	Up to 619,000	Up to 1,838,200

With regard to the LTIP Shares granted to the EDs and KSM:

(1) the maximum allocation of LTIP Shares to the ED who is also the Group Chief Executive Officer was 15% of the maximum number of LTIP Shares available under the LTIP, which shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the plan period of the LTIP;

(2) the maximum allocation of LTIP Shares to the ED who is also the Deputy Group Chief Executive Officer, but was a KSM and a person connected with an ED at the time of the grant, was 2.5% of the maximum number of LTIP Shares available under the LTIP, which shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the plan period of the LTIP;

(3) the granting of LTIP Shares to the remaining KSM was not subject to any maximum allocation; and

(4) the actual percentage of LTIP Shares granted to these two categories of Eligible Employees as at 31 December 2020 (2020 being the year of the last grant) was 47.8% of the total number of LTIP Shares granted.

Non-Executive Directors of the Company are not eligible to participate in the LTIP.

THE STORY

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In Memory of

Dato' Dr Teo Chiang Quan

1949 - 2021

> "That man is a **success** – who has lived well, laughed often and loved much, who has gained the **respect** of intelligent men and the **love** of children, who has filled his niche and accomplished his task, who leaves the world better than he found it, who has never lacked **appreciation** of earth's beauty or failed to express it, who looked for the best in others and **gave the best** he had."

A tribute book has been produced to celebrate the life and achievements of Dato' Dr Teo. Scan the QR code to view or download a soft copy of the tribute book.

Message from **The Chairman**

QUAH CHEK TIN
Chairman & Independent Non-Executive Director

Dear Shareholders,

On behalf of the Board of Directors (the Board) of Paramount Corporation Berhad (Paramount), I am honoured to present the Company's annual report and audited financial statements for the financial year ended 31 December 2021 (FY2021).

While this is my first year as Chairman of Paramount, I had been an independent non-executive director of the Company for 12 years until 2019.

I would like to thank my fellow Board members for inviting me to rejoin the Board following the unexpected passing of Dato' Teo Chiang Quan. May Dato' Teo rest in peace.

Please allow me to say a few words about Dato' Teo, whose integrity and business acuity I had great respect for. Dato' Teo was involved in Paramount since the 1970s as a young man in his mid- 20s, working in different roles and rising to become the Group Managing Director and Group CEO in later years. He took on the additional role of Chairman in 2015.

Dato' Teo strived to build an organisation that could succeed without him. To put it simply, he aimed to work himself out of a job. For the Company to flourish, Dato' Teo believed in hiring the best talent.

Loved by his employees, he was both proud and appreciative when his colleagues (as he referred to our Paramount employees) did well. He was careful about nurturing the right values. He established systems and processes for a culture of excellence and good governance, emphasising the core values of trust, respect, integrity, bravery, and energy, known among employees by the acronym TRIBE.

Paramount has been practising the high standards expected of a public listed company for more than 50 years, being listed on the Kuala Lumpur Stock Exchange in 1971, just two years after its inception.

It is my hope to take on from where Dato' Teo had left off, and together with my fellow directors and the Management team, build upon what Paramount has achieved towards sustainable growth.

Paramount will continue to pursue our sustainability goals of promoting sustainable financial growth, delivering excellent products and services, supporting community growth as well as protecting and conserving the environment, which are expressed in the six United Nations Sustainable Development Goals (**SDGs**) adopted by the Company.

The goals were decided through a formal governance structure, supported by materiality assessments and engagements with stakeholders. The six SDGs picked are areas where we can make the most meaningful contributions given our businesses and the markets where we operate. Details are in the digital Sustainability Statement, which is available on the Paramount website.

Message from **The Chairman**

ADAPTING TO A PROLONGED PANDEMIC

While Paramount did not suffer worse than many other businesses in the prolonged pandemic, there was financial impact from the various restrictions and lockdowns.

Beyond the closures of development sites and sales galleries, fatigue and anxieties wrought by the Delta variant had dampened market sentiments even after lockdowns were lifted, which meant that the fourth quarter of 2021 was not as upbeat as we had hoped for. FY2021 was a challenging year and Paramount continued with its pragmatic approach to meet challenges, with prudence in spending and cost-optimisation through value-engineering.

These efforts will help us move forward steadily as we prepare for and look to the future of the new normal.

We also added manpower and worked at a greater pace to make up for lost time and undertook measures including the use of industrialised building systems (**IBS**) to manage rising costs and supply chain risks. We are pleased to say that there has been no delays in vacant possession in FY2021.

I am happy to report that despite the challenges Paramount achieved a net profit of RM42.7 million for FY2021 which is 36% higher than the RM31.3 million achieved in FY2020, excluding contribution from discontinued operations. This is on the back of also double digit growth in revenue and profit before tax.

The Board is proposing a final dividend of 3 sen per share for shareholders' approval at the upcoming Annual General Meeting.

More details on the Company's financial performance are in the Management Discussion & Analysis on page 25.

PRIORITISING HEALTH & SAFETY

Talent is an intangible asset that cannot be listed on the balance sheet but it is our people's knowledge, skills and experience that fuel Paramount in both good and difficult times. Paramount's priority is to ensure that our people are safe and well.

Paramount takes a holistic approach to employee wellness and has organised programmes that cover mental and physical health, as well as personal financial management.

All our employees are fully vaccinated. We continue to apply good hygiene and safety measures in our offices, work sites and our businesses in order to keep employees and stakeholders safe while minimising disruptions to operations. Our Standard Operating Procedures and Emergency Response Plan are continually reviewed for improvements.

COMMITTING TO EXCELLENT CORPORATE GOVERNANCE

We stand firmly committed to transparency and accountability. At the core is our robust governance framework that is essential to investor confidence and long-term shareholder value.

On this note, we are proud that Paramount had gained recognition on this front and won two excellence awards from the Minority Shareholder Watch Group (**MSWG**)-ASEAN Corporate Governance (**CG**) Scorecard Award 2020:

Excellence Award for CG Disclosure
for companies with a market capitalisation of above RM300 million to below RM1 billion and ranked 13th among the Top 100 public listed companies (**PLCs**) in CG Disclosure.

Industry Excellence Award
for CG Disclosure among PLCs in the property sector.

The Board will continue to strengthen our corporate governance standards, adopt best practices and provide good disclosures.

BUSINESS SUSTAINABILITY

Guided by our vision of 'Changing Lives and Enriching Communities for a Better World', and reinforced by our TRIBE core values, we seek to create long-term value for our stakeholders by managing our businesses in a responsible way and pursuing new opportunities, including those in the digital economy, as we evolve and build a stronger, more sustainable organisation.

Despite disruptions and headwinds from COVID-19, we have stayed resilient and shown that we are able to thrive in the new normal. We are driven to succeed by our obligations to multiple stakeholders – shareholders, customers, employees, and society at large.

We continue to deliver on our cornerstones of quality and value, stay future-focused and future proofed, and strive to make a difference wherever we can. This year too, we decided to issue our Sustainability Statement in a digital format to accommodate more information without using more paper.

CARING FOR COMMUNITIES

Paramount continued to do our part to support local communities as a responsible corporate citizen. We provided food aid to local communities during the rough times of July 2021 when most of the country was in lockdown. When one of the most severe floods hit in December 2021, Paramount again chipped in to support the local communities as we did for our own staff.

FORGING AHEAD TOGETHER

Little did we envision the impact COVID-19 would have on the world when it started in 2020. Many businesses were severely affected. Paramount has endured and remains profitable whilst we begin to see the resumption of activities to the new normal.

The expansionary Budget 2022 addressed immediate concerns of the nation in ensuring job creation and retention and encouraging capital spending while ensuring fiscal sustainability. These, together with Malaysia's high vaccination rates and the resumption of most economic and social activities signal a more promising 2022. Nonetheless, we will remain vigilant and cautious in the year ahead.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank the Management team for their incredible efforts and all our employees for their commitment and dedication especially during these challenging times of the COVID-19 pandemic.

To my fellow Board members, I am grateful for your guidance and wise counsel. I would like to make a special mention of Paramount's two executive directors, Group CEO Mr Jeffrey Chew, and Deputy Group CEO Mr Benjamin Teo (who took on this new role on 1 September 2021), for their leadership and steering Paramount through the toughest period in 2021.

This year, we extend a warm welcome to Mr Chee Siew Pin who was appointed as Chief Executive Officer of Paramount Property on 3 January 2022. Mr Chee has brought a wealth of regional property experience and expertise to the Company.

To our shareholders, business associates, customers and other stakeholders, I sincerely thank you for your continuing support and trust in Paramount.

Our Company will continue to evolve and work closely with our customers, other stakeholders and communities towards the goal of a sustainable future.

Stay safe and stay healthy.

QUAH CHEK TIN

Chairman & Independent Non-Executive Director

Management Discussion **and Analysis**

Jeffrey Chew Sun Teong
Group Chief Executive Officer & Executive Director

OVERVIEW

Many had hoped that 2021 would be the year of recovery with governments worldwide rushing out their COVID-19 vaccination programmes.

However, two years on (and five billion people vaccinated at least once), the virus is still rewriting the timetable of recovery. Endemicity is now the end goal but it is anyone's guess whether another variant will pose new risks to timelines.

In Malaysia, the government had the unenviable task of ensuring that the healthcare system would not be overwhelmed even as businesses begged for relief from prolonged restrictions, with some closing their shutters permanently.

Scan the QR code to view or download our MD&A from our website.

Paramount Corporation Berhad (**Paramount**) and its subsidiaries (**the Group**) were not spared. Like many other companies, we were also adversely affected in varying degrees, having to operate at reduced work force and closing construction sites and sales galleries for weeks.

Disruptions were the most severe in the third quarter of 2021 with the knock-on effects of delayed approvals for new launches and lengthened sales conversion.

Against this backdrop, the Group demonstrated remarkable resilience by achieving a double-digit growth in both revenue and profit before tax for FY2021. Net profit for the year also showed a 36% growth at RM42.7 million, compared with RM31.3 million achieved in FY2020, excluding contribution from discontinued operations.

In FY2021, we launched RM866 million worth of residential properties at four locations in Sungai Petani , Batu Kawan, Kuala Lumpur and Cyberjaya, and replenished our land bank in Cyberjaya to expand our footprint where we have a solid reputation as a developer of premium landed properties.

Aside from that, we completed the final piece of our integrated development at Utropolis Glenmarie, Shah Alam, and soft launched the 229-key Mercure Kuala Lumpur Glenmarie in November 2021. The hotel is managed by French multinational hotel group Accor, which also provided consultancy services on the hotel's design and technical fit-out. Additionally, Paramount acquired the remaining 29% equity stakes held by our hotel joint venture partner in Super Ace Resources Sdn Bhd (**SAR**) in December 2021. With the buy-out, Paramount has taken full control of SAR.

NET PROFIT FOR FY2021
RM42.7MIL
(FY2020 : RM31.3 million)

REVENUE FOR FY2021
RM681.4MIL
(FY2020 : RM593.6 million)

In line with our five-year (2020-2024) strategic plan to identify new sources of earnings, particularly those in the digital space, Paramount invested in Fundaztic, a peer-to-peer (**P2P**) financing platform, marking our first venture into the financial technology sector. Paramount also led a 5-member consortium in a bid to obtain a digital banking licence.

We remain vigilant and cautious even with growing acceptance of COVID-19 as endemic and the reopening of international borders from 1 April 2022 as the economy continues to recover. As a business, we will need to find a balance between what works and what needs to improve or change to succeed in this new normal. As we move towards recovery, we also look forward to forging ahead together, remembering that even an uncertain future can be a better one, with diligence and creativity.

The Board of Directors (**the Board**) will seek shareholders' approval to reward shareholders with a single tier final dividend of 3 sen per share.

OBJECTIVES & STRATEGIES

We implemented the following strategies in FY2021, which are part of our five-year strategic plan (2020-2024).

- **Proactive land banking**

  We replenished our land bank in Cyberjaya with the aim of expanding our successful Sejati homes series. We believe we are able to leverage on the brand popularity we have built in that location and the sales momentum we have enjoyed at Sejati Lakeside.

  Paramount's land banking strategy is to focus on locations with strong growth potential and to scale up our property development activities for long-term sustainable income. The expansion of the Sejati landed residential development is also in line with Paramount's strategy of balancing its property development profile with a mix of products to cater to different market demands.

  Further details are set out in 'Land Banking' section of Operational Review.

- **Strong value propositions**

  Aside from location, property buyers of today place high priority on wellness, safety and connectivity, more so with the COVID-19 pandemic. As such, we paid special attention to these propositions in our new launches.

  A lot of thought is put into designing spaces for community living, with Paramount incorporating ample spaces for sports and recreational activities into all its developments. On that score, we are proud that our Bukit Banyan in Sungai Petani won Gold in the EdgeProp-ILAM Sustainable Landscape Award in 2021.

  Our Bukit Banyan and Sejati Lakeside in Cyberjaya homes come with generous built-ups and flexible spaces. Our Sejati Lakeside offer spacious ground floor bedrooms with wheelchair-friendly toilet access and a seated bath area for elderly residents with mobility concerns.

  The Atrium luxury serviced apartments in Kuala Lumpur that was just launched in November has a large atrium at its core that provides natural light and ventilation. Likewise, our Sinaran serviced apartments at Utropolis Batu Kawan in Penang are bright and airy with their wide windows, balconies, and yards. These high-rise developments also come with fitted bathrooms and kitchens to ease moving in.

Sejati Lakeside 2


In the northern region, we implemented IBS at Senni 2 (left) and Amaryn 3 (right) to speed up construction progress and to be less labour intensive

- **Efficiency through standardisation**

  In a year of rising construction materials cost and labour shortages, product standardisation has helped to lower costs, reduce dependency on labour, speed up construction and keep product quality consistent.

  In 2021, we expanded the use of Industralised Building Systems (**IBS**) covering Utropolis Batu Kawan, ATWATER, Berkeley Uptown, Bukit Banyan, Greenwoods Salak Perdana, and Sejati Lakeside.

- **Digital transformation**

  Paramount's digital transformation journey began with us digitalising our processes in the property business even before the pandemic. Having simplified, automated, and digitalised some of our operational processes, we continued to fine tune and streamline various modules of activities, from booking and sales through to procurement, project management and after-sales service. Paramount's goal is to digitalise our procurement processes end-to-end by 2024, whereby we expect work efficiency to increase by 30% once completed.

  One positive outcome of a pandemic-challenged property industry is increased innovation and greater focus on digital solutions. Seizing the opportunity to embrace change, the Paramount team also developed new ways to engage with home buyers and potential customers.

  This includes establishing an online sales gallery with 360-degree virtual tours of show units, instant WhatsApp messaging features in our website, creating video content on new products and launching an online guided sales enquiry process during the MCO to provide convenience to prospective homebuyers. In view of the travel restrictions imposed by COVID-19, Paramount Property launched its Zoom Virtual Consultation service. This means interested customers can now view our projects from the comfort of their homes and even book the actual unit at the end of the consultation.

- **Expansion of coworking spaces**

  In January 2021, Co-labs Coworking expanded its footprint with a 17,000 sq ft outlet at Tropicana Gardens Mall at Kota Damansara incorporating contactless access, dedicated break out and lounge areas as well as private spaces and semi-private fixed desks to allow for social distancing. With the addition, Co-labs Coworking has five outlets in the Klang Valley.

  Paramount also offered a new service in workspace solutions (as an extension of its coworking business) via Scalable Malaysia, a one-stop design, build and manage space solutions provider. Scalable Malaysia's services are particularly relevant today as companies need to redesign workspaces due to hybrid working and company restructuring.

  Clients can also leverage on the synergy with Co-labs Coworking in the areas of office management and community engagement.

  Scalable Malaysia brought in its maiden contribution in FY2021.

- **Investment in fintech**

  Following the divestment of Paramount's education businesses, the Board had identified options for new income streams, including investments in startups in the digital space.

  Towards this end, Paramount invested RM13.7 million for a 30% equity interest in Omegaxis Sdn Bhd, the holding company of Peoplender Sdn Bhd that operates the Fundaztic P2P financing platform. Fundaztic operates in Malaysia and Singapore, serving over 24,000 members, providing financing to over 2,000 start-ups and micro to small and medium enterprises.

  Paramount has also applied for a digital banking licence as the lead applicant of a consortium.

REVIEW OF FINANCIAL RESULTS

FY2021 marked Paramount's first full year with property development as our core business having divested our controlling equity interests in the pre-tertiary education businesses in FY2020, shown under the caption of "discontinued operations".

In FY2021, the Group achieved a revenue of RM681.4million, which was 15% higher than RM593.6 million in the previous year, while PBT grew by 37% to RM70.3 million (FY2020: RM51.5 million).

The Group's net profit of RM42.7 million was 36% higher than the RM31.3 million achieved in FY2020, without contributions from the discontinued operations.

Our FY2021 results included RM11 million profit from the disposal of land, RM7.9 million gains recognised in the consolidation exercise of SAR, and RM4.6 million from the asset impairment loss recorded by our coworking business.

The Group's total asset position reduced marginally by 0.3% to RM2.95 billion from RM2.96 billion in the previous year while the Group's total liabilities stood at RM1.26 billion (FY2020: RM1.29 billion).

On the back of the Group's commendable financial performance, the Board is proposing a single tier final dividend of 3 sen per share subject to shareholders' approval at the upcoming 52nd Annual General Meeting (**AGM**).

- **Capital Structure & Capital Resources**

  The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support our business and maximise shareholder value. The Group monitors our capital using debt to equity ratio (namely total debt divided by total equity), which stood at 0.57 times as at 31 December 2021 (31 December 2020: 0.57 times) while net gearing was 0.47 times (31 December 2020: 0.45 times).

  Cash and cash equivalents of the Group stood at RM123.3 million as at 31 December 2021, a decrease from the preceding year's balance of RM176.1 million, mainly due to net repayment of borrowings of RM57.1 million during the financial year.

  Share capital has increased marginally by RM5.9 million to RM330.8 million (31 December 2020: RM324.9 million) arising from the issuances of new shares to eligible employees pursuant to the Long Term Incentive Plan (**LTIP**).

REVIEW OF OPERATING ACTIVITIES

Property

Despite operational disruptions and weaker market sentiment, the property division achieved a revenue of RM672.1 million for FY2021, which was 15% higher than the RM584.4 million achieved in FY2020, and a profit before tax (**PBT**) of RM78.6 million, a 25% rise compared to RM62.7 million in FY2020. The top three revenue contributors in FY2021 were Bukit Banyan in Kedah, Utropolis Batu Kawan in Penang, and ATWATER in Selangor.

Impact from COVID-19 disruptions was moderated by contribution from the sale of a piece of commercial land at Sekitar26 at Shah Alam (**Commercial Land Sale**) for RM90 million, whereby a profit of RM11 million was recognised.

In FY2021, Paramount sold 1,062 units of properties with a combined value of RM716 million. Fewer property units were sold in FY2021 compared to the previous year (1,475 units worth RM770 million) as the new launches in the central region were delayed to November. However, together with the Commercial Land Sale, Paramount achieved a total sales of RM806 million.

Unbilled sales as at 31 December 2021 crossed the billion ringgit threshold for the second year at RM1.1 billion. The inventory of our completed projects stood at RM72 million, of which 96% were commercial units (RM69 million) and the rest, residential.

- **New property launches**

  In FY2021, Paramount Property launched 1,192 units of residential properties worth RM866 million: The Atrium serviced apartments at Jalan Ampang, Kuala Lumpur, and new phases of ongoing projects in Sungai Petani, Batu Kawan and Cyberjaya.

The Atrium

The Atrium, a 20-storey tower of luxury serviced apartments with a GDV of RM212 million, marks Paramount's entry into Kuala Lumpur. Despite being launched only in November 2021, sales had hit 38% as at 31 December 2021.

We believe The Atrium's prime location at the Embassy Row, proximity to the KLCC Twin Towers, unique design with an atrium, as well as its attractive prices, are key appeal factors. The Atrium is equipped with smart home systems and protected by a multi-tiered security system. Prices range from RM592,000 to RM1.4 million for partially furnished units of 566 sq ft to 1,227 sq ft.

Sejati Lakeside

In Cyberjaya, the third and final phase of the Sejati Lakeside, carrying a GDV of RM232 million, was launched in FY2021. It comprises 149 units of double-storey terrace, super-link, and semi-detached homes as well as 2.5 storey semi-detached homes.

Phases 1 and 2 sold out to overwhelming response while the new Phase 3 was 51% sold as at 31 December 2021. Prices range from RM1.08 million to RM2.8 million. We are encouraged by the positive response and believe that the key selling points of this development are our spacious homes, attractive prices and generous open spaces for recreational and sporting activities set against the backdrop of a 45-acre lake. In addition, all Sejati Lakeside units come with a 5-year extended defect liability period for peace of mind.

Utropolis Batu Kawan

In July 2021, we launched Sinaran Tower B, Utropolis Batu Kawan, comprising 465 units of serviced apartments with a GDV of RM251 million. Tower A was launched in 2020 and together, Sinaran has a total GDV of RM513 million.

The 37-storey Sinaran Tower B caters to new demands for self-sufficiency, security, health, space, ventilation and light. All units come with at least two car parks, a yard and a balcony. Knowing that security is a concern for many homeowners, the Utropolis Batu Kawan was built with a security system that can read the licence registration numbers of vehicles and allow the seamless registration of guests.

In the light of the COVID-19 pandemic, air purifiers have also been installed at key common indoor areas to purify the air and sterilise surfaces. At the same time, parcel and food deliveries are made safe and easy for residents as we provide lockers for this purpose.

Utropolis Batu Kawan will continue to grow in appeal as the 1,000-acre Batu Kawan Industrial Park (BKIP) next door is still expanding. The high-tech manufacturing zone is populated by multi-national companies and large local companies. It is part of a 7,000-acre master development. Batu Kawan is also an eco-city.

Bukit Banyan

In FY2021, 337 units of landed homes were launched at Bukit Banyan in Sungai Petani with a total GDV of RM172 million. The launch comprised double-storey terrace, semi-detached and detached homes designed with flexible spaces to cater to the different needs of property owners, including for multi-generational living.

The glamping and star-gazing deck at the top of Sinaran Tower B at Utropolis Batu Kawan

The award-winning Bukit Banyan continues to be a steady contributor to Paramount's profits annually with plans to further grow the development in 2023, with Paramount having acquired an adjoining piece of land in 2020.

- **Land-banking**

In line with our strategy to grow our footprint in the vicinity of successful projects, and to leverage on strong brand awareness at these locations, Paramount purchased 32.7 acres (13.3 ha) of land in Cyberjaya for RM102.7 million with an expected GDV of RM370 million over six years. Having successfully launched Sejati Residences in 2013 and Sejati Lakeside in 2019, the new land has been acquired with the aim of expanding the Sejati series.

Our land banking strategy focuses on quick turnaround, meaning we want to be able develop the land quickly. Along this strategy, as we see the commercial property market to remain soft, Paramount disposed a piece of 11.6 acres (4.7 ha) of commercial land next to Sekitar26 Enterprise in Shah Alam for RM90 million, proceeds of which would be used mainly for repayment of bank borrowings and working capital.

Paramount's subsidiary Aneka Sepakat Sdn Bhd and Kumpulan Hartanah Selangor Berhad, the real estate arm of the Selangor State Government had signed a development rights agreement in 2017 for a transit-oriented development project in Petaling Jaya.

The parties have extended the date of fulfilment for the Second Phase Conditions Precedent to 12 September 2022.

We expect to launch the first phase of this development, The Atera, comprising 756 units of apartments and shoplots with a GDV of RM489 million in the fourth quarter of 2022.

Land Bank & Remaining GDV (31 Dec 2021)

	Projects in Malaysia	Status of Development	Remaining Gross Undeveloped Land (Acres)	Remaining GDV* (RM'mil)	Development Period	
					Start	End
Northern	Bandar Laguna Merbok, Sungai Petani	Completed	0	1	1996	2018
	Bukit Banyan, Sungai Petani	On-going	123.0	640	2012	2027
	Utropolis Batu Kawan, Penang	On-going	19.3	1,721	2016	2030
Central	Kemuning Utama, Shah Alam	On-going	26.7	586	2004	2028
	Sejati Residences, Cyberjaya	On-going	10.0	522	2013	2027
	Sekitar26, Shah Alam	Completed	0	61	2013	2021
	Utropolis Glenmarie, Shah Alam	Completed	0	2	2013	2020
	Greenwoods, Salak Perdana	On-going	100.5	737	2015	2027
	ATWATER, Petaling Jaya	On-going	0	376	2018	2023
	Berkeley Uptown, Klang	On-going	15.4	648	2019	2028
	Sejati Lakeside, Cyberjaya	On-going	0	112	2019	2023
	Ampang Hilir, Kuala Lumpur	On-going	3.6	986	2021	2025
	Bukit Banyan II, Sungai Petani	Future	137.1	405	2023	2027
	Machang Bubuk, Penang	Future	69.2	420	2023	2027
	Total		**504.8**	**7,217**		

	Ongoing Development by Associate Company	Remaining Gross Undeveloped Land (Acres)	Remaining GDV* (RM'mil)	Development Period	
				Start	End
International	Na Reva, Bangkok	0	44	2020	2024

** Comprising potential GDV from undeveloped land and GDV from properties launched but are still unsold as at 31 Dec 2021*

- **Overseas ventures**

  In 2020, Paramount purchased a 49% equity interest in a Bangkok-based property development company marking its entry into property development in Thailand. Navarang Charoennakorn is on track to complete the 29-storey Na Reva condominium in Bangkok next to the Chao Phraya (with a GDV of 1.2 billion Thai Baht) by December 2023. As at 31 December 2021, 39% of the 253 units have been sold.

Coworking

Paramount Coworking's revenue for FY2021 was RM5.8 million, 29% higher than the RM4.5 million achieved in the previous year. This was mainly due to the maiden contribution of RM1 million from Scalable Malaysia, a one-stop workspace solutions provider that was set up in 2020, and higher revenue from its coworking business with the opening of a new 17,000 sq ft outlet at Tropicana Gardens, Kota Damansara in January 2021.

Despite the higher revenue, the business achieved a loss before tax (**LBT**) of RM8.7 million in FY2021, higher than the LBT of RM4.7 million in FY2020, mainly due to the impairment loss of RM4.6 million recognised in respect of Co-labs Coworking Naza Tower. Without the impairment, the Coworking division's LBT would be RM4.0 million, an improvement of RM0.7 million compared to the LBT of the previous year.

Today, Co-labs Coworking has five outlets with a total lettable space of 115,000 sq ft in the Klang Valley. In FY2021, the business pivoted to target small and medium industries and larger corporations with higher head count that required key anchor spaces while still offering flexi-passes to others with options to upgrade.

Co-labs Coworking's value propositions are more than just safe modern workspaces. It also offers members engagement programmes involving wellness and self-enhancement. These activities were carried out virtually during periods of movement restrictions.

To support our coworking tenants in FY2021, rental rebates were offered to eligible members during the various MCOs. The rebates, however, negatively affected our income.

For organisations that wished to reintegrate employees back to their offices, Scalable Malaysia offered a dedicated team of experts from interior designers to architects, contractors, technicians, real estate agents and office management specialists. Scalable Malaysia took on projects both in refurbishment as well as fit-out of new buildings such as sales galleries in FY2021.

We are confident the business is well-positioned to meet the needs of organisations that wish to mitigate risks arising from market conditions while enjoying the flexibility of scaling up or down their workspace requirements.

Co-labs Coworking at Tropicana Gardens

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TRENDS & RISKS

Like all businesses, Paramount is exposed to risks that could have material adverse effects on the Group's performance and financial results. To mitigate this, we have a formal and robust enterprise risk management process that is explained in the Statement on Risk Management and Internal Control on pages 63 to 69.

Against a backdrop of evolving geopolitics and the gradual acceptance of COVID-19 as endemic, these are the primary factors and known trends that are expected to affect our operations and financial results:

- **Soft property market**

  While the property market remains soft, we believe there will always be demand for properties that are priced attractively at good locations, especially when interest rates are still historically low. The developer's reputation at delivering value will also set it apart from the rest.

  With Paramount's track record of delivering value, our strong product propositions (good locations, customer-centric features, attractive prices) and innovative marketing campaigns, we believe Paramount will be able to successfully ride through this period.

  We will continue to review our products and marketing strategies to respond to market conditions and trends, including timing our launches and deploying development concepts that meet the needs of our target buyers.

  The outlook for commercial/ office properties will stay challenging with many taking the wait-and-see approach for major purchase or leasing decisions. We remain cautious about our exposure to the commercial property segment. To mitigate risks in this area, Paramount has an in-house leasing team to manage unsold commercial properties and to ensure that our commercial properties are vibrant.

  On a positive note, our coworking business (Co-labs Coworking) and our one-stop workspace solutions provider (Scalable Malaysia) are offering flexible workspace solutions with low upfront commitment, specialising in developing productivity-first spaces as well as curating experiences for all business types (start-ups, small businesses, corporates, government agencies etc) to ramp up their business quickly, especially after two years of hybrid working.

  Many organisations are realising the importance of reintegrating their people back into offices and sustaining employees with modern workspaces that reflect the company's desired work culture.

- **Work site interruptions from COVID-19**

  Mass infection could result in site closures affecting construction progress and revenue recognition. As such, the Group would continue to impose strict standard operating procedures (**SOPs**) to reduce risks. Staggered work schedules and central living quarters with strict SOPs are among the new norms.

  If work site interruptions led to delayed completion of projects, Paramount would have to pay buyers liquidated and ascertained damages unless the delays were covered by the COVID-19 Act. We will continue to review our network of suppliers and contractors and engage more contractors to meet deadlines if necessary.

- **External factors linked to COVID-19**

  Movement restrictions and adoption of the work-from-home model had resulted in slower processing of applications by authorities overseeing property development. It has been reported in March 2022 that 20% of civil servants are still working from home. To mitigate risks of delays, we would continue to engage with relevant stakeholders.

  Movement restrictions had also affected the supply of workers and building materials in the industry. Paramount continues to expand its use of IBS to reduce dependency on manual labour. We also use local materials to minimise supply chains risks and continue to look out for alternative materials that offer similar quality.

  Paramount also owns a hotel and a fine-dining restaurant. Their success depends on resumption of leisure activities, as well as business activities and travels. While movement restrictions are being relaxed, any re-imposition of restrictions would also affect Paramount's financial results.

- **Escalating construction costs**

  Rising construction material costs could lead to cost overruns. While Paramount manages costs through bulk purchasing, different strategies would be needed if price hikes were caused by temporary disruptions. New approaches could involve purchasing in smaller quantities in phased approach until prices stabilised.

Paramount experienced limited impact in relation to escalating costs in FY2021 because it had locked in prices earlier but close monitoring and adjustments would be necessary for new launches to preserve profit margins while we remain competitive.

OUTLOOK & PROSPECTS

The Malaysian economy grew by 3.1% in 2021 and is expected to improve further in 2022, with a projected growth of between 5.3% and 6.3%. The economic recovery is underpinned by the continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions.

In addition, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand. Nevertheless, developments surrounding COVID-19 remain key in influencing Malaysia's growth trajectory in 2022.

The expected growth in the economy and improvement in consumer confidence will bode well for the property market in 2022. In addition, the low interest rate environment that is historically low and the abolishment of the real property gains tax for disposals from year six onwards are expected to help invigorate the property market despite the Home Ownership Campaign ending on 31 December 2021.

Headwinds for the property sector such as uncertainties arising from the emergence of any new variants of the COVID-19 virus, potential interest rate hike, escalating prices of building materials and the shortage of construction workers could dampen the recovery of the property sector.

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 GDV of RM1.3 billion. Among the new projects lined up are the Arinna smart homes at Kemuning Utama, Shah Alam, and The Atera, a transit-oriented development project in Petaling Jaya, situated next to the Asia Jaya Light Rail Transit Station. Both will be launched after securing all the necessary authority approvals.

The Group's unbilled sales of RM1.1 billion as at 31 December 2021 will provide some visibility on our 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.

Meanwhile, 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.

For as long as COVID-19 infection presents a risk to the community, the Group will continue to be vigilant, safeguard its staff and workers' wellbeing and take actions to minimise disruption to our supply chain. Pursuant to the measures the Group has taken to vaccinate its workers, all our 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 our expenses but will continue to invest for long-term business sustainability.

The Group will remain vigilant and cautious even with growing acceptance of COVID-19 as endemic. The business environment is expected to remain challenging for the financial year ending December 2022 given the headwinds faced by the property sector. Notwithstanding the external circumstances, the Group will maintain its financial resilience and optimise its operations to navigate through these uncertain times.

JEFFREY CHEW SUN TEONG
Group Chief Executive Officer
& Executive Director

Five-Year Group **Financial Highlights**

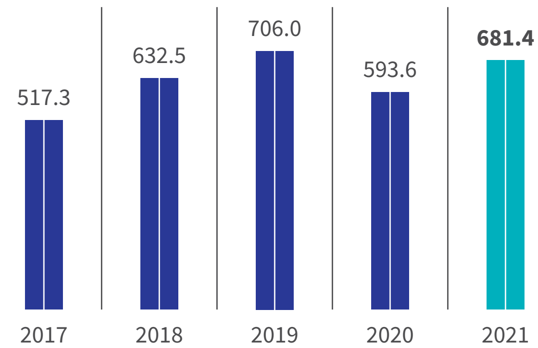
	Year 31 Dec 2021 RM'000	Year 31 Dec 2020 RM'000 (Restated)	Year 31 Dec 2019 RM'000 (Restated)	Year 31 Dec 2018 RM'000 (Restated)	Year 31 Dec 2017 RM'000
Continuing					
Revenue	**681,351**	593,562	705,974	632,493	517,266
Profit before tax	**70,316**	51,474	88,159	108,422	64,273
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**113,928**	89,147	126,366	131,674	76,793
Profit after tax	**42,711**	31,337	53,994	77,041	44,850
Discontinued					
Profit after tax	**0**	471,126	64,480	31,112	105,668
Profit for the period	**42,711**	502,463	118,474	108,153	150,518
Profit attributable to equity holders of the Company	**28,534**	486,390	103,533	90,476	133,648
Total assets	**2,952,606**	2,964,574	3,071,699	2,674,292	2,522,829
Total liabilities	**1,262,086**	1,285,266	1,609,404	1,329,345	1,205,938
Total borrowings	**963,100**	954,210	911,945	900,661	823,832
Shareholders' equity	**1,440,962**	1,429,653	1,139,126	1,069,953	1,042,109
Total equity	**1,690,520**	1,679,308	1,462,295	1,344,947	1,316,891
FINANCIAL INDICATORS					
Interest cover (times)	**4**	3	4	6	7
Earnings per share (sen)	**4.61**	79.33	17.09	15.34	22.51
Net assets per share (RM)	**2.33**	2.33	1.88	2.50	2.46
Gross dividend per share (sen)	**3.00**	31.50	6.50	8.50	16.00
Dividend yield (%)	**4.3%**	3.0%	5.3%	4.2%	9.0%
Return on equity (%)	**2%**	43%	10%	9%	14%
Return on total assets (%)	**1%**	16%	3%	3%	5%
Gross gearing ratio (%)	**57%**	57%	62%	67%	63%

Five-Year Group **Financial Highlights**

CONTINUING OPERATIONS REVENUE

IN FY2021 (RM MILLION)

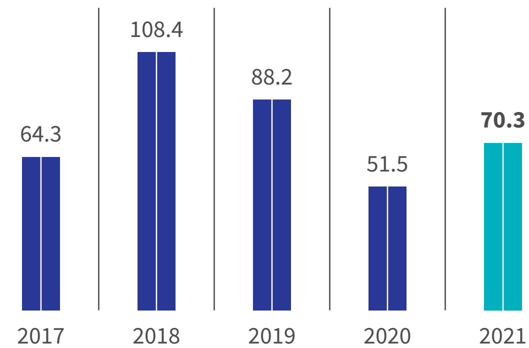
681.4



CONTINUING OPERATIONS PROFIT BEFORE TAX

IN FY2021 (RM MILLION)

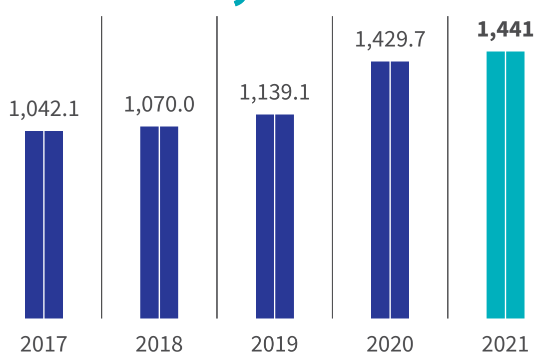
70.3



SHAREHOLDERS' EQUITY

IN FY2021 (RM MILLION)

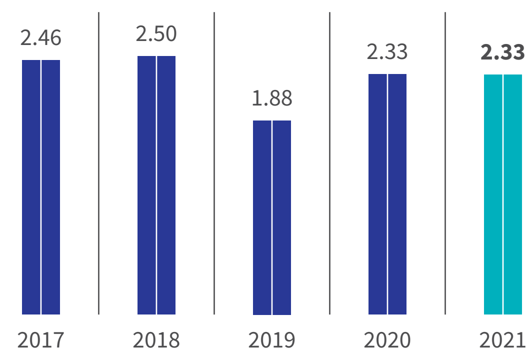
1,441



NET ASSETS PER SHARE

IN FY2021 (RM)

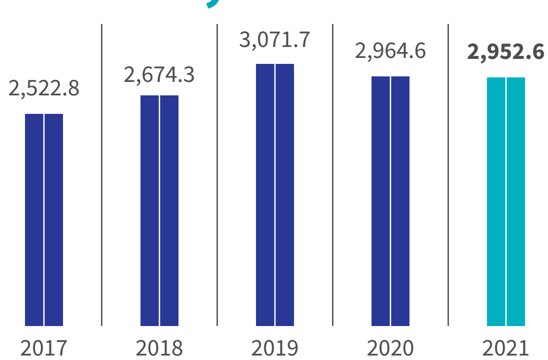
2.33



TOTAL ASSETS

IN FY2021 (RM MILLION)

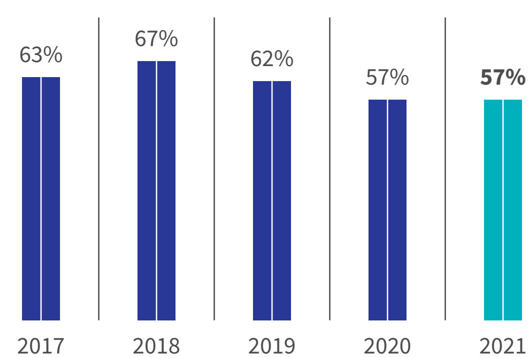
2,952.6



GROSS GEARING RATIO

IN FY2021

57%



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Sustainability

Guided by our vision of 'Changing Lives and Enriching Communities for a Better World', and reinforced by our TRIBE core values, our goal is simple: we seek to create long-term value for our stakeholders by managing our businesses in a responsible way.

This statement features key sustainability highlights of Paramount Corporation Berhad (**the Company**) and its subsidiaries (**the Group**) for the reporting period from 01 January 2021 to 31 December 2021 and is to be read jointly with the standalone Sustainability Statement which can be accesed via the QR code on this page.

SUSTAINABILITY GOALS

Our approach to sustainability is guided by our sense of purpose. As we make our way on this sustainability journey, we are keeping our eye on four goals - promote sustainable financial growth, deliver excellent products and services, protect and conserve the environment and support community growth.

We have also identified fourteen (14) material matters which have the most impact to our society and our ability to create long-term value for the Group. These will be prioritised as we steer the Group to the future.

PROMOTE SUSTAINABLE FINANCIAL GROWTH

- Economic and Business Performance
- Corporate Governance and Anti-Bribery & Corruption

DELIVER EXCELLENT PRODUCTS AND SERVICES

- Product and Service Quality
- Digital Transformation

PROTECT AND CONSERVE THE ENVIRONMENT

- Waste Management
- Green Buildings
- Energy and Water
- Biodiversity

SUPPORT COMMUNITY GROWTH

- Talent Development and Training
- Safety and Health
- Diversity and Equal Opportunity
- Labour Rights
- Indirect Economic Impact
- Community Development

Scan the QR code to view or download a soft copy of the Sustainability Statement 2021.

GOVERNANCE

A two-tiered sustainability governance structure drives sustainability within the Group. The first tier consists of the Sustainability Steering Committee (**SSC**) followed by the Sustainability Working Group (**SWG**). The SWG reports to the SSC and in turn, the SSC is accountable to the Company's Board of Directors.

BOARD OF DIRECTORS

Sustainability Steering Committee

Chief Financial Officer	Group Human Resource Director	Group Chief Executive Officer	Deputy Group Chief Executive Officer	Property Division Chief Executive Officer

Sustainability Working Group

SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS

RM806 million
Sales by Property Division

Paramount provided employment to a total of
1,781 people

FTSE4Good
ESG Rating of Public Listed Companies
Assessed by FTSE Russell

Electricity savings at offices
105,897 kWh

1,080 trees, **19,080** shrubs, **988** plants and **57,365 m²** of turf planted across Urbano, Keranji, Utropolis Batu Kawan and Bukit Banyan

Cultivated **2,150** endangered trees and plants species at our construction sites

Waste generated at sites (scheduled waste)
1,931.7 kg

33% of our Board of Directors and **46%** of our employees are women

Won **top spot** in the employer 'Sapphire' category in PERKESO's Activ@Work Challenge

RM250k
donated to charities

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Board of **Directors**

Front Row *from left to right*

DATUK SERI DR MICHAEL YAM KONG CHOY
Senior Independent Non-Executive Director

QUAH CHEK TIN
Chairman & Independent Non-Executive Director

JEFFREY CHEW SUN TEONG
Group Chief Executive Officer & Executive Director

Back Row *from left to right*

ONG KENG SIEW
Independent Non-Executive Director

FOONG PIK YEE
Independent Non-Executive Director

FAIZAH BINTI KHAIRUDDIN
Independent Non-Executive Director

BENJAMIN TEO JONG HIAN
Deputy Group Chief Executive Officer & Executive Director

QUAH POH KEAT
Independent Non-Executive Director

FATIMAH BINTI MERICAN
Independent Non-Executive Director

Board Of **Directors' Profile**

QUAH CHEK TIN

Chairman
& Independent Non-Executive Director

Age 70

Male

Malaysian

Committee
- Nil

Appointed
27 August 2021

Qualification
- B.Sc. (Hons) Economics, the London School of Economics & Political Science, University of London
- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Mr Quah Chek Tin joined the Board of Directors (**the Board**) of Paramount Corporation Berhad (**Paramount**) on 27 August 2021 and was appointed as Chairman of the Board on 1 September 2021.

Mr CT Quah began his career with Coopers & Lybrand, London in 1974 before returning to Malaysia in 1977. He then joined the Genting Group, and had a long and distinguished career in Genting from his early position as Treasurer to Director of Corporate Affairs and then as Executive Director and Chief Operating Officer of Genting Malaysia Berhad as well as Executive Director of Genting Berhad before retiring in 2006.

After his retirement, he remained active in the corporate world as an independent non-executive director of several public listed companies, including Paramount during the period from 2007 to 2019 where he had also served as Chairman of the Audit Committee and Chairman of the Remuneration Committee.

Mr CT Quah has through his long career accumulated a wealth of knowledge, experience and skills in corporate affairs and financial matters.

Directorship in other Public Companies
Listed
- Genting Malaysia Berhad
- Genting Plantations Berhad
- Batu Kawan Berhad

Non-listed
- Nil

JEFFREY CHEW SUN TEONG

Group Chief Executive Officer & Executive Director

Committee
- Nil

Appointed
8 June 2015

Qualification
- Fellow of the Association of Chartered Certified Accountants (**ACCA**), United Kingdom
- Fellow of the Asian Institute of Chartered Bankers
- Member of the Malaysian Institute of Accountants

Age 56

Male

Malaysian

Mr Jeffrey Chew joined Paramount on 1 July 2014 as its Group Chief Executive Officer (**CEO**) and was appointed to the Board on 8 June 2015.

He began his career at PricewaterhouseCoopers in 1987 and thereafter, joined Citibank Berhad in 1991, leaving as General Manager of Commercial Banking.

In 2003, he joined OCBC Bank (Malaysia) Berhad (**OCBC**) as Head of SME Businesses, and was subsequently promoted to Head of Business Banking. He was then appointed Director and CEO of OCBC in August 2008, a position that he helmed for six years. During his tenure at OCBC, he also served as a Director of Credit Bureau (Malaysia) Sdn Bhd, Credit Guarantee Corporation Malaysia Berhad and OCBC Al-Amin Bank Berhad.

As the Group CEO of Paramount, Mr Chew is responsible for the management of the Group's businesses and ensures that the Group's businesses deliver consistent shareholder value.

Under his management, Paramount consistently showed growth and profitability.

Paramount has launched 10 property projects comprising multiple phases since 2015, including a joint-venture in Bangkok in 2020. Locally, he led the property development team to enter Penang in 2016 and Kuala Lumpur in 2021.

Mr Chew also led the corporate exercise to build Paramount's school education business into the largest K-12 education group in Malaysia in 2017, and subsequently unlocked its value in 2019. The divestment was acclaimed as the 'Best M&A Deal of The Year 2020' by The Edge due to its hefty returns to Paramount, that also saw shareholders receiving unprecedented dividends that year.

In 2018, Paramount also divested its home-grown KDU tertiary education business to University of Wollongong, an Australian public university, thus allowing the institution to grow to a different level.

Under his leadership, Paramount garnered numerous awards, including the 'Highest Returns to Shareholders Over 3 Years' for the Property Sector at The Edge Malaysia Centurion Club Corporate Awards 2019, and more recently, two top awards at the MSWG-ASEAN Corporate Governance Awards 2020, leading the property industry and the market cap category of RM300 million to RM1 billion that covered all industries.

Mr Chew was on the Advisory Committee of ACCA Malaysia up to 2017. He is currently an Independent Director and Chairman of the Audit Committee of the Asian Banking School, and a member of the Small Debt Resolution Committee of Bank Negara Malaysia.

Directorship in other Public Companies

Listed
- Nil

Non-listed
- Nil

Board Of **Directors' Profile**

BENJAMIN TEO JONG HIAN

Deputy Group Chief Executive Officer
& Executive Director

Committee
- Nil

Appointed
22 August 2019

Qualification
- Bachelor of Politics and Sociology (with Honours), University of Nottingham, United Kingdom

Age 33

Male

Malaysian

Mr Benjamin Teo joined the Board of Paramount as an Executive Director on 22 August 2019. He was appointed as Deputy Group CEO on 1 September 2021.

Mr Teo started his career at Paramount as a management trainee in 2012. He rose through the ranks to become the Director of Innovation at Paramount Property in 2015 and the CEO of Paramount Property Development Sdn Bhd in 2018.

He led the development of Co-labs Coworking, providing alternative solutions to address the changing needs of today's workforce. Co-labs Coworking has since expanded, from one space in 2016 in Glenmarie, Shah Alam to five locations across the Klang Valley today namely The Starling and The Starling Plus in Petaling Jaya, Sekitar26 Enterprise in Shah Alam, Naza Tower in KL City Centre and Tropicana Gardens in Kota Damansara.

Effective 1 March 2021, Mr Teo assumed the overall responsibility of formulating and implementing strategic and operational plans for Paramount Property, and navigating this business segment into its next phase of growth.

Mr Teo is the son of the late Dato' Teo Chiang Quan, who was the Chairman and an Executive Director, as well as a major shareholder of Paramount through the family-owned private company, Paramount Equities Sdn Bhd.

Directorship in other Public Companies

Listed
- Nil

Non-listed
- Nil

DATUK SERI DR MICHAEL YAM KONG CHOY

Senior Independent Non-Executive Director

Committee
- Nominating and Remuneration Committees (Chairman)

Appointed
18 February 2010

Qualification
- Fellow of the Royal Institution of Chartered Surveyors, United Kingdom
- Fellow of the Chartered Institute of Building, United Kingdom
- Honorary Doctorate of Heriot - Watt University, United Kingdom
- Post-Graduate Diploma in Building Management, University of Westminster

Age 68

Male

Malaysian

Datuk Seri Dr Michael Yam joined the Board of Paramount on 18 February 2010 and was designated as the Senior Independent Non-Executive Director on 27 February 2014.

Datuk Seri Dr Michael has an illustrious career spanning over 37 years in the construction, real estate and corporate sectors. Prior to his retirement in 2008, he helmed two different award winning public listed property companies as Managing Director and CEO. In 2002, he was voted 'CEO of the Year' for Malaysia by American Express Corporate Services and Business Times.

After graduating from the University of Westminster, London in Building & Management Studies, he worked with the British Civil Service as well as various other companies in the United Kingdom. Upon his return to Malaysia, he served in companies such as Landmarks Berhad, Peremba Malaysia, Country Heights Holdings Berhad and Sunrise Berhad.

He is currently appointed on the boards of various government incorporated and non-governmental organisations, serving as the Chairman of InvestKL Corporation, Malaysia Airports (Niaga) Sdn Bhd, KL Airport Hotel Sdn Bhd, Triterra Sdn Bhd and Metropolitan Lake Development Sdn Bhd.

He was also until recently an independent director of Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad, Sunway Berhad and Cahya Mata Sarawak Berhad.

Datuk Seri Dr Michael is currently the Chancellor of UOW Malaysia KDU University College, Global Vice President of the Chartered Institute of Building, an Adjunct Professor of Universiti Teknologi Malaysia and a trustee of the Standard Chartered Foundation.

He is also the Most Recent Past President and Patron of the Real Estate and Housing Developers' Association of Malaysia.

Directorship in other Public Companies

Listed
- Malaysia Airports Holdings Berhad

Non-listed
- Nil

ONG KENG SIEW

Independent Non-Executive Director

Committee
- Board Risk Management Committee (Chairman)
- Nominating Committee (Member)

Appointed
14 November 1994
Re-designated as an Independent Non-Executive Director on 14 August 2014

Qualification
- Fellow of the Association of Chartered Certified Accountants, United Kingdom
- Member of the Malaysian Institute of Accountants

Age 65

Male

Malaysian

Mr Ong Keng Siew joined the Board of Paramount on 14 November 1994 and was re-designated as an Independent Non-Executive Director on 14 August 2014.

Mr Ong began his career with the Group as an Accountant in 1981 and was promoted to the position of Finance and Administration Manager in 1984. He was subsequently appointed as the General Manager to oversee the operations of the property development and construction divisions in 1989.

Mr Ong assumed the post of Deputy Group Managing Director & Deputy Group CEO in 1997 before succeeding the late Dato' Teo Chiang Quan as the Managing Director & CEO of Paramount on 1 December 2008.

On 18 June 2012, after serving the Group with distinction for more than 30 years and ensuring that it was on a strong footing, he retired as the Managing Director & CEO of Paramount.

Directorship in other Public Companies
Listed
- Pekat Group Berhad
- United Malacca Berhad

Non-listed
- Nil

QUAH POH KEAT

Independent Non-Executive Director

Committee
- Audit Committee (Chairman)
- Remuneration Committee (Member)

Appointed
8 June 2016

Qualification
- Fellow of the Chartered Tax Institute of Malaysia
- Fellow of the Association of Chartered Certified Accountants, United Kingdom
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Chartered Institute of Management Accountants, United Kingdom

Age 69

Male

Malaysian

Mr Quah Poh Keat joined the Board of Paramount on 8 June 2016.

Mr PK Quah was a partner of KPMG Malaysia since 1 October 1982 before rising through the ranks to become the firm's Senior Partner (currently referred to as Managing Partner) on 1 October 2000.

Prior to taking up the position as Senior Partner, he led the Tax Practice and the Japanese Practice in KPMG Malaysia. He was also a member of the KPMG Japanese Practice Council, a governing body within KPMG International that oversees all Japanese Practices within KPMG. During his tenure as Senior Partner, he also served as a member of the KPMG Asia Pacific Board and KPMG International Council. Mr PK Quah retired from KPMG Malaysia on 31 December 2007.

After his retirement, he joined the board of Public Bank Berhad as an Independent Non-Executive Director from 30 July 2008 to 1 October 2013. He was then appointed as the Deputy CEO of the bank, a position that he held until 31 December 2015.

Prior to 1 October 2013, he had served on the boards of IOI Properties Berhad, PLUS Expressways Berhad, IOI Corporation Berhad and Telekom Malaysia Berhad.

Directorship in other Public Companies

Listed
- Kuala Lumpur Kepong Berhad
- LPI Capital Berhad
- Malayan Flour Mills Berhad

Non-listed
- Public Mutual Berhad
- Lonpac Insurance Berhad

FATIMAH BINTI MERICAN

Independent Non-Executive Director

Committee
- Board Risk Management and Nominating Committees (Member)

Appointed
2 July 2018

Qualification
- Higher National Diploma in Computer Science, Polytechnic of Central London (now known as University of Westminster)

Age 68

Female

Malaysian

Puan Fatimah Merican joined the Board of Paramount on 2 July 2018.

Puan Fatimah had an impressive career of 37 years at ExxonMobil where she rose through the ranks from the position of Information Technology (**IT**) Analyst at Esso Malaysia Berhad (**Esso**) in 1977 to Executive Director of Esso and Vice President & Director of ExxonMobil Exploration and Production Malaysia Inc before retiring in March 2014.

Puan Fatimah has accumulated a wealth of knowledge, skills and experience in IT application development and support, project management, system programming and planning during her tenure at ExxonMobil.

After the merger of Exxon (the parent company of Esso) and Mobil in 2000, ExxonMobil embarked on an ambitious plan to consolidate all IT services for all its key locations globally. Puan Fatimah was involved in this plan and led a global team that supported the non-Enterprise Resource Planning applications of all ExxonMobil Downstream and Chemical businesses. Under this posting, Puan Fatimah was also involved in the setting up of an IT support centre for ExxonMobil in Bangkok.

After her retirement, she embarked on a new role as an independent Executive Coach focusing on women in leadership and in collaboration with various organisations, such as the 30% Club Malaysia, TalentCorp Malaysia and the Institute of Chartered Accountants in England and Wales. She is also a Neuro-Linguistic Programming (**NLP**) coach certified by the American Board of NLP since 2013.

Directorship in other Public Companies

Listed
- Nil

Non-listed
- United Overseas Bank (Malaysia) Berhad

FOONG PIK YEE

Independent Non-Executive Director

Committee

- Audit and Remuneration Committees (Member)

Appointed

22 August 2019

Qualification

- Bachelor of Commerce, University of Melbourne, Australia
- Member of the Institute of Chartered Accountants Australia and New Zealand
- Master of Business Administration, Monash University, Australia
- Chartered Banker, Asian Institute of Chartered Bankers

Age 62

Female

Malaysian

Ms Foong Pik Yee joined the Board of Paramount on 22 August 2019.

Ms Foong began her career as an auditor at KPMG Singapore and moved to Australia in 1983 to pursue her professional qualification and a Master of Business Administration degree. She stayed on in Australia for another nine years acquiring skills at various organisations including PricewaterhouseCoopers, JP Morgan, HSBC and ANZ Banking Group.

She joined Standard Chartered Bank (**SCB**) in 1993 after returning to Malaysia. In the course of her 19 years at SCB, Ms Foong took on various leadership roles and across many geographies including as Group Head of Credit Operations, Head of Sales for Corporate Banking Hong Kong, Chief Operating Officer for Wholesale Banking and Chief Financial Officer of SCB Malaysia. She also served as the CEO of SCB Lebanon from 2008 to 2012.

She returned to Malaysia under the Talentcorp Returning Expert programme in 2013 and joined Hong Leong Bank Berhad as its Chief Financial Officer until her retirement in June 2019.

Currently, Ms Foong serves on the Industry Advisory Board of Monash University Malaysia, and is actively involved in the promotion of talent development. She is also involved in the women in leadership mentoring programmes of the 30% Club, Institute of Chartered Accountants in England and Wales and the Malaysia Australia Business Council. Ms Foong was also a recipient of the 'Most Inspiring Woman' in the 'Great Women of Our Time' awards from the Malaysian Women's Weekly Magazine in 2007.

Directorship in other Public Companies

Listed

- Nil

Non-listed

- AmBank (M) Berhad
- Prudential Assurance Malaysia Berhad
- QSR Brands (M) Holdings Berhad

FAIZAH BINTI KHAIRUDDIN

Independent Non-Executive Director

Committee
- Audit and Board Risk Management Committees (Member)

Appointed
1 July 2020

Qualification
- Bachelor of Science (majoring in Industrial Chemistry), Universite de Picardie, France

Age 54

Female

Malaysian

Puan Faizah Khairuddin joined the Board of Paramount on 1 July 2020.

Puan Faizah has over 25 years of experience in manufacturing, banking and aviation. She graduated from University de Picardie France with a Bachelor of Science (majoring in Industry Chemistry), and started her career as an engineer in a global manufacturing company in 1991.

In 1998, she joined Standard Chartered Bank Malaysia Berhad as a General Manager, Branch and Direct Marketing till 2004. She was also attached with Bank Simpanan Nasional Berhad as Deputy CEO from 2004 to 2006, and Bank Islam Malaysia Berhad as the Head of Consumer Banking Group from 2006 to 2007.

Puan Faizah joined Malaysia Airport Holdings Berhad from 2008 to 2015 as Senior General Manager, Commercial Services tasked to formulate strategies to optimise group commercial growth and stimulate new market opportunities globally. She was instrumental in the phenomenal success of klia2 as the new industry business model and game changer. Her recent project was as a consultant to Persada Johor International Convention Centre.

Directorship in other Public Companies

Listed
- Nil

Non-listed
- Nil

The Directors' record of attendance at the Company's Board meetings and Board Committee meetings held in the financial year ended 31 December 2021 are disclosed in the Corporate Governance Overview Statement on page 53 of this Annual Report.

Save as disclosed on page 40 of this Annual Report, none of the Directors has any family relationship with any Director and/or major shareholder. Save for related party transactions as disclosed in Note 39 on pages 171 and 172 of this Annual Report, none of the Directors has any conflict of interest with Paramount during the financial year. None of the Directors had been convicted of any offence within the past five years nor have they received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Key Senior **Management Profile**

JEFFREY CHEW SUN TEONG

Group Chief Executive Officer & Executive Director

Kindly refer to the Board of Directors' profile on page 41 for his profile.

BENJAMIN TEO JONG HIAN

Deputy Group Chief Executive Officer & Executive Director

Kindly refer to the Board of Directors' profile on page 42 for his profile.

FOONG POH SENG

Chief Financial Officer

Age 56 Male Malaysian

- **Associate Member of the Chartered Institute of Management Accountants**
- **Member of the Malaysian Institute of Accountants**

Mr Foong Poh Seng has more than 29 years of experience in financial management, during which he formed sound relationships with the financial community.

Mr Foong joined Paramount in 1989 as an accounts trainee and rose through the ranks to become Finance Manager of the property division when the Group expanded into the Klang Valley. He returned to corporate office in 2007 as Financial Controller before assuming his present role of Chief Financial Officer on 1 January 2014 to head the Group Finance function. His mandate covers three core areas – controllership, which includes presenting and reporting accurate and timely historical financial information of the Group, treasury duties, encompassing tracking, recording and presenting the Group's current financial condition, taking into consideration risk and liquidity as well as the capital structure of the Group, and financial strategy and forecasting, including identifying and reporting on financial efficiency and opportunities.

He oversees all finance initiatives to ensure that growth objectives are aligned with the Group's strategic financial objectives and its long-term financial sustainability, through the effective fiscal functions of the Group, namely financial risk management, financial planning and budgeting, fund raising and record keeping, forecasting, reporting, deal analysis and negotiations, and investor relations.

Key Senior **Management Profile**

JEFFREY QUAH CHUAN TATT

Group Human Resource Director

Age 56 Male Malaysian

- **B. Arts in Government, Franklin and Marshall College, Lancaster, Pennsylvania, USA**

Mr Jeffrey Quah Chuan Tatt has about 30 years of experience in the field of human resource (HR) management. He has extensive exposure in various industries including property development, construction, hospitality, logistics, retail, and manufacturing. Regarded as a generalist, he is familiar with strategic HR initiatives, organisational improvement, learning and development, performance management, business process improvement, compensation and benefits, talent management and recruitment. Prior to his current role, he has served in senior leadership roles in several public listed companies, a US-based multinational company, and a government agency.

Mr Quah joined Paramount as the Group Human Resource Director on 1 September 2014.

He has since reshaped and transformed the human resource functions across all businesses within the Group. His main responsibilities include the Group's HR strategies on succession planning, talent retention and development, compensation, and policy and compliance issues. He has played a key role in enhancing the overall talent acquisition, talent management, compensation and benefits and learning in the organisation, including development and driving the Group's talent management programmes: Leading with Energy and Passion (LEAP) and Emerging Leader in Transition (ELITe). He is currently focused on two main strategies - digitalisation, and employee health and wellness with the ultimate aim of creating a healthy and balanced lifestyle.

CHEE SIEW PIN

Chief Executive Officer of Paramount Property

Age 51 Male Malaysian

- **Bachelor of Civil Engineering**

Mr Chee Siew Pin graduated from University Technology Malaysia with a degree in Civil Engineering and is a certified Professional Engineer with the Board of Engineers Malaysia. He has over 27 years of experience in property development and the construction industry, overseeing various large-scale masterplan developments (urban mixed-use) comprising high-rise buildings, residential, commercial, retail malls, and hotel & resort developments within Malaysia and in Thailand and Indonesia.

His field of experience includes development feasibility, product planning, project financing, costing, procurement, sales & marketing and project execution. Prior to joining Paramount, Mr Chee was the Chief Operating Officer of Pantai Bayu Indah, a subsidiary of The ParkCity Group.

Mr Chee was appointed CEO of Paramount Property on 3 January 2022. His mandate is to represent and uphold the Paramount vision, mission and core values while continuing to grow the business and safeguard the Paramount Property brand name. He is responsible for driving strategic planning in investments, portfolio developments and JV & partnerships to deliver results efficiently aligned to the Company's values, business objectives and shareholders' interests.

Save as disclosed on page 49 of this Annual Report, none of the Key Senior Management:
- *has any directorship in listed and non-listed public companies;*
- *has any family relationship with any director and/or major shareholder of Paramount;*
- *has any conflict of interest with Paramount during the financial year; and*
- *had been convicted of any offence within the past five years nor have they received any public sanction or penalty imposted by the relevant regulatory bodies during the financial year.*

Corporate Governance **Overview Statement**

The Board of Directors (**Board**) of Paramount Corporation Berhad (**Paramount** or **the Company**) presents this statement to provide shareholders and investors with an overview of the corporate governance framework of Paramount and its subsidiaries (**the Group**). It encapsulates Paramount's commitment to maintaining high standards of corporate governance, as a priority, in line with the three key corporate governance principles set out in the revised Malaysian Code on Corporate Governance (**MCCG**) issued by the Securities Commission Malaysia on 28 April 2021.

This statement is prepared in compliance with the Main Market Listing Requirements (**MMLR**) of Bursa Malaysia Securities Berhad (**Bursa Securities**), and it should be read together with Paramount's Corporate Governance Report 2021 (**CG Report 2021**) that is available on the Company's website at www.pcb.my. The CG Report 2021 provides a more detailed account of Paramount's corporate governance processes and activities in the financial year ended 31 December 2021 (**FY2021**) and during the period from 1 January 2022 up to the last practical date for the printing of this statement (being the date of signing of the Directors' Report for the Company's audited consolidated financial statements for FY2021).

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is collectively responsible for the overall corporate governance of the Company and the strategic direction of the Group. Although the Board confers some of its authorities to the Board Committees and delegates the day-to-day management of the Group's business operations to the management team, it reserves its decision for significant matters, such as the following, to ensure that the direction and control of the Group is firmly in its hand:

→ Strategic planning	→ Corporate governance policies
→ Annual budgets and performance reviews	→ Announcements to Bursa Securities
→ Financial reporting	→ Dividend payments
→ Material acquisition and disposal of assets	→ Changes in the Board composition and principal officers
→ Major capital expenditure and material investments	→ Board remuneration and succession plan
→ Fund raising activities	

Board Composition and Diversity

The current Board composition of Paramount reflects diversity in expertise, experience and background, and this provides objectivity in the Board's decision-making process. The wealth of experience of the Board members in property development, finance, banking, marketing, information technology, and management allows for effective oversight of the Group's businesses based on diverse perspectives and insights.

In the year under review, there was a change to the Board composition with the appointment of Mr Quah Chek Tin as an Independent Non-Executive Director (**INED**) on 27 August 2021, and as the new Chairman of the Board on 1 September 2021 after the demise of the late Dato' Teo Chiang Quan, the former Chairman of the Board and Executive Director (**ED**) of Paramount, on 24 May 2021.

Following the aforesaid appointment, the composition of INEDs has increased to 78%, being seven INEDs out of the total of nine Directors, exceeding the 33% target stipulated in the Board Charter. Further, Paramount has maintained 33% female representation on the Board since 2020. In addition, Mr Quah Chek Tin, the Chairman of the Board, is not a member of any of the four Board Committees of Paramount, namely the Audit Committee (**AC**), Nominating Committee (**NC**), Remuneration Committee (**RC**), and Board Risk Management Committee (**BRMC**), and he is not involved in the decision-making process of these committees.

Corporate Governance Framework

The Board has put in place a corporate governance framework, as presented below, to ensure effective demarcation and discharge of duties amongst the Directors and the management team:

Chairman

Responsible for the effective leadership, operation and governance of the Board.

Senior INED

As a sounding board for the Chairman, an intermediary for other Directors, and the point of contact for shareholders and other stakeholders.

Board of Directors

Responsible for providing stewardship and oversight of the Group's businesses and affairs that are underpinned by strategic sustainability considerations through regular engagement with the management team.

Secretary

Supports the Board by montoring the status of conformance with corporate governance best practices.

Board Committees

Audit Committee

Assists the Board in the effective discharge of its fiduciary responsibilities for timely and accurate financial reporting and the development of sound internal controls.

Nominating Committee

Assesses nominations for appointment to the Board. Conducts yearly assessment of the performance of the Directors, the Board, the Board Committees, the Chairman and the Group Chief Executive Officer, and assesses the eligibility of Directors for re-election.

Remuneration Committee

Assesses the remuneration of Executive Directors and C-Suite executives to ensure that their remuneration commensurate with their responsibilities and contribution to the Group's performance and future growth. Administers the Company's Long Term Incentive Plan.

Board Risk Management Committee

Ensures that adequate measures are put in place to address and manage the principal risks and internal controls of the Group.

Executive Directors

Group Chief Executive Officer (GCEO)

Responsible for the management of the Group's businesses, formulating strategy proposals including annual and medium-term plans on the delivery of such strategies for the Board's consideration. Leads the management team in ensuring that the Group's businesses deliver shareholder value.

Deputy GCEO

Responsible for the planning, implementation, management and administration of the business activities of Paramount Property, Co-labs Coworking, and the operational as well as financial performance of these businesses.

Management Committees

Executive Risk Management Committee

Monitors adherence to the Group's risk management and internal control framework.

Finance Committee

Monitors management's progress in meeting the Group's financial targets and business plans.

Sustainability Steering Committee

Reviews, monitors and ensures that sustainability commitments are aligned with the Company's vision and mission.

Tender Committee

Evaluates and decides on the award of tenders, and develops tender processes, procedures and guidelines for the Group.

A more detailed account of the roles and responsibilities of each of the above governing bodies and positions are provided in the CG Report 2021 that is available on the Company's website.

Promotion of Good Business Conduct

Paramount has adopted a Directors' Code of Ethics and a Code of Business Conduct & Ethics since 2013 to ensure that high standards of governance, ethical, prudent and professional behaviour are embedded in the Board's activities and management practices across the Group. To reinforce Paramount's zero tolerance approach to bribery and corruption, the Board has adopted an Anti-Bribery & Corruption Policy in 2020. A set of Anti-Bribery & Corruption Guidelines was also disseminated to all Directors and employees, and training is provided across the Group since 2020 to create greater awareness of Paramount's stance on bribery and corruption.

The Directors also adhere to the practice of declaring at the outset their interests, if any, in transactions that are submitted to the Board or Board Committees for approval, and abstaining from deliberation and voting on all transactions in which they have an interest. Except as disclosed in Note 39 of the audited consolidated financial statements of the Company for FY2021, there were no related party transactions nor conflict of interest involving the Directors in FY2021 and during the period from 1 January 2022 up to the last practical date for the printing of this statement.

Insider Trading

In efforts to prevent insider trading in the listed securities of Paramount and to maintain the confidentiality of price sensitive information, the Board has, since 2013, adopted an Insider Dealing Policy, providing clarity to the definition of 'insider trading' and setting the steps that must be taken by all Directors and employees to ensure that full disclosure is made pre and post the act of trading during a closed period. The Board is not aware of any incidence of insider trading in FY2021 and during the period from 1 January 2022 up to the last practical date for the printing of this statement.

Whistleblowing Policy

In promoting a culture of high integrity and greater transparency, the Board has, since 2013, adopted a Whistleblowing Policy which provides employees of the Group and stakeholders an avenue to raise concerns regarding suspected fraud, wrongdoings and malpractices without being subject to victimization, harassment or discriminatory treatment. The policy also sets out the mechanism by which employees and any member of the public can confidently and anonymously voice concerns to the Chairman of the Audit Committee or the Head of the Internal Audit Department at whistleblower@pcb.my. There were no concerns reported to the whistleblowing channel in FY2021 or during the period from 1 January 2022 up to the last practical date for the printing of this statement.

Board Operations

The Board's activities in FY2021 were mostly carried out at the quarterly meetings of the Board and Board Committees, and by way of circular resolutions in the intervals between the meetings. There were seven board meetings held in FY2021, and the Directors' attendance at the Board and Board Committee meetings held in FY2021 were as follows:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Board Risk Management Committee
Quah Chek Tin (1)	2/2	-	-	-	-
Jeffrey Chew Sun Teong	7/7#	-	-	-	-
Benjamin Teo Jong Hian	7/7#	-	-	-	-
Datuk Seri Dr Michael Yam Kong Choy	7/7	-	2/2	3/3	-
Ong Keng Siew	7/7	-	2/2	-	2/2
Quah Poh Keat (2)	7/7	4/4	-	3/3	1/1
Fatimah Merican	7/7	-	2/2	-	2/2
Foong Pik Yee	7/7	4/4	-	3/3	-
Faizah Khairuddin (3)	7/7	4/4	-	-	1/1
Dato' Teo Chiang Quan (4)	3/3	-	-	-	1/1

The INEDs met amongst themselves separately without the presence of the two EDs, during one of the seven Board meetings, to discuss strategic, governance and operational matters relating to the Group.

Notes:
(1) appointed as an INED and Chairman of the Board in the second half of FY2021 (**2H21**)
(2) ceased to be a member of the BRMC in the first half of FY2021 (**1H21**)
(3) appointed as a member of the BRMC in 1H21
(4) ceased to be a member of the Board and the BRMC following his demise on 24 May 2021
excluding the separate meeting held among the INEDs without EDs

The composition of the four Board Committees and a more detailed report on the activities of the Board and the Board Committees in FY2021 and during the period from 1 January 2022 up to the last practical date for the printing of this statement are provided in the CG Report 2021 that is published on the Company's website.

Board Assessment

The Directors conducted their yearly Self and Peer Assessment in November 2021, and the results were reviewed by the NC in January 2022. The assessment was based on the performance of each of the Directors, the Board as a whole, the four Board Committees, the Chairman and the GCEO. Adequacy of the Board structure, efficiency and integrity of the Board's operations, effectiveness of the Board in the discharge of its duties and responsibilities are key criteria applied to the assessment of the Board and the Board Committees. The individual Directors were assessed based on their competence, capability, commitment, objectivity, participation in Board deliberations and their contribution to the objectives of the Board and the Board Committees on which they serve. The Chairman was assessed based on his leadership role and his impartiality in overseeing the deliberation and decision-making process of the Board whilst the assessment of the GCEO was co-related to the execution of the Group's strategic plans by management and the achievement of performance targets set by the Board. In addition to this assessment, all INEDs were required to sign a Declaration of Independence to re-confirm their status of independence.

Appointment of New Directors

The NC is entrusted with the role of identifying, assessing and nominating candidates to fill Board vacancies and for succession planning. The NC leverages on the Directors' wide network of professional and business contacts as well as talent consultants as the main sources for Board candidacies, and its recommendations are generally based on its assessment of the expertise, skills and attributes of the current Board members and the needs of the Board.

2021 was a year of unexpected sadness at Paramount due to the demise of the late Dato' Teo Chiang Quan. The Board took the time to carefully evaluate the suitability of his successor for chairmanship including consideration of shared values, notably the fulfilment of Paramount's TRIBE core values, i.e. Trust, Respect, Integrity, Bravery and Energy, before unanimously selecting Mr Quah Chek Tin as Chairman of the Board. Mr Quah's appointment was further strengthened by his thorough understanding of the workings and governance of the Board from his earlier tenure from 2007 to 2019 including as Chairman of the AC and RC.

Apart from skills and experience, important criteria such as the candidate's character, integrity, competence and commitment to serve the Company with diligence, are highly regarded by the Board. In making its recommendations to the Board, the NC will also assess the Board structure, as a whole, to ensure that the necessary skill sets are relevant to the Group's strategic direction. A more detailed account of the selection criteria is provided in the CG Report 2021 that is published on the Company's website.

Re-election of Directors

The Company's Constitution provides that at each annual general meeting (**AGM**), one-third of the Directors or if their number is not three or multiples of three, then the number nearest to but not less than one-third shall retire from office by rotation, and are eligible for re-election. Retiring Directors are selected on the basis of those who have been longest in office since their last re-election. Additional Directors appointed during the interval between two AGMs are also subject to retirement, and are eligible for re-election at the second AGM.

The NC had, in accordance with these provisions in the Company's Constitution, conducted its evaluation of the eligibility of four Directors, namely, Mr Ong Keng Siew, Mr Quah Poh Keat, Ms Foong Pik Yee and Mr Quah Chek Tin, for re-election at the forthcoming 52nd AGM. The NC was satisfied with the evaluation results, and has recommended all of the abovementioned Directors for re-election at the AGM. The evaluation took into account the Self and Peer Assessment results of these Directors as well as their time commitment to discharge their duties effectively on the Board and Board Committees on which they serve.

Datuk Seri Dr Michael Yam Kong Choy, the Senior INED who would have served on the Board for 12 years and four months by June 2022, will not be seeking re-election at the 52nd AGM in accordance with the Board Charter, which states that all INEDs who have served for more than 12 years shall not be eligible for re-election.

Directors' Continuing Development Programme

The Board Charter requires all Directors to attend continuing development programmes to keep abreast of regulatory changes pertaining to the functions of the Board as well as to be updated on relevant technical and industry related matters. In FY2021, all Directors of Paramount have attended training programmes on a wide range of topics, as listed in the CG Report 2021 that is available on the Company's website.

Succession Planning

The Board takes a pivotal role in ensuring continuity in leadership at the board and senior management level. For board succession, the Board, through the NC, conducts a yearly analysis of the skills matrix of the Directors to ensure that the Board continues to be well-equipped with skills and expertise that are aligned with the Group's strategic directions. In addition, the Board had, since 2016 and through the Group Human Resource Department, developed a group-wide management succession plan which entails the identification of three different levels of successors at different levels of readiness for senior management positions. The identified successors are required to participate in the STARS (Sustainable Talent Acceleration & Retention Strategy) and LEAP (Leading with Energy and Passion) programmes that are specifically designed to develop the management capabilities and leadership skills of the candidates, and to prepare them for senior management roles.

Remuneration of Directors and Key Senior Management

The Board has, since 2014, adopted a Board Remuneration Policy that sets out the manner in which the remuneration of Directors and determined. The policy is reviewed by the RC and the Board once in every three years. An excerpt of the Remuneration Policy is available in the Board Policies section of the Company's website at www.pcb.my.

The Directors are entitled to Directors' fees and Board Committee fees (where applicable), which are benchmarked, once in every two years, against fees paid by comparable public listed companies in Malaysia.

Paramount also adopts the practice of seeking shareholders' prior approval, at the AGMs, for the payment of Directors and Board Committee fees up to a certain amount for a 12-month period after the AGM. An aggregate amount of fees not exceeding RM1,500,000.00 for the 12-month period from 1 July 2022 to 30 June 2023 had been proposed for shareholders' approval at the forthcoming 52nd AGM.

A detailed disclosure of the Directors' remuneration on a named basis is presented in the CG Report 2021 that is available on the Company's website.

The Group also has in place an established procedure to determine and approve the remuneration of EDs and C-Suite executives. This procedure includes the Board's approval of salary increments and bonus payments to EDs based on the recommendation of the RC, whilst salary increments and bonus payments to C-Suite executives who are not EDs are determined by the RC based on the recommendation of management. The Group's performance, prevailing market conditions, the level of responsibility, performance and contribution of the employees to the Group's performance and long-term objectives are key considerations in the determination of salary increments and bonuses.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Independence and Effectiveness of the Audit Committee

The AC of Paramount comprises entirely INEDs, and it is led by an INED who is not a Chairman of the Board or any other Board Committees. This composition reinforces the independence of the AC. A majority of the members of the AC are members of professional accounting bodies such as the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Their qualifications and extensive experience in the area of financial reporting and the management of internal controls provide assurance to the Board that the committee is well equipped with the necessary expertise and skills to oversee the financial reporting processes of the Company and the internal control governance of the Group.

In the discharge of its duties, the AC has adopted sound practices for its review of all financial reporting by management, including related party transactions, if any, before tabling to the Board for approval as well as for its evaluation of the external auditors and oversight on the Internal Audit function. A more detailed description of such practices is presented in the CG Report 2021 that is published on the Company's website.

Risk Management and Internal Control Framework

During the year under review, the Board, though the BRMC, continued to monitor the Group's risk exposure, and was regularly updated on the implementation progress of the risk management plans to mitigate those risks based on the ISO 31000 Enterprise Risk Management methodology. The reporting process involves monthly monitoring of the risk status by the risk owners in the strategic business units who submit their findings to the Executive Risk Management Committee (**ERMC**) for its review on a quarterly basis. The ERMC, in turn, submits its report to the BRMC on a half-yearly basis.

The identified key risks were grouped into eight categories, namely strategic, operational, finance-related, compliance, reputational, cyber security, pandemic-related, bribery and corruption. A detailed account of such risks is provided in the Statement on Risk Management and Internal Control of this Annual Report.

To further strengthen the Group's system of internal controls, the Board had, on the recommendation of the AC, upgraded the Group's internal control framework by adopting the methodologies prescribed in the COSO Internal Control Integrated Framework. The reporting process involves annual monitoring of the implementation progress of the framework by the ERMC which, in turn, submits its report to the BRMC.

The Statement on Risk Management and Internal Control, which has been reviewed by the external auditors and presented in this Annual Report, provides a detailed report on the Group's level of risk management and internal control for the year under review.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Company is committed to maintaining on-going communication across its entire shareholder base, whether institutional investors, private or employee shareholders. This is achieved principally through annual and quarterly reports to Bursa Securities, the Company's AGM and timely dissemination of information on significant company developments and price sensitive information in accordance with the MMLR.

The quarterly results released to Bursa Securities, and presentation slides presented at Investor Relations and Media Briefing sessions are also available on the Company's website. The Company's website is constantly updated with information pertaining to the Group's business activities and corporate affairs for dissemination to all stakeholders in a timely manner.

Additionally, the Company holds scheduled Investor Relations and Media Briefings, coinciding with the release of the half-year and full-year results of the Group to Bursa Securities, to investment analysts, fund managers and the media. Media briefing is held upon the conclusion of the Company's AGM for the benefit of potential investors as well as shareholders who are unable to attend the meeting. The Company also obliges the requests of analysts, fund managers and the media for company visits, briefings and interviews outside the scheduled Investor Relations and Media Briefings.

Conduct of General Meetings

The Company's AGM, in addition to dealing with the formal business of the Company, represents the principal forum for dialogue and interaction with shareholders, providing an opportunity for the Board to communicate directly with shareholders and vice versa. Furthermore, barring any unforeseen circumstances, notice of 28 clear days is given to all shareholders for the convening of all AGMs.

An overview of the Group's performance for the financial year ended 31 December 2020 was presented virtually to shareholders at the 51st AGM that was held at the broadcast venue on 19 June 2021. Shareholders who attended the virtual AGM were able to raise their queries and cast their votes via the online remote voting platform. The Board had, to the best of its ability, answered as many questions as possible during the live streaming of the AGM. The Board, however, regrets that not all queries could be answered at the AGM due to time constraint. Nevertheless, answers to the remaining unanswered questions were subsequently posted on the Company's website for public viewing. All resolutions proposed were duly approved by the shareholders present at the meeting, and the minutes of the said AGM is available on the Company's website.

Voting on all resolutions proposed in the Notice of the forthcoming 52nd AGM will be by poll, and Paramount has appointed Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator whilst Asia Securities Sdn Bhd shall be the Scrutineer to validate the votes cast at the meeting.

COMPLIANCE STATEMENT

The Company has, as at the last practical date for the printing of this statement, adopted all material aspects of the principles and recommendations of the MCCG save for the following:

- Limiting the tenure of INEDs to nine years or re-designating INEDs who have served for more than nine years as Non-Independent Directors. Nevertheless, the Board has adopted the alternative approach of seeking shareholders' approval at the Company's AGM for such Directors to remain in office as INEDs on an annual basis up to the 12th year, after which time, they will not be eligible for re-election and their tenure shall expire at the nearest AGM.

- Disclosing in the annual report the detailed remuneration of the Company's Key Senior Management (**KSM**) on a named basis. Nevertheless, the Board has adopted the alternative approach of making the disclosure on an aggregate basis due to the commercially sensitive nature of a full disclosure. The detailed remuneration of KSM who are EDs are, nevertheless, disclosed on a named basis in the CG Report 2021.

Note:

The Board Charter, Code of Business Conduct and Ethics, Whistleblowing Policy, Boardroom Diversity Policy, Anti-Bribery and Corruption Policy and excerpts of the following policies are available on the Company's website at www.pcb.my:

Board Remuneration Policy
Directors' Assessment Policy
Directors' Code of Ethics
Dividend Policy
Insider Dealing Policy
Investor Relations Policy
Related Party Transaction Policy
Succession Planning Policy

Internal Policies, **Frameworks and Guidelines**

Paramount Corporation Berhad (**Paramount** or **the Company**) has, over the years, put in place an extensive range of policies, frameworks and guidelines to govern its day-to-day business operations. Paramount also recognises the need to ensure that its policies, frameworks and guidelines remain relevant to the evolving corporate and business environment. Hence, in 2019, Paramount adopted the COSO Internal Control Integrated Framework to better manage and monitor its policies, frameworks and guidelines, which is essential in strengthening its internal control and governance structure.

Some of the key policies, frameworks and guidelines of Paramount and its subsidiaries (**the Group**) are listed below in alphabetical order:

No.	Title	Content
1.	Anti-Bribery & Corruption Policy*	Outlines Paramount's stance of negative tolerance to bribery and corruption.
2.	Anti-Bribery & Corruption Guidelines	Provide guidance to the directors and employees in the Group on compliance with the Anti-Bribery & Corruption Policy.
3.	Board Charter*	Sets out the role, functions, duties and responsibilities of the Company's Directors, Board of Directors, Board Committees, Chairman and Group Chief Executive Officer (**CEO**).
4.	Board Remuneration Policy	Provides guidance and clarity to the Remuneration Committee for its determination and recommendation of the remuneration of the Company's Directors.
5.	Boardroom Diversity Policy*	Sets out Paramount's commitment to boardroom diversity which entails balancing the different skills and industry experience, background and gender of its Directors.
6.	Code of Business Conduct and Ethics*	Sets out Paramount's commitment to upholding the highest standards of honesty, integrity, ethical and legal behavior in the conduct of the Group's business operations.
7.	Crisis Communications Guidelines	Outline processes, roles and responsibilities in communicating with stakeholders in the event of a crisis.
8.	Crisis Management and Business Continuity Guidelines	Sets out procedures to stablise the effects of a potentially disruptive event, and to ensure the Group's businesses return to normalcy with full recovery as soon as possible.
9.	Directors' Assessment Policy	Provides guidance and criteria for the yearly assessment of Paramount's directors, Board of Directors, Board Committees, Chairman, and Group CEO.
10.	Digital Policy	Sets out the role and responsibilities of those who manage or use data and information that belongs to the Group for electronic data protection.
11.	Dividend Policy	Sets out the parameters and procedures for the distribution of dividends by Paramount.
12.	Financial Authority Limits and Payment Policies	Sets out the financial authority limits across the Group for the approval of transactions and authorisation for payments within the Group's ordinary course of business.
13.	Fixed Asset Management Policy	Provides guidance for proper and consistent application of the relevant accounting standards and policies on acquisition, disposal and transfer of assets, both tangible and intangible.

Internal Policies, **Frameworks and Guidelines**

No.	Title	Content
14.	Group Internal Control Framework based on COSO principles	Sets out the principles of internal controls to be instituted across the Group and provides clarity on the responsibilities of management at different levels of authority.
15.	Human Resource Policies	Provide guidance to employees and management concerning employment terms and conditions, covering recruitment, training and development, leave management, employee relation, promotion, performance management, and termination.
16.	Insider Dealing Policy	Sets out clear definition for “securities”, “information”, “insider”, and prohibitions on insider dealing under the Capital Markets and Services Act, 2007 to prevent insider dealing of securities.
17.	Internal Audit Charter	Sets out the mission, authority, independence, objectivity, scope and responsibility of the Company’s internal audit function based on applicable international standards for internal audit.
18.	Internal Audit Policies and Procedures	Provide a framework that guides the activities and functionality of the Company’s internal audit function, as mandated in the Audit Charter.
19.	Investor Relations Policy	Sets out the manner in which the Company’s Investor Relations programmes will be executed to ensure integrity and transparency in the disclosure of accurate, high quality and timely information.
20.	ISO Related Policies	An array of policies for the Group’s property development operations, which include but are not limited to those set out in ISO 9001, 14001 and 45001.
21.	Land Banking Guidelines	Sets out the salient legal parameters for the Group’s land banking (both acquisition and disposal) transactions.
22.	Media Engagement Policy	Sets out principles, roles and responsibilities of employees in relation to media engagement and communications.
23.	Privacy Policy	Provides clear definition on ownership, responsibility and effective management of information assets, and sets out information handling rules.
24.	Related Party Transaction Policy	Sets out requirements and procedures for evaluating potential conflicts of interest and disclosure obligations in all related party transactions.
25.	Risk Management Policy and Framework	Sets out the processes, roles and responsibilities of risk identification, assessment and management of risks.
26.	Succession Planning Framework	Identifies internal talents to key and critical positions, as well as areas for development, to ensure continuity in the Group’s business operations.
27.	Sustainability Framework	Sets out Paramount’s priorities and commitments in terms of Economic, Environmental & Social (EES) aspects of the business.
28.	Tender Procedures	Provide detailed steps for compliance at four stages of the Group’s tender process – (1) pre-tender, (2) tender, (3) evaluation, and (4) approval of award, and sets out authority limits at different stages of tender process, and the key selection criteria.
29.	Whistleblowing Policy*	Sets out the mechanism for whistleblowers to voice concerns regarding suspected fraud, wrongdoings and malpractices to the Chairman of the Audit Committee or the Head of Internal Audit at whistleblower@pcb.my.

* Available on Paramount’s website at **www.pcb.my**

Audit **Committee Report**

The Board of Directors (**the Board**) of Paramount Corporation Berhad (**Paramount** or **the Company**) is pleased to present the Audit Committee Report for the financial year ended 31 December 2021 (**FY2021**).

In performing its duties and discharging its responsibilities, the Audit Committee (**the Committee**) is guided by its Terms of Reference which are available in the Corporate Governance section of the Company's website at www.pcb.my.

COMPOSITION AND MEETINGS

The Committee consists of entirely Independent Non-Executive Directors and are appointed by the Board. The Board, through the Nominating Committee, reviews the terms of office and performance of the Committee and that of each member of the Committee annually to determine whether the Committee and its members have carried out their functions, duties and responsibilities in accordance with the Committee's Terms of Reference.

The Committee convened four (4) meetings during FY2021 and the attendance of the members of the Committee at the meetings were as follows:

Name of Directors	Number of Meetings	
	Held	Attended
Quah Poh Keat (Chairman)	4	4
Foong Pik Yee	4	4
Faizah Binti Khairuddin	4	4

The Chairman of the Committee reported the activities and concerns, if any, of the Committee to the Board at the nearest Board meeting after each Committee meeting for the information and attention of the Board.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year under review, the Committee had carried out the following activities in the discharge of its functions and duties:

1. **Financial Reporting**

   a. Reviewed the unaudited quarterly financial results and the consolidated financial statements of the Company and recommended to the Board for approval.

   b. Reviewed and highlighted to the Board significant matters raised by the external auditors including financial reporting issues, significant judgements made by management, significant events or transactions, and received updates from management on actions taken for improvement.

   c. Deliberated significant changes in relevant regulatory requirements, accounting and auditing standards that affected the Group, and the adoption of such changes by management.

2. **External Audit**

   a. Reviewed the external auditors' audit plan, which includes the scope and timeline of their annual audit, prior to the commencement of audit under the new lead audit engagement partner.

   b. Deliberated and reported the results of the annual statutory audit to the Board.

   c. Reviewed the external auditors' report to the Committee.

   d. Obtained written assurance from the external auditors to the Committee that, in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for FY2021.

   e. Undertook an annual assessment of the performance of the external auditors which encompassed the quality of communications with the Committee and the Group, their independence, objectivity and professionalism. Assessment questionnaires were used as a tool to obtain input from Paramount personnel who had substantial contact with the external audit team.

      The Committee was satisfied with the suitability of the external auditors based on the quality of service and sufficiency of resources they provided to the Paramount Group. The Committee took note of the openness in communication and interaction with the lead audit engagement partner (who is subject to internal rotation once in every seven years) and the engagement team, which demonstrated their independence, objectivity and professionalism.

The results of the performance assessment of the external auditors for FY2021 supports the Committee's recommendation to the Board for the re-appointment as the external auditors of the Group.

f. Reviewed the non-audit related services by the external auditors. The amount of the external audit fees and non-audit fees incurred for FY2021 are disclosed on page 126 Note 8.

g. Met with the external auditors on 22 February 2021 and 15 November 2021 without the presence of Executive Board members and management to review and discuss key issues within their duties and responsibilities. There were no major concerns raised by the external auditors at the meetings.

h. Reviewed the suitability and fee structures of several external audit firms through a request for proposal exercise in 2020 for FY2021.

3. Internal Audit

a. Reviewed and approved the Internal Audit Department's (**IAD**) staffing requirements, budget and annual audit plan to ensure adequacy of resources, competencies and coverage.

b. Reviewed internal audit reports on subsidiaries and key functional units issued by IAD covering the adequacy and effectiveness of governance, risk management, operational and compliance processes.

c. Reviewed the adequacy of corrective actions taken by management on all significant audit issues raised including status of completion achieved.

d. Assessed IAD's quarterly audit progress report to ensure the audit plan continues to remain relevant in consideration of the changes in business environment.

e. Met with the Head of Internal Audit on 24 August 2021 and 15 November 2021 without the presence of the Executive Board members and management.

f. Reviewed the QAIP (Quality Assurance and Improvement Program) Report on self-assessment of engagements performed in 2020.

g. Reviewed and approved the amendments to Internal Audit Charter of the Company.

h. Reviewed and approved the amendments to the Internal Audit Policies of the IAD.

i. Reviewed and approved the report on the overall effectiveness of risk management and internal control of the Company.

j. There were no concerns reported to the whistleblowing channel in FY2021.

k. Assessed the adequacy and effectiveness of Paramount's Anti-Bribery and Corruption policy and procedures.

l. Evaluated the performance of IAD and was satisfied with the performance, which has been free from any relationship or conflict of interest that could impair their objectivity and independence.

4. Related Party Transactions

a. Reviewed related party transactions (**RPTs**) entered into by the Group, including the review and monitoring of recurrent RPTs to ensure:

(i) that such transactions were carried out on normal commercial terms and were not prejudicial to the interest of the Company or its minority shareholders; and

(ii) adequate oversight over the internal control procedures with regard to such transactions.

b. Reviewed the processes and procedures in the Policy on RPTs to ensure that related parties are appropriately identified and RPTs are appropriately declared, approved and reported.

5. Annual Reporting

a. Reviewed the Committee Report, Summary of Activities of the Internal Audit Function, Statement on Risk Management and Internal Control before submission to the Board for approval and for inclusion in the 2021 Annual Report.

6. Others

a. Reviewed the solvency assessment performed by management for the declaration of dividend.

b. Quarterly review of management's progress in meeting financial key performance indicators.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Committee is assisted by IAD in the discharge of its duties and responsibilities. IAD is independent of operations and reports functionally to the Committee and administratively to the Group Chief Executive Officer. The team of three personnel as at year-end in IAD is headed by Mr Wong Ket Keong who is a Certified Internal Auditor of the Institute of Internal Auditors (USA), a member of the Malaysia Institute of Accountants, and a Fellow of the Association of Chartered Certified Accountants (UK).

The primary responsibility of IAD is to provide reasonable assurances to the Committee on the effectiveness of the governance, risk management and internal control processes within the Company and the Group.

All internal audit activities of the Group are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors, the Internal Audit Charter as well as policies and procedures of the Group. An annual risk-based internal audit plan is presented by IAD to the Committee for approval after having reviewed the adequacy of the scope, functions and resources of IAD as well as the competency of the internal auditors. IAD adopts a risk-based approach, focusing on high risk impact areas and prepares its plan based on the risk profiles of the auditable units in alignment with the strategic objectives of the Group.

During the financial year under review, IAD conducted assurance engagements in accordance with its revised internal audit plan and conducted follow-up audits on management remedial actions on a quarterly basis. Evaluations were made to assess the adequacy and effectiveness of key controls in responding to risks within the Group's governance, operations and information systems, in terms of:

- Achievement of the Group's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets;
- Compliance with laws, regulations, policies, procedures, and material contracts; and
- Potential occurrence of fraud.

Internal Audit reports were issued to management which contained key strategic, operational analysis, insights, improvement opportunities, audit observations, management response, corrective and preventive actions as well as the targeted date of completion of those actions. Issues that required significant improvement were highlighted to the Committee for deliberation. The IAD provided quarterly updates to management and the Committee regarding the progress and status of the corrective actions.

IAD verified the terms of the RPTs from the perspective of fairness and at arms' length before submission thereof to the Committee for its consideration.

All IAD's staff are members of relevant professional bodies. The internal auditors are encouraged to continuously enhance their knowledge, skills and competencies through a combination of external and in-house training.

The total costs incurred for the internal audit function was RM0.86 million for FY 2021 (RM1.18 million for FY2020).

Statement on Risk Management and **Internal Control**

INTRODUCTION

This Statement on Risk Management and Internal Control for the financial year ended 31 December 2021 (**FY2021**) is made pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**Bursa Securities**). It is drawn up with reference to the Principles set out in the Malaysian Code on Corporate Governance 2021 (**MCCG**) and the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers issued by Bursa Securities.

BOARD RESPONSIBILITY

The Board of Directors (**the Board**) of Paramount Corporation Berhad (**Paramount** or **the Company**) acknowledges its overall responsibility in maintaining an adequate and sound framework for risk management and internal control to safeguard shareholders' investment in the Company as well as the assets of the Company and its subsidiaries (**the Group**).

The Board continuously reviews the adequacy and integrity of the Group's risk management and internal control system, which has been embedded in all aspects of the Group's activities, and its alignment with the Group's business objectives. In view of the limitations inherent in any system of risk management and internal control, the Board recognises that such a system can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board has established an ongoing process for identifying, evaluating, monitoring and managing the significant risks faced by the Group in achieving its business objectives. This process has been in practice for the year under review up to the date of approval of this statement. The Board has also evaluated the risks associated with new businesses undertaken and major investments made during the year.

The disclosures in this statement, however, do not cover associate or joint venture companies which the Group does not have any direct operational control. Nevertheless, board representation in the associate or joint venture companies and key financial data made available periodically to the Group by those companies at their board meetings do provide vital information necessary for decisions on the investment and safeguarding of the Group's interests in those companies.

RISK MANAGEMENT

Part II of Principle B in the MCCG states that the Board should establish an effective risk management and internal control framework to manage risks. In fulfilling this responsibility, the Board has put in place a well-defined risk management structure with clearly delineated lines of accountability, authority and responsibility, as explained in the following paragraphs:

- ***Board Risk Management Committee (BRMC)***

  The BRMC is the main governing body authorised by the Board to ensure that adequate measures are put in place to address and manage the key risk exposure of the Group. It is set out in the terms of reference of the BRMC that the BRMC shall consist of at least three (3) directors, one of whom shall be an Independent Non-Executive Director (**INED**). Currently, the BRMC has three (3) members, all of whom are INEDs. The BRMC functions within its terms of reference, and it meets on a half-yearly basis to review and deliberate all key risks identified by management. Further details on the BRMC and its activities during the year under review are reported in the Corporate Governance Overview Statement.

- ***Executive Risk Management Committee (ERMC)***

  The ERMC supports the BRMC in its oversight on the implementation of the Company's risk management strategies and policies, as well as to coordinate the Group's risk management activities and provide recommendations to the BRMC, if there is any improvement required.

The ERMC comprises the Group Chief Executive Officer (**GCEO**), the Deputy GCEO, the Chief Financial Officer (**CFO**), the Group Human Resource Director (**GHRD**), the Divisional Chief Executive Officer, the Divisional Chief Operating Officer and the Chief Executive Officers (**CEOs**) of the Strategic Business Units. It is chaired by the GCEO and meets quarterly to monitor the Group's risk exposure, discuss the appropriateness of the key risk management plans (**KRMPs**), and ensure that the KRMPs are implemented consistently. It also monitors the post-implementation effectiveness of the KRMPs. The ERMC reports to the BRMC on the key risks faced by the Group and the implementation progress of the KRMPs.

- ***Corporate Risk Management (CRM) Department***

  The CRM Department assists the ERMC in the discharge of its functions by organising and facilitating risk management awareness workshops and training for employees of the Group, as well as conducting research and updating the ERMC based on the latest requirements and best practices with regard to risk management. It also assists the ERMC by reviewing and recommending key risks to the ERMC for consideration and highlighting whether the Group's risks have been correctly identified and are being appropriately managed.

- ***Strategic Business Units (SBUs) and Corporate Functions***

  All SBUs within the Group and the corporate functions of the Company participate actively in the Group's Enterprise-Wide Risk Management activities, and they report their key risks to the ERMC on a quarterly basis. The CEOs of the SBUs and heads of the corporate functions, being risk owners, are responsible for the effective management of their respective risk profiles. Such responsibilities include identifying potential risks and the impact thereof to the SBUs or the Group as a whole and implementing KRMPs to mitigate those risks. Regular review of the identified risks and KRMPs are also conducted in tandem with changes in the business or operating environment of the Group. Risks that may have a material impact on the Group's corporate objectives and financial position will be highlighted to the attention of the ERMC and the BRMC.

- ***Audit Committee (AC)***

  The AC is assisted by the Internal Audit Department (**IAD**) to conduct periodic audit of the Group's risk management processes and to evaluate the adequacy and effectiveness of the risk management framework that has been adopted by the Group.

The Board regards risk management as an important component that underpins the Group's strategic planning process and business operations. It is on this premise that the Board has included in the Group's risk management framework the following guiding principles to instill a culture of robust risk management across the Group:

- ***Risk Management Policy***

  The Risk Management Policy outlines the risk management philosophy, framework and processes of the Group. This policy is subject to periodic review once in every three years by the Board to ensure that it remains relevant and effective in driving the Group's risk management practices under different economic and business environment.

- ***Enterprise-Wide Risk Management (EWRM) Framework***

  The Group's EWRM framework that mirrors the ISO31000 Risk Management – Principles and Guidelines sets out the risk management practices adopted by the Group with some revisions to cater to the specific needs of the Group and to align with the best practices promulgated in the MCCG.

- ***Risk Appetite Statement and Risk Tolerance***

  A statement on the risk appetite and risk tolerance of the Group, based on measurable parameters that may impact the achievement of corporate objectives, has also been established. The objective is to ensure consistent understanding of the risk exposures which are acceptable or unacceptable to the Group.

Management, through the ERMC, continuously review, communicate and reinforce the Group's risk appetite to ensure that the Group's business activities are conducted within the acceptable risk appetite and risk tolerance levels.

- ***Risk assessment reviews***

Under the EWRM framework, all key risks identified by the SBUs and corporate functions are categorised according to the nature of the Group's business activities, and the rating of such risks are assessed based on the likelihood of occurrence via a self-assessment approach. All SBUs and corporate functions are required to report their key risk profiles and KRMPs to the ERMC on a quarterly basis. All key risks that are deemed to have a significant impact to the Group are then reported to the BRMC on a half-yearly basis. The BRMC will, in turn, highlight such risks to the Board for its attention. A database on all key risks, key controls and KRMPs as well as the status of implementation of the KRMPs is maintained by the respective SBUs and corporate functions.

The Group's key risks are identified based on the following eight (8) categories:

1) Strategic risks

Strategic risks are risks that may arise due to potential market uncertainties and in the course of executing the Group's strategies in arriving at certain business decisions and/or participation in strategic investment opportunities. The Group may have exposure to potential negative impact that can inhibit or prevent the Group from achieving its strategic objectives. They include market volatility risk, equity investment risk, project investment risk including land acquisition, product development risk, business sustainability risk, and human capital risk. To manage these risks, the Group has implemented the following measures:

- Putting in place robust strategic planning processes
- Closely monitoring the marketplace for any signs of threats to the achievement of the strategic objectives
- Tracking the expected deliverables identified under the Group's 5-Year Plan, annual business plans and budgets
- Conducting feasibility studies and due diligence exercises to ensure that investment decisions are made based on the viability of the projects and their ability to fulfil the objectives and goals of the Group
- Actively source for joint venture opportunities with appropriate partners to gain access to overseas markets for expansion of the Group's businesses and revenue stream
- Continue to explore and introduce new and innovative products, services and sales packages to meet the evolving needs of customers
- Closely engaging with the boards and management of companies where the Group holds minority stakes to offer guidance and advice, where appropriate

2) Operational risks

Operational risks are risks that may be encountered in the Group's day-to-day business operations in the event of a breakdown in internal control processes and systems or a change in the people structure of the Group.

Given that the Group's Property Division is a major contributor to the Group's revenue and profits, the risks faced by this division, such as escalation in material costs, shortage of skilled site workers, quality risk, the risk of delay in the receipt of approvals from the authorities for project launches, may have a significant impact to the Group's performance.

To manage the risk of escalating material costs, the Group practises bulk purchasing of key materials and continues to maintain good relationship with vendors and keeps abreast of the price movements of such key materials. In addition, the Group continues to review and enhance its internal policies and procedures to ensure robustness, and devise ways to increase operational efficiency and productivity. In this regard, contractors who are found to be non-performing will be barred from further participation in tenders called by the Group.

3) *Finance-related risks*

The Group is exposed to finance-related risks, such as liquidity, interest rate, and foreign exchange movements, as well as credit and investment risks. To address these risks, prudent funding and treasury policies with regard to the Group's business operations are adopted to minimise the potential adverse impact that such risks could have on the financial performance of the Group. A liquidity stress test was also carried out to assess the financial impact of COVID-19 to the Group. The Group continues to maintain an optimal liquidity position against volatilities in the global and local economies and fluctuations in interest rates.

4) *Compliance risks*

The Group's businesses are governed by various relevant legislations, regulations, industry codes, standards as well as internal policies and corporate governance principles. The Group constantly reviews its operational processes and ensures there are no breaches of applicable laws, regulations, government policies or contractual obligations that may have a material and adverse impact on the financial prospects of the Group. The Board is leveraging on the expertise of the management team to ensure that these risks are identified, monitored and managed effectively. Regular communication on compliance matters is conducted to bring a higher degree of awareness to the employees involved. Employees receive training to keep abreast of the latest applicable requirements and regulations.

5) *Reputational risks*

The reputation of the Group and its brand is one of the most important assets, and it forms the basis upon which the long-term business success of the Group is anchored. To this end, the Group continues to ensure the delivery of high-quality products and services and creating better customer experience to meet the evolving expectations of customers. The Group also engages with other stakeholders, such as employees, the media, investors and bankers in a constant and constructive manner to preserve the Group's reputation.

6) *Cyber security risks*

The Group leverages on websites and social media to better serve its existing customers and to widen its market reach to new customers. As such, cyber security risks, such as defacement of the Group's websites, phishing emails and ransomware attack could cause disruption to the Group's operations. In view of the heightened threat of cyber-attacks in recent years, the Group has put in place the following cyber security control measures to mitigate this risk:

- Establishing Information Technology (**IT**) security policies and procedures based on relevant data security standards and industry best practices
- Deploying cyber security monitoring tools to trace potential intrusion by unauthorised users
- Installing a robust firewall and intrusion prevention mechanism to the Group's IT infrastructure
- Hosting the cloud infrastructure offsite and subscriptions for disaster recovery services to restore critical systems should a disruption occur

The Group will continue to review and assess the adequacy of such measures and will keep abreast of the latest IT security landscape to enhance the KRMPs to mitigate this risk.

7) *Pandemic-related risks*

Business continuity management is always essential to ensure that the Group can continue with its critical business functions or recover from operational disruptions affected by unforeseen circumstances such as the outbreak of a pandemic or the occurrence of a natural disaster.

In the year under review, the COVID-19 pandemic continued to cause disruptions to the Group's operations resulting in deferment of project launches, delay in construction progress arising from full and partial lockdowns, supply chain challenges and infection of site workers. All these had affected the Group's earnings, cash flow and financial position for the year.

The Group has set up an Employee Health Committee (**EHC**) to replace the Crisis Management Task Force. The EHC is led by the GHRD with all heads of the SBUs as participants to ensure that our employees are able to support the Group's operations and services during this pandemic. All SBUs are required to provide status updates fortnightly to the EHC which are then flowed through to the BRMC on a half-yearly basis.

As an additional measure to safeguard the health and safety of employees and contract workers during this pandemic, the Group continues to review and improve our Standard Operating Procedures (**SOPs**) with preventive measures and work safety arrangements, such as split teams and partial work-from-home. A Crisis Communication channel was also activated for reporting of COVID-19 incidents detected at the Group's business premises and project sites, if any.

8) Bribery and corruption risks

The Group's Anti-Bribery and Corruption (**ABC**) Policy was adopted in 2020 and published on Paramount's website. Under this ABC Policy, the Group adopts a zero-tolerance stance against bribery and corruption and a set of ABC Guidelines had also been put in place since 2020 to guide employees on compliance with the ABC Policy.

The BRMC and ERMC will also continue to evaluate the effectiveness of the existing controls to mitigate the risk of non-compliance by associated persons with the Group's ABC Policy.

- ***Key Risk Indicators***

  Key risk indicators have been applied for better tracking of the effectiveness of the control measures and the KRMPs to mitigate all top key risks of the Group.

- ***Continuous education***

  Although the Group has achieved a reasonably high level of robustness in managing a wide range of risks, continuous education takes place at the ERMC meetings and at the knowledge sharing sessions between the CRM Department and risk owners across the Group to reinforce the best practices.

INTERNAL CONTROL

The Board, through the AC, reviews and monitors the adequacy and integrity of the Group's internal controls. The internal control system covers policies, procedures, day-to-day activities and the overall governance of the Group.

In the year under review, the Group has benchmarked the internal control system against an internal control framework based on the principles set out in the Internal Control Integrated Framework prescribed by the Committee of the Sponsoring Organisations of the Treadway Commission (**COSO Framework**). The results of the benchmarking exercise and the implementation status of the framework were reported to the ERMC and the BRMC accordingly.

The salient features of the internal control system are as follows:

- The Board has adopted a Code of Business Conduct and Ethics (**Code of Conduct**) with the objective of upholding the highest standards of honesty, integrity, ethical, and legal behavior in the conduct of all business operations of the Group. All employees are required to adhere to the principles set out in the Code of Conduct whilst carrying out their duties and responsibilities. The Code of Conduct is also made available to employees of the Group via the Employee Awareness Tool and to the public via the Company's website. The Code of Conduct covers areas such as conflict of interest, business conduct in the workplace, confidentiality, fair dealing, gift and entertainment.

Statement on Risk Management and **Internal Control**

- The Group has clearly defined areas of responsibilities for all committees of the Board and clear lines of authority and accountability for various levels of management. It has an appropriate organisational structure which facilitates the segregation of duties and accountability.

- Selection and recruitment of new employees are based on both the business requirements and the individual's competency assessment. The Human Resource Department has in place processes for performance management and human resource development to ensure that employees of the Group are equipped with the necessary skills that enable them to deliver high quality performance.

- Succession planning is designed to ensure that the Group identifies and develops a talent pool of staff through mentoring and training for high-level management positions. This is to ensure continuity in leadership of the Group's key positions.

- Well-established and documented policies and procedures which are aligned with business objectives and goals within the Group are continuously reviewed and updated.

- Various reports on key financial data, key performance indicators, and status updates on business plans, are submitted by the SBUs on a quarterly basis. The reporting mechanism is to enable matters that require the Board's and management's attention are highlighted for review, deliberation and timely decision making. All members of the Board have unrestricted access to information.

- A whistleblowing policy is established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner and to enable staff and stakeholders to raise genuine concerns about possible improprieties, improper conduct or other malpractices within the Group in an appropriate manner.

- Insurance coverage and physical safeguards on major assets are in place to ensure that the Group's assets are adequately insured against any mishap or incidents that could result in a material loss to the Group.

- Information system that supports the financial and operational requirements of the Group is established. The integrity, adequacy, timeliness and security of the information system are consistently monitored by management.

- Business plans which include a 5-year strategic plan, an annual business plan and annual budgets are prepared by the SBUs. The plans are presented and approved by the Board.

- Management holds Finance Committee meetings on a quarterly basis where comprehensive financial results are reviewed by comparing actual performance against the approved budget and that of prior periods. The quarterly financial results and management reviews are then summarised for presentation to the Board during their quarterly meetings.

- An effective management tender committee ensures that a proper procurement process for material purchases of goods and services is in place.

These internal control processes are reviewed and revised from time to time to ensure that they are relevant and effective in responding to changing business and operational needs, whenever practical.

INTERNAL AUDIT FUNCTION

The AC endorses and approves the scope of work and the resource budget of the internal audit function through a review of IAD's Internal Audit Plan (**IAP**) on a yearly basis. The Board places emphasis on the independence and integrity of the internal audit function and ensures that IAD has adequate resources to effectively carry out its work and report to the AC. Quarterly progress reports on the IAP and on the key activities undertaken by IAD are submitted to the AC for review at the quarterly meetings of the AC. Details on the activities of the internal audit function are disclosed in the Audit Committee Report.

IAD submits regular internal audit reports to the AC for review at the AC's quarterly meetings, which are also attended by members of the management team and the external auditors on the invitation of the AC. IAD also conducts follow-up sessions with management on the audit recommendations and matters highlighted by the AC. The status of corrective actions taken by management to address IAD's audit findings are also reported to the AC to enable the AC to have an overview of the state of internal controls within the Group.

SBUs that are accredited with ISO certifications are audited as scheduled by auditors of the relevant certification bodies, and the audit results are reported to management for improvement purposes.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of Bursa Securities' Main Market Listing Requirements, the external auditors, Ernst & Young PLT, have performed limited assurance procedures on this Statement on Risk Management and Internal Control. The review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (**AAPG 3**), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the annual report.

Based on their review, they have reported to the Board that nothing has come to their attention that causes them to believe that this statement intended to be included in the annual report is not prepared, in all material respects, in accordance with disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or that the statement is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon.

CONCLUSION

The Board has received assurances from both the GCEO and the CFO of the Company that the risk management and internal control system is operating adequately and effectively in all material aspects for FY2021 and up to the date of this statement.

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's risk management, and the review and monitoring of the internal control system gives reasonable assurance that the internal controls in place are adequate. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken.

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Directors' **Report**

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit after tax	42,711	12,780
Attributable to:		
Owners of parent	28,534	(1,823)
Holders of Private Debt Securities ("PDS")	14,603	14,603
Non-controlling interests	(426)	-
	42,711	12,780

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

DIVIDENDS

The amounts of dividends declared by the Company since 31 December 2020 were as follows:

	RM'000
In respect of the financial year ended 31 December 2020:	
Single-tier second interim dividend of 2.50 sen on 619,198,366 ordinary shares, paid on 23 June 2021	15,480

On 27 May 2021, the Board approved a reclassification of the proposed final single-tier dividend to a single-tier second interim dividend in respect of the financial year ended 31 December 2020, in the light of the postponement of the Fifty-First Annual General Meeting to 19 June 2021, and to facilitate the payment of the dividend on 23 June 2021 to shareholders whose names appear in the Record of Depositors on 9 June 2021.

At the forthcoming Annual General Meeting, a single-tier final dividend of 3.00 sen, in respect of the financial year ended 31 December 2021 on 621,926,466 ordinary shares, amounting to a dividend payable of RM18,658,000 will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect the proposed final dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as appropriation of retained earnings in the financial year ending 31 December 2022.

DIRECTORS OF THE COMPANY

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Quah Chek Tin (Appointed on 27 August 2021)
Chew Sun Teong *
Benjamin Teo Jong Hian *
Datuk Seri Dr Yam Kong Choy *
Ong Keng Siew
Quah Poh Keat
Fatimah Binti Merican
Foong Pik Yee
Faizah Binti Khairuddin
Dato' Teo Chiang Quan (Demised on 24 May 2021)

* These directors are also directors of subsidiaries of the Company.

DIRECTORS OF THE SUBSIDIARIES

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above, are:

Dion Tan Yong Chien
Foong Poh Seng
Jeffrey Quah Chuan Tatt
Wang Chong Hwa
Ooi Hun Peng
Ahmad Subri bin Abdullah (Resigned on 31 July 2021)
Selvarajoo Esther Majella (Resigned on 31 July 2021)
Datuk Wong Baan Chun
Aidan Hamidon (Appointed on 8 September 2021)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 5 and Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 39(a) to the financial statements.

DIRECTORS' INDEMNITY

As at the date of this report, the Company maintained a Directors' and Officers' Liability Insurance ("D&O Insurance") of RM15.0 million in respect of liabilities arising from civil claims against the directors and officers for alleged wrongful acts committed in their capacity as directors and officers while holding office for the Company and the Group. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1 January 2021	Bought	LTIP Shares Vested	At 31 December 2021
The Company				
Direct Interest				
Ong Keng Siew	5,582,780	-	-	5,582,780
Datuk Seri Dr Yam Kong Choy	185,500	-	-	185,500
Chew Sun Teong	6,817,940	-	1,210,200	8,028,140
Benjamin Teo Jong Hian	957,080	140,000	145,200	1,242,280
Deemed Interest				
Quah Poh Keat	1,339,520	-	-	1,339,520

	Number of warrants			
	At 1 January 2021	Bought	Sold	At 31 December 2021
The Company				
Direct Interest				
Ong Keng Siew	1,595,080	-	-	1,595,080
Datuk Seri Dr Yam Kong Choy	53,000	-	-	53,000
Chew Sun Teong	1,351,440	-	-	1,351,440
Benjamin Teo Jong Hian	222,480	120,000	-	342,480
Deemed Interest				
Quah Poh Keat	382,720	-	-	382,720

	Number of ordinary shares under the LTIP			
	At 1 January 2021	Vested	Forfeited	At 31 December 2021
The Company				
Chew Sun Teong	4,583,500	(1,210,200)	(722,100)	2,651,200
Benjamin Teo Jong Hian	695,800	(145,200)	(73,300)	477,300

The other directors in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

ISSUANCE OF SHARES

On 19 March 2021, 4,754,400 new ordinary shares in the Company were allotted and issued pursuant to the Company's Long Term Incentive Plan ("LTIP") via:

(i) Third vesting of 903,400 restricted shares ("RS") under the 2018 RS Grant;
(ii) Second vesting of 904,400 RS under the 2019 RS Grant;
(iii) First vesting of 845,800 RS under the 2020 RS Grant; and
(iv) Vesting of 2,100,800 performance-based shares ("PS") under the 2018 PS Grant.

EMPLOYEE SHARE SCHEME

On 17 September 2013, the Company implemented the LTIP, which involves the allotment and issuance of new ordinary shares in the Company to eligible employees and executive directors of the Group and of the Company, provided that the total number of shares so allotted shall not at any time exceed ten per centum (10%) of the total number of issued shares in the Company (''LTIP shares'').

The LTIP shares were awarded, without any cash consideration, to those who have attained the identified performance objectives of the Group and of the Company. The LTIP serves to attract, retain, motivate and reward valuable employees of the Group and of the Company.

Details of LTIP shares granted to a director are disclosed in the Directors' Interests section in this report.

The fair values of the LTIP shares granted are estimated at the grant dates using a Monte Carlo Simulation pricing model, taking into account the terms and conditions upon which the instruments were granted.

Further information on LTIP shares is disclosed in Note 35 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the income statements and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

    (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

    (i) it is necessary to write off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

    (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D.)

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 45 to the financial statements.

SUBSEQUENT EVENTS

Significant events subsequent to the end of financial year are disclosed in Note 45 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 8 to the financial statements.

There was no payment made or insurance effected to indemnify the auditors during the financial year and the period from 1 January 2022 to the date of this report.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 March 2022.

Chew Sun Teong

Benjamin Teo Jong Hian

Statement **by Directors**

Pursuant to Section 251(2) of the Companies Act 2016

We, Chew Sun Teong and Benjamin Teo Jong Hian, being two of the directors of Paramount Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 81 to 185 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 March 2022.

Chew Sun Teong

Benjamin Teo Jong Hian

Statutory **Declaration**

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Foong Poh Seng, being the officer primarily responsible for the financial management of Paramount Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 81 to 185 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by
the abovenamed Foong Poh Seng at
Petaling Jaya in Selangor Darul Ehsan
on 31 March 2022

Foong Poh Seng
[MIA 7519]

Before me,

Commissioner for Oaths

Ng Say Hung
No. B185
No. 71-1, Jalan SS21/37
Damansara Utama (Uptown)
47400 Petaling Jaya
Selangor Darul Ehsan

Independent **Auditors' Report**

to the members of Paramount Corporation Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Paramount Corporation Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 185.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements section* of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements section* of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Recognition of revenue and cost on property development projects

The revenue and cost of property development projects contributed approximately 98% of the Group's revenue. The revenue and costs on property development projects were mainly computed based on the stage of completion method. Stage of completion is determined by the proportion of property development cost incurred for work performed to date, to the estimated/budgeted total property development cost. We focused on this area because management made significant judgement in determining the stage of completion, the extent of the property development cost incurred and the estimated/budgeted total property development cost.

Independent **Auditors' Report**

to the members of Paramount Corporation Berhad (Incorporated in Malaysia)

Recognition of revenue and cost on property development projects (cont'd.)

We have assessed and tested the design and operating effectiveness of the management's budgeting process. In addition, we have reviewed management's workings on the computation of revenue and cost. Our audit procedures included, amongst others, reviewing the approved budget by agreeing the estimated sales to the signed sales and purchase agreements for sold units and the selling prices for the remaining unsold units, agreeing the estimated construction cost to the awarded contracts. We also have assessed the completeness of the cost incurred by vouching to the latest progress claims from the contractors, and performed re-computation of the stage of completion.

The Group's disclosures on property development activities are included in Notes 2.21(a), 3.2(a), 4, 14(b) and 15 to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent **Auditors' Report**

to the members of Paramount Corporation Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent **Auditors' Report**

to the members of Paramount Corporation Berhad (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Hoh Yoon Hoong
No. 02990/08/2022J
Chartered Accountant

Kuala Lumpur, Malaysia
31 March 2022

Consolidated **Income Statement**

For the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000 (Restated)
Continuing operations			
Revenue	4	681,351	593,562
Other income		22,650	8,598
Property development costs		(506,437)	(419,972)
Employee benefits expense	5	(53,201)	(60,796)
Depreciation and amortisation		(18,824)	(18,179)
Other expenses		(35,085)	(32,301)
Finance costs	7	(21,725)	(22,420)
Share of results of associates		2,697	3,004
Share of results of a joint venture		(1,110)	(22)
Profit before tax from continuing operations	8	70,316	51,474
Taxation	9	(27,605)	(20,137)
Profit after tax from continuing operations		42,711	31,337
Discontinued operations			
Profit after tax for the year from discontinued operations	17	-	471,126
Profit for the year		42,711	502,463
Profit attributable to:			
Ordinary equity holders of the Company		28,534	486,390
Holders of Private Debt Securities ("PDS") of the Company		14,603	16,065
Non-controlling interests		(426)	8
		42,711	502,463
Earnings per share ("EPS") attributable to ordinary equity holders of the Company (sen)			
- Basic	10(a)	4.61	79.33
- Diluted	10(b)	4.53	76.86

The accompanying notes form an integral part of the financial statements.

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Consolidated Statement of **Comprehensive Income**

For the financial year ended 31 December 2021

	2021 RM'000	2020 RM'000 (Restated)
Profit for the year	42,711	502,463
Other comprehensive income:		
Item that will not be reclassified to profit or loss		
Net (loss)/gain on investment in quoted shares designated at fair value through other comprehensive income	(4,868)	4,033
Item that may be reclassified subsequently to profit or loss		
Foreign currency translation	(265)	106
Total comprehensive income	37,578	506,602
Total comprehensive income attributable to:		
Ordinary equity holders of the Company	23,401	490,529
Holders of PDS of the Company	14,603	16,065
Non-controlling interests	(426)	8
	37,578	506,602

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of **Financial Position**

As at 31 December 2021

	Note	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)
Non-current assets				
Property, plant and equipment	12	128,520	44,644	42,935
Right-of-use assets	13	11,096	16,514	20,224
Inventories - land held for property development	14	735,623	993,681	873,453
Investment properties	16	516,081	517,014	514,626
Investments in associates	19	199,076	192,618	29,242
Investment in a joint venture	20	-	1,110	235
Other investments	21	3,124	25,077	10,212
Other receivables	23	7,701	-	-
Deferred tax assets	32	46,353	56,969	48,118
		1,647,574	1,847,627	1,539,045
Current assets				
Inventories - property development costs	14	283,484	152,228	127,814
Inventories - completed properties and other inventories	14	71,969	115,392	105,359
Contract cost assets	15	124,395	112,204	60,939
Trade receivables	22	211,239	136,415	141,691
Other receivables	23	42,506	30,177	35,774
Other current assets	24	8,762	5,080	5,584
Contract assets	25	372,154	353,004	252,413
Tax recoverable		12,164	8,187	3,863
Cash and bank balances	27	178,359	204,260	134,739
		1,305,032	1,116,947	868,176
Assets of disposal group/Non-current assets held for sale	17	-	-	664,478
		1,305,032	1,116,947	1,532,654
Total assets		2,952,606	2,964,574	3,071,699
Current liabilities				
Borrowings	28	266,845	165,215	211,308
Lease liabilities	29	5,014	4,509	3,708
Trade payables	30	167,569	178,531	166,622
Other payables	31	104,920	119,449	123,266
Tax payable		1,405	7,017	6,718
Contract liabilities	25	136	214	53
		545,889	474,935	511,675
Liabilities directly associated with the assets held for sale	17	-	-	373,235
		545,889	474,935	884,910
Net current assets		759,143	642,012	647,744

Consolidated Statement of **Financial Position**

As at 31 December 2021(Cont'd)

	Note	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)
Non-current liabilities				
Borrowings	28	696,255	788,995	700,637
Lease liabilities	29	10,386	15,235	17,659
Deferred tax liabilities	32	9,556	6,101	6,198
		716,197	810,331	724,494
Total liabilities		1,262,086	1,285,266	1,609,404
Equity				
Share capital	33	330,834	324,909	316,945
Reserves		1,110,128	1,104,744	822,181
Private debt securities	34	248,707	248,707	248,972
Non-controlling interests		851	948	74,197
Total equity		1,690,520	1,679,308	1,462,295
Total equity and liabilities		2,952,606	2,964,574	3,071,699

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of **Changes in Equity**

For the financial year ended 31 December 2021

	← Non-distributable			→	Distributable			
	Share capital RM'000	Employee share reserve # RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings (Note 36) RM'000	Non-controlling interests RM'000	Private debt securities RM'000	Total equity RM'000
At 1 January 2021 - as reported	324,909	8,789	76	(145)	1,098,149	948	248,707	1,681,433
Effect on change in accounting policy (Note 46)	-	-	-	-	(2,125)	-	-	(2,125)
At 1 January 2021 - as restated	324,909	8,789	76	(145)	1,096,024	948	248,707	1,679,308
Total comprehensive income	-	-	(4,868)	(265)	28,534	(426)	14,603	37,578
Transactions with owners								
Vesting of LTIP shares (Note 35)	5,925	(5,925)	-	-	-	-	-	-
Award of LTIP shares to employees (Note 35)	-	3,388	-	-	-	-	-	3,388
Private debt securities distribution (Note 34)	-	-	-	-	-	-	(14,603)	(14,603)
Dividend (Note 11)	-	-	-	-	(15,480)	-	-	(15,480)
Capital contribution by non-controlling interests	-	-	-	-	-	329	-	329
Total transactions with owners	5,925	(2,537)	-	-	(15,480)	329	(14,603)	(26,366)
At 31 December 2021	330,834	6,252	(4,792)	(410)	1,109,078	851	248,707	1,690,520

Consolidated Statement of **Changes in Equity**

For the financial year ended 31 December 2021 (Cont'd.)

	← Non-distributable			→	Distributable			
	Share capital RM'000	Employee share reserve # RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings (Note 36) RM'000	Non-controlling interests RM'000	Private debt securities RM'000	Total equity RM'000
At 1 January 2020	316,945	9,337	(3,957)	(251)	818,906	74,197	248,972	1,464,149
Effect on change in accounting policy (Note 46)	-	-	-	-	(1,854)	-	-	(1,854)
At 1 January 2020 - as restated	316,945	9,337	(3,957)	(251)	817,052	74,197	248,972	1,462,295
Total comprehensive income	-	-	4,033	106	486,390	8	16,065	506,602
Transactions with owners								
Vesting of LTIP shares (Note 35)	7,964	(7,964)	-	-	-	-	-	-
Award of LTIP shares to employees (Note 35)	-	7,416	-	-	-	-	-	7,416
Private debt securities distribution (Note 34)	-	-	-	-	-	-	(16,065)	(16,065)
Issuance of perpetual securities, net of transaction costs (Note 34)	-	-	-	-	-	-	49,735	49,735
Redemption of private debt securities (Note 34)	-	-	-	-	-	-	(50,000)	(50,000)
Disposal of discontinued operations	-	-	-	-	-	(75,796)	-	(75,796)
Dividends (Note 11)	-	-	-	-	(205,839)	-	-	(205,839)
Capital contribution by non-controlling interests	-	-	-	-	-	960	-	960
Acquisition of equity interest from non-controlling interests	-	-	-	-	(1,579)	1,579	-	-
Total transactions with owners	7,964	(548)	-	-	(207,418)	(73,257)	(16,330)	(289,589)
At 31 December 2020	324,909	8,789	76	(145)	1,096,024	948	248,707	1,679,308

\# This represents reserve relating to the fair valuation of restricted shares and performance-based shares under the LTIP.

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of **Cash Flows**

For the financial year ended 31 December 2021

	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	70,316	51,474
Profit before tax from discontinued operations	-	474,906
Profit before tax	70,316	526,380
Adjustments for:		
Depreciation of property, plant and equipment	6,154	5,425
Depreciation of right-of-use assets	4,134	4,248
Depreciation of investment properties	8,536	8,506
Property, plant and equipment written off	9	397
Impairment of property, plant & equipment	2,877	-
Impairment of right-of-use assets	1,737	708
Impairment of investment properties	-	1,964
Additions of allowance for impairment of receivables	5	168
Reversal of allowance for impairment of receivables	-	(118)
Share-based payment	3,388	7,416
Bad debts written off	-	75
Provisional negative goodwill	(3,424)	-
Gain on remeasurement of previously held equity interest	(4,446)	-
Gain on disposal of associate	(1,160)	-
Gain on disposal of assets held for sale	-	(462,663)
Gain on disposal of property, plant and equipment	(55)	(380)
Gain on disposal of investment properties	-	(478)
Unrealised foreign exchange loss	603	333
Share of profit of associates	(2,697)	(3,004)
Share of loss of joint venture	1,110	22
Interest expense	21,725	23,802
Interest income	(1,551)	(5,759)
Operating profit before working capital changes	107,261	107,042
Increase in receivables	(120,062)	(139,799)
Decrease in inventories - property development costs, completed properties and other inventories	128,614	177,661
(Decrease)/increase in payables	(40,688)	14,963
Cash generated from operations	75,125	159,867
Net taxes paid	(25,413)	(36,890)
Interest paid	(31,934)	(28,479)
Net cash generated from operating activities	17,778	94,498

Consolidated Statement of **Cash Flows**

For the financial year ended 31 December 2021 (Cont'd.)

	2021 RM'000	2020 RM'000
Cash flows from investing activities		
Net cash outflow on acquisition of a subsidiary (Note 18.3)	(6,159)	-
Acquisition of non-controlling interest	-	(3,000)
Capital contibution from non-controlling interest	329	960
Increase /(decrease) in land held for property development	50,663	(328,995)
Purchase of property, plant and equipment	(5,024)	(8,509)
Purchase of investment properties	(5,756)	(12,351)
Proceeds from disposal of property, plant and equipment	163	1,363
Proceeds from disposal of investment properties	-	1,600
Proceeds from disposal of assets held for sale	-	482,303
Proceeds from disposal of associate	1,622	-
Movement in assets held for sale	-	43,810
Movement in other investments	4,960	(14,865)
Interest received	1,551	5,759
Investment in an associate	(13,700)	(8,438)
Investment in a joint venture	-	(897)
Net cash generated from investing activities	28,649	158,740
Cash flows from financing activities		
Dividends paid	(15,480)	(205,839)
Issuance of PDS	-	50,000
Redemption of PDS	-	(50,000)
Payment of PDS distribution	(14,603)	(16,065)
Payment of PDS related expenses	-	(265)
Drawdown of borrowings	275,664	323,377
Repayment of borrowings	(332,741)	(296,582)
Placements in banks restricted for use	(6,764)	2,177
Principal portion of lease payments	(4,589)	(2,871)
Interest portion on lease payments	(690)	(942)
Net cash used in financing activities	(99,203)	(197,010)
Net (decrease)/increase in cash and cash equivalents	(52,776)	56,228
Cash and cash equivalents at beginning of year	176,100	119,872
Cash and cash equivalents at end of year (Note 27)	123,324	176,100

Consolidated Statement of **Cash Flows**

For the financial year ended 31 December 2021 (Cont'd.)

Note:

(a) Reconciliation of liabilities arising from financing activities:

	2021 RM'000	2020 RM'000
Borrowings (excluding overdraft)(Note 28)		
At 1 January	938,740	911,945
Drawdown of borrowings	275,664	323,377
Repayment of borrowings	(332,741)	(296,582)
Net changes in financing cash flows	(57,077)	26,795
Other changes:		
Arising from aquisition of a subsidiary (Note 18.3)	45,856	-
At 31 December	927,519	938,740
Lease liabilities (Note 29)		
As at 1 January	19,744	21,367
Principal portion of lease payments	(4,589)	(2,871)
Interest portion on lease payments	(690)	(942)
Net changes in financing cash flows	(5,279)	(3,813)
Other changes:		
Interest expense (Note 7)	690	942
Additions	256	2,116
Lease incentive	(11)	(868)
	935	2,190
As at 31 December	15,400	19,744

The accompanying notes form an integral part of the financial statements.

Income **Statement**

For the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Revenue	4	36,330	41,388
Other income		35,000	438,455
Employee benefits expense	5	(16,458)	(19,329)
Depreciation		(1,312)	(1,135)
Other expenses		(38,269)	(2,005)
Finance costs	7	(2,064)	(2,865)
Profit before tax	8	13,227	454,509
Taxation	9	(447)	(3,258)
Profit after tax, representing total comprehensive income for the year		12,780	451,251
Total comprehensive income attributable to:			
Ordinary equity holders of the Company		(1,823)	435,186
Holders of PDS of the Company		14,603	16,065
		12,780	451,251

The accompanying notes form an integral part of the financial statements.

Statement of **Financial Position**

As at 31 December 2021

	Note	2021 RM'000	2020 RM'000
Non-current assets			
Property, plant and equipment	12	2,607	946
Right-of-use assets	13	2,532	3,399
Investment properties	16	570	585
Investments in subsidiaries	18	735,202	454,918
Investments in associates	19	76,437	76,437
Investment in a joint venture	20	-	1,347
Due from subsidiaries	26	11,790	10,436
Other investments	21	192,758	179,891
Deferred tax assets	32	-	21
		1,021,896	727,980
Current assets			
Other receivables	23	507	2,063
Due from subsidiaries	26	626,602	858,797
Tax recoverable		4,796	1,785
Cash and bank balances	27	799	15,731
		632,704	878,376
Total assets		1,654,600	1,606,356
Current liabilities			
Borrowings	28	114,013	45,470
Lease liabilities	29	857	815
Other payables	31	16,466	22,100
Due to subsidiaries	26	1	-
		131,337	68,385
Net current assets		501,367	809,991
Non-current liabilities			
Lease liabilities	29	1,767	2,624
Deferred tax liabilities	32	64	-
		1,831	2,624
Total liabilities		133,168	71,009
Equity			
Share capital	33	330,834	324,909
Reserves		941,891	961,731
Private debt securities	34	248,707	248,707
		1,521,432	1,535,347
Total equity and liabilities		1,654,600	1,606,356

The accompanying notes form an integral part of the financial statements.

Statement of **Changes in Equity**

For the financial year ended 31 December 2021

		Non-distributable	Distributable		
	Share capital RM'000	Employee share reserve # RM'000	Retained earnings (Note 36) RM'000	Private debt securities RM'000	Total equity RM'000
At 1 January 2021	324,909	8,789	952,942	248,707	1,535,347
Total comprehensive income	-	-	(1,823)	14,603	12,780
Transactions with owners					
Vesting of LTIP shares (Note 35)	5,925	(5,925)	-	-	-
Award of LTIP shares to employees (Note 35)	-	3,388	-	-	3,388
Private debt securities distribution (Note 34)	-	-	-	(14,603)	(14,603)
Dividend (Note 11)	-	-	(15,480)	-	(15,480)
Total transactions with owners	5,925	(2,537)	(15,480)	(14,603)	(26,695)
At 31 December 2021	330,834	6,252	935,639	248,707	1,521,432
At 1 January 2020	316,945	9,337	723,595	248,972	1,298,849
Total comprehensive income	-	-	435,186	16,065	451,251
Transactions with owners					
Vesting of LTIP shares (Note 35)	7,964	(7,964)	-	-	-
Award of LTIP shares to employees (Note 35)	-	7,416	-	-	7,416
Private debt securities distribution (Note 34)	-	-	-	(16,065)	(16,065)
Issuance of perpetual securities, net of transaction costs (Note 34)	-	-	-	49,735	49,735
Redemption of private debt securities (Note 34)	-	-	-	(50,000)	(50,000)
Dividends (Note 11)	-	-	(205,839)	-	(205,839)
Total transactions with owners	7,964	(548)	(205,839)	(16,330)	(214,753)
At 31 December 2020	324,909	8,789	952,942	248,707	1,535,347

This represents reserve relating to the fair valuation of restricted shares and performance-based shares under the LTIP.

The accompanying notes form an integral part of the financial statements.

Statement of **Cash Flows**

For the financial year ended 31 December 2021

	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before tax	13,227	454,509
Adjustments for:		
Depreciation of property, plant and equipment	430	253
Depreciation of right-of-use assets	867	867
Depreciation of investment properties	15	15
Interest expense	2,064	2,865
Impairment of investment in subsidiaries	32,989	-
Deemed distribution from a subsidiary	-	(5,000)
Gain on disposal of subsidiaries	-	(404,407)
Gain on disposal of property, plant and equipment	-	(160)
Share-based payment	1,728	4,771
Interest income	(52,981)	(57,233)
Operating loss before working capital changes	(1,661)	(3,520)
Decrease in receivables	1,556	2,874
Decrease in payables	(5,634)	(2,521)
Changes in subsidiaries balances	232,502	(178,576)
Cash generated from/(used in) operations	226,763	(181,743)
Interest paid	(1,914)	(2,676)
Net tax paid	(3,373)	(3,706)
Real property gain tax paid	-	(125)
Net cash generated from/(used in) operating activities	221,476	(188,250)
Cash flows from investing activities		
Proceed from disposal of subsidiaries	-	537,346
Interest received	23,121	32,001
Disposal of other investment	-	55
Investment in a joint venture	-	(897)
Subscription of Redeemable Non-Cumulative Non-Convertible Preferences Shares ("RNCNCPS")	-	(12,034)
Subscription of Non-Cumulative Redeemable Convertible Preference Shares ("NCRPCPS") in subsidiaries	(281,010)	(22,640)
Acquisition of a subsidiary (Note 18.3)	(4,854)	-
Subscription of ordinary shares in subsidiaries	(9,069)	(10,000)
Purchase of property, plant and equipment	(2,091)	(472)
Proceeds from disposal of property, plant and equipment	-	160
Net cash (used in)/generated from investing activities	(273,903)	523,519

Statement of **Cash Flows**

For the financial year ended 31 December 2021 (Cont'd)

	2021 RM'000	2020 RM'000
Cash flows from financing activities		
Drawdown of borrowings	150,000	60,000
Repayment of borrowings	(100,000)	(178,335)
Distribution of PDS	(14,603)	(16,065)
Issuance of PDS, net	-	49,735
Redemption of PDS	-	(50,000)
Placement in banks restricted for use	-	2,203
Dividends paid	(15,480)	(205,839)
Principal portion of lease payments	(815)	(776)
Interest portion on lease payments	(150)	(189)
Net cash generated from/(used in) financing activities	18,952	(339,266)
Net decrease in cash and cash equivalents	(33,475)	(3,997)
Cash and cash equivalents at beginning of year	193	4,190
Cash and cash equivalents at end of year (Note 27)	(33,282)	193

Note:

(a) Reconciliation of liabilities arising from financing activities:

	2021 RM'000	2020 RM'000
Borrowings (excluding overdraft)(Note 28)		
At 1 January	30,000	148,335
Drawdown of borrowings	150,000	60,000
Repayment of borrowings	(100,000)	(178,335)
Net changes in financing cash flows	50,000	(118,335)
At 31 December	80,000	30,000
Lease liabilities (Note 29)		
As at 1 January	3,439	4,215
Principal portion of lease payments	(815)	(776)
Interest portion on lease payments	(150)	(189)
Net changes in financing cash flows	(965)	(965)
Other changes:		
Interest expense (Note 7)	150	189
As at 31 December	2,624	3,439

The accompanying notes form an integral part of the financial statements.

Notes to the **Financial Statements**

31 December 2021

1. CORPORATE INFORMATION

Paramount Corporation Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Level 8, Uptown 1, 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 18. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 March 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on a going concern basis and under the historical cost convention, except as disclosed in the notes to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (‘000) except when otherwise indicated.

2.2 Changes in accounting policies

On 1 January 2021, the Group and the Company adopted the following pronouncements mandatory for annual financial periods beginning on or after 1 January 2021:

- Amendments to MFRS 4: Insurance Contract, MFRS 7: Financial Instrument: Disclosures, MFRS 9: Financial Instrument, MFRS 139: Financial Instrument and MFRS 16: Leases (Interest Rate Benchmark Reform - Phase 2)
- Amendment to MFRS 16: Covid 19 Related Rent Concession Beyond 30 June 2021

Adoption of the above pronouncements did not have any material effect on the financial performance or position of the Group and the Company other than as set out below:

(i) IFRS Interpretations Committee’s (“IFRIC”) Agenda Decision on MFRS 123 Borrowing Costs relating to over time transfer of constructed goods (“IFRIC Agenda Decision”)

In March 2019, the IFRIC published an agenda decision on borrowing costs confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysian Accounting Standards Board (“MASB”) decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020. As a result, finance cost can no longer be capitalised on the Group’s ongoing development project for which revenue is recognised over time. The Group has adopted this change in accounting policy in its financial statements for the current financial year ended 31 December 2021, the financial effects of which are shown in Note 46.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective

The standards and amendments to standards that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards and amendments to standards, if applicable, when they become effective.

	Effective for annual periods beginning on or after
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRS Standards 2018 - 2020	1 January 2023
Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment - Proceeds before intended use)	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)	1 January 2022
Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements (Disclosure of Accounting Policies)	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 112 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
Amendments to MFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The revised MFRSs and amendments to MFRSs that are not yet effective are not expected to have a material impact on the Group and the Company in the current or future reporting periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until that date such control ceases.

The cost of acquisition of a subsidiary consists of consideration transferred, and the amount of any non-controlling interests in the acquiree. The acquisition-related costs are recognised in profit or loss as incurred.

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Any excess in the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed over the cost of business combination is recognised immediately in profit or loss.

Profit or loss and each component of other comprehensive income are attributed to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiaries are adjusted for the material effects of dissimilar accounting policies. Intragroup assets and liabilities, equity, income, expenses, unrealised gains and losses resulting from intra-group transactions are eliminated in full on consolidation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

Non-controlling interests represent the equity in subsidiary companies not attributable, direct or indirectly, to the Group which consist of the amount of those non-controlling interests at the date of original combination, and the non-controlling interests' share of changes in the equity since the date of the combination.

Non-controlling interests are presented separately in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Investments in subsidiaries

A subsidiary is an entity over which the Company controls and the Company has the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition, the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in the associate or joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136: *Impairment of Assets* as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint venture are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of annual impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings	50 years
Plant and equipment	10 years
Furniture and fittings	10 years
Motor vehicles	5 years

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.9 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of right-of-use assets are initially recognised as the amount of lease liabilities recognised adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset, as follows:

Building	2 - 50 years

The right-of-use assets are also subject to impairment as disclosed in Note 2.15.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.9 Leases (cont'd.)

(a) As lessee (cont'd.)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Group and the Company have applied the amendment to MFRS 16 Leases (Covid-19 Related Rent Concessions) issued by MASB in June 2020. The amendment introduces an optional practical expedient that simplifies how a lessee accounts for rent concessions arising as a direct consequence of the Covid-19 pandemic.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(d).

When the assets are leased out under an operating lease, the assets are included in the statement of financial position based on the nature of the assets. Lease income is recognised over the term of the lease on a straight-line basis.

2.10 Disposal groups and non-current assets held for sale

The Group classifies disposal groups and non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Disposal groups and non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the disposal group or asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Discontinued Operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

(a) represents a separate major line of business or geographical area of operations;
(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

The Group's education component is classified as discontinued operation as disclosed in Note 17. All other notes to the financial statements include amounts for continuing operations, unless otherwise indicated.

2.12 Inventories

(a) Property inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes:
- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site, preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sales.

Property inventories under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once sold, the cost of these inventories is transferred to contract cost assets and recognised in profit or loss as and when control passes to the respective customers.

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

Property inventories where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally no significant development work would have been undertaken on these lands other than infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These property inventories are classified to current assets (i.e. property development costs) at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.12 Inventories (cont'd.)

(b) Food and beverages

Inventories of food and beverages are stated at lower of cost and net realisable value. Food and beverages comprise purchase price and directly attributable costs of bringing the inventories to their present location and condition and the cost is determined by using the weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.13 Contract cost assets

(a) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

(b) Costs to fulfill a contract

The costs incurred in fulfilling a contract with a customer which are not within the scope of other MFRSs, such as MFRS 102: *Inventories*, MFRS 116: *Property, Plant and Equipment* or MFRS 138: *Intangible Assets*, are recognised as contract cost assets when all of the following criteria are met:

(i) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(iii) the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: *Accounting Policies, Changes in Accounting Estimate and Errors*.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost assets exceeds:

(i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
(ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract cost assets, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract cost assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to date. A contract asset is stated at cost less accumulated impairment.

A contract liability is the obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. In the case of property development, construction contracts, contract liability is the excess of the billings to date over the cummulative revenue earned. Contract liabilities include downpayment received from customer and other deferred income where the Group has billed and collected the payment before the goods are delivered or services are provided to the customers.

2.15 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and measured at either amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets of the Group and of the Company are classified in three categories:

(i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(i) Financial assets at amortised cost (debt instruments) (cont'd.)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and Company's financial assets at amortised cost include other investment in cumulative redeemable non-convertible preference shares ("CRNCPS"), cash and bank balances, trade receivables, other receivables and amounts due from subsidiaries.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("OCI"), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with the net changes in fair value recognised in the statements of profit or loss.

The Group's and the Company's financial assets at fair value through profit or loss include derivative instruments.

(iii) Financial assets at fair value through other comprehensive income (no recycling)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to income statement. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its equity investments under this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(iv) Financial assets at fair value through other comprehensive income (with recycling) (debt instruments)

The Group and the Company measure debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company have elected to classify its investments in debt instruments included in other investments in this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) and the Company's statement of financial position when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred the rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment (if any).

The Group and the Company consider a financial asset in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, amounts due to subsidiaries and derivative instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Financial instruments (cont'd.)

(b) Financial liabilities (cont'd.)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statements of profit or loss.

The Group's and the Company's financial liabilities carried at fair value through profit or loss include derivative liabilities.

(ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Group's and the Company's financial liabilities at amortised cost include trade and other payables (other than derivative liability and provisions), loans and borrowings including bank overdrafts and amounts due to subsidiaries.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.17 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, deposits with licensed banks and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group or the Company incurred in connection with the borrowing of funds.

2.19 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.20 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Revenue and other income recognition

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Revenue and other income recognition (cont'd.)

(a) Revenue from property development

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- The promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

- The Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

(b) Revenue from construction contract

The Group recognises revenue from construction contract with customers.

The Group's contract with customers mainly contain one performance obligation where the Group is contracted to construct a specific asset for the customers.

The Group considers whether there are other promises in the contract with customers that are separate performance obligations. The Group typically only provides assurance type warranties to assure that the completed project complies with agreed-upon specifications of the contract and therefore, does not give rise to a separate performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Revenue and other income recognition (cont'd.)

(b) Revenue from construction contract (cont'd.)

Where the outcome of a contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred, that is probable to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Transaction price comprises the initial amount of consideration agreed in the contract, variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group's construction contracts contain penalty clauses (i.e. liquidated and ascertained damages) for late delivery. When it is probable that the construction contract will not be fulfilled on time, the penalty will be deducted from the contract transaction price.

Revenue from construction contract is recognised progressively based on percentage of completion method determined based on either input or output method. Output method is measured by reference to the proportion of physical completion based on technical milestones defined under the contracts and taking into account the nature of activities and its associated risks. Input method is measured based on the ratio of costs incurred to date to total estimated costs.

In determining the appropriate method for measuring progress, the Group shall consider the method that best depicts the Group's peformance in transferring control of goods or services promised to a customer.

Contract assets represent the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are subjected to impairment in accordance to MFRS 9: *Financial Instruments*. The contract assets of the Group comprise of amounts due from customers on contracts.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. The contract liabilities of the Group comprise of amounts due to customers on contracts.

(c) Sale of completed properties, food and beverages

Sales are recognised upon delivery of goods, net of returns and trade discount.

(d) Rental income

Rental income is recognised on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Revenue and other income recognition (cont'd.)

(e) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Membership fees

Revenue from annual membership fees is recognised on a straight-line basis over the term of the membership.

(h) Management fees

Management fees are recognised when services are rendered.

2.22 Current and non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current and non-current classification.

An asset is classified as current when it is:
(i) expected to be realised or intended to sold or consumed in normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within 12 months after the reporting period; or
(iv) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:
(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within 12 months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

(c) Employee share scheme

Employees of the Group and of the Company receive remuneration in the form of shares as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares at the date on which the shares are granted, which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of shares that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for shares that do not ultimately vest, except for shares where vesting is conditional upon a market condition or a non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the shares do not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group, the Company or the employee, this is accounted for as a cancellation.

In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share reserve is transferred to retained earnings upon expiry of the shares. When the shares are vested, the employee share reserve is transferred to share capital if new shares are issued, or to treasury shares if the shares are satisfied by the reissuance of treasury shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.25 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each company in the Group are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.26 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.28 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 Fair value measurement

The Group and the Company measure financial instruments such as derivative and certain non-financial assets such as other investments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.29 Fair value measurement (cont'd.)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's and the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.30 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Building is depreciated over the remaining period of their leases of 50 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Investment property under construction ("IPUC'') is measured at fair value (when the fair value is reliably determinable). When assessing whether the fair value of IPUC can be determined reliably the company considers, among other things:

(a) Is the asset being constructed in a developed liquid market?
(b) Has a construction contract with the contractor been signed?
(c) Have the required building and letting permits been obtained?
(d) What percentage of rentable area has been pre-leased to tenants?

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

IPUC are not depreciated as these assets are not yet available for use.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification between investment properties and property, plant and equipment

The Group and the Company have developed certain criteria based on MFRS 140: *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Property development costs

The Group recognises property development revenue and costs in the income statement by using the stage of completion method. The stage of completion is determined by the proportion of property development costs incurred for work performed to date to the estimated total property development costs.

Significant estimate is required in determining the stage of completion, the extent of the construction or property development costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction or property development projects. In making the estimate, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Impairment of property, plant and equipment ("PPE") and investment properties ("IP")

The Group assesses whether there are any indicators of impairment for PPE and IP at each reporting date. PPE and IP are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

The Group carried out the impairment test based on the fair value less cost to sell the PPE and IP. Fair value is obtained from valuation reports performed by independent third party valuers based on best information available. Significant estimate is involved in deriving at the fair value as there are possible variations in the basis and assumptions used by the valuers. The details of the PPE and IP are disclosed in Note 12 and Note 16.

(c) Undiscounted potential future rental payments relating to extension options that are not included in the lease term

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Significant estimate is involved in determining whether these extension options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term.

	Within five years RM'000	More than five years RM'000	Total RM'000
2021			
Extension options expected not to be exercised	1,633	1,969	3,602
2020			
Extension options expected not to be exercised	384	3,218	3,602

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4. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers				
Sale of completed properties	148,841	67,043	-	-
Sale of properties under construction	520,949	493,688	-	-
Construction contracts	-	20,846	-	-
Rental income	9,741	9,590	-	-
Sale of food and beverages	1,711	2,059	-	-
Club membership fee	109	336	-	-
Interest income from advances to subsidiaries	-	-	22,860	28,451
Management fees from subsidiaries	-	-	13,470	12,937
Total revenue	681,351	593,562	36,330	41,388
Timing of revenue recognition				
Goods transferred at a point in time	150,552	69,102	-	-
Goods and services transferred over time	530,799	524,460	36,330	41,388
	681,351	593,562	36,330	41,388

5. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages and salaries	36,883	44,408	7,255	11,696
Contributions to defined contribution plan	4,688	5,016	903	1,408
Share-based payment*	3,388	7,416	1,728	4,771
Other benefits	8,242	3,956	6,572	1,454
	53,201	60,796	16,458	19,329

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM11,161,000 (2020: RM8,616,000) and RM10,188,000 (2020: RM6,145,000) respectively.

* In the previous financial year, the Group granted up to 6,568,300 shares to employees and executive directors of the Group under the Long Term Incentive Plan ("LTIP"), which comprises the restricted share incentive plan and performance-based share incentive plan. Further details are disclosed in Note 35.

6. DIRECTORS' REMUNERATION

The details of the remuneration received/receivable by directors of the Group and the Company during the year are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive:				
Salaries	2,995	4,335	2,155	2,535
Fees	222	255	222	255
Bonus and other benefits	7,434	2,872	7,405	2,476
Defined contribution plan	510	1,154	406	879
Executive directors' remuneration excluding benefits-in-kind	11,161	8,616	10,188	6,145
Estimated monetary value of benefits-in-kind	278	330	186	185
	11,439	8,946	10,374	6,330
Non-executive:				
Fees	770	567	770	542
Other emoluments	90	43	90	41
	860	610	860	583
Total	12,299	9,556	11,234	6,913

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	11,161	8,616	10,188	6,145
Total non-executive directors' remuneration excluding benefits-in-kind (Note 8)	860	610	860	583
Total directors' remuneration excluding benefits-in-kind	12,021	9,226	11,048	6,728

6. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 December 2021 and 31 December 2020 are as follows:

	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
2021				
Directors of the Group				
Executive:				
Dato' Teo Chiang Quan	1,120	54	4,531	5,705
Chew Sun Teong	2,837	84	1,735	4,656
Benjamin Teo Jong Hian	634	84	360	1,078
	4,591	222	6,626	11,439
Non-executive:				
Fatimah Binti Merican	-	108	12	120
Datuk Seri Dr Yam Kong Choy	-	140	18	158
Ong Keng Siew	-	114	12	126
Quah Poh Keat	-	125	17	142
Foong Pik Yee	-	114	16	130
Faizah Binti Khairuddin	-	112	13	125
Quah Chek Tin	-	57	2	59
	-	770	90	860
Directors of the Company				
Executive:				
Dato' Teo Chiang Quan	448	54	4,524	5,026
Chew Sun Teong	2,837	84	1,735	4,656
Benjamin Teo Jong Hian	362	84	246	692
	3,647	222	6,505	10,374
Non-executive:				
Fatimah Binti Merican	-	108	12	120
Datuk Seri Dr Yam Kong Choy	-	140	18	158
Ong Keng Siew	-	114	12	126
Quah Poh Keat	-	125	17	142
Foong Pik Yee	-	114	16	130
Faizah Binti Khairuddin	-	112	13	125
Quah Chek Tin	-	57	2	59
	-	770	90	860

6. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 December 2021 and 31 December 2020 are as follows (cont'd.):

	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
2020				
Directors of the Group				
Executive:				
Dato' Teo Chiang Quan	3,436	115	76	3,627
Chew Sun Teong	2,230	70	2,233	4,533
Benjamin Teo Jong Hian	493	70	223	786
	6,159	255	2,532	8,946
Non-executive:				
Fatimah Binti Merican	-	92	7	99
Datuk Seri Dr Yam Kong Choy	-	104	7	111
Ong Keng Siew	-	96	7	103
Quah Poh Keat	-	113	9	122
Foong Pik Yee	-	94	7	101
Faizah Binti Khairuddin	-	68	6	74
	-	567	43	610
Directors of the Company				
Executive:				
Dato' Teo Chiang Quan	1,554	115	58	1,727
Chew Sun Teong	2,230	70	2,233	4,533
Benjamin Teo Jong Hian	-	70	-	70
	3,784	255	2,291	6,330
Non-executive:				
Fatimah Binti Merican	-	92	7	99
Datuk Seri Dr Yam Kong Choy	-	104	7	111
Ong Keng Siew	-	96	7	103
Quah Poh Keat	-	113	9	122
Foong Pik Yee	-	94	7	101
Faizah Binti Khairuddin	-	43	4	47
	-	542	41	583

* Included in other emoluments are allowances, share-based payments, gratuity and benefits-in-kind.

7. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on:				
- Term loans	14,683	6,474	-	451
- Islamic Medium Term Notes (iMTN)	3,821	5,317	-	-
- Medium Term Notes	10,309	11,322	-	-
- Other borrowings	3,121	3,984	1,914	2,225
- Unwinding of discount (Note 29)	690	942	150	189
	32,624	28,039	2,064	2,865
Less: Interest expense capitalised in:				
- Investment properties (Note 16)	(1,847)	(1,628)	-	-
- Land held for property development (Note 14(a))	(9,052)	(3,991)	-	-
	21,725	22,420	2,064	2,865

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

Profit before tax from continuing operations are derived after charging/(crediting):

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-executive directors' remuneration (Note 6)	860	610	860	583
Auditors' remuneration				
- statutory audit	456	435	120	120
- audit related fee	101	131	70	95
- non-audit fee	34	-	34	-
Lease expense relating to short-term leases	407	235	9	10
Lease expense relating to leases of low value assets	33	60	7	14
COVID-19 related rental concession	74	124	-	-
Direct operating expenses of investment properties	3,199	3,908	6	6
Impairment of investment properties (Note 16)	-	1,964	-	-
Impairment of property, plant and equipment (Note 12)	2,877	-	-	-
Impairment of right-of-use assets (Note 13)	1,737	708	-	-
Impairment of investment in subsidiaries	-	-	32,989	-

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (CONT'D.)

Profit before tax from continuing operations are derived after charging/(crediting) (cont'd.):

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation of:				
- property, plant and equipment (Note 12)	6,154	5,425	430	253
- right-of-use assets (Note 13)	4,134	4,248	867	867
- investment properties (Note 16)	8,536	8,506	15	15
Property, plant and equipment written off	9	392	-	-
Gain on disposal of property, plant and equipment	(55)	(380)	-	(160)
Gain on disposal of investment properties	-	(478)	-	-
Gain on disposal of subsidiaries (Note 18)	-	-	-	(404,407)
Gain on disposal of investment in associates (Note 19)	(1,160)	-	-	-
Gain on remeasurement of previously held equity interest (Note 20)	(4,446)	-	-	-
Provisional negative goodwill on consolidation (Note 18)	(3,424)	-	-	-
Additions of allowance for impairment of receivables (Note 22)	5	8	-	-
Reversal of allowance for impairment of receivables (Note 22)	-	(118)	-	-
Deemed distribution from a subsidiary	-	-	-	(5,000)
Accretion of investment income	-	-	(29,860)	(25,232)
Interest income from:				
- deposits with licensed banks	(1,551)	(5,597)	(261)	(3,550)
- advances to subsidiaries	-	-	(22,860)	(28,451)
Rental income	(3,859)	(1,748)	(30)	(14)
Net foreign exchange (gain)/loss:				
- realised	-	(15)	-	-
- unrealised	603	333	-	-

9. TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Current income tax:				
Malaysian income tax	13,660	28,997	336	2,325
Underprovision in prior years	2,164	1,502	26	768
Real property gains tax	-	162	-	125
	15,824	30,661	362	3,218
Deferred tax (Note 32):				
Relating to origination and reversal of temporary differences	7,817	(10,763)	66	41
Under/(over) provision in prior years	3,964	239	19	(1)
	11,781	(10,524)	85	40
Taxation	27,605	20,137	447	3,258

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. TAXATION (CONT'D.)

A reconciliation of tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 31 December 2020 are as follows:

	2021 RM'000	2020 RM'000 (Restated)
Group		
Profit before tax from continuing operations	70,316	51,474
Profit before tax from discontinued operations (Note 17)	-	474,906
Total profit before tax	70,316	526,380
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	16,876	126,331
Effect of share of results of associates and a joint venture	(381)	(716)
Income not subject to tax	(1,711)	(108,621)
Effect of PDS's distribution deductible for tax purposes	(3,505)	(3,856)
Expenses not deductible for tax purposes	9,266	8,602
Deferred tax assets recognised on temporary differences	-	(1,032)
Deferred tax assets not recognised in respect of unutilised tax losses and unabsorbed capital allowances	932	1,468
Underprovision of deferred tax in prior years	3,964	239
Underprovision of income tax in prior years	2,164	1,502
Taxation	27,605	23,917
Taxation reported in income statement	27,605	20,137
Taxation attributable to discontinued operations (Note 17)	-	3,780
	27,605	23,917
Company		
Profit before tax	13,227	454,509
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	3,174	109,082
Income not subject to tax	(8,330)	(104,373)
Effect of PDS's distribution deductible for tax purposes	(3,505)	(3,856)
Expenses not deductible for tax purposes	9,063	1,638
Under/(over) provision of deferred tax in prior years	19	(1)
Underprovision of current income tax in prior years	26	768
Taxation	447	3,258

10. EARNINGS PER SHARE

(a) Basic

	Group 2021	Group 2020
Profit attributable to ordinary equity holders of the Company (RM'000)	28,534	486,390
Issued ordinary shares at beginning of the year ('000)	614,444	606,683
Effect of vesting of LTIP shares ('000)	3,962	6,468
Weighted average number of ordinary shares in issue ('000)	618,406	613,151
Basic earnings per share (sen)	4.61	79.33

(b) Diluted

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of the dilutive instruments of the Group.

	Group 2021	Group 2020
Profit attributable to ordinary equity holders of the Company (RM'000)	28,534	486,390
Weighted average number of ordinary shares in issue ('000)	618,406	613,151
Dilutive effect of shares issued under the LTIP ('000)	11,259	19,653
Adjusted weighted average number of ordinary shares ('000)	629,665	632,804
Diluted earnings per share (sen)	4.53	76.86

At the reporting date, the Company's warrants do not have dilutive effects to the Group's earnings per share as the warrants' exercise price is higher than the market price.

11. DIVIDENDS

	Amount		Net dividends paid per ordinary share	
	2021 RM'000	2020 RM'000	2021 Sen	2020 Sen
Recognised during the year:				
For the financial year ended 31 December 2020				
Single-tier second interim dividend	15,480	-	2.50	-
Single-tier special dividend	-	178,189	-	29.00
For the financial year ended 31 December 2019				
Single-tier final dividend	-	27,650	-	4.50
	15,480	205,839	2.50	33.50

On 27 May 2021, the Board approved a reclassification of the proposal final single-tier dividend to a single-tier second interim dividend in respect of the financial year ended 31 December 2020, in the light of the postponement of the Fifty-First Annual General Meeting to 19 June 2021, and to facilitate the payment of the dividend on 23 June 2021 to shareholders whose names appear in the Record of Depositors on 9 June 2021.

At the forthcoming Annual General Meeting, a single-tier final dividend of 3.00 sen, in respect of the financial year ended 31 December 2021 on 621,926,466 ordinary shares, amounting to a dividend payable of RM18,658,000 will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect the proposed final dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as appropriation of retained earnings in the financial year ending 31 December 2022.

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings* RM'000	Plant, equipment, furniture, fixtures, fitting and motor vehicles RM'000	Total RM'000
Group			
Cost			
At 1 January 2020	25,266	40,405	65,671
Additions	124	8,385	8,509
Reclassifications	(4,214)	4,214	-
Disposals	-	(3,127)	(3,127)
Write-off	-	(1,467)	(1,467)
At 31 December 2020/1 January 2021	21,176	48,410	69,586
Additions	221	4,803	5,024
Acquisition of subsidiary (Note 18.3)	75,016	12,984	88,000
Disposals	-	(465)	(465)
Write-off	-	(181)	(181)
At 31 December 2021	96,413	65,551	161,964

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Land and buildings* RM'000	Plant, equipment, furniture, fixtures, fitting and motor vehicles RM'000	Total RM'000
Group			
Accumulated depreciation			
At 1 January 2020	3,079	19,657	22,736
Depreciation charge for the year (Notes 8 and 17)	321	5,104	5,425
Reclassifications	(330)	330	-
Disposals	-	(2,144)	(2,144)
Write-off	-	(1,075)	(1,075)
At 31 December 2020/1 January 2021	3,070	21,872	24,942
Depreciation charge for the year (Note 8)	320	5,834	6,154
Disposals	-	(357)	(357)
Write-off	-	(172)	(172)
At 31 December 2021	3,390	27,177	30,567
Accumulated impairment			
At 1 January 2021	-	-	-
Impairment loss (Note 8)	-	2,877	2,877
At 31 December 2021	-	2,877	2,877
Net carrying amount			
At 31 December 2021	93,023	35,497	128,520
At 31 December 2020	18,106	26,538	44,644

During the financial year, the Group has conducted an impairment assessment on the property, plant and equipment and right-of-use assets of the subsidiary involved in the operation of coworking spaces. Each coworking outlet was identified as a separate cash-generating unit as they have their own independent cash inflows. The Company has determined the recoverable amount of the loss-making outlets based on the value-in-use ("VIU") approach. Cash flows projections were prepared based on the remaining lease terms for the respective outlets. Based on the Group's assessment, an impairment loss of RM2,877,000 and RM1,737,000 was determined for property, plant and equipment and right-of use assets, respectively. The impairment loss was included in "other expenses" of the consolidated income statement.

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Land and buildings

	Freehold land RM'000	Freehold buildings RM'000	Capital work-in progress RM'000	Total RM'000
Group				
Cost				
At 1 January 2020	4,433	20,833	-	25,266
Additions	-	-	124	124
Reclassifications	-	(4,821)	607	(4,214)
At 31 December 2020/1 January 2021	4,433	16,012	731	21,176
Additions	-	-	221	221
Acquisition of subsidiary (Note 18.3)	4,400	70,616	-	75,016
At 31 December 2021	8,833	86,628	952	96,413
Accumulated depreciation				
At 1 January 2020	-	3,079	-	3,079
Depreciation charge for the year	-	321	-	321
Reclassifications	-	(330)	-	(330)
At 31 December 2020/1 January 2021	-	3,070	-	3,070
Depreciation charge for the year	-	320	-	320
At 31 December 2021	-	3,390	-	3,390
Net carrying amount				
At 31 December 2021	8,833	83,238	952	93,023
At 31 December 2020	4,433	12,942	731	18,106

The freehold land and buildings of the Group with net carrying amount of RM75,016,000 (2020: Nil) has been pledged as security for borrowings as disclosed in Note 28.

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Plant, equipment, furniture, fixtures, fitting and motor vehicles RM'000
Company	
Cost	
At 1 January 2020	4,228
Additions	472
Disposal	(614)
At 31 December 2020/1 January 2021	4,086
Additions	2,091
At 31 December 2021	6,177
Accumulated depreciation	
At 1 January 2020	3,501
Depreciation charge for the year (Note 8)	253
Disposal	(614)
At 31 December 2020/1 January 2021	3,140
Depreciation charge for the year (Note 8)	430
At 31 December 2021	3,570
Net carrying amount	
At 31 December 2021	2,607
At 31 December 2020	946

13. RIGHT-OF-USE ASSETS

	Building RM'000
Group	
Cost	
At 1 January 2020	25,517
Additions during the year	1,246
At 31 December 2020/1 January 2021	26,763
Additions during the year	453
At 31 December 2021	27,216
Accumulated depreciation	
At 1 January 2020	5,293
Depreciation charge for the year (Notes 8 and 17)	4,248
At 31 December 2020/1 January 2021	9,541
Depreciation charge for the year (Notes 8 and 17)	4,134
At 31 December 2021	13,675
Accumulated impairment	
At 1 January 2020	-
Impairment loss (Note 8)	708
At 31 December 2020/1 January 2021	708
Impairment loss (Note 8)	1,737
At 31 December 2021	2,445
Net carrying amount	
At 31 December 2021	11,096
At 31 December 2020	16,514

As disclosed in Note 12, the Group has recognised impairment loss of RM1,737,000 in "other expenses" of the consolidated income statement. In the prior financial year, the Group has assessed the carrying amount of its right-of-use assets due to recent decline in the market rental yield. An impairment loss of RM708,000 based on value-in-use calculated using discounted cash flow projections was recognised in "other expenses" of the consolidated income statement.

	Building RM'000
Company	
Cost	
At 1 January 2020/31 December 2021	5,133
Accumulated depreciation	
At 1 January 2020	867
Depreciation charge for the year (Note 8)	867
At 31 December 2020/1 January 2021	1,734
Depreciation charge for the year (Note 8)	867
At 31 December 2021	2,601
Net carrying amount	
At 31 December 2021	2,532
At 31 December 2020	3,399

14. INVENTORIES

	Group	
	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)
Non-current		
At cost:		
Land held for property development (Note a)	735,623	993,681
Current		
At cost:		
- Property development costs (Note b)	283,484	152,228
At cost:		
- Completed properties	71,925	115,358
- Food and beverages	44	34
	71,969	115,392
Total current inventories	355,453	267,620
Total inventories	1,091,076	1,261,301

During the year, the amount of inventories recognised as an expense in property development cost of the Group was RM44,837,000 (2020: RM32,191,000).

(a) Land held for property development

	Group	
	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)
Freehold land		
At 1 January	718,238	537,481
Additions	302	278,037
Transfer to property development costs (Note b)	(113,653)	(97,280)
Disposal	(50,583)	-
At 31 December	554,304	718,238
Leasehold land		
At 1 January	11,863	36,718
Transfer to property development costs (Note b)	(10,406)	(26,560)
Additions	-	1,705
At 31 December	1,457	11,863

14. INVENTORIES (CONT'D.)

(a) Land held for property development (cont'd.)

	Group	
	31.12.2021 RM'000	**31.12.2020 RM'000 (Restated)**
Development costs		
At 1 January	263,580	299,254
Costs incurred during the financial year	68,101	56,933
Transfer to property development costs (Note b)	(115,047)	(92,607)
Disposal	(36,772)	-
At 31 December	179,862	263,580
Carrying amount at 31 December	735,623	993,681

The freehold land held for property development with net carrying amount of RM445,634,000 (2020: RM566,578,000) has been pledged as security for borrowings as disclosed in Note 28.

The Group's land held for property development include borrowing costs arising from borrowings drawndown specifically for the purpose of the development and construction of the projects. During the financial year, the borrowing costs capitalised under land held for property development amounted to RM9,052,000 (2020: RM3,991,000).

(b) Property development costs, at cost

	Group	
	31.12.2021 RM'000	**31.12.2020 RM'000 (Restated)**
Property development costs as at 1 January:		
Freehold land	12,864	14,785
Leasehold land	22,127	1,514
Development costs	117,237	111,515
	152,228	127,814
Cost incurred during the year:		
Development costs	65,100	36,879
Transfer from land held for property development (Note a)		
Freehold land	113,653	97,280
Leasehold land	10,406	26,560
Development costs	115,047	92,607
At 31 December	239,106	216,447

14. INVENTORIES (CONT'D.)

(b) Property development costs, at cost (cont'd.)

	Group	
	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)
To contract cost assets (Note 15(b))		
Freehold land	(77,653)	(93,870)
Leasehold land	(6,413)	(5,947)
Development costs	(87,018)	(91,544)
	(171,084)	(191,361)
To inventory - completed properties		
Freehold land	(56)	(5,331)
Development costs	(1,810)	(32,220)
	(1,866)	(37,551)
Property development costs at 31 December	283,484	152,228

15. CONTRACT COST ASSETS

	Group	
	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)
Costs to obtain contracts with customers (Note a)	22,002	20,400
Costs to fulfill contract with customers (Note b)	102,393	91,804
	124,395	112,204

15. CONTRACT COST ASSETS (CONT'D.)

(a) Costs to obtain contracts with customers

	Group	
	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)
At 1 January	20,400	14,823
Additions	13,442	16,711
Amortisation	(11,840)	(11,134)
At 31 December	22,002	20,400

(b) Costs to fulfill contracts with customers

	Group	
	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)
Property development activities:		
At cost:		
At 1 January		
Freehold land	113,820	90,946
Leasehold land	54,123	48,176
Development costs	177,125	316,883
	345,068	456,005
Costs incurred during the financial year:		
Development costs	204,087	227,516
Transferred during the financial year from property development costs (Note 14(b))		
Freehold land	77,653	93,870
Leasehold land	6,413	5,947
Development costs	87,018	91,544
	171,084	191,361
Costs eliminated during the financial year due to completion of projects:		
Freehold land	(5,826)	(70,996)
Development costs	(161,620)	(458,818)
	(167,446)	(529,814)
At 31 December	552,793	345,068
Costs recognised in profit or loss:		
At 1 January	(253,264)	(409,889)
Recognised during the financial year	(364,582)	(373,189)
Eliminated during the financial year due to completion of projects	167,446	529,814
At 31 December	(450,400)	(253,264)
Carrying amount as at 31 December	102,393	91,804

16. INVESTMENT PROPERTIES

	Buildings RM'000	Freehold land RM'000	Investment properties under construction RM'000	Total RM'000
Group				
Cost				
At 1 January 2020	448,231	49,474	65,259	562,964
Additions	1,287	-	12,692	13,979
Disposal	(110)	(1,028)	-	(1,138)
At 31 December 2020/ 1 January 2021	449,408	48,446	77,951	575,805
Additions	312	-	7,291	7,603
At 31 December 2021	449,720	48,446	85,242	583,408
Accumulated depreciation				
At 1 January 2020	48,338	-	-	48,338
Depreciation charge for the year (Note 8)	8,506	-	-	8,506
Disposal	(17)	-	-	(17)
At 31 December 2020/ 1 January 2021	56,827	-	-	56,827
Depreciation charge for the year (Note 8)	8,536	-	-	8,536
At 31 December 2021	65,363	-	-	65,363
Accumulated impairment				
At 1 January 2020	-	-	-	-
Impairment loss (Note 8)	1,964	-	-	1,964
At 31 December 2020/1 January 2021 and 31 December 2021	1,964	-	-	1,964
Net carrying amount				
At 31 December 2021	382,393	48,446	85,242	516,081
At 31 December 2020	390,617	48,446	77,951	517,014

16. INVESTMENT PROPERTIES (CONT'D.)

	Building RM'000
Company	
Cost	
At 1 January 2020/31 December 2020	
At 1 January 2021/31 December 2021	750
Accumulated depreciation	
At 1 January 2020	150
Depreciation charge for the year (Note 8)	15
At 31 December 2020/1 January 2021	165
Depreciation charge for the year (Note 8)	15
At 31 December 2021	180
Net carrying amount	
At 31 December 2021	570
At 31 December 2020	585

The freehold land and buildings of the Group with net carrying amount of RM467,835,000 (2020: RM467,821,000) has been pledged as security for borrowings as disclosed in Note 28.

In the previous financial year, the Group had conducted a review of the recoverable amounts of its investment properties and the review had led to the recognition of impairment loss of RM1,964,000, included in "other expenses" of the consolidated income statement. The recoverable amounts are determined based on fair value less cost to sell.

The fair value of the investment properties of the Group and of the Company were estimated based on valuation performed by independent third party valuers. Details of the fair value, valuation techniques and inputs used are disclosed in Note 41.

The Group's investment properties under construction include borrowing costs arising from borrowings drawndown specifically for the purpose of the construction of the investment properties. During the financial year, the borrowing costs capitalised amounted to RM1,847,000 (2020: RM1,628,000). The Group ceased to capitalise the borrowing costs upon substantial completion of the construction of the investment properties.

17. ASSETS OF DISPOSAL GROUP/NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Included in disposal group classified as held for sale on the statements of financial position of the Group as at the previous reporting date were the following:

Group

In the previous financial years, the assets and liabilities of the disposal group classified as held for sale comprised the assets and liabilities of subsidiaries, namely Sri KDU Sdn. Bhd. ("SKDU"), Sri KDU Klang Sdn. Bhd. (formerly known as Paramount Education (Klang) Sdn. Bhd.) ("SKDUK"), Paramount Education Sdn. Bhd. ("PESB") and R.E.A.L. Education Group Sdn. Bhd. ("REAL Education"). The disposal was completed during the previous financial year. Details of the disposal are disclosed in Note 18.

The Group's interest in this disposal group held for sale had been valued at lower of carrying amount and fair value less cost to sell.

17. ASSETS OF DISPOSAL GROUP/NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D.)

Following the classification of SKDU, SKDUK, PESB and REAL Education as disposal group classified as held for sale, the financial results of these entities have been reclassified as discontinued operations.

In presenting the discontinued operations, the Group continues to apply MFRS10: *Consolidated financial statements* which requires elimination of the intra-group transactions.

(i) The results of the discontinued operations, net of related eliminations are presented below:

	2020 RM'000
Consolidated income statement:	
Revenue	34,200
Other income	1,100
Gain on disposal of disposal group constituting discontinued operations	462,663
Employee benefits expense	(15,345)
Other expenses	(6,330)
Finance costs	(1,382)
Profit before tax from discontinued operations	474,906
Taxation	(3,780)
Profit after tax from discontinued operations	471,126

Included in employee benefits expense of the discontinued operations in the prior year were executive and non-executive directors' remuneration receivable/received by directors of the Company amounting to RM262,000 and RM8,000 respectively.

Profit before tax from discontinued operations:

Profit before tax from discontinued operations were derived after charging/(crediting):

	2020 RM'000
Auditors' remuneration	
- statutory audit	9
Lease expense relating to short-term leases	134
Lease expense relating to leases of low value assets	76
Property, plant and equipment written off	5
Gain on disposal of subsidiaries (Note 18)	(462,663)
Additions of allowance for impairment of receivables (Note 22)	160
Bad debts written off	75
Interest income from deposits with licensed banks	(162)
Rental income	(171)

17. ASSETS OF DISPOSAL GROUP/NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D.)

(ii) The net cashflow incurred by discontinued operations were as follows:

	2020 RM'000
Operating activities	(5,600)
Investing activities	(6,875)
Financing activities	8,214
Net cash outflow from discontinued operations	(4,261)

18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	244,920	229,650
Investment in Non-cumulative Redeemable Convertible Preference Shares ("NCRCPS")	615,693	317,690
Less: Accumulated impairment losses	(125,411)	(92,422)
	735,202	454,918

The salient terms of the NCRCPS subscribed by the Company are summarised below:

(i) Preferential non-cumulative dividends are payable at a rate to be mutually agreed and are payable on a date determined by the issuer subject to availability of profits.

(ii) The NCRCPS are redeemable at the issuer's option at any time out of profits or out of fresh issues of shares.

(iii) The NCRCPS are convertible at the issuer's option at any time into ordinary shares in the issuer at a conversion rate to be determined by the issuer.

There were indication of impairment for certain investments in subsidiaries as they were loss making and the cost of investment in these subsidiaries has exceeded its share of its net assets. The Company has determined the recoverable amount of these investments in subsidiaries using the higher of their value-in-use and fair value less cost to sell. Based on the assessment by the Company, an impairment loss of RM32,989,000 was recognised in "other expenses" of the consolidated income statement.

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries as at 31 December 2021 and 31 December 2020 are as follows:

Name of subsidiaries	Effective interest 2021 %	Effective interest 2020 %	Share capital '000	Principal activities
Incorporated in Malaysia				
Berkeley Sdn. Bhd.	100	100	RM5,000	Property development
Berkeley Maju Sdn. Bhd.	100	100	RM5,000	Property investment
Paramount Engineering & Construction Sdn. Bhd.	100	100	RM5,000	In the process of winding up
Paramount Construction Sdn. Bhd.	100	100	RM5,000	Building and engineering contractor
Paramount Property Construction Sdn. Bhd.	100	100	RM5,000	Building and engineering contractor
Seleksi Megah Sdn. Bhd.	100	100	RM5,000	In the process of winding up
Paramount Property (Sekitar 26 Enterprise) Sdn. Bhd.	100	100	RM5,000	Property development
Janahasil Sdn. Bhd.	100	100	RM5,000	Property investment
Paramount Property Holdings Sdn. Bhd.	100	100	RM10,000	Investment holding ^
Paramount Property (Utara) Sdn. Bhd.	100	100	RM5,000	Property development
Kelab Bandar Laguna Merbok Sdn. Bhd.	100	100	*	Operator of club house
Paramount Utropolis Retail Sdn. Bhd.	100	100	RM5,000	Property investment and management
Paramount Holdings Sdn. Bhd.	100	100	RM226	Management of educational services ^
Paramount Property Development Sdn. Bhd.	100	100	RM5,000	Property development
Jasarim Bina Sdn. Bhd.	100	100	RM5,000	Property investment ^
Broad Projects Sdn. Bhd.	100	100	RM5,000	Investment holding and car park operator
Paramount Property (Glenmarie) Sdn. Bhd.	100	100	RM5,000	Property development
Paramount Property (Cjaya) Sdn. Bhd.	100	100	RM5,000	Property development
Utropolis Sdn. Bhd.	70	100	RM100	Other business support service activities ^
Paramount Property (PG) Sdn. Bhd.	100	100	RM5,000	Property development
Carp Legacy Sdn. Bhd.	100	100	RM5,000	Investment holding and car park operator
Paramount Property (PW) Sdn. Bhd.	100	100	RM5,000	Property development and investment
Paramount Construction (PG) Sdn. Bhd.	100	100	RM5,000	Building and engineering contractor
Paramount Property (Sepang) Sdn. Bhd.	100	100	RM5,000	Property development

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries as at 31 December 2021 and 31 December 2020 are as follows (cont'd.):

Name of subsidiaries	Effective interest 2021 %	Effective interest 2020 %	Share capital '000	Principal activities
Incorporated in Malaysia				
Paramount Coworking Sdn. Bhd.	100	100	RM14,000	Providing coworking spaces and incubator-related services
Paramount Property (Lakeside) Sdn. Bhd.	99	99	RM4,500	Property development
Aneka Sepakat Sdn. Bhd.	100	100	RM5,000	Property development
Paramount Capital Resources Sdn. Bhd.	100	100	RM5,000	In house treasury management
Paramount Greencity Sdn. Bhd.	100	100	RM5,000	Property investment
Magna Intelligent Sdn. Bhd.	100	100	RM9,000	Investment holding
Paramount Property (Seaview) Sdn. Bhd.	100	100	****	Property development ^
Paramount Property (Cityview) Sdn. Bhd.	100	100	RM5,000	Property development
Paramount FoodPrint Sdn. Bhd.	100	100	RM5,000	Provision of food & beverage services
Paramount Global Sdn. Bhd.	100	100	RM18,100	Investment holding
Paramount Globalcom Sdn. Bhd.	100	100	***	Investment holding
Gardens of Hope Sdn. Bhd.	70	70	RM4,200	Providing coworking spaces and incubator-related services
Flexsis Sdn. Bhd.	100	-	***	Investment holding ^
Paramount Property (Lakeview) Sdn. Bhd.	100	-	***	Property development ^
Super Ace Resources Sdn. Bhd.	100	71	RM1,897	Property investment and hospitality related services
Incorporated in Australia				
Paramount Global Investments Pty. Ltd. #	100	100	**	Investment holding
Paramount Investments & Properties Pty. Ltd. #	100	100	**	Investment holding

* Share capital of RM2
** Share capital of AUD2
*** Share capital of RM100
**** Share capital of RM1
AUD Represents currency denoted in Australian Dollars
Subsidiaries not audited in accordance with requirements of respective countries
^ Subsidiaries are inactive as of reporting date

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

18.1 Incorporation of subsidiaries

(i) On 10 June 2021, the Company incorporated Flexsis Sdn. Bhd. ("FSB") with a share capital of RM100, represented by 100 ordinary shares.

(ii) On 1 July 2021, the Company incorporated Paramount Property (Lakeview) Sdn. Bhd ("PPLV"). with a share capital of RM100, represented by 100 ordinary shares.

18.2 Change in shareholdings of a subsidiary

On 8 September 2021, the Company has further subscribed for 69,000 ordinary shares out of the 99,000 new ordinary shares issued by Utropolis Sdn. Bhd. for a cash consideration of RM69,000. As a result, the Company's interest was diluted from 100% to 70%.

18.3 Acqusition of control in Super Ace Resources Sdn Bhd

On 1 November 2021, the Company entered into a Share Sale and Purchase Agreement (SSPA) with Lasseters Properties Sdn. Bhd. ("LPSB") and Lasseters Management (M) Sdn. Bhd. ("LMSB") to accquire the remaining 29% collective shareholdings of LPSB and LMSB in Super Ace Resources Sdn. Bhd. ("SAR"), represented by 550,000 ordinary shares and 6,941,000 redeemable non-cumulative non-convertible preference shares, for a total cash consideration of RM4,854,180.

The acquisition was completed on 17 December 2021 resulting in SAR becoming a wholly owned subsidiary of the Company and the termination of the joint venture agreements entered into between the Company, LPSB and LMSB.

The fair value of the identifiable assets acquired and liabilities assumed on acqusition date:

Group	2021 RM'000
Property, plant and equipment	88,000
Other receivables	51
Cash and bank balances	263
Trade and other payables	(10,426)
Borrowings	(47,424)
Deferred tax liability	(1,920)
Net assets acquired	28,544
Less:	
Purchase consideration	4,854
Acquisition-date fair value of previously held equity interest	20,266
	25,120
Provisional negative goodwill recognised to profit or loss	3,424
The net cash flows on acquisition were as follows:	
Purchase consideration satisfied by cash	4,854
Cash and cash equivalent of subsidiary acquired	(263)
Bank overdraft	1,568
Net cash outflow	6,159

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

18.3 Acqusition of control in Super Ace Resources Sdn Bhd (cont'd.)

The above fair value of assets and liabilities and negative goodwill arising on the above acquisition are provisional as the Group is undertaking purchase price allocation exercise to determine the final fair values of identifiable assets (including intangible assets) and liabilities at acquisition. Any adjustments arising therefrom will be adjusted accordingly on a retrospective basis when the purchase price allocation exercise are completed.

18.4 Disposal of subsidiaries

On 20 February 2020, the Company completed the disposal of the Company's controlling equity interest in SKDU, SKDUK, PESB and REAL Education (collectively referred to as "disposal group") to Prestigion Education Sdn. Bhd. Consequently, the Company retained a 20% equity interest in SKDU, SKDUK, REAL Education and a 30.3% equity interest in PESB.

The carrying amount of the assets and liabilities of the subsidiaries at the date of disposal were as follows:

Group	2020 RM'000
Non-current assets	615,201
- Property, plant and equipment	358,693
- Right-of-use assets	98,790
- Intangible asset	146,604
- Other investment	88
- Deferred tax assets	11,026
Current assets	68,892
- Inventories	1,652
- Trade and other receivables	7,403
- Tax recoverable	3,016
- Other current assets	1,778
- Cash and bank balances	55,043
Non-current liabilities	(253,967)
- Borrowings	(131,402)
- Lease liabilities	(81,972)
- Deferred tax liabilities	(40,593)
Current liabilities	(127,650)
- Borrowings	(8,352)
- Lease liabilities	(10,851)
- Trade and other payables	(52,797)
- Other current liabilities	(55,464)
- Tax payables	(186)
Net assets disposed	302,476
Non-controlling interests	(74,217)
Fair value of remaining equity interest retained	(153,576)
Gain on disposal (Note 17)	462,663
Proceeds from disposal - net	537,346

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

18.4 Disposal of subsidiaries (cont'd.)

Group	2020 RM'000
Proceeds satisfied by cash	569,199
Transaction cost	(31,853)
Cash and cash equivalent of subsidiaries disposed	(55,043)
Net cash inflow from disposal of subsidiaries	482,303

Company	RM'000
Investments in subsidiaries, net of impairment	132,939
Gain on disposal (Note 8)	404,407
Proceeds from disposal - net	537,346

18.5 Subsidiaries with non-controlling interests

Summarised financial information (before inter-company elimination) of the subsidiaries which have non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are individually not material to the Group.

19. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost	193,693	190,970	76,437	76,437
Share of post-acquisition reserves	5,383	1,648	-	-
	199,076	192,618	76,437	76,437

(i) On 15 April 2021, Magna Intelligent Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into a Share Subscription Agreement with P2P Venture Sdn. Bhd. for the subscription of a 30% equity interest in Omegaxis Sdn. Bhd. ("OMGX") and its subsidiaries for a cash consideration of RM13,700,000. The acquisition was completed on 13 August 2021.

19. INVESTMENTS IN ASSOCIATES (CONT'D.)

(ii) On 29 October 2021, Paramount Investment & Properties Pty Ltd, a wholly-owned subsidiary of the Company, has entered into Securities Sale Deed with VIP Woodlea Pty Ltd, Kian Thiam Lim and VIP Rockbank Pty Ltd for the disposal of its share in VIP Paramount Pty Ltd and all its unit issued by VIP Paramount Unit Trust for a cash consideration of RM11,000,000 ("Purchase Price"). The disposal was completed on 29 October 2021. Upon completion, the Group recognised gain on disposal of RM1,160,000 to profit or loss.

The purchase price will be settled as follows:
(i) 15% on completion date;
(ii) 10% on the first anniversary of the completion date; and
(iii) 75% on the second anniversary of the completion date.

The summarised financial information of material associates, Sri KDU Sdn. Bhd. ("SKDU"), UOW Malaysia KDU University College Sdn. Bhd. ("KDUUC") and Paramount Education Sdn. Bhd. ("PESB"), not adjusted for the proportion of ownership interest held by the Group, are as follows:

	SKDU RM'000	KDUUC RM'000	PESB RM'000
Group			
2021			
Assets and liabilities			
Total assets	600,433	80,483	329,736
Total liabilities	(97,654)	(49,167)	(148,861)
Results			
Revenue	83,775	48,636	81,309
Profit/(loss) after tax, representing total comprehensive income for the year	24,449	6,607	(3,429)
2020			
Assets and liabilities			
Total assets	597,236	67,469	344,819
Total liabilities	(118,847)	(42,761)	(160,967)
Results			
Revenue	85,061	48,810	87,281
Profit/(loss) after tax, representing total comprehensive income for the year	21,365	5,696	(3,453)

During the year, the share of post-acquisition reserves includes the effect of foreign currency translation gain of RM624,000 (2020: RM258,000).

19. INVESTMENTS IN ASSOCIATES (CONT'D.)

Reconciliation of net assets to carrying amount as at 31 December:

	SKDU RM'000	KDUUC RM'000	PESB RM'000	Total RM'000
Group				
2021				
Net assets	502,779	31,316	180,875	
Interest in associates	20.0%	35.0%	30.3%	
Group's share of net assets	100,556	10,961	54,805	166,322
Goodwill	-	-	-	-
Carrying amount of investment in associates	100,556	10,961	54,805	166,322
2020				
Net assets	478,389	24,708	183,852	
Interest in associates	20.0%	35.0%	30.3%	
Group's share of net assets	95,678	8,648	55,707	160,033
Goodwill	-	-	-	-
Carrying amount of investment in associates	95,678	8,648	55,707	160,033

Aggregate information of associates that are not individually material:

	Group 2021 RM'000	Group 2020 RM'000
The Group's share of (loss)/profit for the financial year	(2,328)	868
The Group's share of total comprehensive (loss)/income for the financial year	(2,328)	868
Aggregate carrying amount of the Group's interests in these associates	32,754	32,585

19. INVESTMENTS IN ASSOCIATES (CONT'D.)

Details of the associates are as follows:

Name of associates	Effective interest 2021 %	Effective interest 2020 %	Share capital '000	Principal activities
Incorporated in Malaysia				
Sri KDU Sdn. Bhd.	20	20	RM2,250	Educational services
Sri KDU Klang Sdn. Bhd.	20	20	RM1,000	Educational services
Paramount Education Sdn. Bhd.	30.3	30.3	RM187,000	Investment holding
R.E.A.L. Education Group Sdn. Bhd.	20	20	RM10,813	Educational services
R.E.A.L. Kids (Ampang) Sdn. Bhd.	20	20	RM200	Educational services
R.E.A.L. Education Corporation Sdn. Bhd.	20	20	RM350	Educational services
Cambridge Education For Life Sdn. Bhd.	20	20	RM1,000	Educational services
R.E.A.L. Education International Sdn. Bhd.	20	20	RM1,500	Educational services
Cambridge Children's House Sdn. Bhd.	20	20	*	Educational services
Cambridge English For Life Sdn. Bhd.	20	20	RM100	Educational services
UOW Malaysia KDU University College Sdn. Bhd.	35	35	RM20,059	Educational services
UOW Malaysia KDU Penang University College Sdn. Bhd.	35	35	RM15,000	Educational services
Omegaxis Sdn. Bhd.	30	-	RM45,667	Investment holding
Peoplender Sdn. Bhd.	19.1	-	RM15,500	Peer-to-peer financing platform
Incorporated in Singapore				
Fundaztic SG Pte. Ltd.	12.0	-	SGD2,000	Peer-to-peer financing platform
Incorporated in Australia				
VIP Paramount Pty. Ltd.	-	50	**	Trustee
VIP Paramount Unit Trust	-	50	AUD6,000	Trustee ^
Incorporated in Thailand				
Navarang Charoennakhon Company Limited	49	49	THB100,000	Property development

* Share capital of RM2
** Share capital of AUD2
SGD Represents currency denoted in Singapore Dollars
AUD Represents currency denoted in Australian Dollars
THB Represents currency denoted in Thailand Baht
^ Associate is inactive as of reporting date

20. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost	-	1,347	-	1,347
Share of post-acquisition reserves	-	(237)	-	-
	-	1,110	-	1,347

Arising from the acquisition as disclosed in Note 18.3, a gain on remeasurement of the previously held equity interest in SAR of RM4,446,000 has been included in profit or loss in accordance with the requirements of MFRS 3 Business Combinations.

	2021 RM'000
Group	
Acquisition-date fair value of previously held equity interest	20,266
Less: Carrying amount of previously held equity interest:	
- Redeemable non-cumulative non-convertible shares	16,993
- Unrealised construction profit at Group	(1,543)
- Deferred tax liabilities	370
	15,820
Gain on remeasurement of previuosly held equity interest	4,446

The summarised financial information of a joint venture, not adjusted for the proportion of ownership interest held by the Group, is as follows:

Assets and liabilities	2020 RM'000
Total assets	61,721
Total liabilities	(51,996)
Results	
Revenue	-
Loss for the year	(174)

Reconciliation of net assets to carrying amount as at 31 December:

	2020 RM'000
Net assets	9,725
Interest in joint venture	71%
Group's share of net assets	6,905
Add: Intragroup adjustments	(5,795)
Carrying amount of investment in joint venture	1,110

20. INVESTMENT IN A JOINT VENTURE (CONT'D.)

Details of the joint venture are as follows:

Name of joint venture	Effective Interest 2021 %	Effective Interest 2020 %	Share capital '000	Principal activities
Incorporated in Malaysia				
Super Ace Resources Sdn. Bhd.	-	71	RM1,897	Property investment and hospitality related services

21. OTHER INVESTMENTS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current:				
At fair value:				
Quoted investment:				
Ordinary shares outside Malaysia	2,987	7,947	-	-
Unquoted investments:				
Redeemable non-cumulative non-convertible preference shares ("RNCNCPS")	-	16,993	-	16,993
Club memberships	137	137	110	110
At amortised cost:				
Unquoted investments:				
Cumulative redeemable non-convertible preference shares ("CRNCPS")	-	-	192,648	162,788
	3,124	25,077	192,758	179,891

Note a

As disclosed in Note 18.3 and Note 20, SAR became a subsidiary of the Company on 17 December 2021. The investment in the RNCNCPS of SAR was reclassified to investment in subsidiaries.

Details on the fair value for the other investments measured at fair value are disclosed in Note 41.

22. TRADE RECEIVABLES

	Group	
	2021 RM'000	2020 RM'000
Third parties	165,154	87,400
Stakeholders' sum	46,098	49,023
	211,252	136,423
Less: Allowance for impairment	(13)	(8)
Trade receivables, net	211,239	136,415

Trade receivables are non-interest bearing and are generally on 14 to 60 days (2020: 14 to 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2021 RM'000	2020 RM'000
Neither past due nor impaired	167,787	56,670
1 to 30 days past due not impaired	16,905	32,844
31 to 60 days past due not impaired	5,762	8,286
61 to 90 days past due not impaired	5,738	9,357
91 to 120 days past due not impaired	10,066	18,831
More than 121 days past due not impaired	4,981	10,427
	43,452	79,745
Impaired	13	8
	211,252	136,423

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are credit worthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The receivables that are past due but not impaired amounted to RM43,452,000 (2020: RM79,745,000). There is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

22. TRADE RECEIVABLES (CONT'D.)

Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2021 RM'000	2020 RM'000
Trade receivables - nominal amount	13	8
Less: Allowance for impairment (Note 8)	(13)	(8)
	-	-

Movement in allowance accounts:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	8	118
Addition during the year (Notes 8 and 17)	5	168
Reversal for the year (Notes 8 and 17)	-	(118)
Transferred to held for sale	-	(160)
At 31 December	13	8

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

23. OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non Current				
Receivable from disposal of an associate (Note 19(ii))	7,701	-	-	-
Current				
Deposits	25,546	16,642	316	2,063
Receivable from disposal of an associate (Note 19(ii))	1,063	-	-	-
Sundry receivables	15,897	13,535	191	-
	42,506	30,177	507	2,063

24. OTHER CURRENT ASSETS

	Group	
	2021 RM'000	2020 RM'000
Prepaid expenses	8,762	5,080

25. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM'000	2020 RM'000
Contract assets		
Accrued billings in respect of contract costs (Note a)	372,154	353,004
Contract liabilities		
Deferred income	(136)	(214)

Set out below is the amount of revenue recognised from:

	2021 RM'000	2020 RM'000
Amounts included in contract liabilities at the beginning of the year	(214)	(53)

(a) Revenue from property development

Revenue from property development activities are recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2021 is RM717,629,000 (2020: RM684,825,000). The remaining performance obligations expected to be recognised over years are as follows:

	2021 RM'000	2020 RM'000
Within one year	512,133	496,287
More than one year but not later than five years	205,496	188,538
	717,629	684,825

26. DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, repayable on demand and bear interest of 1.20% to 6.35% (2020: 1.63% to 6.35%) per annum.

	Company	
	2021 RM'000	2020 RM'000
Non-current		
Due from subsidiaries	11,790	10,436
Current		
Due from subsidiaries	626,602	858,797
Total	638,392	869,233
Current		
Due to subsidiaries	1	-

27. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash on hand and at banks	142,095	162,311	733	665
Deposits with licensed banks	36,264	41,949	66	15,066
Cash and bank balances	178,359	204,260	799	15,731
Cash and bank balances restricted for use	(19,360)	(12,597)	(2)	(2)
Deposits maturing more than 3 months from reporting date	(94)	(93)	(66)	(66)
Bank overdraft (Note 28)	(35,581)	(15,470)	(34,013)	(15,470)
Cash and cash equivalents	123,324	176,100	(33,282)	193

Included in cash and cash equivalents of the Group are amounts of RM100,433,000 (2020: RM130,321,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. Also, included in cash and bank balances of the Group is an amount of RM1,778,000 (2020: RM1,137,000) in relation to sinking fund held in trust until the formation of Joint Management Body ("JMB"), which is restricted in use and does not form part of cash and cash equivalents.

Included in cash and bank balances restricted for use of the Group and the Company are amounts of RM10,540,000 (2020: RM10,944,000) in the Financial Service Reserve Account ("FSRA"), Debt Service Reserve Account ("DSRA"), Proceeds Account ("PA") and Profit Service Reserve Account ("PSRA") which are restricted in usage and do not form part of cash and cash equivalents. The FSRA, DSRA, PA and PSRA are secured against the iMTN Sukuk Programmes and term loans as disclosed in Note 28.

Included also in cash and bank balances restricted for use of the Group are amount of RM7,036,000 (2020: RM511,000) in the Project Development Account ("PDA") and Redemption Account ("RA") which are restricted in usage and do not form part of cash and cash equivalents.

27. CASH AND BANK BALANCES (CONT'D.)

Included in cash and bank balances restricted for use of the Group and Company are amounts of RM6,000 and RM2,000 respectively (2020: RM5,000 and RM2,000) in the Trustees' Reimbursement Account ("TRA") which are restricted in usage and do not form part of cash and cash equivalents.

Included in cash on hand and at banks of the Group and of the Company are interest-bearing bank balances amounting to RM30,583,000 (2020: RM18,047,000) and RM633,000 (2020: RM549,000) which bear interest ranging from 0.10% to 0.45% (2020: 0.10% to 0.45%) per annum.

Deposits with licensed banks are made for varying periods of between 3 days and 6 months (2020: 2 days and 6 months) depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates. The effective interest rates as at 31 December 2021 for the Group and the Company were 1.20% to 1.70% (2020: 1.30% to 1.70%) per annum and 1.60% to 1.70% (2020: 1.60% to 1.70%) per annum respectively.

Deposits with licensed banks are placed with or entered into with reputable licensed banks.

28. BORROWINGS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Unsecured:				
Bank overdraft - Floating rate (Note 27)	34,013	15,470	34,013	15,470
Revolving credit - Fixed rate	80,000	30,000	80,000	30,000
	114,013	45,470	114,013	45,470
Secured:				
Bank overdraft - Floating rate (Note 27)	1,568	-	-	-
Revolving credit - Fixed rate	29,200	70,200	-	-
Term loans - Floating rate	108,553	49,545	-	-
iMTN Sukuk Programme - Floating rate	13,511	-	-	-
	152,832	119,745	-	-
	266,845	165,215	114,013	45,470
Non-current				
Secured:				
Term loans - Floating rate	338,384	377,858	-	-
iMTN Sukuk Programme - Floating rate	64,835	118,314	-	-
MTN Programme - Floating rate	293,036	292,823	-	-
	696,255	788,995	-	-
Total	963,100	954,210	114,013	45,470

28. BORROWINGS (CONT'D.)

The maturities of the borrowings as at 31 December 2021 and 31 December 2020 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Within one year	266,845	165,215	114,013	45,470
More than 1 year but not later than 2 years	163,545	140,663	-	-
More than 2 years but not later than 5 years	372,668	311,803	-	-
More than 5 years	160,042	336,529	-	-
	963,100	954,210	114,013	45,470

(i) RM800 Million Sukuk Murabahah Programme ("iMTN Sukuk Programme")

On 25 February and 26 March 2019, Paramount Capital Resources Sdn. Bhd., a wholly owned subsidiary of the Company, made the first and second issuance of RM121,168,000 and RM6,332,000 in nominal value of Sukuk Murabahah respectively, with a ten (10) years tenure under the Sukuk Murabahah Programme.

The iMTN Sukuk Programme bears interest ("Sukuk Profit") at the prevailing cost of funds of the Sukuk holder ("Cost of Funds") plus 1.00% per annum. The average effective Sukuk Profit rate is 3.50% to 3.75% (2020: 3.75% to 4.65%) per annum.

The iMTN Sukuk Programme is secured by the following:

(a) Third party legal charge over the land held for development as disclosed in Note 14(a);

(b) A debenture incorporating a fixed and floating charge on the assets of Paramount Property (Lakeside) Sdn. Bhd. ("PPLSB") both present and future;

(c) Irrevocable Letter of Undertaking from PPLSB to transfer the redemption sum received and such other monies under Housing Development Account to the Proceeds Account;

(d) A legal charge and assignment of the PA and PSRA as disclosed in Note 27; and

(e) Corporate guarantee by the Company and PPLSB.

(ii) RM300 Million Medium Term Notes Programme ("MTN Programme")

On 19 July and 22 August 2019, Dynamic Gates Sdn. Bhd. ("DGSB"), a special purpose vehicle incorporated to undertake the Asset-Backed Securitisation exercise, made the first and second issuance of RM185,130,000 and RM108,870,000 in nominal value of Medium Term Notes respectively, with a tenure of seven (7) years under the MTN Programme.

The MTN Programme bears interest at the prevailing cost of funds of the MTN holder ("Cost of Funds") plus 1.00% per annum for the first two years since the first drawdown date and Cost of Funds plus 1.15% per annum from the third up to the seventh year. The average effective interest rate is 3.37% to 3.61% (2020: 3.37% to 4.65%) per annum.

28. BORROWINGS (CONT'D.)

(ii) RM300 Million Medium Term Notes Programme ("MTN Programme") (cont'd.)

The MTN Programme is secured by the following:

(a) First party legal charge over the investment properties as disclosed in Note 16;

(b) Assignment of rights, benefits and interests of the Master Lease Agreement, including the security provided or to be provided to the Issuer thereunder and the guarantee of the Company in respect of the lease payments;

(c) Irrevocable Power of Attorney for disposal of the investment properties in favour of the Security Trustee;

(d) Assignment of the Put Option agreement whereby the Company has granted a put option in favour of DGSB where DGSB can require the Company to purchase from DGSB its campus properties at their then prevailing market value; and

(e) Assignment of the CRNCPS Subscription Agreement.

(iii) RM195 Million Term Loans

In the previous financial year, Paramount Property (Cityview) Sdn. Bhd. ("PPCV") had obtained two term loans facilities to fund the purchase of freehold lands and buildings at Ampang Hillir.

The term loans bear interest at the prevailing cost of funds plus 1.00% per annum. The average effective interest rate is 3.20% (2020: 3.16%) per annum during the financial year.

The term loans are secured by the following:

(a) Assignment of rights and benefits arising from the construction contracts and contractor's performance bond in favour of PPCV in respect of the Project;

(b) Assignment of sales proceed of the Project between the bank and PPCV;

(c) A legal charge and assignment of the DSRA and RA as disclosed in Note 27; and

(d) Corporate guarantee by the Company.

The other term loans and revolving credit of the Group and the Company are secured by the following:

(a) Fixed charge and deposit of land titles over the freehold land and buildings and land held for property development of the Group as disclosed in Notes 12 and 14 respectively;

(b) Fixed charge and deposit of land titles over the investment properties of the Group as disclosed in Note 16; and

(c) A legal charge and assignment of the Proceeds Account and DSRA as disclosed in Note 27.

28. BORROWINGS (CONT'D.)

(iii) RM195 Million Term Loans (cont'd.)

The effective interest rates of the borrowings (other than iMTN Sukuk Programmes and MTN Programme) as at reporting date are as follows:

	2021 per annum	2020 per annum
- Bank overdraft	3.20% - 5.56%	4.01% - 6.20%
- Revolving credit	2.88% - 3.63%	3.63% - 4.65%
- Term loans	3.20% - 4.90%	3.16% - 4.65%

The management of the interest rate risk of the Group is disclosed in Note 42(c).

29. LEASE LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Lease liabilities	10,386	15,235	1,767	2,624
Current				
Lease liabilities	5,014	4,509	857	815
Total lease liabilities	15,400	19,744	2,624	3,439

The movement of lease liabilities during the year is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As at 1 January	19,744	21,367	3,439	4,215
Additions	256	2,116	-	-
Lease incentive	(11)	(868)	-	-
Principal portion of lease payments	(4,589)	(2,871)	(815)	(776)
Interest expense (Note 7)	690	942	150	189
Interest portion on lease payments	(690)	(942)	(150)	(189)
As at 31 December	15,400	19,744	2,624	3,439

29. LEASE LIABILITIES (CONT'D.)

The maturities of the lease liabilities as at reporting date are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Within one year	5,014	4,509	857	815
More than 1 year but not later than 2 years	4,524	5,126	901	857
More than 2 years but not later than 5 years	4,845	8,604	866	1,767
More than 5 years	1,017	1,505	-	-
	15,400	19,744	2,624	3,439

30. TRADE PAYABLES

	Group	
	2021 RM'000	2020 RM'000
Trade payables	56,522	109,492
Trade accruals	74,165	63,556
Retention sums on contracts	36,882	5,483
	167,569	178,531

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2020: 30 to 90 days). The retention sums are payable upon expiry of the defect liability period of 18 to 24 months (2020: 18 to 24 months).

31. OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sundry payables	96,687	115,899	16,458	22,092
Refundable deposits	8,233	3,550	8	8
	104,920	119,449	16,466	22,100

Sundry payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2020: 30 to 90 days) and 30 days (2020: 30 days) respectively.

32. DEFERRED TAX (ASSETS)/LIABILITIES

	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)
Group	(50,868)	(41,920)
At 1 January		
Recognised in the income statement		
- attributable to continuing operations (Note 9)	11,781	(10,524)
- attributable to discontinued operations	-	1,576
Acquisition of subsidiary	2,290	-
At 31 December	(36,797)	(50,868)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(46,353)	(56,969)
Deferred tax liabilities	9,556	6,101
	(36,797)	(50,868)

	At 1 January 2021 RM'000	Recognised in the income statement RM'000	At 31 December 2021 RM'000
Deferred tax (assets)/liabilities of the Group:			
Unrealised gain from transfer of investment properties and land held for property development	(17,067)	7,078	(9,989)
Fair value adjustment from business combination	-	2,290	2,290
Interest capitalised *	(13,487)	(175)	(13,662)
Unutilised tax losses and unabsorbed capital allowances	(3,326)	725	(2,601)
Property development profits	(12,889)	1,095	(11,794)
Others	(4,099)	3,058	(1,041)
	(50,868)	14,071	(36,797)

	At 1 January 2020 RM'000	Recognised in the income statement RM'000	At 31 December 2020 RM'000
Deferred tax assets of the Group:			
Unrealised gain from transfer of investment properties and land held for property development	(17,067)	-	(17,067)
Interest capitalised *	(12,943)	(544)	(13,487)
Unutilised tax losses and unabsorbed capital allowances	(1,495)	(1,831)	(3,326)
Property development profits	(8,486)	(4,403)	(12,889)
Others	(1,929)	(2,170)	(4,099)
	(41,920)	(8,948)	(50,868)

* Interest capitalised refers to intercompany interest capitalised in land held for property development which will be deductible upon future disposal.

32. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

	2021 RM'000	2020 RM'000
Company		
At 1 January	(21)	(61)
Recognised in the income statement (Note 9)	85	40
At 31 December	64	(21)

	At 1 January 2021 RM'000	Recognised in the income statement RM'000	At 31 December 2021 RM'000
Deferred tax (assets)/liabilities of the Company:			
Others	(21)	(85)	(64)

	At 1 January 2020 RM'000	Recognised in the income statement RM'000	At 31 December 2020 RM'000
Deferred tax assets of the Company:			
Others	(61)	40	(21)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	45,080	42,353
Unabsorbed capital allowances	7,034	5,877
	52,114	48,230

The unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences of the Group are available for offsetting against future taxable profits of the respective subsidiaries within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority. Effective from year of assessment 2019 as announced in the Annual Budget 2020, the unused tax losses of the Group can be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed losses will be disregarded.

Deferred tax assets have not been recognised in respect of these items because it is not probable that they may be used to offset taxable profits of the respective subsidiaries of the Group.

33. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021	2020	2021	2020
	'000	'000	RM'000	RM'000
Issued and fully paid				
At 1 January	614,444	606,683	324,909	316,945
Ordinary shares issued pursuant to LTIP	4,754	7,761	5,925	7,964
At 31 December	619,198	614,444	330,834	324,909

During the financial year, the Company issued 2,653,600 ordinary shares to its eligible employees, pursuant to the vesting of the restricted shares under the 2018, 2019 and 2020 RS Grants of LTIP, that have been awarded on 11 June 2018 and 13 March 2019 and 19 March 2020, respectively. The Company also issued another 2,100,800 ordinary shares to its eligible employess, pursuant to the vesting of the performance-based shares under the 2018 PS Grant of LTIP, that has been awarded on 11 June 2017.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

34. PRIVATE DEBT SECURITIES

	Group and Company	
	2021	2020
	RM'000	RM'000
Private debt securities	49,787	49,787
Perpetual securities	198,920	198,920
	248,707	248,707

Private debt securities ("PDS")
The salient terms of PDS are as follows:

The PDS holders are conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 3.00% above the cost of fund ("COF") per annum, subject to a yearly step-up rate after the first call date.

The PDS has no fixed maturity and is redeemable in whole, but not in part, at the Company's option on or after 21 September 2022, together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

These PDS was issued for the Company's working capital purposes as well as to finance future capital expenditure and acquisition of land bank for development.

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34. PRIVATE DEBT SECURITIES (CONT'D.)

Perpetual securities
The salient terms of perpetual securities are as follows:

The perpetual securities holders are conferred a right to receive distribution on a semi-annual basis from their issue date at the rates of 4.65% and 6.35% per annum, subject to a yearly step-up rate after the first call date.

The perpetual securities have no fixed maturity and are redeemable in whole, but not in part, at the Company's option on or after 13 August 2024, 23 October 2024 and 24 September 2025 in the amount of RM100,000,000, RM50,000,000 and RM50,000,000, respectively, together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

In previous financial year, the Company issued RM50,000,000 in nominal value of perpetual securities pursuant to the RM500,000,000 Perpetual Securities Programme.

35. EMPLOYEE SHARE SCHEME

On 17 September 2013, the Company implemented the Long Term Incentive Plan ("LTIP"), which involves the allotment and issuance of new ordinary shares in the Company to eligible employees and executive directors of the Group and the Company, provided that the total number of shares so allotted shall not at any time exceed ten per centum (10%) of the total number of issued shares in the Company ("LTIP shares").

The details of the LTIP shares are as set out below:

2015 LTIP

(a) On 13 March 2015, the Company made its first award of up to 5,444,300 LTIP shares, comprising the following:

    (i) 2,200,100 restricted shares ("RS") under the 2015 RS Grant to be vested one-third annually over a period of three (3) years with the first vesting commencing on 13 March 2016; and

    (ii) up to 3,244,200 performance-based shares ("PS") under the 2015 PS Grant and vested on 13 March 2018.

2016 LTIP

(b) On 14 March 2016, the Company made its second award of up to 6,063,200 LTIP shares, comprising:

    (i) 2,362,600 RS under the 2016 RS Grant to be vested one-third annually over a period of three (3) years with the first vesting commencing on 14 March 2017; and

    (ii) up to 3,700,600 PS under the 2016 PS Grant and vested on 14 March 2019.

35. EMPLOYEE SHARE SCHEME (CONT'D.)

2017 LTIP

(c) On 13 March 2017, the Company made its third award of up to 7,456,600 LTIP shares, comprising:

(i) 2,440,400 RS under the 2017 RS Grant to be vested one-third annually over a period of three (3) years with the first vesting commencing on 13 March 2018; and

(ii) up to 5,016,200 PS under the 2017 PS Grant and vested on 13 March 2020.

2018 LTIP

(d) On 11 June 2018, the Company made its fourth award of up to 6,247,700 LTIP shares, comprising:

(i) 2,138,900 RS under the 2018 RS Grant to be vested one-third annually over a period of three (3) years with the first vesting commencing on 13 March 2019; and

(ii) up to 4,108,800 PS under the 2018 PS Grant and vested on 15 March 2021.

2019 LTIP

(e) On 13 March 2019, the Company made its fifth award of up to 5,399,900 LTIP shares, comprising:

(i) 2,091,500 RS under the 2019 RS Grant to be vested one-third annually over a period of three (3) years with the first vesting commencing on 13 March 2020; and

(ii) up to 3,308,400 PS under the 2019 PS Grant to be vested on 13 March 2022.

2020 LTIP

(f) On 13 March 2020, the Company made its sixth award of up to 6,568,300 LTIP shares, comprising:

(i) 2,754,500 RS under the 2020 RS Grant to be vested one-third annually over a period of three (3) years with the first vesting commencing on 15 March 2021; and

(ii) up to 3,813,800 PS under the 2020 PS Grant to be vested on 13 March 2023.

The LTIP shares were awarded, without any cash consideration to those who have attained the identified performance objectives of the Group and the Company. The LTIP serves to attract, retain, motivate and reward valuable employees of the Group and the Company.

35. EMPLOYEE SHARE SCHEME (CONT'D.)

LTIP movement

	Group and Company	
	2021 RM'000	2020 RM'000
At 1 January	8,789	9,337
Third award of up to 7,456,600 LTIP shares	-	1,650
Fourth award of up to 6,247,700 LTIP shares	284	1,604
Fifth award of up to 5,399,900 LTIP shares	1,411	2,183
Sixth award of up to 6,568,300 LTIP shares	1,693	1,979
Vesting of RS under the 2017 RS Grant	-	(1,097)
Vesting of PS under the 2017 PS Grant	-	(4,239)
Vesting of RS under the 2018 RS Grant	(1,097)	(1,223)
Vesting of PS under the 2018 PS Grant	(2,546)	-
Vesting of RS under the 2019 RS Grant	(1,252)	(1,405)
Vesting of RS under the 2020 RS Grant	(1,030)	-
At 31 December	6,252	8,789

On 19 March 2021, 903,400, 904,400 and 845,800 new ordinary shares in the Company were allotted and issued at the issue prices of RM1.214, RM1.384 and RM1.218 per share pursuant to the the third vesting of RS under the 2018 RS Grant and the second vesting of RS under 2019 RS Grant and first vesting of RS under 2020 RS Grant, respectively. Pursuant to the vesting of PS under 2018 PS Grant, 2,100,800 new ordinary shares in the Company were alloted and issued at the issue price of RM1.212.

Fair value of shares granted

The fair values of the shares granted are estimated at the grant dates using a Monte Carlo Simulation pricing model, taking into account the terms and conditions upon which the instruments were granted.

35. EMPLOYEE SHARE SCHEME (CONT'D.)

The following table lists out the relevant input to the share scheme pricing model:

	2020 LTIP	2019 LTIP	2018 LTIP
Fair value per share			
- Restricted shares			
- 1st vesting	RM1.218	RM1.460	RM1.885
- 2nd vesting	RM1.158	RM1.384	RM1.277
- 3rd vesting	RM1.102	RM1.322	RM1.214
- Performance-based shares			
- Total shareholder return	RM0.804	RM0.866	RM0.890
- Profit before tax	RM1.102	RM1.319	RM1.212
Dividend yield (%)	5.00%	5.00%	5.35%
Expected volatility (%)	22.91%	21.32%	22.61%
Risk-free interest rate (% p.a)	2.73%	3.48%	3.59%
Expected life of the scheme (Years)			
	Annually for	Annually for	Annually for
- Restricted shares	3 years	3 years	3 years
- Performance-based shares	3 years	3 years	3 years
Underlying share price	RM1.28	RM2.14	RM1.96

The expected life of the share scheme is based on the contractual life of the scheme. The expected volatility reflects the assumption that the historical volatility, over a period similar to the life of the scheme, is indicative of future trends, which may not necessarily be the actual outcome.

36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31 December 2021 and 31 December 2020 under the single-tier system.

37. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio. These leases have remaining non-cancellable lease terms of between 1 and 5 years.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	Group	
	2021 RM'000	2020 RM'000
Not later than 1 year	9,877	8,073
Later than 1 year and not later than 5 years	17,844	17,191
More than 5 years	-	2,709
	27,721	27,973

38. COMMITMENTS

	Group	
	2021 RM'000	2020 RM'000
Approved and contracted for:		
- Investment properties	63,416	71,377
- Land held for future development	92,419	-
- Development right value	113,000	113,000
Approved but not contracted for:		
- Investment properties	-	8,641
	268,835	193,018

39. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and the related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sale of property to Mr Benjamin Teo Jong Hian	(899)	-	-	-
Sale of property to Ms Nicole Chew Sue Ann, the daughter of Mr Chew Sun Teong	(685)	-	-	-
Rental income received from Peoplender Sdn. Bhd., a company in which Mr Chew Sun Teong, Mr Benjamin Teo Jong Hian and the late Dato' Teo Chiang Quan have interests	(126)	(121)	-	-
Rental income received from UOW Malaysia KDU University College Sdn. Bhd., an associate of the Company	(2,596)	(2,885)	-	-
Rental income received from UOW Malaysia KDU Penang University College Sdn. Bhd., an associate of the Company	(645)	(827)	-	-
Rental charges paid to Mr Chew Sun Teong	48	48	-	-
Rental charges paid to Damansara Uptown One Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	965	965	965	965
Rental charges paid to Damansara Uptown Car Parks Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	150	200	68	62
Rental charges paid to Damansara Uptown Retail Centre Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	586	528	-	-
Rental charges paid to Damansara Uptown Seven Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	370	360	-	-
Rental charges paid to CF Land Sdn. Bhd., a company in which Mr Sim Quan Seng and Mr Ee Ching Wah (being former directors of subsidiaries) have interests	-	46	-	-
License fees paid to Damansara Uptown Retail Centre Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	-	7	-	-

39. RELATED PARTY DISCLOSURES (CONT'D.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Refund of signage security deposit from Damansara Uptown Retail Centre Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	(5)	-	-	-
Management fees received from subsidiaries	-	-	(13,470)	(12,937)
Interest income received from subsidiaries	-	-	(22,860)	(28,451)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short term employee benefits	15,459	15,107	13,165	11,284
Defined contribution plan	853	1,668	614	1,275
	16,312	16,775	13,779	12,559

Key management personnel are defined as persons having the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company.

Included in key management personnel are directors' remuneration as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive	11,439	8,946	10,374	6,330
Non-executive	860	610	860	583
	12,299	9,556	11,234	6,913

40. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The accounting policies in Note 2.16 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group 31 December 2021	Note	At amortised cost RM'000	At fair value through other comprehensive income RM'000	Total RM'000
Financial assets:				
Other investments	21	-	3,124	3,124
Trade receivables	22	211,239	-	211,239
Other receivables	23	42,506	-	42,506
Cash and bank balances	27	178,359	-	178,359
Total financial assets		432,104	3,124	435,228
Financial liabilities:				
Trade payables	30	167,569	-	167,569
Other payables	31	104,920	-	104,920
Lease liabilities	29	15,400	-	15,400
Borrowings	28	963,100	-	963,100
Total financial liabilities		1,250,989	-	1,250,989
31 December 2020				
Financial assets:				
Other investments	21	-	25,077	25,077
Trade receivables	22	136,415	-	136,415
Other receivables	23	30,177	-	30,177
Cash and bank balances	27	204,260	-	204,260
Total financial assets		370,852	25,077	395,929
Financial liabilities:				
Trade payables	30	178,531	-	178,531
Other payables	31	119,449	-	119,449
Lease liabilities	29	19,744	-	19,744
Borrowings	28	954,210	-	954,210
Total financial liabilities		1,271,934	-	1,271,934

40. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D.)

Company 31 December 2021	Note	At amortised cost RM'000	At fair value through other comprehensive income RM'000	Total RM'000
Financial assets:				
Other investment	21	192,648	110	192,758
Other receivables	23	507	-	507
Amounts due from subsidiaries	26	638,392	-	638,392
Cash and bank balances	27	799	-	799
Total financial assets		832,346	110	832,456
Financial liabilities:				
Amount due to subsidiaries	26	1	-	1
Other payables	31	16,466	-	16,466
Lease liabilities	29	2,624	-	2,624
Borrowings	28	114,013	-	114,013
Total financial liabilities		133,104	-	133,104
31 December 2020				
Financial assets:				
Other investment	21	162,788	17,103	179,891
Other receivables	23	2,063	-	2,063
Amount due from subsidiaries	26	869,233	-	869,233
Cash and bank balances	27	15,731	-	15,731
Total financial assets		1,049,815	17,103	1,066,918
Financial liabilities:				
Other payables	31	22,100	-	22,100
Lease liabilities	29	3,439	-	3,439
Borrowings	28	45,470	-	45,470
Total financial liabilities		71,009	-	71,009

* These balances exclude non-financial instruments balances which are not within the scope of MFRS 9: *Financial Instruments*.

41. FAIR VALUE OF ASSETS AND LIABILITIES

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2021				
Group				
Assets for which fair values are disclosed				
Investment properties	-	-	598,760	598,760
Assets measured at fair value				
Other investments - quoted	2,987	-	-	2,987
Other investments - unquoted	-	-	137	137
Company				
Assets for which fair values are disclosed				
Investment properties	-	-	1,800	1,800
Assets measured at fair value				
Other investment - unquoted	-	-	110	110
31 December 2020				
Group				
Assets for which fair values are disclosed				
Investment properties	-	-	608,420	608,420
Assets measured at fair value				
Other investments - quoted	7,947	-	-	7,947
Other investments - unquoted	-	-	17,130	17,130
Company				
Assets for which fair values are disclosed				
Investment properties	-	-	1,800	1,800
Assets measured at fair value				
Other investments	-	-	17,130	17,103

During the year, there were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy.

41. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D.)

Level 1 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 1 of the fair value hierarchy:

Other investment

Fair value is determined directly by reference to their published market bid price at the reporting date.

Level 3 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 3 of the fair value hierarchy:

Investment properties

The valuation of investment properties, which comprise the freehold land and buildings, are performed by independent third party valuers which are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

The fair value of the investment properties under construction is not presented as it cannot be determined reliably.

Other investments

The fair value of the unquoted investments are estimated by discounting expected future cash flows at market discount rate for similar types of assets at the reporting date.

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	Note
Trade receivables (current)	22
Other receivables (current & non-current)	23
Trade and other payables (current)	30 & 31
Borrowings (current & non-current)	28
Lease liabilities (current & non-current)	29

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Board Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade receivables, other receivables and due from subsidiaries. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable licensed banks.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

- A nominal amount of RM1,027,774,000 (2020: RM1,045,439,000) relating to guarantees extended in support of banking and other credit facilities granted to subsidiaries.

Credit risk concentrate profile

The Group and the Company do not have any major concentration of credit risk related to any major customer except for an amount due from a customer that represented 38% (2020: Nil) of the Group's trade receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
31 December 2021				
Group				
Financial liabilities:				
Trade and other payables	272,489	-	-	272,489
Lease liabilities	5,594	10,092	1,069	16,755
Borrowings	300,647	753,507	41,220	1,095,374
Total undiscounted financial liabilities	578,730	763,599	42,289	1,384,618
31 December 2021				
Company				
Financial liabilities:				
Other payables	16,466	-	-	16,466
Due to subsidiaries	1	-	-	1
Lease liabilities	965	1,849	-	2,814
Borrowings	117,784	-	-	117,784
Total undiscounted financial liabilities	135,216	1,849	-	137,065
31 December 2020				
Group				
Financial liabilities:				
Trade and other payables	297,980	-	-	297,980
Lease liabilities	5,336	15,025	1,611	21,972
Borrowings	238,669	551,196	341,453	1,131,318
Total undiscounted financial liabilities	541,985	566,221	343,064	1,451,270
31 December 2020				
Company				
Financial liabilities:				
Other payables	22,100	-	-	22,100
Lease liabilities	965	2,813	-	3,778
Borrowings	47,312	-	-	47,312
Total undiscounted financial liabilities	70,377	2,813	-	73,190

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their floating rate borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rate had been 50 basis points lower/higher with all other variables held constant, the Group's investment properties, land held for development, and profit before tax, and the Company's profit before tax would have been RM4,247,000 and RM170,000 (2020: RM4,464,000 and RM77,000) lower/higher respectively arising mainly as a result of lower/higher interest expense on floating rate term loans (including the portion capitalised in investment properties and land held for development). The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

43. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in accordance to changes in economic condition. To maintain or adjust its capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group and the Company monitors its capital structure using its debts to equity ratio, which is total debts divided by total equity.

		Group		Company	
	Note	2021	2020	2021	2020
Total debts (RM'000)	28	963,100	954,210	1 14,013	45,470
Total equity (RM'000)		1,690,520	1,679,308	1,521,432	1,535,347
Debts to equity ratio		57%	57%	7%	3%

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44. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Property - the development and construction of residential and commercial properties and property investment of retail and car parks;
(ii) Coworking - the operation of coworking spaces and incubator-related services; and
(iii) Investment and others - investment holding, provision of Group-level corporate services and property investment of campus buildings.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments took place at terms agreed between the parties.

	Continuing Operations					
31 December 2021	**Property RM'000**	**Coworking RM'000**	**Investment and others RM'000**	**Adjustments and eliminations RM'000**	**Note**	**Consolidated RM'000**
Revenue :						
External customers	672,124	3,969	5,258	-		681,351
Inter-segment sales	159,986	1,804	79,161	(240,951)	A	-
Total revenue	832,110	5,773	84,419	(240,951)		681,351
Results:						
Interest income	3,360	7	53,145	(54,961)	A	1,551
Interest expense	17,232	524	71,052	(67,083)	A	21,725
Depreciation and amortisation	6,118	5,172	20,508	(12,974)		18,824
Share of results of associates and joint venture	-	-	1,587	-		1,587
Segment profit	59,213	(8,670)	(34,794)	54,567	B	70,316

44. SEGMENT INFORMATION (CONT'D.)

31 December 2020	Continuing Operations Property RM'000	Coworking RM'000	Investment and others RM'000	Adjustments and eliminations RM'000	Note	Subtotal RM'000	Discontinued Operations Education RM'000	Consolidated RM'000
Revenue :								
External customers	584,353	3,088	6,121	-		593,562	34,200	627,762
Inter-segment sales	184,132	1,442	90,035	(275,609)	A	-	-	-
Total revenue	768,485	4,530	96,156	(275,609)		593,562	34,200	627,762
Results:								
Interest income	5,170	13	66,970	(66,556)	A	5,597	162	5,759
Interest expense	11,965	831	72,789	(63,165)	A	22,420	1,382	23,802
Depreciation and amortisation	6,841	3,974	20,305	(12,941)		18,179	-	18,179
Share of results of associates and joint venture	-	-	2,982	-		2,982	-	2,982
Segment profit	57,625	(4,663)	(141,955)	140,467	B	51,474	474,906	526,380

31 December 2021	Property RM'000	Coworking RM'000	Investment and others RM'000	Adjustments and eliminations RM'000	Note	Consolidated RM'000
Assets:						
Investments in associates and joint venture	-	-	199,076	-		199,076
Additions to non-current assets	77,892	1,032	90,106	-	C	169,030
Segment assets	2,605,270	14,791	2,290,217	(1,957,672)	D	2,952,606
Segment liabilities	1,510,881	16,007	1,547,205	(1,812,007)	E	1,262,086

44. SEGMENT INFORMATION (CONT'D.)

31 December 2020	Property RM'000	Coworking RM'000	Investment and others RM'000	Adjustments and eliminations RM'000	Note	Consolidated RM'000
Assets:						
Investment in associates and joint venture	-	-	193,728	-		193,728
Additions to non-current assets	353,623	2,667	1,168	-	C	357,458
Segment assets	2,643,209	22,659	2,685,188	(2,386,482)	D	2,964,574
Segment liabilities	1,861,593	25,205	1,608,763	(2,210,295)	E	1,285,266

A Inter-segment revenues and expenses are eliminated on consolidation.

B The following items are (deducted from)/added to segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	2021 RM'000	2020 RM'000
Inter-segment dividends	-	(5,000)
Inter-segment interests	1,691	(3,391)
Other inter-segment transactions	52,876	148,858
	54,567	140,467

C Additions to non-current assets consist of:

	2021 RM'000	2020 RM'000
Property, plant and equipment	93,024	8,509
Inventories	68,403	334,970
Investment properties	7,603	13,979
	169,030	357,458

44. SEGMENT INFORMATION (CONT'D.)

D The following items are deducted from segment assets to arrive at the total assets reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Investments in associates	100,500	96,976
Inter-segment assets	(2,046,627)	(2,471,197)
Unrealised gains from inter-segment transactions	(11,545)	(12,261)
	(1,957,672)	(2,386,482)

E Inter-segment liabilities are eliminated on consolidation.

The revenue and non-current assets of the Group based on geographical location of customers and assets are mainly attributed to Malaysia.

For the year ended 31 December 2021 and 31 December 2020, there is no revenue concentration from a single customer that exceeds 10% of the total Group's revenue.

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

(a) On 15 April 2021, Magna Intelligent Sdn. Bhd. ("MISB"), a wholly-owned subsidiary of the Company, entered into a conditional Share Subscription Agreement (SSA) and a Shareholders' Agreement (SHA) with P2P Venture Sdn. Bhd. and Omegaxis Sdn. Bhd. in connection with the proposed investment of RM13,700,000.00 by MISB for a 30% direct equity interest in the holding company of a peer-to-peer financing platform operator. The conditional SSA was completed on 13 August 2021.

(b) On 10 June 2021, the Company incorporated Flexsis Sdn. Bhd. ("FSB") with a share capital of RM100, represented by 100 ordinary shares.

(c) On 1 July 2021, the Company incorporated Paramount Property (Lakeview) Sdn. Bhd. ("PPLV") with a share capital of RM100, represented by 100 ordinary shares.

(d) On 1 September 2021, Utropolis Sdn. Bhd. ("USB"), a wholly-owned subsidiary of the Company, has entered into a Sale and Purchase Agreement (SPA) with Makmur Asiamaju Sdn. Bhd. for the proposed acquisition of a piece of freehold residential land measuring approximately 13.25 hectares (equivalent to 32.74 acres) in Mukim Dengkil, Daerah Sepang, Negeri Selangor at a total cash consideration of RM102,687,696. As at 31 March 2021, the SPA is pending completion.

(e) On 8 September 2021, Sprint Ventures Sdn. Bhd. invested of 30% equity interest in Utropolis Sdn. Bhd.("USB"), which the Company has a 70% equity interest in USB.

(f) On 1 November 2021, the Company entered into a Share Sale and Purchase Agreement (SSPA) with Lasseters Properties Sdn. Bhd. ("LPSB") and Lasseters Management (M) Sdn. Bhd. ("LMSB") to accquire the remaining 29% collective shareholdings of LPSB and LMSB in Super Ace Resources Sdn. Bhd. ("SAR"), represented by 550,000 ordinary shares and 6,941,000 redeemable non-cumulative non-convertible preference shares, for a total cash consideration of RM4,854,180 thereby resulting in SAR becoming a wholly-owned subsidiary of the Company and termination of all joint-venture agreements entered into between the Company, LPSB and LMSB upon completion of the SSPA on 17 December 2021.

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR (CONT'D.)

(g) On 29 November 2021, Paramount Property (Sekitar 26 Enterprise) Sdn. Bhd. ("PPS26"), a wholly-owned subsidiary of the Company has entered into a Sale and Purchase Agreement (SPA) with Goodhart Management Sdn. Bhd. for the proposed disposal of a parcel of freehold land measuring approximately 4.701 hectares (506,011 square feet) in total and located at the Sekitar26 development in Pekan Hicom, Daerah Petaling, Negeri Selangor for a cash consideration of RM90,000,000. The SPA was completed on 24 February 2022.

(h) On 21 March 2022, 799,100 and 821,700 new ordinary shares in the Company were alloted and issued at the issue prices of RM1.3180 and RM 1.1580 per share pursuant to the third vesting of RS under the 2019 RS Grant and the second vesting of RS under 2020 RS Grant, respectively. Pursuant to the vesting of PS under 2019 PS Grant, 1,107,300 new ordinary shares in the Company were alloted and issued at the issue price of RM1.3190.

(i) The Group has seen macro-economic uncertainties and challenges with regards to the disruptions to the global supply chains and reduced demand of commodities as well as the reduced consumer activities through social distancing as a result of the COVID-19 pandemic. This potentially can escalate to credit and liquidity constraints of the businesses and households. While the Economic Stimulus Package announced by the Malaysian Government could help to lessen the impact of this pandemic, the scale and duration of the economic effects arising remain uncertain and could significantly affect the demand for the Group's products and services as well as its construction progress and hence the Group's earnings and cashflow going forward.

46. CHANGES IN COMPARATIVES

In the current financial year, the Group has adopted the change in accounting policy as disclosed in Note 2.2(i). The effect of this adjustment is accounted for retrospectively as shown below:

	As previously restated RM'000	Effect on change in accounting policy RM'000	As restated RM'000
Consolidated statement of financial position			
As at 31 December 2020			
Non-current assets			
Inventories - land held for property development	993,664	17	993,681
Deferred tax assets	56,299	670	56,969
Current assets			
Inventories - property development costs	150,215	(6,404)	143,811
Inventories - completed properties and other inventories	115,380	12	115,392
Contract cost assets	117,041	3,580	120,621
Equity			
Reserves	1,106,869	(2,125)	1,104,744

46. CHANGES IN COMPARATIVES (CONT'D.)

In the current financial year, the Group has adopted the change in accounting policy as disclosed in Note 2.2(i). The effect of this adjustment is accounted for retrospectively as shown below: (cont'd.)

	As previously restated RM'000	Effect on change in accounting policy RM'000	As restated RM'000
As at 1 January 2020			
Non-current assets			
Inventories - land held for property development	873,440	13	873,453
Deferred tax assets	47,533	585	48,118
Current assets			
Inventories - property development costs	126,698	(5,158)	121,540
Inventories - completed properties and other inventories	105,209	150	105,359
Contract cost assets	64,657	2,556	67,213
Equity			
Reserves	824,035	(1,854)	822,181
Consolidated income statement			
For the financial year ended 31 December 2020			
Property development costs	423,732	(3,760)	419,972
Finance costs	18,304	4,116	22,420
Taxation	20,222	(85)	20,137

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Analysis of **Shareholdings**

As at 31 March 2022

Issued share capital of the Company: 621,926,466 ordinary shares which confer the right to one vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of Shareholders	%	No. of Shares Held	%
1 – 99	195	2.421	6,155	0.000
100 – 1,000	573	7.116	338,418	0.054
1,001 – 10,000	3,927	48.770	21,675,000	3.485
10,001 – 100,000	2,883	35.804	91,918,581	14.779
100,001 – 31,096,322*	472	5.861	301,605,212	48.495
31,096,323 and above**	2	0.024	206,383,100	33.184
Total	8,052	100.000	621,926,466	100.000

* Less than 5% of issued shares
** 5% and above of issued shares

THIRTY (30) LARGEST SHAREHOLDERS

	Name of Shareholder	No. of Shares Held	%
1.	Paramount Equities Sdn Bhd	154,252,000	24.802
2.	Southern Palm Industries Sdn Bhd	52,131,100	8.382
3.	Southern Acids (M) Berhad	27,043,100	4.348
4.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd (SFS-PB)	18,833,500	3.028
5.	Bunga Indah (M) Sdn Bhd	16,216,200	2.607
6.	Southern Realty (Malaya) Sdn Bhd	14,695,100	2.362
7.	Eliyezer Resources Sdn Bhd	8,641,600	1.389
8.	Teo Chiang Quan	7,472,500	1.201
9.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Chew Sun Teong (PB)	6,817,940	1.096
10.	Amanahraya Trustees Berhad Public Smallcap Fund	6,805,400	1.094
11.	Ong Keng Siew	5,582,780	0.897
12.	RHB Nominees (Asing) Sdn Bhd Exempt An For Phillip Securities Pte. Ltd. (A/C Clients)	5,334,560	0.857
13.	Leong Kok Tai	5,000,400	0.804
14.	Eunice Teo Wan Tien	3,691,800	0.593
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Teh Wao Kheng (PB)	3,238,100	0.520

Analysis of **Shareholdings**

As at 31 March 2022

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D.)

	Name of Shareholder	No. of Shares Held	%
16.	Teh Geok Lian	2,842,540	0.457
17.	HSBC Nominees (Asing) Sdn Bhd SBL Exempt An For J.P. Morgan Securities Plc	2,786,800	0.448
18.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	2,378,980	0.382
19.	Mikdavid Sdn Bhd	2,123,100	0.341
20.	Gemas Bahru Estates Sdn. Bhd.	2,111,900	0.339
21.	Gan Peoy Hong	2,108,880	0.339
22.	Yeo Khee Huat	2,107,000	0.338
23.	Chew Sun Teong	2,059,900	0.331
24.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Win Kee (8106483)	1,977,400	0.317
25.	Ho Huey Chuin	1,709,500	0.274
26.	Tay Lee Kong	1,662,680	0.267
27.	Southern Edible Oil Industries (M) Sdn Bhd	1,631,700	0.262
28.	Maybank Nominees (Tempatan) Sdn Bhd Mokhtar Bin Md Isa	1,626,800	0.261
29.	Tan Lian Chai	1,610,000	0.258
30.	Teh Wao Kheng	1,603,700	0.257

Analysis of **Shareholdings**

As at 31 March 2022

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholder	No. of Shares Held	%	No. of Shares Held	%
Paramount Equities Sdn Bhd	154,252,000	24.802	16,216,200 [(1)]	2.607
Dato' Teo Chiang Quan (deceased)	7,854,700	1.263	175,520,580 [(2)]	28.222
Southern Palm Industries Sdn Bhd	52,131,100	8.382	27,043,100 [(3)]	4.348
Southern Edible Oil Industries (M) Sdn Bhd	1,631,700	0.262	79,174,200 [(4)]	12.730
Southern Realty (Malaya) Sdn Bhd	14,695,100	2.363	80,805,900 [(5)]	12.993
Banting Hock Hin Estate Co Sdn Bhd	901,600	0.145	95,501,000 [(6)]	15.356

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
Name of Director	No. of Shares Held	%	No. of Shares Held	%
Chew Sun Teong	8,877,840	1.427	-	-
Benjamin Teo Jong Hian	1,364,280	0.219	-	-
Datuk Seri Dr Yam Kong Choy	185,500	0.030	-	-
Ong Keng Siew	5,582,780	0.898	-	-
Quah Poh Keat	-	-	1,339,520 [(7)]	0.215

Notes:

(1) *By virtue of its deemed interest in Bunga Indah (M) Sdn Bhd.*

(2) *By virtue of his deemed interest in Paramount Equities Sdn Bhd and the shareholdings of his family members.*

(3) *By virtue of its deemed interest in Southern Acids (M) Berhad.*

(4) *By virtue of its deemed interest in Southern Palm Industries Sdn Bhd and Southern Acids (M) Berhad.*

(5) *By virtue of its deemed interest in Southern Edible Oil Industries (M) Sdn Bhd, Southern Palm Industries Sdn Bhd and Southern Acids (M) Berhad.*

(6) *By virtue of its deemed interest in Southern Realty (Malaya) Sdn Bhd, Southern Edible Oil Industries (M) Sdn Bhd, Southern Palm Industries Sdn Bhd and Southern Acids (M) Berhad.*

(7) *By virtue of his deemed interest in the shareholding of his spouse.*

Analysis of **Warrant Holdings**

As at 31 March 2022

Warrants 2019/2024
No. of warrants issued: 173,337,846
No. of warrants outstanding: 173,337,846
Exercise price of warrants: RM1.79 each
Expiry date of warrants: 28 July 2024

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant holders	%	No. of Warrants Held	%
1 – 99	273	6.709	9,118	0.005
100 – 1,000	576	14.155	330,630	0.190
1,001 – 10,000	2,339	57.483	8,018,278	4.625
10,001 – 100,000	713	17.522	24,198,122	13.960
100,001 – 8,666,891*	166	4.079	81,815,098	47.199
8,666,892 and above**	2	0.049	58,966,600	34.018
Total	4,069	100.000	173,337,846	100.000

* Less than 5% of issued warrants
** 5% and above of issued warrants

THIRTY (30) LARGEST WARRANT HOLDERS

	Name of Warrant holder	No. of Warrants Held	%
1.	Paramount Equities Sdn Bhd	44,072,000	25.425
2.	Southern Palm Industries Sdn Bhd	14,894,600	8.592
3.	Southern Acids (M) Berhad	7,726,600	4.457
4.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd (SFS-PB)	5,381,000	3.104
5.	Bunga Indah (M) Sdn Bhd	4,633,200	2.672
6.	Southern Realty (Malaya) Sdn Bhd	4,198,600	2.422
7.	Chin Yat Yin	2,500,000	1.442
8.	Eliyezer Resources Sdn Bhd	2,497,600	1.440
9.	Teo Chiang Quan	2,135,000	1.231
10.	Amanahraya Trustees Berhad Public Optimal Growth Fund	1,813,560	1.046
11.	Ho Huey Chuin	1,726,800	0.996
12.	Leong Kok Tai	1,607,200	0.927
13.	Ong Keng Siew	1,595,080	0.920

Analysis of **Warrant Holdings**

As at 31 March 2022

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D.)

	Name of Warrant holder	No. of Warrants Held	%
14.	Maybank Nominees (Tempatan) Sdn Bhd Tang Mun Phun	1,428,400	0.824
15.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Chee Chuen (MY3671)	1,379,900	0.796
16.	Chew Sun Teong	1,351,440	0.779
17.	Chan Wai Mun	1,105,000	0.637
18.	Tee Kheng Ean @ Tee Cheng Yan	1,050,000	0.605
19.	Eunice Teo Wan Tien	1,014,800	0.585
20.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Teh Wao Kheng (PB)	924,800	0.533
21.	Teh Wao Kheng	858,200	0.495
22.	Maryam @ Muhaini Binti Mohamad Ariff	800,000	0.461
23.	Rachel Lai	800,000	0.461
24.	Chan Kim Moon	758,600	0.437
25.	Eng Zer Lin	671,000	0.387
26.	Tay Ching Huay	661,700	0.381
27.	Mikdavid Sdn Bhd	606,600	0.349
28.	Gemas Bahru Estates Sdn. Bhd.	603,400	0.348
29.	Hasan Al Bana Bin Wan Rozeb	600,100	0.346
30.	Eng Aik Hwee	564,900	0.325

DIRECTORS' WARRANT HOLDINGS

	Direct Interest		Deemed Interest	
Name of Director	No. of Warrants Held	%	No. of Warrants Held	%
Chew Sun Teong	1,351,440	0.779	-	-
Benjamin Teo Jong Hian	342,480	0.198	-	-
Datuk Seri Dr Yam Kong Choy	53,000	0.031	-	-
Ong Keng Siew	1,595,080	0.920	-	-
Quah Poh Keat	-	-	382,720 [1]	0.221

Notes:

(1) *By virtue of his deemed interest in the warrant holding of his spouse.*

List of **Top 10 Properties**

Held by the Group

SCHEDULE OF PROPERTIES HELD BY THE GROUP

	Location of Property	Date of Acquisition	Description & Existing Use	Age of Building	Tenure	Land Area (Sq.Ft.)	NBV (RM'000) As at 31.12.2021
1	Lot PT 35291 Mukim of Damansara District of Petaling Selangor Darul Ehsan	31.01.2012	Utropolis Glenmarie Campus - Rented to UOW Malaysia KDU University College Sdn Bhd	7 years	Freehold	435,626	195,651
2	Lots 262 & 263 Seksyen 89A Bandar Kuala Lumpur Daerah Kuala Lumpur State of Wilayah Persekutuan Kuala Lumpur	16.10.2020	Land approved for commercial and residential development - Ampang Hilir	-	Freehold	156,816	171,528
3	Lots 17171-17176, 17182, 17184-17185, PT 56231-56327, 56556-56557 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	02.01.2015	Land approved for commercial and residential use - Greenwoods	-	Freehold	4,377,780	169,270
4	Lots 75, 164, 203-206, 932-935, 1873-1875, 2518 & 2519 Mukim Kapar, District of Klang Selangor Darul Ehsan	02.12.2011 and 24.09.2012	Land approved for commercial and residential use - Berkeley Uptown	-	Freehold	670,824	104,267
5	Lot 21590 & Lot PT 5828 Mukim 13, Seberang Prai Selatan Penang	05.12.2014	Utropolis Batu Kawan Campus - Rented to UOW Malaysia KDU Penang University College Sdn Bhd	2 years	Freehold	672,657	101,107
6	Lot PT 35292 Mukim of Damansara District of Petaling Selangor Darul Ehsan	31.01.2012	Retail mall and carpark - Paramount Utropolis Marketplace	6 years	Freehold	257,004	93,507
7	Lot PT 91903 Mukim of Damansara District of Petaling Selangor Darul Ehsan	17.12.2021	13-storey purpose-built hotel building - Mercure Kuala Lumpur Glenmarie Hotel	-	Freehold	156,102	88,000
8	Lot PT 29, Section 13 Town of Petaling Jaya District of Petaling Jaya Selangor Darul Ehsan	20.02.2008	An office tower, retail units/ shops and carpark bays - ATWATER (under construction)	-	99 years lease expiring 12.12.2116	667,000*	86,205
9	Lots 557-558, 560, 565-566, 570-572, 575, 1652-1653, 1657-1658, 1660-1661, 1663-1664, 1860, 1952-1954 Mukim 17, Daerah Prai Tengah Penang	08.04.2013, 21.06.2013, 09.08.2014, 18.08.2014, 19.08.2014, 03.12.2014, 27.07.2016	Agriculture lands (Held for future development)	-	Freehold	3,014,352	65,497
10	Lot 21608, 21609 & 21610; PT 5954 Mukim 13, Seberang Prai Selatan Penang	05.12.2014	Land approved for commercial and residential use - Utropolis Batu Kawan	-	Freehold	840,708	54,425

* Gross floor area

Statement of **Directors' Responsibility**

In Relation to the Financial Statements

This statement is prepared as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

The Directors consider that in preparing the financial statements:

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

Notice of Fifty-Second **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting of Paramount Corporation Berhad (**Paramount** or **the Company**) will be held at Suite I, Level 2, Mercure Kuala Lumpur Glenmarie Hotel, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 8 June 2022 at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements of the Company for the year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon. (Please see Explanatory Note A)

2. To approve the declaration of a single-tier final dividend of 3.0 sen per share in respect of the year ended 31 December 2021. Resolution 1

3. To approve the payment of Directors' fees and meeting allowances not exceeding an aggregate amount of RM1,500,000.00 for the period from 1 July 2022 to 30 June 2023. Resolution 2 (Please see Explanatory Note B)

4. To re-elect the following Directors who are retiring pursuant to Clause 85 of the Company's Constitution:

   (a) Mr Ong Keng Siew Resolution 3
   (b) Mr Quah Poh Keat Resolution 4
   (c) Ms Foong Pik Yee Resolution 5
   (Please see Explanatory Note C)

5. To re-elect Mr Quah Chek Tin who is retiring pursuant to Clause 86 of the Company's Constitution. Resolution 6 (Please see Explanatory Note D)

6. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 7

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution:

7. **Authority to Directors to allot and issue shares** Resolution 8 (Please see Explanatory Note E)

   "That, subject always to the Companies Act, 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant governmental or regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Section 75 of the Companies Act, 2016, to allot and issue shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this resolution does not exceed ten per centum (10%) of the issued share capital of the Company as at the date of such allotment, and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Fifty-Second **Annual General Meeting**

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders, a single-tier final dividend of 3.0 sen per share in respect of the year ended 31 December 2021, will be paid on 28 June 2022 to shareholders whose names appear in the Record of Depositors on 13 June 2022.

A depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the depositor's securities account before 4.30 p.m. on 13 June 2022 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

By Order of the Board

NG WAI PENG
Secretary

Petaling Jaya
Selangor Darul Ehsan
29 April 2022

NOTES

General Meeting of Record of Depositors

In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 May 2022 (General Meeting Record of Depositors) shall be entitled to attend, participate, speak and vote at the Fifty-Second Annual General Meeting (**AGM**).

Appointment of Proxy

1. A member entitled to attend, participate, speak and vote at the above meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote on his/her/its stead provided that the member specifies in the instrument appointing a proxy the proportion of the member's shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

2. Where a member of the Company is an authorised nominee (as defined in the Securities Industry (Central Depositories) Act, 1991), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee (as defined in the Securities Industry (Central Depositories) Act, 1991) which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (**omnibus account**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy (**Proxy Form**) must be in writing under the hand of the member or his/her attorney duly authorised in writing, or if the member is a corporation, must be executed under its common seal or under the hand of two (2) authorised officers, one (1) of whom shall be its director or its attorney duly authorised in writing, or if the corporation has only one (1) director, by that sole director in the presence of a witness who attests the director's signature in accordance with the provisions of Section 66 of the Companies Act, 2016. The power of attorney or a duly certified copy thereof must be deposited at the Company's Share Registrar.

5. The appointment of proxy may be deposited in a hardcopy form or submitted by electronic means in the following manner not less than twenty-four (24) hours before the time appointed for holding the AGM or any adjournment thereof:

    i) deposit the Proxy Form physically with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (**Tricor**) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or

    ii) submit the Proxy Form electronically to Tricor via https://tiih.online. Please refer to the procedures for electronic submission of Proxy Form set out in the 'Electronic Submission of Proxy Form'.

Explanatory Note A

Item 1 on the Agenda is meant for discussion only as the Audited Financial Statements do not require the formal approval of the shareholders pursuant to Sections 248(2) and 340(1)(a) of the Companies Act, 2016. Hence, the matter will not be put forward for voting.

Explanatory Note B

The aggregate amount not exceeding RM1,500,000.00 proposed in Resolution 2 represents an estimated provision for Directors' fees and meeting allowances payable for the period from 1 July 2022 to 30 June 2023 to the Company's Directors, including new Directors as may be appointed by the Board from time to time during the same period.

Explanatory Note C

Resolution 3

Mr Ong Keng Siew, a Malaysian, aged 65, is a fellow of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Malaysian Institute of Accountants. He joined the Board of Directors (**Board**) of Paramount on 14 November 1994 and was re-designated as an Independent Non-Executive Director (**INED**) on 14 August 2014. He is also the Chairman of the Board Risk Management Committee and a member of the Nominating Committee of the Company. Mr Ong has served Paramount Group with distinction in various roles for more than 30 years. Starting as an Accountant in 1981, Mr Ong rose through the ranks to assume the post of Deputy Group Managing Director and Deputy Group Chief Executive Officer (**CEO**) in 1997 before succeeding the late Dato' Teo Chiang Quan as the Managing Director and CEO of Paramount on 1 December 2008 until his retirement on 18 June 2012.

Resolution 4

Mr Quah Poh Keat, a Malaysian, aged 69, is a fellow of the Chartered Tax Institute of Malaysia and the Association of Chartered Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and the Chartered Institute of Management Accountants, United Kingdom. He joined the Board of Paramount on 8 June 2016 as an INED. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr PK Quah was a partner of KPMG Malaysia since 1 October 1982 before he retired as the firm's Senior Partner (currently referred to as Managing Partner) on 31 December 2007.

He was also an INED of Public Bank Berhad from 30 July 2008 to 1 October 2013 until his appointment as the Deputy CEO of Public Bank Berhad, a post he held until 31 December 2015. He had also served on the boards of IOI Properties Berhad, PLUS Expressway Berhad, IOI Corporation Berhad and Telekom Malaysia Berhad.

Resolution 5

Ms Foong Pik Yee, a Malaysian, aged 62, is a member of the Institute of Chartered Accountants Australia and New Zealand, and an accredited Chartered Banker by the Asian Institute of Chartered Bankers. She joined the Board of Paramount on 22 August 2019 as an INED, and she is also a member of the Audit Committee and Remuneration Committee of the Company. Ms Foong began her career as an auditor at KPMG Singapore and moved to Australia in 1983 to pursue her professional qualification and a Master of Business Administration degree. She stayed on in Australia for another nine years acquiring skills at various organisations including PricewaterhouseCoopers, JP Morgan, HSBC and ANZ Banking Group. She joined Standard Chartered Bank (**SCB**) in 1993 after returning to Malaysia. In the course of her 19 years at SCB, she took on various leadership roles and across many geographies including as Group Head of Credit Operations, Head of Sales for Corporate Banking Hong Kong, Chief Operating Officer for Wholesale Banking and Chief Financial Officer of SCB Malaysia. She also served as the CEO of SCB Lebanon from 2008 to 2012. She returned to Malaysia under the Talentcorp Returning Expert programme in 2013 and joined Hong Leong Bank Berhad as its Chief Financial Officer until her retirement in June 2019.

Explanatory Note D

Resolution 6

Mr Quah Chek Tin, a Malaysian, aged 70, is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He joined the Board of Paramount on 27 August 2021 and was appointed as Chairman of the Board on 1 September 2021. Mr CT Quah began his career with Coopers & Lybrand, London in 1974 before returning to Malaysia in 1977. He then joined the Genting Group, and had a long and distinguished career in Genting from his early position as Treasurer to Director of Corporate Affairs and then as Executive Director and Chief Operating Officer of Genting Malaysia Berhad as well as Executive Director of Genting Berhad before retiring in 2006.

Mr CT Quah has through his long career accumulated a wealth of knowledge, experience and skills in corporate affairs and financial matters. After his retirement, he remained active in the corporate world as an INED of several public listed companies, including Paramount during the period from 2007 to 2019 where he had also served as Chairman of the Audit Committee and the Remuneration Committee.

Explanatory Note E

The Ordinary Resolution proposed under item 7, if passed, will renew the powers given to the Directors at the last AGM, to allot and issue up to ten per centum (10%) of the issued share capital of the Company as at the date of such allotment for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a meeting of members, will expire at the conclusion of the next AGM. As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Fifty-First AGM held on 19 June 2021, which will lapse at the conclusion of the Fifty-Second AGM. The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisitions without having to convene a meeting of members.

Voting by Poll

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice shall be voted by poll.

Applicable Safety Measures

The relevant safety measures prescribed by the Malaysian National Security Council and the Ministry of Health Malaysia to curb the spread of COVID-19 will be applicable to the Fifty-Second AGM of Paramount.

Electronic Submission of **Proxy Form**

Procedure	Action
Steps for Individual Shareholders	
1. Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online. Under the "e-Services", select "Sign Up" and followed by **Create Account by Individual Holder**. Refer to the tutorial guide posted on the homepage for assistance. • If you are already a TIIH Online user, you are not required to register again.
2. Proceed with submission of Proxy Form	• Login to https://tiih.online with your username (i.e. email address) and password. • Select the corporate event: **PARAMOUNT 52ND AGM - SUBMISSION OF PROXY FORM**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or the Chairman of the meeting to vote on your behalf. • Indicate your voting instructions - **FOR** or **AGAINST**, otherwise your proxy will decide your vote. • Review and confirm your proxy(ies) appointment. • Print the Proxy Form for your record.
Steps for Corporate or Institutional Shareholders	
1. Register as a User with TIIH Online	• Authorised or nominated representative of the corporate or institutional shareholder to access TIIH Online at https://tiih.online. • Under "e-Services", select "Sign Up" and followed by **Create Account by Representative of Corporate Holder**. • Complete the registration form and upload the required documents. • The registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set to your own password. *(Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor, our Share Registrar, if you need clarifications on the user registration.)*
2. Proceed with submission of Proxy Form	• Login to https://tiih.online with your username (i.e. email address) and password. • Select the corporate event: **PARAMOUNT 52ND AGM - SUBMISSION OF PROXY FORM**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set out therein. • Prepare the file for the appointment of proxy(ies) by inserting the required data. • Login to TIIH Online, select the corporate event: **PARAMOUNT 52ND AGM - SUBMISSION OF PROXY FORM**. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

If you have any enquiry, please contact our Share Registrar, Tricor, at +603-2783 9299 during office hours from 9.00 a.m. to 5.30 p.m. on Mondays to Fridays (except public holidays) prior to the AGM.

Proxy **Form**

PARAMOUNT CORPORATION BERHAD

Registration No: 196901000222 (8578-A)

PARAMOUNT

I/We ____
(name of shareholder as per NRIC or name of company, in capital letters)

NRIC No./Passport No./Company No. ______________________(New) ______________________(Old)

Contact No. ______________________ of ______________________________

____
(full address)

being a member of Paramount Corporation Berhad (**the Company**) hereby appoint

Name	Address	NRIC No./ Passport No.	No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC No./ Passport No.	No. of Shares	%

or failing him/her, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Fifty-Second Annual General Meeting (**AGM**) of the Company to be held at Suite I, Level 2, Mercure Kuala Lumpur Glenmarie Hotel, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 8 June 2022 at 10.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote (see Note 5) for or against the resolutions to be proposed at the meeting as indicated hereunder.

		For	Against
Resolution 1	Final Dividend		
Resolution 2	Directors' fees and meeting allowances for the period from 1 July 2022 to 30 June 2023		
Resolution 3	Re-election of Mr Ong Keng Siew as a Director		
Resolution 4	Re-election of Mr Quah Poh Keat as a Director		
Resolution 5	Re-election of Ms Foong Pik Yee as a Director		
Resolution 6	Re-election of Mr Quah Chek Tin as a Director		
Resolution 7	Re-appointment of Auditors and to fix their remuneration		
Resolution 8	Authority to Directors to allot and issue shares		

Dated this ________ day ______________________ 2022

CDS ACCOUNT NO.	NO. OF SHARES HELD

____
Signature/Common Seal

NOTES

1. A member entitled to attend, participate, speak and vote at the AGM is entitled to appoint more than one (1) proxy to attend, participate speak and vote on his/her/its stead provided that the member specifies in the instrument appointing a proxy the proportion of the member's shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

2. Where a member of the Company is an authorised nominee (as defined in the Securities Industry (Central Depositories) Act, 1991), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee (as defined in the Securities Industry (Central Depositories) Act, 1991) which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (**omnibus account**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy (**Proxy Form**) must be in writing under the hand of the member or his/her attorney duly authorised in writing, or if the member is a corporation, must be executed under its common seal or under the hand of two (2) authorised officers, one (1) of whom shall be its director or its attorney duly authorised in writing, or if the corporation has only one (1) director, by that sole director in the presence of a witness who attests the director's signature in accordance with the provisions of Section 66 of the Companies Act, 2016. The power of attorney or a duly certified copy thereof must be submitted to the Company's Share Registrar.

5. Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If this Proxy Form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.

6. The appointment of proxy may be deposited in a hardcopy form or submitted by electronic means in the following manner not less than 24 hours before the time appointed for the AGM or any adjournment thereof:

   i) deposit the Proxy Form physically with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (**Tricor**) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or

   ii) submit the Proxy Form electronically to Tricor via https://tiih.online. Please refer to the procedures for electronic submission of Proxy Form set out in 'Electronic Submission of Proxy Form'.

7. In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 May 2022 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this AGM.

1. Fold along this line first

Please
Affix
Stamp

The Share Registrar of
PARAMOUNT CORPORATION BERHAD
Registration No: 196901000222 (8578-A)

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Registration No: 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

2. Then fold along this line

www.pcb.my

Paramount Corporation Berhad
Registration No: 196901000222 (8578-A)

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