PARAMOUNT

FOCUSING ON SUSTAINABLE GROWTH

ANNUAL REPORT 2023

INSIDE THIS REPORT

54th ANNUAL GENERAL MEETING

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

Thursday
6 June 2024, 10.30 a.m.

01 THE COMPANY

02 THE STORY

03 HOW WE ARE GOVERNED

04 THE FINANCIALS

05 ADDITIONAL INFORMATION

06 APPENDICES

01 THE COMPANY

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

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 Holdings Sdn Bhd
- Paramount Property (Cityview) Sdn Bhd
- Paramount Property (Cjaya) Sdn Bhd

100%

- 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 (Seaview) 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

99.4%

- Utropolis Sdn Bhd

49%

- Navarang Charoennakhon Company Limited

COWORKING

100%

- Paramount Coworking Sdn Bhd

70%

- Gardens of Hope Sdn Bhd

INVESTMENT & OTHERS

100%

- Flexsis Sdn Bhd
- Janahasil Sdn Bhd
- Jasarim Bina Sdn Bhd *(In members' voluntary liquidation)*
- 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

100%

- Paramount Greencity Sdn Bhd
- Paramount Investments & Properties Pty Ltd
- Paramount Property Holdings Sdn Bhd
- Super Ace Resources Sdn Bhd

30%

- UOW Malaysia KDU University College Sdn Bhd

30%

- UOW Malaysia KDU Penang University College Sdn Bhd

30%

- Omegaxis Sdn Bhd
  - **55.1%**
  - Peoplender Sdn Bhd
    - **54%**
    - Fundaztic SG Pte Ltd

AT A GLANCE -
HIGHLIGHTS OF 2023

REVENUE

RM1.0 BILLION

YOY 19%

PROFIT BEFORE TAX

RM130.2 MILLION

YOY 24%

PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS

RM82.8 MILLION

YOY 38%

PROPERTY SALES

RM1.1 BILLION

Second year of >RM1 billion sale

PROPERTIES LAUNCHED

RM886 MILLION

966 units at **4 locations**

AVERAGE TAKE-UP RATE

81%^

^ excluding commercial components of ATWATER

UNBILLED SALES

RM1.4 BILLION

DEBT TO TOTAL EQUITY RATIO

GROSS **0.50x** NET **0.37x**

TOTAL DIVIDENDS FOR FY2023

7.0 SEN*

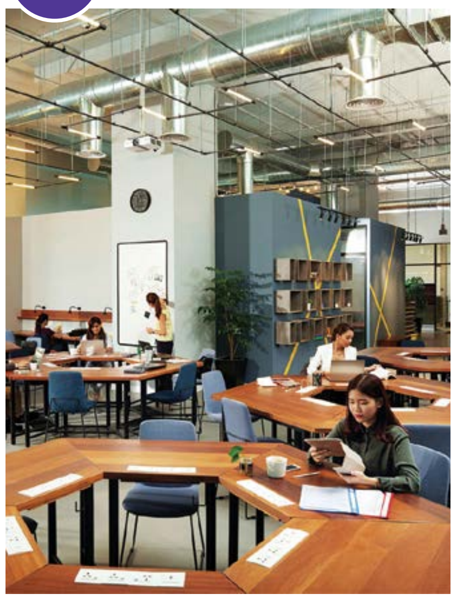
* Interim dividends of 3.0 sen and 4.0 sen were paid out on 21 September 2023 and 27 March 2024, respectively, for FY2023.

For the benefit of shareholders, the Board of Directors of Paramount has resolved to adopt the practice of declaring second interim dividends, if any, as opposed to proposing final dividends, to enable shareholders to receive the dividends earlier.

CORPORATE **PROFILE**

Property

Coworking



Investment & Others

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

Its core business division, Paramount Property, has property development projects in Kuala Lumpur, Selangor, Penang, and Kedah, and an equity venture project in Bangkok.

Paramount's coworking space provider, Paramount Coworking, offers seven coworking spaces under Co-labs Coworking, and bespoke office design, build, and management solutions under Scalable.

In the hospitality sector, Paramount owns Mercure Kuala Lumpur Glenmarie, a 4-star business hotel located at Utropolis Glenmarie, Shah Alam. Paramount also owns and operates Dewakan, the only restaurant in Malaysia to hold two MICHELIN stars.

Paramount has investments in digital enterprises, including peer-to-peer (**P2P**) financing platform Fundaztic, e-commerce ecosystem provider Commerce.Asia, and Open Learning, an Australian Securities Exchange-listed social online learning and Massive Open Online Courses (**MOOC**) platform.

Paramount was also a pioneer in private education in Malaysia, having founded Kolej Damansara Utama (**KDU**) and Sri KDU schools in 1983 and 2003, respectively. Paramount still has a 30% strategic stake in the tertiary education business but has completely divested its pre-tertiary education business.

Paramount was founded as a rice miller in 1969 and has been listed on Bursa Malaysia (previously known as The Kuala Lumpur Stock Exchange) since 15 July 1971. It was restructured into a property development company after acquiring the entire equity of a real estate company in 1978.

Through its journey of more than half a century, Paramount's vision of '**Changing lives and enriching communities for a better world**' has guided its businesses as it plays its part in nation building. Its vision is reinforced by its core values of Trust, Respect, Integrity, Bravery, and Energy (T.R.I.B.E).

CORPORATE PROFILE

Property

Paramount Property prides itself as an award-winning developer with an excellent track record of building townships, residential, commercial, and industrial properties, as well as schools and university campuses, in the Klang Valley, Kedah, and Penang.

As The People's Developer, Paramount Property strives to **Design for Life**, creating products to suit the different stages of a person's life. It places **People First**, the people it builds for, and those who grow with the company, and it prioritises their needs. It also works to **Uplift Communities** through sustainability practices and by supporting initiatives that make the world a better place for all.

Paramount Property also has an equity venture in a condominium project in Bangkok.

CORPORATE PROFILE

PROPERTY PROJECTS IN 2023

CENTRAL REGION (KUALA LUMPUR & SELANGOR)

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, educational institutions, medical centres, leisure spots, and more.

Beyond a multi-tier security system, all units at The Atrium are equipped with digital door locks for easy-access safety, as well as smart home systems controlled by mobile devices. It won Honours in the 'Close to Home' category at the StarProperty Awards 2022.

THE ATRIUM
AN EXQUISITE UNION

Launched
2021

Acreage
0.95 acres

Total no. of units
241

Expected completion
2024

The Atera, Petaling Jaya, is a leasehold transit-oriented mixed development that is a walking distance of only 400m to Asia Jaya Light Rail Transit (**LRT**) station. It is a GreenRE Silver development that features rainwater harvesting, solar power for common areas, and electric vehicle chargers. Each home is semi-furnished and comes with a smart home system.

The development consists of serviced apartments and retail lots. The Atera is perfect for couples and young families with its host of facilities.

Promising '*Closer to All that Matters*', The Atera boasts of malls, grocers, commercial hubs, hospitals, universities, colleges, and public and private schools nearby. The development is well-connected to major highways: Federal Highway, New Klang Valley Expressway (**NKVE**), Sprint Highway, and the New Pantai Expressway.

Phase 1 of 760 units that was launched in 2022 was well received. Phase 2 of 876 units is expected to be launched in 2024.

THE ATERA
PETALING JAYA

Launched
2022

Acreage
9.66 acres

Total no. of units
2,100

Expected completion
2031

CORPORATE PROFILE

PROPERTY PROJECTS IN 2023

CENTRAL REGION (KUALA LUMPUR & SELANGOR)

Sejati Lakeside 2, a sequel to Sejati Lakeside, is a freehold landed development by a 45-acre lake at a prime location in Cyberjaya. This '*Wellness Inspired Lakeside Living*' residential development offers dual recreation experiences – garden and lakeside views. It features three lush parks with carefully curated facilities that promote wellness and safety.

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

The exclusive enclave is conveniently close to commercial hubs and shopping malls, universities, international schools, sports and recreational centres, banks, hospitals, and restaurants.

Phase 1 of Sejati Lakeside 2, consisting of 122 semi-detached homes, was launched in November 2022 and is sold out. Phase 2, consisting of 112 units, was launched in June 2023 and is almost sold out. This development won Excellence in the 'Family-Friendly Award (Landed) - Within Greater KL' category at the StarProperty Awards 2023.

SEJATI LAKESIDE 2
CYBERJAYA

Launched
2022

Acreage
32.74 acres

Total no. of units
234

Expected completion
2025

CORPORATE PROFILE

PROPERTY PROJECTS IN 2023
CENTRAL REGION (KUALA LUMPUR & SELANGOR)

Sejati Lakeside is a low-density freehold residential development in Cyberjaya, set against a panoramic 45-acre lake and five acres of landscaped vistas in Cyberjaya. Three parks with more than 1,000 trees form the nucleus of the development, providing residents with ample green spaces for recreation and sports. Sejati Lakeside offers you '*Your Ultimate Lakeside Living*'. This development won Excellence in the 'Family-Friendly Award (Landed)' category at the StarProperty Awards 2020.

This non-strata development comprises three phases of landed homes: double-storey terrace and superlink homes, and double and two-and-a-half-storey lakefront semi-detached homes. The third and final phase was launched in November 2021 with the certificate of completion issued in November 2023.

The 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.

SEJATI LAKESIDE CYBERJAYA

Launched
2019

Acreage
41.4 acres

Total no. of units
418

Completed
2023

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

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

ARINNA KEMUNING UTAMA

Launched
Q3 2022

Acreage
6.02 acres

Total no. of units
356

Expected completion
2025

CORPORATE PROFILE

PROPERTY PROJECTS IN 2023

CENTRAL REGION (KUALA LUMPUR & SELANGOR)

Greenwoods Salak Perdana is planned around the concept of '*My Home, My Community*'. This freehold development at Salak Perdana, Sepang, is Paramount Property's second township in the Klang Valley. The development offers a vista of hills and parks. It comprises double-storey terrace houses, townhouses, and shop offices.

Greenwoods Seraya, a cluster of 260 units of freehold modern townhouses that were launched in December 2022, proved highly popular. More townhouses are expected to be launched in 2024, following its success.

Greenwoods Cendana, which comprises double-storey terrace houses, was completed in January 2023. Greenwoods Keranji, which also consists of double-storey terrace houses, won the 'Starter Home Award 2019 (Best Affordable Home)' by the StarProperty.my.

The township is accessible via major highways and the Express Rail Line (**ERL**).

GREENWOODS SALAK PERDANA

Launched
2015

Acreage
237 acres

Total no. of units
2,715

Units launched
1,098

Expected completion
2029

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 Klang.

Phase 1 of Uptown Residences offers a range of sizes: smaller units for first-time buyers and small families, and 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 LRT 3 line, when completed, will further improve accessibility to this development.

Berkeley Uptown's commercial hub spans 7.69 acres. It houses the first Family Mart drive-through in Malaysia, with other lifestyle brands slated to join in later.

More residential units are expected to be launched in 2024.

Berkeley UPTOWN

Launched
2019

Acreage
33.12 acres

Total no. of units
(residential phases 1 & 2)
1,822

Phase 1 launched
736
including affordable homes

Expected completion
2028

CORPORATE PROFILE

PROPERTY PROJECTS IN 2023
CENTRAL REGION (KUALA LUMPUR & SELANGOR)

ATWATER is designed for people to '*Live Life in Free Flow*'. This leasehold 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 service apartments have been handed over to buyers.

The two office towers are designed for GreenRE certification. Tower A will also enjoy a Multimedia Super Corridor (**MSC**) status. The development is oriented North-South for comfort. These commercial spaces are expected to be completed in 2024.

ATWATER

Launched
Serviced residences in 2018
Office and retail spaces in 2019

Acreage
5.09 acres

Total no. of units
Serviced apartments – 493 (completed)
Retail spaces and two office towers

Expected completion
2024 (commercial)

CORPORATE PROFILE

PROPERTY PROJECTS IN 2023
NORTHERN REGION (KEDAH & PENANG)

Bukit Banyan is a unique award-winning freehold hill park development in Sungai Petani. It was launched in 2012 as a 520-acre township with a 25-acre landscaped hill park. Paramount Property purchased an adjoining 137.1 acres in 2020 to expand the township when it became evident that all launches were well-received.

The township offers a variety of housing options, ranging from single and double-storey terrace houses to double-storey semi-detached homes, bungalows, townhouses, and shop offices. Bukit Banyan has received awards for its family-centric designs and landscaping. The hill park won the EdgeProp-ILAM Malaysia's Sustainable Landscape Awards 2021 – Landscape Planning (Gold).

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.

Among the interesting launches of 2023 is The Ridge Garden that consisted of 49 units of double-storey semi-detached houses and double-storey bungalows with incentives for buyers who wish to add on roof solar panels.

The first phase of the new land will consist of 137 units of single-storey affordable homes, targetted for launch in 2024.

BUKIT BANYAN
UP CLOSE TO NATURE

Launched
2012

Acreage
657.1 acres

Total no. of units
5,936

Units launched
3,171

Expected completion
2028

CORPORATE PROFILE

PROPERTY PROJECTS IN 2023
NORTHERN REGION (KEDAH & PENANG)

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

The latest freehold phase, Savana, was launched in March 2023. Savana won Honours in the 'Family-Friendly Award (High-Rise) – Beyond Greater KL' category at the StarProperty Awards 2023. One of its key unique selling propositions is the array of facilities spanning over three floors.

Utropolis Batu Kawan has easy access to the North-South Expressway, the second Penang Bridge, McDonald's drive-through, Starbucks drive-through, IKEA, Design Village Outlet Mall, and Batu Kawan Industrial Park, where opportunities abound.

PARAMOUNT UTROPOLIS BATU KAWAN PENANG

Launched
2016

Acreage
33.8 acres

Total no. of units
4,606

Units launched
2,801

Expected completion
2030

Business owners can truly benefit from the freehold modern light industrial units at **Paramount Palmera Industrial Park** at Bukit Minyak, Penang. The 52 semi-detached and six detached light industrial units with expandable space can be adapted to the growth of business.

Bukit Minyak is next to Bukit Mertajam and just 4.5km or a 9-minute drive to the Bukit Tambun Utara toll plaza of the North-South Expressway.

PARAMOUNT palmera INDUSTRIAL PARK @ BUKIT MINYAK

Launched
2023

Acreage
17.87 acres

Total no. of units
58

Expected completion
2026

CORPORATE PROFILE

EQUITY VENTURE IN 2023

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

The 29-storey building is a waterfront development next to the Chao Phraya River, just minutes to Bangkok's Central Business District and key attractions. It enjoys one of the best panoramic skylines with a river view. The modern apartments come with amenities such as an infinity-edge pool, fitness centre, various gardens, and even a coworking 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 the 'Best Developer Residential High-Rise' by the Dot Property Thailand Awards 2021.

NA REVA
CHAROENNAKHON

Launched
2020

Acreage
0.67 acres

Total no. of units
253

Expected completion
2024

NEW PROJECT IN 2024

The Ashwood, '*Where Tranquility Resides*' is a haven overlooking stunning views of the Kuala Lumpur cityscape and the Royal Selangor Golf Club. Located at the U-Thant enclave, known as the Embassy Row, in the heart of Kuala Lumpur, The Ashwood is a freehold luxury residential development consisting of condominiums, duplexes, and low-rise villas, with a host of amenities.

The project sits on 3.59 acres of freehold land, surrounded by foreign embassies, high commissions, high-end residences, international schools, medical centres, eateries, and premium grocers.

THE ASHWOOD
U-THANT KUALA LUMPUR

Target launch
2024

Acreage
3.59 acres

Total no. of units
354

Expected completion
2028

CORPORATE PROFILE

Coworking

CO-LABS COWORKING

Co-labs Coworking is a network of vibrant coworking spaces designed for entrepreneurs, small and medium-sized enterprises (**SMEs**), and corporates. With its network of spaces in Kuala Lumpur, Petaling Jaya and Shah Alam, Co-labs Coworking offers dynamic and flexible office solutions, including a collaborative ecosystem and holistic working environment, giving its members opportunities to enhance their careers, develop their personal growth, and improve workplace wellness.

With the growing popularity of decentralised hybrid workspaces and demand for flexible office solutions, Co-labs Coworking will continue to capitalise on new opportunities to be a leader in this sector.

SCALABLE

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 of facility management, including curated employee wellness engagement across a wide variety of businesses such as media, technology, government, retail, food and beverage (**F&B**), and pharmaceuticals.

CORPORATE
PROFILE

Investment & Others

EDUCATION

Paramount has a 30% stake in a tertiary education business that comprises UOW Malaysia KDU University College Sdn Bhd and UOW Malaysia KDU Penang University College Sdn Bhd. In late 2018, Paramount entered into a share purchase agreement with UOWM Sdn Bhd and relinquished its majority stake to the latter in 2019. Paramount is sub-leasing three campuses to this tertiary education group.

FOOD AND BEVERAGE

DEWAKAN

Dewakan is the only restaurant in Malaysia with two MICHELIN stars. It was one of four single MICHELIN-starred restaurants in the previous year. This fine-dining restaurant at Naza Tower, Kuala Lumpur, which showcases Malaysian indigenous ingredients, shot to fame when it became the first Malaysian restaurant listed on Asia's 50 Best Restaurants in 2019.

Dewakan

HOSPITALITY

MERCURE
HOTELS
KUALA LUMPUR
GLENMARIE

Mercure Kuala Lumpur Glenmarie is a locally inspired four-star international hotel managed by Accor S.A. (a French hospitality brand), featuring 229 well-appointed rooms and suites with a vibrant contemporary design. With customisable meeting spaces, the Warna All-Day Dining showcasing local flavours, the industrial-chic Urban@13 Rooftop Bar, and a saltwater pool, the hotel offers an overarching experience of 'Feel Local Everywhere' for its guests. It is situated next to the University of Wollongong Malaysia campus and was built as part of the Utropolis Glenmarie development with commercial, residential, and institutional components.

Mercure
Kuala Lumpur
Glenmarie

DIGITAL BUSINESSES

Paramount's digital journey began in 2018 when Magna Intelligent Sdn Bhd (**Magna Intelligent**) was incorporated as a wholly-owned subsidiary for the purpose of investing in the digital space. It began with an investment in OpenLearning Ltd, an Australian online education platform for tertiary education institutions that was listed on the Australian Securities Exchange in 2019.

In August 2021, Magna Intelligent completed its first fintech investment with a 30% equity interest in Omegaxis Sdn Bhd (**Omegaxis**), the holding company of Peoplender Sdn Bhd that operates Fundaztic, a P2P financing platform registered with the Securities Commission Malaysia.

In March 2022, Magna Intelligent invested in Commerce DotAsia Ventures Sdn Bhd (**Commerce.Asia**), an all-in-one e-commerce ecosystem that provides one-stop e-commerce solutions for brands, businesses, and SMEs in Southeast Asia.

As part of the Group's strategy towards digitalisation, Paramount continues to curate start-ups that create synergistic value with the Group.

CORPORATE PROFILE

AWARDS & RECOGNITION IN THE PAST THREE YEARS

2023

Paramount Corporation Berhad

BCI Asia Awards 2023

Top 10 Developers Award 2023

Malaysia Developer Awards 2023

- *Top-of-the-Chart Awards as one of the Top 5 for Market Capitalisation of below RM1 billion – Ranked 2nd*
- *Best Qualitative for Market Capitalisation of below RM1 billion award – Ranked 1st*

StarProperty Awards 2023

StarProperty All-Stars Awards – Top 10 Listed Companies – Ranked 7th

Paramount Property

The Edge Malaysia Property Excellence Awards 2023

The Edge Top Property Developers Awards 2023 – Ranked 12th

Savana, at Utropolis Batu Kawan

StarProperty Awards 2023

Honours in the Family-Friendly Award (High-Rise) – Beyond Greater Kuala Lumpur category

Sejati Lakeside 2

StarProperty Awards 2023

Excellence in the Family-Friendly Award (Landed) – Within Greater Kuala Lumpur category

Dewakan

The MICHELIN Guide Kuala Lumpur and Penang 2024

Two MICHELIN stars

2022

Paramount Corporation Berhad

Minority Shareholders Watch Group (MSWG)-ASEAN Corporate Governance Award 2021

Industry Excellence Award for Corporate Governance Disclosure – Property

Malaysia Developer Awards 2022

- *Top-of-the-Chart Awards as one of the Top 5 for Market Capitalisation of below RM1 billion – Ranked 4th*
- *Ranked 1st for Transparency among all reviewed companies, including companies with market cap above RM1 billion*

The Edge Malaysia's Centurion Club & Corporate Awards 2022

Highest Return on Equity Over Three Years in the Property Sector

Paramount Property

StarProperty Awards 2022

StarProperty All-Stars Award

Sinaran Residences, Utropolis Batu Kawan

StarProperty Awards 2022

Excellence in the Family-Friendly Award (High-Rise)

The Atrium

StarProperty Awards 2022

Honours in the 'Close to Home' category

Dewakan

Asia's 50 Best Restaurants 2022

The MICHELIN Guide Kuala Lumpur and Penang 2023

One MICHELIN star

2021

Paramount Corporation Berhad

BCI Asia Awards 2020/2021

Top 10 Developers Award 2020/2021

MSWG-ASEAN Corporate Governance Award 2020

- *Excellence Award for Corporate Governance Disclosure – Market Capitalisation above RM300 million to below RM1 billion*
- *Industry Excellence Award for Corporate Governance Disclosure – Property*

Paramount Property

The Edge Malaysia Property Excellence Awards 2021

The Edge Top Property Developers Awards 2021 – Ranked 12th

Bukit Banyan

EdgeProp Best Managed & Sustainable Property Awards 2021

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

Phase 4 – Sierra 2, Bukit Banyan

SHASSIC Day 2021

5-Star rating in Safety and Health Assessment System in Construction (SHASSIC) Award 2020

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

ONG KENG SIEW
Senior Independent Non-Executive Director
Mobile : 018-959 8578
Email : ksong@pcb.my

QUAH POH KEAT
Independent Non-Executive Director

FATIMAH BINTI MERICAN
Independent Non-Executive Director

FOONG PIK YEE
Independent Non-Executive Director

DATO' ONG ENG BIN
Independent Non-Executive Director

SECRETARY

NG WAI PENG
MAICSA 7014112
SSM Practising Certificate No. 202008003726

REGISTERED OFFICE

Level 8, Uptown 1
1, Jalan SS21/58, Damansara Uptown
47400 Petaling Jaya, Selangor Darul Ehsan
Telephone : 03-7712 3333
Facsimile : 03-7712 3322
Email : info@pcb.my
Website : www.pcb.my

INVESTOR RELATIONS

Investor Relations Department
Telephone : 03-7712 3337
Facsimile : 03-7712 3322
Email : ir@pcb.my

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone : 03-2783 9299
Facsimile : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com
Website : www.tricorglobal.com

AUDITORS

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
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
Affin Islamic Bank Berhad
AmBank Islamic Berhad
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)

02

THE STORY

MESSAGE FROM THE CHAIRMAN

DEAR SHAREHOLDERS,

On behalf of the Board of Directors (**the Board**), it is my honour and privilege to present the annual report and audited financial statements of Paramount Corporation Berhad (**Paramount** or **the Company**) for the financial year ended 31 December 2023 (**FY2023**).

Quah Chek Tin
Chairman &
Independent Non-Executive Director

In 2023, global geopolitical tensions and tighter monetary policies slowed global economic growth, impacting the Malaysian economy with a weakened currency and higher costs of doing business. Yet, the Malaysian property market stayed resilient, showing steady growth since 2021, after a dip in 2020 due to the COVID-19 pandemic. Paramount along with other property developers thrived in this growth environment that was enjoyed by almost all other sub-sectors.

Against this backdrop, Paramount and its subsidiaries (**the Group**) secured revenue of RM1.0 billion and a profit before tax (**PBT**) of RM130.2 million in FY2023, which were 19% and 24% higher respectively than that of the preceding year (**FY2022**). We are proud to have crossed the RM1.0 billion milestone in revenue for the first time.

I would like to also highlight that Paramount is celebrating a third year of double-digit growth in both revenue and PBT. Despite a lower number of launches, the Group maintained property sales of more than RM1.0 billion for the second consecutive year in FY2023, which bodes well for future earnings.

ENSURING SHAREHOLDER VALUE CREATION

This year and moving forward, to enable shareholders to receive their dividends in a timelier manner, the Board has adopted the practice of declaring second interim dividends, as opposed to proposing final dividends. This helps to space out the payouts, which would, otherwise fall in the second half of the year.

For FY2023, we declared two interim dividends totalling 7.0 sen per share. The first interim dividend of 3.0 sen per share was paid on 21 September 2023 and the second interim dividend of 4.0 sen per share was paid on 27 March 2024.

The FY2023 dividends are 1.0 sen higher than the FY2022 dividends of 6.0 sen per share, not including the special dividend of 12.0 sen per share paid out of the extraordinary gains from the sale of our education sector assets in FY2022. The FY2023 dividends translate to a yield of 7.5% against Paramount's closing share price of 93.0 sen as at 31 December 2023. The payout ratio of 53% was much higher than our Dividend Policy's minimum payout of 20% of net profits attributable to shareholders.

MESSAGE FROM THE CHAIRMAN

> **The FY2023 dividends translate to a yield of 7.5% against Paramount's closing share price of 93.0 sen as at 31 December 2023.**

CHAMPIONING SUSTAINABLE BUSINESS GROWTH

Paramount's 5-year (FY2020 – FY2024) strategic plan that was extended to FY2025 due to COVID-19 challenges, is crystalising, demonstrating value creation and sustainable growth. The plan was also recalibrated to improve capital and operational efficiencies.

Property development would remain as Paramount's core business, with integrated mixed development and landed residential being the mainstay at a 70:30 revenue ratio, even as we pursue opportunities in the industrial segment.

Our land acquisition strategy would target land that can be developed within a short period of time to achieve better capital efficiency. We are also partial to locations where we have already built strong brand presence and have augmented our reputation as a trustworthy developer. Buyers who are familiar with Paramount would also be more willing to pay a premium for our offerings. Notwithstanding this, we remain open to all land banking opportunities especially at growth locations with good public infrastructure.

To combat rising costs in materials and labour, Paramount has adopted ways to manage costs while maintaining quality, and is committed to continue to improve on efficiencies through digitalisation and value engineering.

Our coworking business Co-labs Coworking is set on a growth trajectory having expanded to six locations by end-2023 and having opened another space in January 2024.

As part of its diversification strategy, the Company continues to look for suitable investments in digital economy start-ups with growth potential, and in investments overseas.

These strategic efforts ensure Paramount's adaptability and resilience in a dynamic market, setting a solid foundation for continued success and growth.

RECOGNISED FOR UPHOLDING EXCELLENCE

Paramount's dedication to excellence continues to be recognised, earning us numerous prestigious awards.

In 2023, Paramount was hailed as one of the Top 10 Developers at the BCI Asia Awards. At the Malaysia Developer Awards organised by FIABCI Malaysia and The Star Media Group, we secured first place for Best Qualitative Performance for Market Capitalisation of below RM1 billion and ranked second among the Top 5 for Market Capitalisation of below RM1 billion.

The StarProperty Awards recognised our commitment to family-friendly developments, honouring our projects Savana at Utropolis Batu Kawan, Penang, and Sejati Lakeside 2 in Cyberjaya, for their contribution to quality living. Additionally, The Edge Malaysia Property Excellence Awards ranked us 12th among Malaysia's developers, acknowledging our industry standing.

A standout accomplishment in 2023 was Dewakan, our fine dining restaurant, earning the distinguished title as Malaysia's only restaurant with two MICHELIN stars, as acknowledged in the 2024 MICHELIN Guide for Kuala Lumpur and Penang.

These awards and accolades affirm Paramount's ability to meet stakeholder expectations.

NURTURING OUR GREATEST ASSET

At Paramount, employee well-being, safety, and productivity are fundamental to our workplace culture. We invest in learning and development to ensure that our people have the right skills and knowledge in an ever-changing business environment. We have also put in place talent programmes from fresh graduates right through to senior management.

MESSAGE FROM THE CHAIRMAN

Our approach to employee wellness is holistic, encompassing mental, physical, and financial health. We offer a variety of health screenings and fitness programmes aimed at encouraging preventive care and maintaining overall well-being. As Paramount progresses, the holistic well-being of our workforce remains a top priority.

CHANGING LIVES AND ENRICHING COMMUNITIES FOR A BETTER WORLD

Creating sustainable value for the future will guide Paramount's Environmental, Social and Governance (**ESG**) efforts moving forward. We have identified four priorities: Building Economic Resilience, Delivering Excellence in Products and Services, Ensuring Responsible Environmental Management, and Creating Positive Community Impact. All these priorities align well with our vision to change lives and enrich communities for a better world.

On this, I would just like to highlight that in 2023, we reviewed our commitment to the United Nations Sustainable Development Goals and have added on Climate Action and Life on Land. On that score, we have started working towards a Net Zero emissions goal by 2050. Our ESG sustainability effort is led by our Deputy Group Chief Executive Officer, Mr Benjamin Teo, and his report is available on Paramount's website.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to convey our deep appreciation to our shareholders, business associates, customers and all other stakeholders. Your support and confidence in Paramount have been the bedrock of our journey.

Our utmost thanks to our management team for their dedication and exceptional achievements over the past year. Our employees' creative energy and bold pursuit of excellence too have been the cornerstone of our success. The team's ongoing feedback and engagement is crucial as we set our sights on surpassing our current achievements to reach new pinnacles of success.

I am also deeply grateful to my fellow Board members for their commitment, astute insights and wise counsel, which have been pivotal in charting the course of our Group's journey throughout the year. It is with great pleasure that we welcome Dato' Ong Eng Bin who was appointed as an independent non-executive director on 1 July 2023.

We are filled with optimism and eagerly anticipate the continued partnership and support from all our stakeholders. Paramount is wholeheartedly committed to forging a path of sustainable growth and creating lasting value. Together, let us embark on this journey with renewed vigour and a shared vision for a brighter future. Thank you.

MANAGEMENT DISCUSSION AND ANALYSIS

Jeffrey Chew Sun Teong
Group Chief Executive Officer & Executive Director

The year 2023 was characterised by the headwinds of slower global trade, a global tech downcycle, geopolitical tensions, and tighter monetary policies. Global gross domestic product (**GDP**) growth moderated to 2.6% from 3.0% in the previous year.

Amid a challenging external environment, the Malaysian economy grew by 3.7% in 2023 compared to 8.7% in the previous year. While international travel surged with Malaysia doubling its international arrivals to 28 million, and economic activities resumed with labour market conditions supporting domestic growth, there were counter forces of rising costs and a weakened currency that constrained domestic discretionary spending, and impacted various sectors.

Nonetheless, Malaysia's property market remained resilient with total transaction volume and value increasing by 2.5% and 9.9%, respectively, in 2023.

Against this backdrop, Paramount Corporation Berhad (**Paramount** or **the Company**) and its subsidiaries (**the Group**) continued to advance in its value creation journey as it focused on sustainable growth, while setting new sales and revenue records in the financial year 2023 (**FY2023**).

FOCUSING ON SUSTAINABLE GROWTH

We continued to be guided by the Company's 5-year (FY2020 – FY2024) strategic plan, which was extended to FY2025 and refined in light of the setbacks caused by the COVID-19 pandemic, to ensure that the Group evolved with the market landscape and would be able to capture emerging opportunities. The focus was on scaling up property development activities to achieve sustainable growth balanced by sensible return on assets (**ROA**) and shareholder value.

In 2023, the Group achieved its highest-ever revenue of RM1.0 billion. It was also our third year of achieving double-digit growth in revenue and profit before tax (**PBT**).

The following were among Paramount's strategies:

Selective Land Banking

The Group actively sought lands at strategic locations to ensure sufficient land bank for development. Although we prefer to expand in the areas where our brand has been established, we also explored new regions with strong returns potential. That said, our land banking exercises involve thorough feasibility studies, and more importantly, any purchase should meet our minimum required ROA target. The Group recognises that a long gestation period would be a drag on our ROA and strives to shorten the turnaround period from land purchase to the completion of the development.

Nonetheless, our land banking strategy and project launches are guided by a target revenue ratio of 70:30 for integrated mixed development and landed residential development in scaling up the Group's property development activities for sustainable growth.

Strong Value Propositions

Our developments are designed to offer our buyers a holistic approach to living and working. Paramount Property, The People's Developer, puts people first, designs for life and endeavours to uplift communities via its offerings and activities.

MANAGEMENT DISCUSSION AND ANALYSIS

All our landed residential offerings incorporate practical designs and built-ups, accompanied by lush surroundings that promote wellness. For instance, our Sejati Lakeside-series offer a unique lifestyle on the shore of a 45-acre lake in Cyberjaya. Inside, the homes offer features that are helpful for people with mobility issues such as wheel-chair friendly toilet access and seated bath areas. To create even more value to buyers, we offer a five-year defect liability period for Sejati Lakeside and Sejati Lakeside 2.

Meanwhile, our integrated mixed developments cater to those who desire the convenience of urban living in secure and comfortable settings, with lifestyle facilities within the development. The Atera in Petaling Jaya is one such example. Designed for new families, singles and investors and situated next to the Asia Jaya Light Rail Transit (**LRT**) station, The Atera is our first transit-oriented development (**TOD**) project.

Up north in Penang, Savana at Utropolis Batu Kawan that was launched in March 2023 is set to be a majestic 36-storey tower of freehold serviced apartments with three floors of sports and lifestyle facilities that would appeal to professionals living in the northern region of peninsula Malaysia.

For the business sector, 15km away from Batu Kawan, near Juru and Bukit Mertajam,

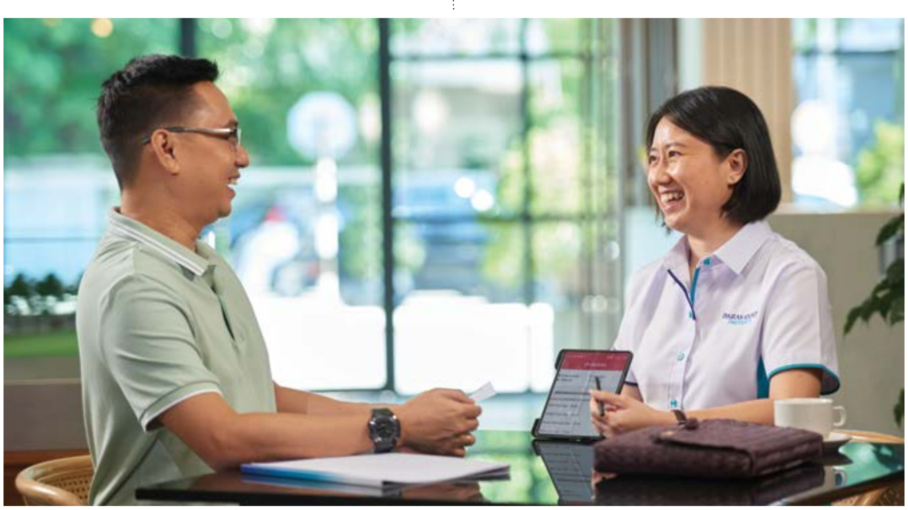
Paramount Palmera, a boutique industrial park with versatile lots designed for easy scaling up

Paramount offers small and medium-sized industries Paramount Palmera, a freehold boutique industrial park with versatile lots designed for easy scaling up.

These are some examples of Paramount's value propositions that have been well-received. In offering different types of properties with strong value propositions, we meet the needs of different segments of society, thus upholding our reputation as The People's Developer.

Efficiency through Standardisation

Paramount is dedicated to ensuring that its construction activities are carried out in a responsible manner that upholds a commitment to safety while minimising wastage. Given the rising costs of construction materials and labour, product standardisation and process efficiency are paramount. We are making good headway in terms of optimising costs, reducing our dependency on labour, speeding up construction, and ensuring consistency in product quality.



Our property division has adopted self-climbing platforms for greater safety and more efficient construction of our high-rise buildings and was able to lower the costs associated with construction waste disposal, thereby generating cost savings.

Throughout FY2023, we consistently incorporated elements of the industrialised building system (**IBS**) in most of our construction projects.

Digital Transformation

In line with our goal to enhance efficiency, we continue to migrate our operational processes onto digital platforms.

Today, digital marketing is Paramount Property's primary mode of marketing. Customers can enjoy virtual tours on Paramount Property's website in the comfort of their homes before making online bookings for show gallery visits. We are also using digital apps that allow

MANAGEMENT DISCUSSION AND ANALYSIS

our buyers to track the progress of construction of their properties, and later on, for the handover process and defects-reporting.

We have digitalised our procurement processes and are preparing for the transition towards e-invoicing. Digitalisation has also allowed for better governance with the bonus of saving paper and storage space.

Investments in the Digital Space

As part of our diversification strategy, the Group continues to identify start-ups within the digital space for new revenue streams.

In FY2023, we did not invest in any new start-ups but continued to engage with existing investments.

Our focus is to find and create value through synergistic collaborations, while ensuring we are able to take advantage of opportunities arising from digital innovation.

Monetisation of Non-core Assets

FY2023 recorded the final payment milestone of the sale of VIP Paramount Unit Trust in Australia. In December 2023, Paramount divested another 5% interest in our tertiary education business to UOWM Sdn Bhd, as scheduled in the share purchase agreement of November 2018, leaving us with a 30% equity stake.

REVIEW OF FINANCIAL RESULTS

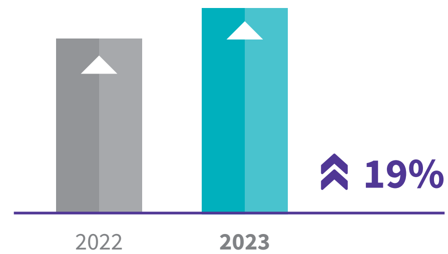
In FY2023, the Group achieved a new milestone of RM1.0 billion in revenue, marking a 19% increase compared to RM847.5 million in FY2022. The improvements were underpinned by higher contributions from all three business segments led by the property segment. On the back of the higher revenue, the Group's PBT was 24% higher at RM130.2 million compared to RM105.1 million recorded a year ago while the Group's profit attributable to ordinary equity holders of the Company rose by 38% to RM82.8 million (FY2022: RM60.2 million). The improvements in FY2023 were achieved despite the absence of a non-recurring net gain (**Non-recurring Net Gain**) of RM15 million that was recognised in FY2022 in relation to the disposal of a tertiary education campus in Petaling Jaya, and the remaining 20% equity interest in the pre-tertiary education business in FY2022.

The Group's total assets position declined by RM0.1 billion to RM3.0 billion as at 31 December 2023 (31 December 2022: RM3.1 billion), mainly due to the reduction in cash and bank balances attributed largely to the payment of the 12.0 sen per share special dividend that was declared for FY2022 but paid in FY2023, coupled with the repayment of borrowings. The Group's total liabilities stood at RM1.3 billion as at 31 December 2023, marking a drop of RM0.2 billion compared to that of the last financial year end of RM1.5 billion. The decline was in line with the reduction of the Group's borrowings by RM0.2 billion.

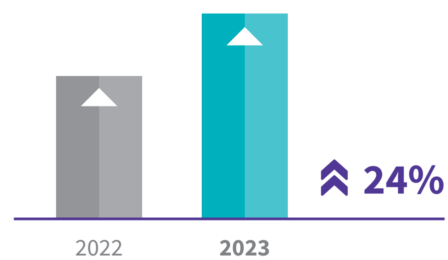
To reward shareholders in a timely manner, the Board of Directors resolved in February 2024 to adopt the practice of declaring second interim dividends if any, as opposed to proposing final dividends. This shift ensures quicker and a more balanced dividend distribution throughout the year, instead of having distributions clustered in the second half.

For FY2023, two interim dividends totalling 7.0 sen per share were declared and paid out. The first interim dividend of 3.0 sen per share was declared in August 2023 and paid on 21 September 2023, while the second interim dividend of 4.0 sen per share was announced in February 2024 and paid on 27 March 2024.

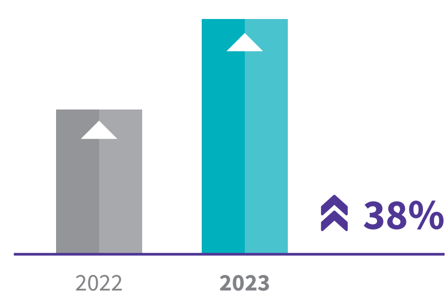
REVENUE
FY2023
RM1.0 BILLION
FY2022: RM847.5 million



PBT
FY2023
RM130.2 MILLION
FY2022: RM105.1 million



PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS
FY2023
RM82.8 MILLION
FY2022: RM60.2 million



MANAGEMENT DISCUSSION AND ANALYSIS

Capital Structure and Capital Resources

We maintain an optimal capital structure to support the Group's businesses and maximise shareholder value. We monitor our capital structure using the gearing ratio which is derived by dividing total debt by total equity.

As at 31 December 2023, the Group's gross gearing and net gearing stood at 0.50 times and 0.37 times, respectively, both of which were lower than the 0.61 times and 0.41 times recorded at the end of FY2022.

Our cash and bank balances decreased from RM331.1 million as at 31 December 2022 to RM203.2 million as at 31 December 2023, after the payment of the 12.0 sen per share special dividend that was declared in FY2022 and the repayment of bank borrowings.

Meanwhile, share capital increased marginally by RM0.9 million to RM335.2 million (31 December 2022: RM334.3 million) due to the issuance of new shares to eligible employees pursuant to the Long Term Incentive Plan.

REVIEW OF OPERATING ACTIVITIES

Property

The year 2023 saw Paramount Property breaking its own record for property sales. The property division sold 1,351 units of properties with a GDV totalling RM1.1 billion despite launching properties with a GDV of only RM886 million, which was 27% lower than FY2022's launch with a GDV of RM1.2 billion.

FY2023 was the second consecutive year that the division achieved sales above RM1.0 billion. The top three sales contributors for the year were Sejati Lakeside 2 in Cyberjaya, The Atera in Petaling Jaya and Utropolis Batu Kawan in Penang.

"The year 2023 saw Paramount Property breaking its own record for property sales."

The Atera is Paramount's first transit-oriented development project

In terms of revenue, the property segment achieved an 18% improvement to RM973.7 million as compared to the RM823.4 million recorded previously. The top three revenue contributors in FY2023 were the Utropolis Batu Kawan development in Penang, the Bukit Banyan development in Sungai Petani, and the Sejati Lakeside development in Cyberjaya. With higher revenue and savings from the finalisation of project costings, the property segment recorded PBT of RM140.1 million, 34% higher than the previous year of RM104.7 million.

Unbilled sales was maintained at RM1.4 billion as at 31 December 2023, providing an indication of the Group's potential cashflow in the near term. However, the pace at which this can be converted into billings would largely depend on construction progress. FY2023 was the fourth consecutive year whereby Paramount's unbilled sales exceeded the billion Ringgit mark.

In FY2023, Paramount Property was managing 11 projects in Malaysia, and one in Bangkok through our joint-venture company. By 31 December 2023, we had completed the third and last phase of Sejati Lakeside, comprising 149 units of double-storey terrace, super-link and semi-detached homes (GDV: RM232 million). With that, we have completed the development of the 41.4-acre Sejati Lakeside that carried a GDV of RM524 million. Together with other completed units at Bukit Banyan, Paramount Property completed 560 units of properties with a total GDV of RM455 million in FY2023.

The average take-up rate for Paramount Property's 10 ongoing projects as at 31 December 2023 (excluding the commercial component of ATWATER) was 81%.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2023, our inventory of completed properties stood at RM61 million, of which 93% were commercial properties including a sales gallery that is currently showcasing The Atera development.

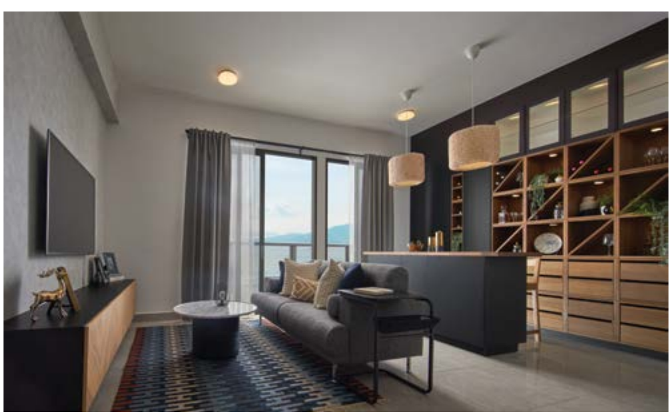
New Property Launches in FY2023

In FY2023, Paramount Property launched 966 units of properties with a GDV of RM886 million. This represented a 27% decrease in new launches compared to the FY2022 launch of RM1.2 billion, partly due to delays in obtaining approvals from the authorities for projects targeted for year-end launch.

These were the projects launched in 2023:

Utropolis Batu Kawan, Penang

In March, we introduced Savana, the latest offering at Utropolis Batu Kawan. This 36-storey serviced apartment complex, situated on 3.5 acres of freehold land, features 522 units of homes designed with flexibility in mind, including dual key options ideal for families or as investment properties for rental income. With an estimated GDV of RM329 million, Savana builds on the success of earlier launches, Sinaran Towers A and B that were sold out by end-2023, underscoring the continued demand and trust in the Utropolis Batu Kawan brand.



Savana, the latest offering at Utropolis Batu Kawan development

Sejati Lakeside 2, Cyberjaya

Phase 2 of Sejati Lakeside 2 comprising 112 units of semi-detached homes next to a 45-acre lake in Cyberjaya was unveiled. This phase with its carefully curated wellness centric facilities including parks and a lakeside promenade has an estimated GDV of RM193 million. Combined with the earlier phases, the award-winning Sejati Lakeside 2 now totals 234 units of semi-detached homes across 32.7 acres of prime freehold land. This development is close to schools, universities, commercial areas, and enjoys easy access to major highways.

Bukit Banyan, Sungai Petani

Throughout 2023, Bukit Banyan, Sungai Petani's premier gated-and-guarded community known for its award-winning 25-acre hill park, saw the introduction of various phases. From February to November, we unveiled the Senni 3A double-storey terrace houses, Sierra 3A Elegant double-storey semi-detached homes, Sierra Elite 2A Phase 12 double-storey bungalows, The Ridge Garden double-storey semi-detached houses and bungalows, and Sierra Prime show and sample houses, cumulating to a total of 219 units with a GDV of RM168 million.

Additionally, the second quarter marked the launch of 55 single-storey shop lots at Banyan Avenue, with an estimated GDV of RM23 million, providing commercial amenities for residents.

Paramount Palmera Industrial Park, Bukit Minyak

June 2023 marked the launch of Paramount Palmera Industrial Park at Bukit Minyak, Penang. This was our first industrial development in Penang. Paramount Palmera comprises 58 unit of detached and semi-detached light industrial options set across 17.9 acres.

With an estimated GDV of RM173 million, Paramount Palmera is strategically developed to support the expansion and operational needs of small and medium-sized enterprises. This industrial park is positioned to complement the dynamic industrial ecosystem of the nearby Batu Kawan Industrial Park, aiming for completion in 2026 and set to be a hub for business growth in the region.

Land Banking

As at 31 December 2023, the Group had 457.8 acres of gross undeveloped land bank with a potential GDV of RM7.0 billion for development until 2031. During the year, the Group was proactively seeking suitable land with good potential to ensure the sustainability of the Group's earnings.

MANAGEMENT DISCUSSION AND ANALYSIS

Land Bank and GDV (as at 31 December 2023)

Region	Project / Location	Status	Remaining Gross Undeveloped Land (Acres)	Remaining GDV* (RM'mil)	Development Period	
					Start	End
Northern	Bukit Banyan, Sungai Petani	On-going	25.9	278	2012	2027
Northern	Utropolis Batu Kawan, Penang	On-going	13.6	1,205	2016	2030
Northern	Paramount Palmera, Penang	On-going	0.0	68	2023	2026
Northern	Bukit Banyan (Expansion), Sungai Petani	In the pipeline	137.1	555	2024	2028
Northern	Machang Bubuk, Penang	Future	69.2	461	2025	2028
Northern	Bandar Laguna Merbok, Sungai Petani	Future	14.4	53	2025	2027
Central	Kemuning Utama, Shah Alam	On-going	20.0	358	2004	2028
Central	Sejati Residences, Cyberjaya	On-going	10.0	184	2013	2027
Central	Sekitar26, Shah Alam	Completed	0.0	55	2013	2021
Central	Greenwoods Salak Perdana, Sepang	On-going	78.7	673	2015	2027
Central	ATWATER, Section 13, Petaling Jaya	On-going	0.0	375	2018	2024
Central	Berkeley Uptown, Klang	On-going	15.4	796	2019	2028
Central	Sejati Lakeside, Cyberjaya	Completed	0.0	6	2019	2023
Central	The Atrium, Kuala Lumpur	On-going	0.0	2	2021	2024
Central	The Atera, Petaling Jaya	On-going	5.6	915	2022	2031
Central	Sejati Lakeside 2, Cyberjaya	On-going	0.0	5	2022	2025
Central	The Ashwood, Kuala Lumpur	In the pipeline	3.6	758	2024	2028
Central	Greenwoods 2 Salak Perdana, Sepang	Future	64.3	225	2027	2029
	Total		**457.8**	**6,972**		

Region	Ongoing Development by Joint-Venture Company	Remaining Gross Undeveloped Land (Acres)	Remaining GDV* (RM'mil)	Development Period	
				Start	End
International	Na Reva, Bangkok	0	21	2020	2024

* *Comprising potential GDV from undeveloped lands and GDV from properties launched but remained unsold as at 31 December 2023*

Overseas Ventures

Paramount has a 49% equity interest in Bangkok-based property development company, Navarang Charoennakhon Company Limited. In 2023, the company was in the process of completing Na Reva, a 29-storey condominium in Bangkok, situated next to the Chao Phraya River. The project, carrying a GDV of 1.2 billion Thai Baht is targeted for completion in 2024. As at 31 December 2023, the take-up rate was 72%.

MANAGEMENT DISCUSSION AND ANALYSIS

COWORKING DIVISION

REVENUE 39%
FY2023
RM13.1 MILLION
FY2022: RM9.4 million

FOOTPRINT 32%
As at 31 December 2023
152,000 SQ FT
FY2022: 115,000 sq ft

Coworking

In FY2023, our Coworking business flourished, with the expansion of a coworking space in Selangor and the opening of a new space in Kuala Lumpur, as it capitalised on the demand for coworking spaces.

The Coworking segment achieved a revenue of RM13.1 million, which was 39% higher than that of the previous year (FY2022: RM9.4 million). This was mainly attributable to the higher revenue from all six Co-labs Coworking spaces and Scalable Malaysia which specialises in office design, build, and management solutions. As a result of this increased revenue and the reversal of impairment loss of the space at Naza Tower, Kuala Lumpur, the division reported a PBT of RM2.0 million, a significant turnaround from the loss before tax (**LBT**) of RM0.6 million in FY2022.

The year saw Co-labs Coworking expanding its footprint by 32% or about 37,000 sq ft after taking over a 30,000 sq ft space at Menara KEN TTDI at Taman Tun Dr Ismail, Kuala Lumpur, and expanding its space at the Tropicana Gardens mall by about 7,000 sq ft in the fourth quarter.

By the end of 2023, it had six locations totalling 152,000 sq ft of space and attained an average occupancy rate of 70%.

Co-labs Coworking expanded its footprint by taking up 30,000 sq ft of space at the award-winning green building Menara KEN TTDI at Taman Tun Dr Ismail, Kuala Lumpur

Investment and Others

The businesses covered in this segment are the operations of Mercure Kuala Lumpur Glenmarie, a four-star hotel in Shah Alam, and Dewakan, a fine dining restaurant in Kuala Lumpur. Aside from this, the other contributors to the division's financial performance are investment properties (education assets) as well as the share of results from our associates.

In FY2023, the Investment and Others segment recorded a 65% increase in revenue to RM27.1 million from RM16.4 million previously on the back of improvements in the revenue of Mercure Kuala Lumpur Glenmarie, the Group's education investment properties and Dewakan.

The segment recorded a LBT of RM11.8 million in comparison to a PBT of RM1 million in FY2022 despite the higher revenue. Among the key contributors to the decline was the lower non-recurring gains in FY2023 compared to that of FY2022, which included the Non-recurring Net Gain of RM15 million coupled with the lower contribution from associates in FY2023.

Super Ace Resources Sdn Bhd, which owns Mercure Kuala Lumpur Glenmarie recorded a revenue of RM12.4 million (FY2022: RM7.9 million) and a LBT of RM4.7 million (FY2022: LBT of RM6.6 million). The hotel, managed by Accor S.A., a French multinational hotel group, recorded an average occupancy rate of 53% in FY2023.

Paramount FoodPrint Sdn Bhd, which owns Dewakan, the Group's fine-dining restaurant achieved a 47% increase in revenue to RM6.3 million in FY2023 (FY2022: RM4.3 million) and a PBT of RM418,000 (FY2022: LBT of RM36,000). Dewakan continues to be an asset to the Group's brand reputation. Dewakan, cemented its status by being awarded a second MICHELIN star, becoming the only restaurant in Malaysia to hold this prestigious accolade.

MANAGEMENT DISCUSSION AND ANALYSIS

Rental income derived from the Group's education investment properties was RM8.5 million (FY2022: RM6.1 million), an increase of 39% mainly attributable to the impact of the upward revision of the rental yield for the full financial year compared to only four months in the previous financial year. Meanwhile, LBT was lower at RM11.3 million for FY2023 (FY2022: LBT of RM12.9 million) mainly due to the higher revenue and gains from the disposal of investment properties but was offset by the higher finance cost due to the increase in interest rates.

TRENDS AND RISKS

Paramount is dedicated to protecting our operations against any potential threats that could adversely affect our performance, financial stability, and cash flow. To lessen these threats, we have put in place a comprehensive and structured enterprise risk management framework to identify and address risks effectively. For more detailed information, please refer to the Statement on Risk Management and Internal Control on pages 68 to 74.

This section highlights the key risks and emerging trends that could influence Paramount's operational and financial health, along with the countermeasures we are implementing to mitigate these risks:

Slow Demand for Commercial Properties

While the volume and value of commercial property transactions have recovered post 2020 and are on an upward trend, slow demand for commercial properties remains a risk for us because 93% of Paramount's inventories are made up of commercial properties (as at 31 December 2023: RM57 million).

Although we are in negotiation with several interested parties, any unsold units of the ATWATER office towers would increase the Group's inventories when the office towers are completed in 2024. ATWATER is an integrated development in Petaling Jaya, surrounded by other offices, malls, food outlets, hospitals, higher education institutions, light industrial estates, and mainly landed residences.

To address this risk, Paramount has engaged established property agencies to tap on their reach. We also have a central leasing team to market our commercial properties with options such as buy-with-lease schemes.

Due care is taken in our development planning to ensure that our commercial properties meet the evolving needs of businesses, including growing concern about climate change and its impact. We anticipate an uptick in demand for ready-to-move-in green certified buildings such as the two ATWATER commercial towers as it is more cost efficient for corporate offices to move into such buildings than to modify existing ones for operational and energy efficiency, as well as to meet the latest standards in sustainability.

Aside from that, Co-labs Coworking was created from the onset to, among others, mitigate the risk of soft demand in the Group's commercial properties. Of the 167,000 sq ft currently under management, 34,000 sq ft are commercial inventories at the Group's Sekitar26 commercial development in Shah Alam.

Co-labs Coworking has strong potential to grow in the office space market as it presents occupants with highly flexible options to scale their operations up or down according to their needs. Co-labs Coworking's asset-light proposition and collaborative ecosystem appeal to organisations from across industries, and include start-ups, corporates and multinational companies.

Rising Construction Costs

Property developers, including Paramount, have had to contend with significant challenges from the escalating costs of materials and labour, driven by global supply chain disruptions, and a tight labour market. These challenges could both impact project pricing and compress profit margins.

To counter these industry-wide risks and uphold our commitment as The People's Developer, Paramount is focusing on operational efficiency while delivering high-quality products amidst these pressures. Our teams have, among other things, adopted value engineering and IBS to reduce dependence on manual labour, and mitigated supply chain risks through technology advancements and local sourcing.

Paramount is proactively refining its procurement strategies to secure materials at stable prices and ensure a reliable supply to manage cost fluctuations without sacrificing project quality or financial stability. This involves enhanced contractor management to ensure their timely delivery and financial health, alongside securing fixed prices for materials through bulk purchasing and solidifying supplier partnerships.

Apart from cost management measures, we have also managed to price up to cushion the impact of rising costs.

This comprehensive approach allows Paramount to maintain our competitive edge and profitability despite the challenges of cost escalation in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

Disruption to Construction Progress

Timely construction progress is essential for revenue recognition, and any delays could have a direct impact on the Group's financial performance. Failing to complete projects on time could result in higher construction costs, the enforcement of liquidated ascertained damages (**LAD**) by purchasers and damage to the Group's reputation.

The Group manages this risk by careful selection of contractors with good track records, close monitoring of project progress, adopting less labour-intensive construction methods, as well as maintaining a pool of pre-vetted sub-contractors.

OUTLOOK AND PROSPECTS

As we enter 2024, Malaysia anticipates moderate economic growth, with expectations set between 4.0% and 5.0%. This period, influenced by a slowdown in global demand and inflation, will bring challenges across multiple sectors, notably affecting consumer spending. Despite these hurdles, there is optimism among developers and homebuyers, riding on the wave of current momentum supported by the expected government measures to strengthen the economy.

The Directors expect the Group's performance for the financial year ending 31 December 2024 to remain satisfactory as the Group strives to sustain positive sales growth against the backdrop of moderate growth in the Malaysian economy. The Group will continue to optimise its operations and invest for long-term business sustainability.

Property Launches in FY2024

Paramount Property, known as The People's Developer, targets to launch RM2.4 billion worth of properties in 2024. All our residential products feature:

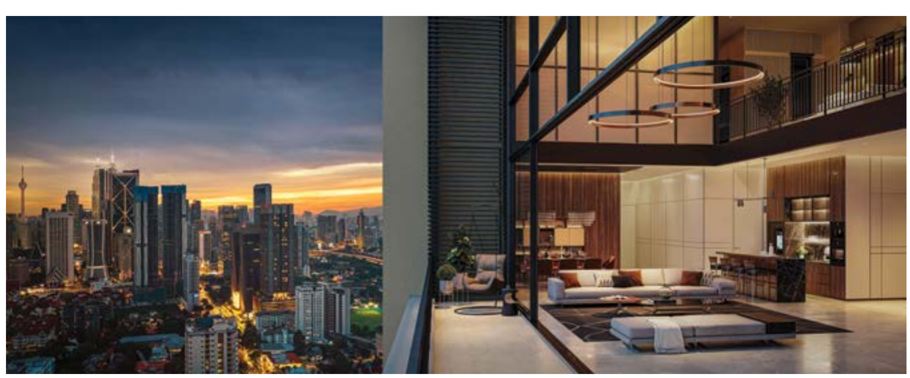
- Accessibility to daily conveniences
- Connectivity
- Lifestyle facilities integrating wellness
- Safety and security
- Quality

The three largest launches (in terms of GDV) will be The Ashwood (encompassing high-rise condominiums, duplexes and low-rise villas at the prestigious U-Thant enclave in Kuala Lumpur); Phase 2 of The Atera (our transit-oriented development or TOD project in Petaling Jaya, situated next to the Asia Jaya LRT station; and a new phase of our high-rise residential development with commercial components in Penang at Utropolis Batu Kawan.

The Ashwood, Kuala Lumpur
The Ashwood is located at Taman U-Thant, 1.8km from Kuala Lumpur City Centre and within 'Embassy Row', one of the most elite addresses in Kuala Lumpur, surrounded by 58 embassies and high commissions. This development offers 354 units of condominiums, two-storey duplexes, and three and four-storey villas on 3.59 acres of freehold land.

Residents can enjoy views of the Kuala Lumpur skyline and Royal Selangor Golf Course, alongside access to resort-style facilities, smart home technology, and comprehensive security, making The Ashwood a top choice for luxury living.

The Atera, Petaling Jaya
The Atera, located in Section 14, Petaling Jaya, leverages its TOD status to offer connectivity, notably with direct access to the Asia Jaya LRT station. This advantage is pivotal for residents, particularly young professionals and couples, offering them an elevated living experience. Paramount is launching Phase 2 in 2024, comprising 876 units of serviced apartments (including affordable homes) and 5 retail spaces in mid-2024. Each unit will be semi-furnished, designed to meet the demands of contemporary living, while the development's extensive amenities support both personal and family growth.



MANAGEMENT DISCUSSION AND ANALYSIS

Sejati Residences, Cyberjaya

The final phase of Sejati Residences will comprise 174 units of three-storey strata link homes, further expanding the Sejati development collection. Occupying 10.0 acres of freehold land in Cyberjaya, the development with its FIABCI award winning club house is designed to meet the high standards of modern living.

Greenwoods Salak Perdana, Sepang

The launch of 368 units of semi-detached cluster townhouses at our 237-acre Greenwoods township in Salak Perdana, Sepang, marks an expansion in our diverse offerings.

The Senna townhouses with four bedrooms and three bathrooms are designed to meet the needs of modern families, offering a comfortable living environment close to the airport, with schools and retail options nearby.

Berkeley Uptown, Klang

Berkeley Uptown is set to launch another 289 units of serviced apartments in a resort-style environment.

The development is set to revitalise Klang's central business district, featuring lush parks and modern amenities, with Sri KDU International School built (and already operating) as part of the development.

Utropolis Batu Kawan, Penang

Utropolis Batu Kawan is launching another 259 units of apartments at the integrated development. These new units with unique features that would be announced at the launch would continue the tradition of offering flexible living solutions. The development at the eco-city will benefit from Batu Kawan's significant growth and the revitalisation of the electrical and electronics sector.

Bukit Banyan, Sungai Petani

Bukit Banyan is set to expand further with the launch of single-storey and double-storey terrace houses, putting into the market another 430 units of homes in the hill park township of 657 acres.

Coworking Space Launches in FY2024

Paramount Coworking opened a new space at The Five at Damansara Heights, Kuala Lumpur in January 2024, making The Five space, the seventh in the coworking division's seventh year of operations. With this expansion, Co-labs Coworking has 167,000 sq ft under management.

"Plans are underway to open at least one more space in Kuala Lumpur in 2024, and we have started looking beyond the Klang Valley to double the space to 300,000 sq ft in the next two years."

From left to right: Wayne Yap Assistant General Manager of Paramount Coworking, Benjamin Teo Deputy Group CEO of Paramount Corporation Berhad and Jeffrey Chew Group CEO of Paramount Corporation Berhad officiating the launch of Co-labs Coworking at The Five, Damansara Heights

We are confident that our asset-light and flexible office lease options can cater to the changing needs of businesses, and look forward to growing the business to capitalise on the growth of the Malaysian economy amid a rising cost environment. Plans are underway to open at least one more space in Kuala Lumpur in 2024, and we have started looking beyond the Klang Valley to double the space to 300,000 sq ft in the next two years.

FIVE-YEAR GROUP **FINANCIAL HIGHLIGHTS**

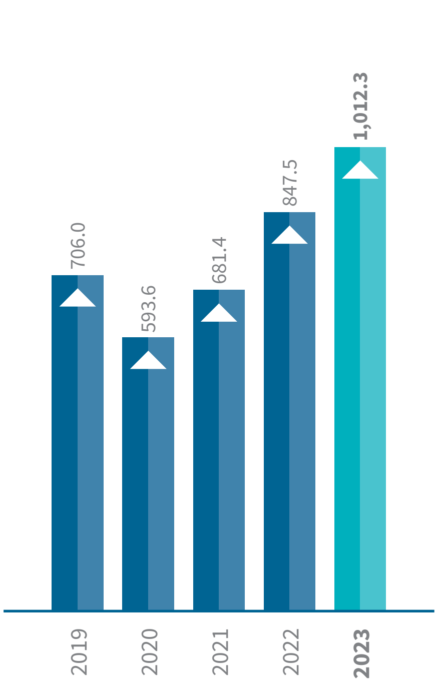
Financial Year Ended 31 December

	Year 31 Dec 2023 RM'000	Year 31 Dec 2022 RM'000	Year 31 Dec 2021 RM'000	Year 31 Dec 2020 RM'000 (Restated)	Year 31 Dec 2019 RM'000 (Restated)
Continuing Operations					
Revenue	**1,012,252**	847,464	681,351	593,562	705,974
Profit before tax	**130,223**	105,123	70,316	51,474	88,159
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**179,176**	194,334	113,928	89,147	126,366
Profit after tax	**95,076**	75,138	42,711	31,337	53,994
Discontinued Operations					
Profit after tax	**-**	-	-	471,126	64,480
Profit for the period	**95,076**	75,138	42,711	502,463	118,474
Profit attributable to ordinary equity holders of the Company	**82,837**	60,200	28,534	486,390	103,533
Total assets	**2,977,090**	3,125,145	2,952,606	2,964,574	3,071,699
Total liabilities	**1,346,603**	1,460,171	1,262,086	1,285,266	1,609,404
Total borrowings	**814,264**	1,015,238	963,100	954,210	911,945
Shareholders' equity	**1,429,661**	1,465,090	1,440,962	1,429,653	1,139,126
Total equity	**1,630,487**	1,664,974	1,690,520	1,679,308	1,462,295
FINANCIAL INDICATORS					
Interest cover (times)	**5**	5	4	3	4
Earnings per share (sen)	**13.31**	9.69	4.61	79.33	17.09
Net assets per share (RM)	**2.30**	2.36	2.33	2.33	1.88
Gross dividend per share (sen)	**7.00**	18.00	3.00	31.50	6.50
Dividend yield (%)	**7.5%**	23.7%	4.3%	38%	5.3%
Return on equity (%)	**6%**	4%	2%	43%	10%
Return on total assets (%)	**3%**	2%	1%	16%	3%
Gross gearing ratio (%)	**50%**	61%	57%	57%	62%
Net gearing ratio (%)	**37%**	41%	46%	45%	53%

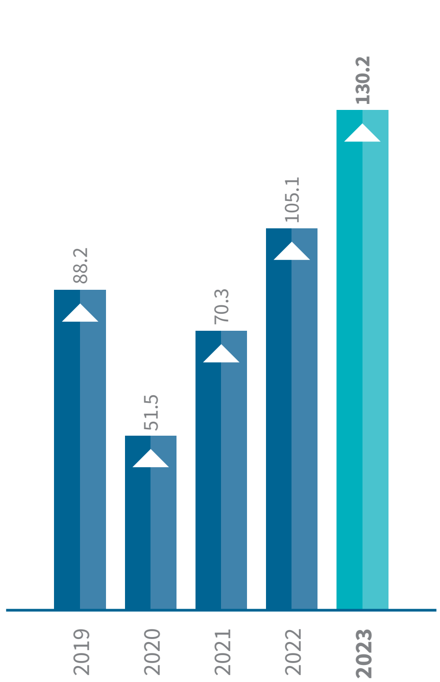
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December

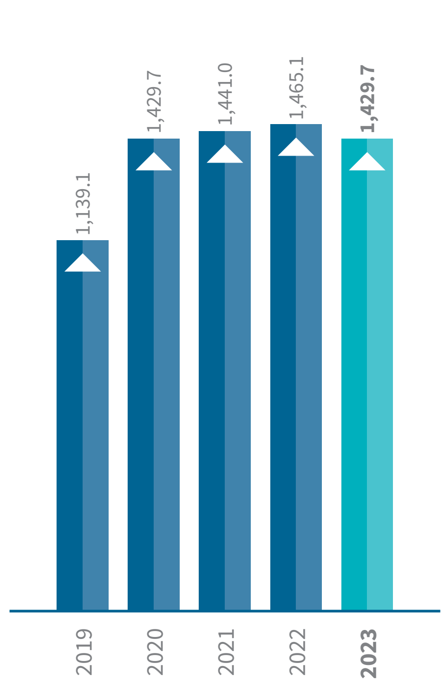
REVENUE (RM million)



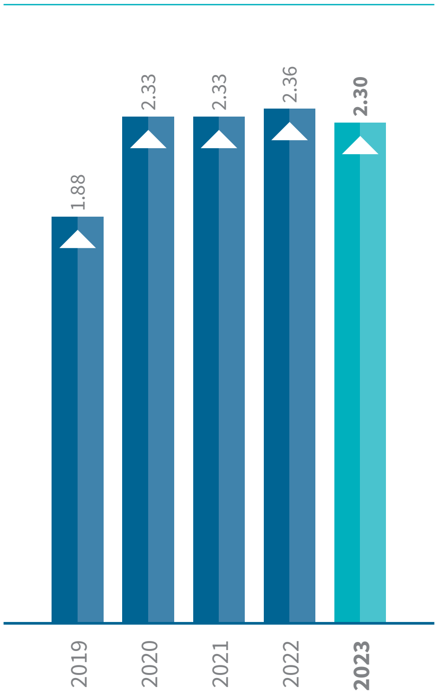
PROFIT BEFORE TAX (RM million)



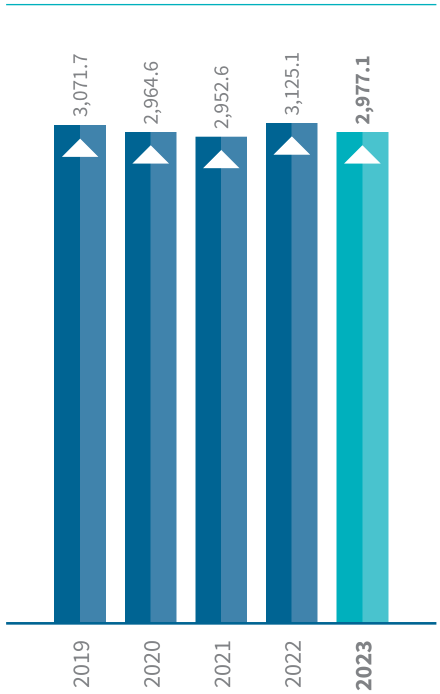
SHAREHOLDERS' EQUITY (RM million)



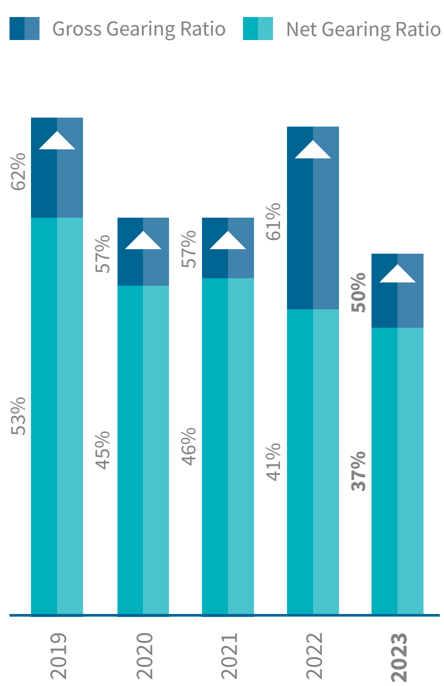
NET ASSETS PER SHARE (RM)



TOTAL ASSETS (RM million)



GROSS/NET GEARING RATIO



SUSTAINABILITY **STATEMENT**

CREATING SUSTAINABLE VALUE FOR THE FUTURE

At Paramount Corporation Berhad (**Paramount** or **the Company**), we believe in building a sustainable future by creating lasting value for our businesses, stakeholders, community and the environment.

Throughout our journey of over 50 years, our vision of "Changing Lives and Enriching Communities for a Better World" has remained our guiding light as we strive to create long term value in everything we do. Our core values are embodied in the acronym T.R.I.B.E. which calls for all employees to do what is right while respecting and caring for others, and to be bold while operating in the spirit of innovation and entrepreneurship.

Our sustainability aspirations of "Creating Sustainable Value for the Future" involves taking actions today that will have a positive impact on future generations. This means Paramount will continue to embrace change, transform our businesses and explore innovative solutions to future-proof our business and create value with tomorrow in mind. All this, while maintaining a strong focus on corporate governance, business ethics and integrity.

This Sustainability Statement provides a summary of the key sustainability highlights of Paramount and our subsidiaries (**the Group**) for the reporting period from 1 January 2023 to 31 December 2023. It is to be read jointly with the standalone Sustainability Report which can be accessed via the QR code on this page.

Scan the QR code to view or download a soft copy of the Sustainability Report 2023

SUSTAINABILITY STATEMENT

SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS 2023

Building Economic Resilience

Direct Economic Impact

RM1.0 billion
Revenue

RM82.8 million
Profit attributable to ordinary equity holders

RM1.1 billion
Property sales

RM1.4 billion
Unbilled property sales

Dividend to Shareholders

7.0 sen per share

Target: At least 20% of profit attributable to ordinary equity holders

Data Privacy and Security

Zero major cybersecurity breach

Supply Chain Management

99%
Local suppliers

Anti-Bribery & Corruption

Zero reported cases

Delivering Excellence in Products & Services

Product Quality & Innovation

Average
80%
QLASSIC score

Target: Average >75%

Customer Satisfaction

Average
83%
Customer satisfaction index score

Target: Average >80%

SUSTAINABILITY STATEMENT

Ensuring Responsible Environmental Management

Compliance

Zero compound/ fines from authorities

Energy Management

Average
126 kWh/m²/year
Building Energy Intensity
across Paramount reported operations
Target: <130 kWh/m²

Waste Management

3,433 mT
of construction waste recycled

Carbon Emissions

Established carbon emissions inventory and baseline of
5,640.99 tCO_2e
Scope 1 and 2 emissions

Biodiversity

2,445
trees planted

239 IUCN
endangered species planted
(podocarpus costalis)

Water Management

Total water consumption of
230,250 m³/year

Creating Positive Community Impact

Health & Safety

Zero fatality & non-compliance

3 projects received 5-star ratings
SHASSIC score
Target: 4-star and above

Training & Development

Average
37
training hours per employee
Target: Average >16 training hours per employee

Labour Practices & Human Rights

Zero human rights violations/ complaints

Community Investment

RM626,000
benefiting over 45 organisations
Target: Approximately 1% of Profit After Tax

Diversity

Workforce by gender

53% Male

47% Female

SUSTAINABILITY
STATEMENT

OUR SUSTAINABILITY APPROACH

Sustainability Framework

Paramount's sustainability efforts are anchored on Economic, Environment, Social and Governance pillars, upon which all sustainability priorities and materiality matters are framed. These are aligned with our material matters and designed to meet Paramount's overall business and growth strategy. In addition, we are committed to supporting the United Nations Sustainable Development Goals (**UN SDGs**) and strive to deliver sustainable value with purpose.

It is upon this foundation that Paramount's Sustainability Framework is formed and practiced within the Group. This framework may be updated periodically taking into consideration shifts in business priorities as well as the latest industry and market developments.

Priorities

- Building Economic Resilience
- Delivering Excellence in Products & Services
- Ensuring Responsible Environmental Management
- Creating Positive Community Impact

Governance

Pillars / **Material Matters**

Economic

- Anti-Bribery & Corruption
- Economic growth & performance
- Product quality & innovation
- Service quality & customer satisfaction
- Data privacy and security
- Supply chain management

Environmental

- Climate change & emissions
- Water management
- Waste management
- Biodiversity

Social

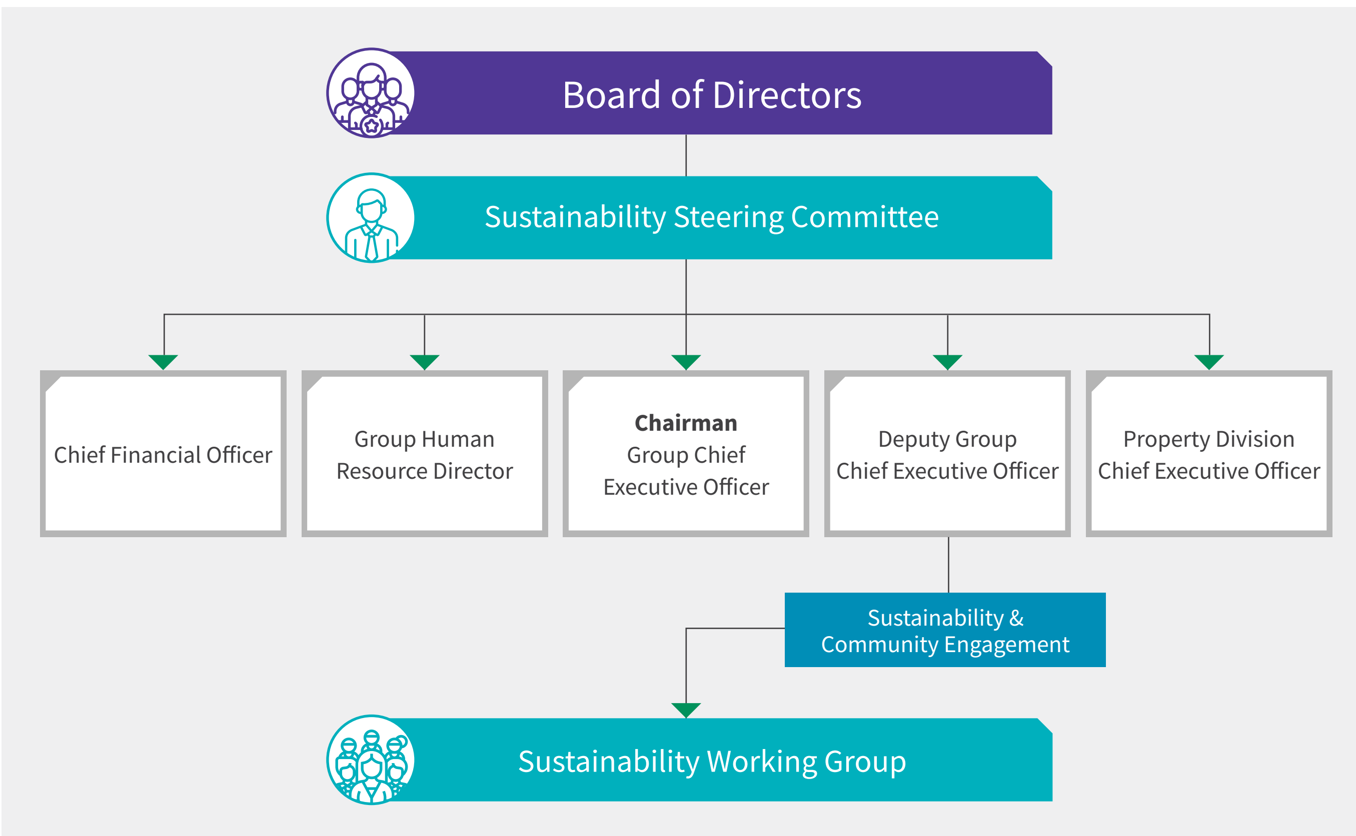
- Safety, health and well-being
- Talent development and training
- Labour practices and human rights
- Diversity and equal opportunity
- Community engagement

In Alignment with UN SDGs

Sustainability Governance Structure

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

In 2023, a dedicated Sustainability & Community Engagement team reporting to the Deputy Group CEO who is the Designated Sustainability Officer was set up to facilitate sustainability-related tasks and initiatives on a day-to-day basis.



COMMON SUSTAINABILITY MATTERS AND SUMMARY OF PERFORMANCE DATA

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	99.00
Executive	Percentage	97.00
Non-executive	Percentage	89.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	626,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	45
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	13.00
Senior Management Above 50	Percentage	87.00
Management Under 30	Percentage	1.00
Management Between 30-50	Percentage	72.00
Management Above 50	Percentage	27.00
Executive Under 30	Percentage	33.00
Executive Between 30-50	Percentage	58.00
Executive Above 50	Percentage	10.00
Non-executive Under 30	Percentage	16.00
Non-executive Between 30-50	Percentage	32.00
Non-executive Above 50	Percentage	51.00
Gender Group by Employee Category		
Senior Management Male	Percentage	87.00
Senior Management Female	Percentage	13.00
Management Male	Percentage	47.00
Management Female	Percentage	53.00
Executive Male	Percentage	47.00
Executive Female	Percentage	53.00
Non-executive Male	Percentage	80.00
Non-executive Female	Percentage	20.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	13.00
Above 50	Percentage	87.00

Internal assurance | External assurance | No assurance | (*)Restated

Notes:

1. *Under Bursa C2(b), the stated number of beneficiaries pertain to organisations, not individuals*
2. *Under Bursa C5(c), the stated number of employees trained include site workers and contractors*

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2023
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	6,734.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,656
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	259
Management	Hours	9,477
Executive	Hours	7,690
Non-executive	Hours	244
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	13.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Management	Number	8
Executive	Number	31
Non-Executive	Number	15
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	230.250000

Internal assurance | External assurance | No assurance | (*)Restated

Notes:

1. *Under Bursa C2(b), the stated number of beneficiaries pertain to organisations, not individuals*
2. *Under Bursa C5(c), the stated number of employees trained include site workers and contractors*

03

HOW WE ARE **GOVERNED**

BOARD OF DIRECTORS

1 **QUAH CHEK TIN**
Chairman & Independent
Non-Executive Director

2 **JEFFREY CHEW SUN TEONG**
Group Chief Executive Officer
& Executive Director

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

4 **ONG KENG SIEW**
Senior Independent
Non-Executive Director

5 **QUAH POH KEAT**
Independent
Non-Executive Director

6 **FATIMAH BINTI MERICAN**
Independent
Non-Executive Director

7 **FOONG PIK YEE**
Independent
Non-Executive Director

8 **DATO' ONG ENG BIN**
Independent
Non-Executive Director

PROFILE OF BOARD OF DIRECTORS

QUAH CHEK TIN

Chairman & Independent Non-Executive Director

Age
72

Gender
Male

Nationality
Malaysian

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 from 2007 to 2019, during which time he had served as Chairman of the Audit Committee and 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.

Committee

- Nil

Qualification

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

Directorship in other Public Companies

Listed

- Genting Malaysia Berhad
- Batu Kawan Berhad

Non-listed

- Nil

PROFILE OF BOARD OF DIRECTORS

JEFFREY CHEW SUN TEONG

Group Chief Executive Officer
& Executive Director

Age
58

Gender
Male

Nationality
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 he held for six years. During his tenure at OCBC, he also served as a Director of Credit Bureau Malaysia Sdn Bhd (**CBM**), Credit Guarantee Corporation Malaysia Berhad (**CGC**) and OCBC Al-Amin Bank Berhad.

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

Under his management, Paramount consistently showed growth and profitability.

Since 2015, Paramount has launched 18 property projects comprising multiple phases, 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 transform Paramount's single-campus school education business into the largest pre-tertiary education group in Malaysia in 2017, subsequently unlocking its value in 2019 and completely exiting the business in 2022.

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

Under Mr Chew's leadership, Paramount won numerous awards in 2023, including the Malaysia Developer Awards 2023, where Paramount was ranked 1st for Best Qualitative for Market Capitalisation of below RM1.0 Billion, StarProperty Awards 2023 and BCI Asia Awards 2023. Tatler Malaysia named Mr Chew as one of Asia's Most Influential in 2023.

Mr Chew was on the Advisory Committee of ACCA Malaysia up to 2017 and a member of the Small Debt Resolution Committee of Bank Negara Malaysia up to December 2023. He is currently an Independent Director and Chairman of the Audit Committee of the Asian Banking School.

Committee

- Nil

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

Directorship in other Public Companies

Listed
- Nil

Non-listed
- Nil

PROFILE OF BOARD OF DIRECTORS

BENJAMIN TEO JONG HIAN

Deputy Group Chief Executive Officer
& Executive Director

Age
35

Gender
Male

Nationality
Malaysian

Mr Benjamin Teo joined the Board of Paramount as an Executive Director on 22 August 2019, and assumed the position of 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 the position as Director of Innovation at Paramount Property in 2015, and thereafter as CEO of Paramount Property Development Sdn Bhd until 31 August 2021.

In 2016, he created and launched Co-labs Coworking which has expanded manifold from one space to seven today across various strategic locations in the Klang Valley. Currently, it has a total of 167,000 square feet under management with an average occupancy rate of 75%.

Dewakan, which comes under Mr Teo's management oversight, has also accomplished several significant milestones. It was the first Malaysian restaurant to secure a spot in Asia's 50 Best Restaurants in 2019, which continued in 2022. In 2023, Dewakan became the first Malaysian restaurant to receive two MICHELIN stars, rising from one MICHELIN star in the previous year.

Mr Teo is also the designated officer within management to provide a dedicated focus on managing the Group's environmental, social, and governance (**ESG**) sustainability agenda.

Committee

- Nil

Qualification

- Bachelor of Politics and Sociology (Hons), University of Nottingham, United Kingdom

Directorship in other Public Companies

Listed
- Nil

Non-listed
- Nil

PROFILE OF BOARD OF DIRECTORS

ONG KENG SIEW

Senior Independent Non-Executive Director

Age
67

Gender
Male

Nationality
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. He assumed the role of Senior Independent Non-Executive Director of Paramount on 3 August 2022.

Mr Ong began his career with the Group as an Accountant in 1981 and was promoted to Finance and Administration Manager in 1984. He was subsequently appointed as 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 and Deputy Group CEO in 1997 before succeeding the late Dato' Teo Chiang Quan as the Managing Director and 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 and CEO of Paramount.

Currently, in addition to his directorship in public companies, Mr Ong also serves as a director of Perbadanan Aset Keretapi (Railway Assets Corporation), a federal statutory body established under the Railway Act 1991.

Committee

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

Qualification

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

Directorship in other Public Companies

Listed
- Pekat Group Berhad
- United Malacca Berhad

Non-listed
- Nil

PROFILE OF BOARD OF DIRECTORS

QUAH POH KEAT

Independent
Non-Executive Director

Age
71

Gender
Male

Nationality
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 was overseeing 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.

Thereafter, he remained active in the corporate world as an independent non-executive director of several listed and non-listed public companies.

Committee

- Audit Committee (Chairman)
- Nominating Committee (Member)

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

Directorship in other Public Companies

Listed
- Kuala Lumpur Kepong Berhad
- Malayan Flour Mills Berhad

Non-listed
- Public Mutual Berhad

PROFILE OF BOARD OF DIRECTORS

FATIMAH BINTI MERICAN

Independent
Non-Executive Director

Age
70

Gender
Female

Nationality
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 and Director of ExxonMobil Exploration and Production Malaysia Inc. before retiring in March 2014.

She is also a Neuro-Linguistic Programming (**NLP**) coach certified by the American Board of NLP since 2013.

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

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 working in collaboration with various organisations, such as the 30% Club Malaysia, TalentCorp Malaysia and the Institute of Chartered Accountants in England and Wales. She had also remained active in the corporate world as an independent non-executive director of several public companies, listed and non-listed.

Committee

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

Qualification

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

Directorship in other Public Companies

Listed
- Nil

Non-listed
- Nil

PROFILE OF BOARD OF DIRECTORS

FOONG PIK YEE

Independent
Non-Executive Director

Age
64

Gender
Female

Nationality
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.

In 1993 after returning to Malaysia, she joined Standard Chartered Bank (**SCB**). 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 in 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. Thereafter, Ms Foong remained active in the corporate world as an independent non-executive director of several public companies, listed and non-listed.

She was the chairperson of the Industry Advisory Board of Monash University Malaysia. She is also involved in the women in leadership mentoring programmes of the 30% Club, the 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.

Committee

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

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

Directorship in other Public Companies

Listed
- Nil

Non-listed
- AmBank (M) Berhad
- Prudential Assurance Malaysia Berhad
- QSR Brands (M) Holdings Berhad
- AmMortgage One Berhad

PROFILE OF BOARD OF DIRECTORS

DATO' ONG ENG BIN

Independent
Non-Executive Director

Age
60

Gender
Male

Nationality
Malaysian

Dato' Ong Eng Bin joined the Board of Paramount on 1 July 2023.

Dato' Ong began his career at Pricewaterhouse Malaysia (now known as PricewaterhouseCoopers Malaysia) in 1986. He had an impressive 35-year career at OCBC where he rose through the ranks from a Corporate Banking Officer in 1988 to several leadership roles in different divisions of the bank, including as CEO of OCBC for eight years from August 2014 until his retirement in December 2022.

During his tenure as CEO of OCBC, he was also the Chairman of Pac Lease Berhad and e2 Power Sdn Bhd and a Council Member of the Association of Banks in Malaysia. He was an Adviser to the Chairman of OCBC until 30 June 2023 and an Independent Non-Executive Director of CGC and CBM until 13 October 2023.

Currently, in addition to his directorship in public companies, Dato' Ong is also a Non-Executive Director of the Asian Banking School and a Council Member of the Asian Institute of Chartered Bankers.

Committee

- Remuneration Committee (Member)
- Board Risk Management Committee (Member)

Qualification

- Bachelor of Arts (Hons) in Accounting and Finance, University of Manchester, United Kingdom

Directorship in other Public Companies

Listed
- Oriental Holdings Berhad
- Inari Amertron Berhad

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 2023 are disclosed in the Corporate Governance Overview Statement on pages 54 to 62 of this Annual Report.

None of the Directors:
- *has any family relationship with any other directors and/or any major shareholders of Paramount.*
- *has been convicted of any offences within the past five years nor has received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*
- *has any conflict of interest (**COI**) or potential COI with Paramount and its subsidiaries.*

PROFILE OF KEY SENIOR MANAGEMENT

JEFFREY CHEW SUN TEONG

Group Chief Executive Officer & Executive Director

Kindly refer to Profile of the Board of Directors on page 45 for his profile.

BENJAMIN TEO JONG HIAN

Deputy Group Chief Executive Officer & Executive Director

Kindly refer to Profile of the Board of Directors on page 46 for his profile.

FOONG POH SENG

Chief Financial Officer

Age	Gender	Nationality
58	Male	Malaysian

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

Mr Foong Poh Seng has some 30 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 recording, tracking 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, fundraising and record keeping, forecasting, reporting, deal analysis and negotiations, and investor relations.

PROFILE OF KEY SENIOR MANAGEMENT

JEFFREY QUAH CHUAN TATT

Group Human Resource Director

Age
58

Gender
Male

Nationality
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 and development in the organisation, including driving the Group's talent management: Leading with Energy and Passion (LEAP) and Emerging Leader in Transition (ELITe). He is currently focused on three main strategies – digitalisation; developing, integrating, and inculcating the right culture; 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
53

Gender
Male

Nationality
Malaysian

- Bachelor of Civil Engineering, University of Technology Malaysia

Mr Chee Siew Pin graduated from University of Technology Malaysia with a degree in Civil Engineering and is a certified Professional Engineer with the Board of Engineers Malaysia. He has over 28 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 and resort developments in Malaysia, Thailand, and Indonesia.

His field of experience includes development feasibility, product planning, project financing, costing, procurement, sales and 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 and partnerships to deliver results that are efficiently aligned to the Company's values, business objectives, and shareholders' interests.

*None of the Key Senior Management (**KSM**):*

- *has any other directorship in listed and non-listed public companies.*
- *has any family relationship with any other directors and/any major shareholders of Paramount.*
- *has been convicted of any offences within the past five years, nor has received any public sanction or penalty imposed by relevant regulatory bodies during the financial year.*
- *has any conflict of interest (**COI**) or potential COI with Paramount and its subsidiaries.*

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 in line with the three key corporate governance principles set out in the Malaysian Code on Corporate Governance 2021 (**MCCG**).

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 2023 (**CG Report 2023**) that is available on the Company's website at www.pcb.my. The CG Report 2023 provides a more detailed account of Paramount's corporate governance processes and activities in the financial year ended 31 December 2023 (**FY2023**) and during the period from 1 January 2024 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 financial statements for FY2023).

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

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 (**IT**), and management allows for effective oversight of the Group's businesses based on diverse perspectives and insights.

The Board is led by Mr Quah Chek Tin, an Independent Non-Executive Chairman who is not a member of any of the four Board Committees, namely, the Audit Committee, Nominating Committee, Remuneration Committee and Board Risk Management Committee nor is he involved in the decision-making process of these Committees.

Dato' Ong Eng Bin joined the Board as an Independent Non-Executive Director (**INED**) on 1 July 2023, and this resulted in an adjustment of the Board's composition to 75% INEDs and 25% female representation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 monitoring the status of conformance with corporate governance best practices.

Board Committees

Audit Committee (AC)
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 (NC)
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 (RC)
Assesses the remuneration of Executive and Non-Executive Directors as well as C-Suite executives to ensure that their remuneration commensurate with their responsibilities and contribution to the Group's performance and future growth.

Board Risk Management Committee (BRMC)
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 shareholders value and support the Group's environmental, social and governance (**ESG**) sustainability agenda.

Deputy GCEO
Responsible for the planning, implementation, management and administration of the business activities of Paramount Property, Co-labs Coworking and Dewakan, and the operational as well as financial performance of these businesses. Is the designated officer within management to provide dedicated focus to drive and manage the Group's ESG sustainability agenda.

Management Committees

Executive Risk Management Committee (ERMC)
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 (SSC)
Evaluates the Group's sustainability risks and opportunities, and monitors the progress of the Group's sustainability commitments and initiatives.

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

IT Committee
Oversees the establishment of appropriate governance to ensure that the application, management and review of the Group's IT strategies are consistent with the goals and objectives of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A more detailed account of the roles and responsibilities of each of the above governing bodies and positions are provided in the CG Report 2023 that is available on the Company's website.

Promotion of Good Business Conduct

- Code of Business Conduct & Ethics

  Paramount had 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 had adopted an Anti-Bribery & Corruption Policy in 2020. A set of Anti-Bribery & Corruption Guidelines has also been drawn up since then for all internal stakeholders, and training is provided across the Group via the Company's EAT (Employee Awareness Tool) platform on a yearly basis as a reminder of Paramount's stance on bribery and corruption.

  The Directors also adhere to the practice of declaring 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.

- Related Party Transactions (**RPTs**)

  All RPTs are subject to the prior approval of the AC, and the Internal Audit Department (**IAD**) has been tasked to verify whether the terms of the RPTs are fair and at arm's length before any submission thereof to the AC for its consideration. IAD is also required to highlight to the AC should there be any non-adherence to the procedure put in place to monitor RPTs. All on-going recurrent RPTs are submitted to the AC for its review on a quarterly basis.

  Except as disclosed in Note 38 to the audited financial statements of the Company for FY2023, there were no RPTs involving the Directors in FY2023 and during the period from 1 January 2024 up to the last practical date for the publication of this statement.

- Conflict of Interest (**COIs**)

  A comprehensive framework to identify, evaluate, approve, report and monitor COIs was established in August 2023 for better governance and accountability in relation to COI situations. All directors, key senior management as well as staff who are involved in the tender evaluation process of the Group are required to sign, at the beginning of each financial year, a confirmation on avoidance of COI and commitment to declare immediately to the Board if there are any COIs or potential COIs involving them. The IAD has been tasked to verify the status of COIs and report to the AC on a quarterly basis. The AC had reviewed the joint report on COIs from the Secretary and IAD, and noted from the report that the Group had not come across any incidence of COI in FY2023.

  The NC also takes into account COI considerations when evaluating the eligibility of directors standing for election/re-election at annual general meetings as well as the nomination of new directors to the Board.

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 had, 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 FY2023 and during the period from 1 January 2024 up to the last practical date for the printing of this statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Whistleblowing Policy

In promoting a culture of high integrity and greater transparency, the Board had, 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 AC at pkquah@pcb.my or the Head of Internal Audit at whistleblower@pcb.my. The whistleblowing channel did not receive any information on 'reportable activities' in FY2023 and during the period from 1 January 2024 up to the last practical date for the printing of this statement.

Board Operations

The Board's activities in FY2023 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 five (four scheduled and one ad-hoc) Board meetings held in FY2023, and the Directors' attendance at the Board and Board Committee meetings held in FY2023 were as follows:

Director	Board	AC	NC	RC	BRMC
Quah Chek Tin	5/5	-	-	-	-
Jeffrey Chew Sun Teong	5/5[#]	-	-	-	-
Benjamin Teo Jong Hian	4/5[#]	-	-	-	-
Ong Keng Siew	5/5	-	2/2	2/2	2/2
Quah Poh Keat	5/5	5/5	2/2	-	-
Fatimah Merican [(1)]	5/5	5/5	2/2	2/2	2/2
Foong Pik Yee	5/5	5/5	-	-	2/2
Dato' Ong Eng Bin [(2)]	3/3	-	-	-	-

The INEDs met amongst themselves separately without the presence of the two Executive Directors (**EDs**), during one of the five Board meetings, to discuss strategic, governance and operational matters relating to the Group.

Notes:
(1) ceased to be a member of the BRMC on 1 October 2023
(2) appointed as a member of the Board on 1 July 2023 and as a member of the RC and BRMC on 1 October 2023
\# 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 FY2023 and during the period from 1 January 2024 up to the last practical date for the printing of this statement are provided in the CG Report 2023 that is published on the Company's website.

Board Assessment

The Directors conducted their yearly Self and Peer Assessment in November 2023 based on a revamped set of questions proposed by the NC, and the results were reviewed by the NC in January 2024. 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. In addition, a separate detailed assessment for the AC was drawn up to evaluate the effectiveness of the AC as a whole and individual AC members in carrying out their duties in accordance with the terms of reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Adequacy of the Board mix and composition, the quality of information and decision making, efficiency and integrity of the Board's operations based on the quality of information and decision-making, the Board's working relationship with management and the Board's efforts on ESG issues are key criteria in the assessment of the Board and Board Committees.

The individual Directors were assessed based on the fit and proper criteria, their contribution and performance as well as their calibre and personality.

The Chairman was assessed based on his leadership role and his impartiality in overseeing the deliberation and decision-making process of the Board.

The assessment of the GCEO was based on his integrity and co-related to the execution of the Group's strategic plans by management and the achievement of performance targets set by the Board including the development of a succession plan for key roles.

All Directors, the Board, the Board Committees, the Chairman and the GCEO attained above average ratings in the 2023 Directors' Self and Peer Assessment exercise that was based on the new enhanced set of questionnaires. 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.

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 2023 that is published on the Company's website.

Since the adoption of the Directors' Fit and Proper Policy (**DFPP**) in June 2022, the Board had required that new Board candidates be subject to a fit and proper screening by an external service provider prior to any appointment to the Board.

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. In the event of any vacancy in the Board, resulting in fewer than the required number of at least two Directors or one-third of INEDs, the Company shall fill the vacancy within three months, as required under the MMLR.

The NC had, in accordance with these provisions in the Company's Constitution, conducted its evaluation of the eligibility of three Directors, namely, Mr Jeffrey Chew Sun Teong, Mr Quah Poh Keat and Dato' Ong Eng Bin, for re-election at the forthcoming 54th AGM. The NC had also conducted its evaluation of the eligibility of Mr Ong Keng Siew, who has served as an INED for a term of more than nine years, to continue to act as an INED of the Company until the conclusion of the next AGM. Mr Ong Keng Siew, being the Chairman of the NC, had abstained from deliberation and voting on his own evaluation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NC was satisfied with the evaluation results, and has recommended the abovementioned three Directors for re-election at the AGM, and for Mr Ong Keng Siew, the Senior INED, to continue to act as an INED of the Company until the conclusion of the next AGM.

The evaluation had taken into account (a) the Self and Peer Assessment results of the three Directors, namely, Mr Jeffrey Chew Sun Teong, Mr Quah Poh Keat and Mr Ong Keng Siew (who had attained above average ratings) save for Dato' Ong Eng Bin who was exempted from the first-year Self and Peer Assessment after his appointment on 1 July 2023; and (b) the time commitment of all the four Directors to discharge their duties effectively on the Board and Board Committees which they serve. In addition, all three INEDs had made declarations at the end of 2023 to re-confirm their status of independence. All four Directors had also declared their compliance with the Company's DFPP, as part of the assessment of their eligibility for re-election as a Director of the Company at the AGM.

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 FY2023, all Directors of Paramount have attended training programmes on a wide range of topics, as listed in the CG Report 2023 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. The procedural guide for this yearly succession planning exercise is disclosed in the CG Report 2023 that is available on the Company's website.

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 CEOs and 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 CEOs and senior management roles.

Remuneration of Directors and Key Senior Management

The Board had, since 2014, adopted a Board Remuneration Policy that sets out the manner in which the remuneration of Directors is 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 three 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 2024 to 30 June 2025 had been proposed for shareholders' approval at the forthcoming 54th AGM. A detailed disclosure of the Directors' remuneration on a named basis is presented in the CG Report 2023 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 as well as the overall average salary increments and bonus payments of the Group based on the recommendation of the RC, which is tasked to review management's proposals on increments and bonuses. 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Governance of Sustainability

The Board acknowledges the importance of integrating sustainability considerations into the development of the Group's strategic business plans, and had adopted a Sustainability Policy on 31 March 2023, which is published on the Company's website, to give more guidance on its expectations of management's performance in advancing the Company's sustainability agenda.

The Board had also identified Mr Benjamin Teo Jong Hian, the Deputy GCEO, as the designated officer within management to provide dedicated focus to manage the Group's ESG sustainability agenda including the integration of sustainability considerations into the day-to-day operations of the Group.

The Company's Sustainability Statement for FY2023 was reviewed by the IAD, and submitted to the SSC for endorsement prior to publication in the Company's Annual Report 2023. A more detailed report is available on the Company's website at www.pcb.my.

For effective and timely communication of the Group's progress in advancing its sustainability agenda to all internal and external stakeholders, a dedicated "Sustainability" section has been created on the Company's website where all sustainability statements issued by the Company, including updates, are posted.

Efforts are also in progress to set feasible and realistic ESG targets for implementation in 2024 and beyond.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Independence and Effectiveness of the AC

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, the Association of Chartered Certified Accountants, and the Institute of Chartered Accountants, Australia. Their qualifications and extensive experience in the area of financial reporting and management of internal controls provide assurance to the Board that the AC 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 addition, the re-appointment of Puan Fatimah Merican (whose key competency is in IT) as a member of the AC in 2022 provides diversity of views, particularly from a systems perspective, to strengthen the quality of deliberations at the AC meetings.

In the discharge of its duties, the AC has adopted sound practices for its review of all financial reporting and dividend proposals by management before tabling to the Board for approval. Embedded within the Company's internal control framework are also sound practices for the AC's evaluation of RPTs, COIs as well as the performance and suitability of the external and internal auditors. A more detailed description of such practices is presented in the CG Report 2023 that is published on the Company's website.

Risk Management and Internal Control Framework

During FY2023, the Board, through 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 ERMC 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, bribery and corruption, and sustainability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

To further strengthen the Group's system of internal controls, the Board had, since 2019, based 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.

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.

All general announcements and quarterly results released to Bursa Securities, and presentation slides presented at Investor Relations (**IR**) 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 IR 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. A 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. More details on the Company's IR activities and briefing schedules are available on the Company's website.

Stakeholders are welcomed to provide their views, feedback or complaints to the IR Department at ir@pcb.my.

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 2022 was presented to shareholders at the 53rd AGM that was held at the Company's hotel, Mercure Kuala Lumpur Glenmarie, on 15 June 2023. Shareholders were invited to raise queries, and in this respect, the Board is pleased to report that all questions raised by shareholders at the 53rd AGM were adequately attended to by the Board. All resolutions proposed were duly approved by the shareholders present at the meeting, and the minutes of the said AGM was available on the Company's website within 30 business days after conclusion of the AGM.

Voting on all resolutions proposed in the Notice of the forthcoming 54th AGM to be held at Mercure Kuala Lumpur Glenmarie 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 and subject to annual shareholders' approval through two-tier voting process. 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.

- The Board comprises at least 30% women directors. The Company had 33.3% women directors from 1 July 2020 to 31 August 2022. The percentage had reduced to 25% after the departure of a woman director on 1 September 2022 to pursue a full-time career. The Board will continue its efforts to identify suitable female candidates to reinstate the representation to 30%.

- 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 2023.

- Leveraging technology to facilitate voting in absentia and remote shareholders' participation at general meetings. The Company, after having conducted a post-event evaluation of the two virtual AGMs held in 2020 and 2021, found that physical meetings are more effective for interactive engagement and robust discussion with shareholders on a face-to-face basis without the technical constraints of a virtual meeting. The Company do encourage voting in absentia by providing shareholders with an online platform to submit their proxy forms with voting instructions to the Company's Share Registrar 24 hours prior to the meetings.

Note:

The Board Charter, Anti-Bribery and Corruption Policy, Boardroom Diversity Policy, Code of Business Conduct & Ethics, Directors' Fit and Proper Policy, Succession Planning Policy, Sustainability Policy, and Whistleblowing 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

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 behaviour in the conduct of the Group's business operations.
7	Conflict of Interest (**COI**) Framework	Provides a framework to identify, evaluate, approve, report and monitor COIs.
8	Crisis Communications Guidelines	Outline processes, roles and responsibilities in communicating with stakeholders in the event of a crisis.
9	Crisis Management and Business Continuity Guidelines	Sets out the 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.
10	Directors' Assessment Policy	Provides guidance and criteria for the yearly assessment of Paramount's Directors, Board of Directors, Board Committees, Chairman, and Group CEO.
11	Directors' Code of Ethics	Sets out the accountability standards required of Directors.
12	Directors' Fit and Proper Policy*	Sets out the criteria for assessment of new board candidates and existing Directors for re-election.
13	Digital Policy	Sets out the parameters, roles, and responsibilities of those who manage or use applications, data and information that belongs to the Group.
14	Dividend Policy	Sets out the parameters and procedures for the distribution of dividends by Paramount.
15	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.
16	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.
17	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.
18	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.

INTERNAL POLICIES, FRAMEWORKS AND GUIDELINES

No.	Title	Content
19	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.
20	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.
21	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.
22	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.
23	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.
24	Land Banking Guidelines	Sets out the salient legal parameters for the Group's land banking (both acquisition and disposal) transactions.
25	Media Engagement Policy	Sets out principles, roles and responsibilities of employees in relation to media engagement and communications.
26	Privacy Policy	Provides clear definition on ownership, responsibility and effective management of information assets, and sets out information handling rules.
27	Related Party Transaction Policy	Sets out requirements and procedures for evaluating potential conflicts of interest and disclosure obligations in all related party transactions.
28	Risk Management Policy and Framework	Sets out the processes, roles and responsibilities of risk identification, assessment and management of risks.
29	Succession Planning Policy*	Sets out the roles, responsibilities and processes for board and senior management succession planning.
30	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.
31	Sustainability Policy*	Sets out the roles and responsibilities of the Board and management, and the core pillars upon which the Group's environmental, social and governance (**ESG**) sustainability agenda is anchored.
32	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.
33	Whistleblowing Policy*	Sets out the mechanism for whistleblowers to voice concerns regarding suspected fraud, wrongdoings and malpractices to the Chairman of the Audit Committee at pkquah@pcb.my 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 2023 (**FY2023**).

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 (**INED**) and are appointed by the Board. The Board, through the Nominating Committee, reviews the terms of office and performance of the Committee and each of its members 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 five (5) meetings during FY2023 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)	5	5
Foong Pik Yee	5	5
Fatimah Binti Merican	5	5

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 would affect the Group, and the adoption of such changes by management.

2. External Audit

a. Reviewed the external auditors' audit plan, which included the scope and timeline of their annual audit, prior to the commencement of audit.

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

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

d. Reviewed the written assurance from the external auditors to the Committee that, they had been independent throughout the audit engagement for FY2023 in accordance with the terms of engagement, and all relevant professional and regulatory requirements.

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 audit service and adequacy of resources they provided to the Paramount Group in relation to the year-end audit. The Committee took note of the openness in communication and interaction with the lead audit engagement partner and the engagement team, which demonstrated their independence, objectivity and professionalism.

AUDIT COMMITTEE REPORT

The results of the performance assessment of the external auditors for FY2023 supports the Committee's recommendation to the Board for the re-appointment of Ernst & Young PLT 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 FY2023 are disclosed in Note 8 to the audited financial statements of the Company for FY2023.

g. Met with the external auditors on 28 March 2023 and 20 November 2023 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 these meetings.

3. Internal Audit

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

b. Reviewed IA 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 IA plan remained relevant amidst changes in the business environment.

e. Met with the Head of IA on 26 May 2023 and 20 November 2023 without the presence of the executive board members and management.

f. Reviewed the report on the Long Term Incentive Plan (**LTIP**) of the Company to ensure compliance with the criteria set out in the By-Laws of the LTIP.

g. Reviewed and approved the amendments to IA Charter of the Company.

h. Reviewed and approved the amendments to the IA Policy of the IAD.

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

j. Reviewed the quarterly status update of activities on the whistleblowing channel.

k. 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 the 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 detrimental 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, evaluated, approved, reported and monitored.

5. Conflict of Interest Situations

a. Reviewed and approved the framework on conflict of interest (**COI**) involving directors and key senior management and staff who are involved in the tender process of the Group.

b. Reviewed the report on COI situations of the Group.

6. Annual Reporting

a. Reviewed the Committee's Report and summary of activities of the IA Function before submission to the Board for approval and for inclusion in the 2023 Annual Report.

7. Others

a. Reviewed the solvency assessments performed by management for the declaration of dividends.

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

SUMMARY OF ACTIVITIES OF THE IA 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 four personnel in IAD as at the financial year-end was 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 IA activities of the Group are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors, the IA Charter as well as policies and procedures of the Group. An annual risk-based IA plan, after having reviewed the adequacy of the scope, functions and resources of IAD as well as the competency of the internal auditors, was presented by IAD to the Committee for approval. 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 approved IA 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.

IA reports 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 were issued to management. Issues that required significant improvement were highlighted to the Committee for deliberation. The IAD provided quarterly updates to management and the Committee on the progress and status of the corrective actions.

The IAD verified/reviewed:

1. The terms of the RPTs from the perspective of fairness and at arms' length before submission thereof to the Committee for consideration;

2. The declarations of directors and key senior management pertaining to COI; and

3. The Sustainability Report for FY2023.

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 IA function was RM796,468.00 for FY2023 (RM769,203.00 for FY2022).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control for the financial year ended 31 December 2023 (**FY2023**) is made pursuant to the Main Market Listing Requirements (**MMLR**) 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 companies which the Group does not have any direct operational control. Nevertheless, board representation in the associate 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 two (2) directors, a majority of whom shall be Independent Non-Executive Directors (**INEDs**). 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The ERMC comprises the Group's key senior management including Chief Executive Officers (**CEOs**) of Strategic Business Units. It is chaired by the Group Chief Executive Officer (**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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 and 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 is also carried out to assess the financial impact of these risks to the Group, whenever applicable. The Group continues to maintain an optimal liquidity position and capital structure 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 to ensure that 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 brands are important assets, and they form 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
- Strengthening access management to all systems under the purview of the Group
- 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

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. Continuous education is also provided to the Group's employees on cyber security risks, threats, and trends.

Disaster Recovery Management is a part of managing the Group's Cyber Security Risk. Having a resilient IT eco-system is crucial for the Group's business continuity of key operations in the event of a natural disaster or technology breakdown such as fires, floods, earthquakes, major equipment failures, cyber-attacks and virus outbreaks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

7) ***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.

8) ***Sustainability risks***

Sustainability risks refer to uncertain social or environmental events or conditions that, if occurred, could have a material negative impact on the Group.

In managing these risks, the Group has a dedicated Sustainability Steering Committee to review, monitor and ensure that the Group's sustainability commitments are aligned with the Company's vision and mission. Further details on these risks and the Group's key risk management plans are provided in the Company's Sustainability Report, published on Paramount's website.

- ***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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 audit 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 THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Securities, 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 the Malaysian Approved Standard on Assurance Engagements, International 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 Chief Financial Officer of the Company that the risk management and internal control system is operating adequately and effectively in all material aspects for FY2023 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 statement and corrective actions have been taken.

04 THE **FINANCIALS**

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 2023.

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	95,076	62,040
Attributable to:		
Owners of parent	82,837	49,828
Holders of Private Debt Securities ("PDS")	12,212	12,212
Non-controlling interests	27	-
	95,076	62,040

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 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022:	
Single-tier special dividend of 12.00 sen on 622,726,366 ordinary shares, paid on 29 March 2023	74,727
Single-tier final dividend of 3.50 sen on 622,726,366 ordinary shares, paid on 12 July 2023	21,795
In respect of the financial year ended 31 December 2023:	
Single-tier interim dividend of 3.00 sen on 622,726,366 ordinary shares, paid on 21 September 2023	18,682
	115,204

DIRECTORS' REPORT

DIVIDENDS (CONT'D.)

On 28 February 2024, the Company declared a single tier second interim dividend of 4.0 sen per share in respect of the financial year ended 31 December 2023 on 622,726,366 ordinary shares, amounting to a dividend payable of RM24,909,000 which was paid on 27 March 2024.

The financial statements for the current financial year do not reflect the declared second interim dividend. The second interim dividend will be accounted for in equity as appropriation of retained earnings in the financial year ending 31 December 2024.

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
Chew Sun Teong *
Benjamin Teo Jong Hian *
Ong Keng Siew *
Quah Poh Keat
Fatimah Binti Merican
Foong Pik Yee
Dato' Ong Eng Bin (appointed on 1 July 2023)

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

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:

Datuk Seri Dr Yam Kong Choy
Foong Poh Seng
Jeffrey Quah Chuan Tatt
Chee Siew Pin
Wang Chong Hwa
Ooi Hun Peng
Dion Tan Yong Chien
Datuk Wong Baan Chun
Aidan Hamidon
Terence Chun Kiat Tan

DIRECTORS' REPORT

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 below) 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 38(b) to the financial statements.

	Group and Company RM'000
Directors of the Company	
Executive:	
Salaries	2,373
Fees	168
Bonus and other benefits	2,365
Defined contribution plan	542
Executive directors' remuneration excluding benefits-in-kind	5,448
Estimated monetary value of benefits-in-kind	247
	5,695
Non-executive:	
Fees	726
Other emoluments (meeting allowances)	58
	784
Total	6,479

DIRECTORS' INDEMNITY

As at the date of this report, the Company has 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' REPORT

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 2023	Bought	LTIP Shares Vested	At 31 December 2023
The Company				
Direct Interest				
Ong Keng Siew	5,582,780	-	-	5,582,780
Chew Sun Teong	8,929,840	-	146,200	9,076,040
Benjamin Teo Jong Hian	1,364,280	60,000	33,500	1,457,780
Deemed Interest				
Quah Poh Keat	1,339,520	-	-	1,339,520
Benjamin Teo Jong Hian	178,322,900	-	-	178,322,900

	Number of warrants			
	At 1 January 2023	Bought	Sold	At 31 December 2023
The Company				
Direct Interest				
Ong Keng Siew	1,595,080	-	(1,595,000)	80
Chew Sun Teong	644,640	-	(644,640)	-
Benjamin Teo Jong Hian	342,480	-	-	342,480
Deemed Interest				
Quah Poh Keat	382,720	-	(382,720)	-
Benjamin Teo Jong Hian	48,705,200	-	-	48,705,200

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D.)

	Number of ordinary shares under the LTIP			
	At 1 January 2023	Vested	Forfeited	At 31 December 2023
The Company				
Chew Sun Teong	1,250,400	(146,200)	(1,104,200)	-
Benjamin Teo Jong Hian	285,900	(33,500)	(252,400)	-

Benjamin Teo Jong Hian by virtue of his interest in shares in the Company is also deemed interested in the shares in all the Company's subsidiaries to the extent that the Company has an interest.

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 15 March 2023, 799,900 new ordinary shares in the Company were allotted and issued at the issue price of RM1.102 per share pursuant to the Company's Long Term Incentive Plan ("LTIP") via third vesting of 799,900 restricted shares ("RS") under the 2020 RS 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 of the Company ("LTIP shares"). The LTIP expired on 16 September 2023.

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 the directors 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 34 to the financial statements.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

(a) Before the income statements, statement of comprehensive income 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 all known bad debts have been written off 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) the amount written off for any bad debts or the amount of the allowance 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.

(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.

DIRECTORS' REPORT

SIGNIFICANT EVENT

Significant event during the financial year are disclosed in Note 44 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 is as follow:

	Group RM'000	Company RM'000
Statutory audit	713	209
Non-audit fee	36	5

There was no payment made or insurance effected to indemnify the auditors during the financial year and the period from 1 January 2024 to the date of this report.

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 April 2024.

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 88 to 193 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 2023 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 5 April 2024.

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 88 to 193 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 5 April 2024

Foong Poh Seng
MIA 7519

Before me,

Commissioner for Oaths

Yeoh Poh Im
B375
902, Level 9, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor

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 2023 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 material accounting policy information, as set out on pages 88 to 193.

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 2023, 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.

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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 on property development projects contributed approximately 95% 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) (cont'd.)

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

To address these area of audit focus, we performed, amongst others, the following procedures:
- We assessed and tested the design and operating effectiveness of the management's budgeting process.
- We reviewed management's workings on the computation of revenue and cost.
- We reviewed the gross development value by agreeing the estimated sales to the signed sales and purchase agreements for sold units and the approved selling prices for the remaining unsold units.
- We determined the completeness of cost components in the budget through discussion with the project managers and agreeing the estimated construction cost to the awarded contracts.
- We assessed the completeness of the cost incurred by vouching to the latest progress claims from the contractors, re-computed the stage of completion and observed the progress of the projects by performing site visits.
- For cost of work performed internally by the Group, we obtained and evaluated the estimates by interviewing project managers and benchmarked these budgeted costs against similar completed projects.

The Group's disclosures on property development activities are included in Notes 2.18(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, which we obtained prior to the date of this auditors' report, and the information included in the annual report, which is expected to be made available to us after the date of this auditors' report.

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.

When we read the information included in the annual report, if we concluded that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

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.

The directors are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT

to the members of Paramount Corporation Berhad (Incorporated in Malaysia) (cont'd.)

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.

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 management.

- 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.

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, actions taken to eliminate threats or safeguards applied.

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) (cont'd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 18 to the financial statements.

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. 02990/08/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
5 April 2024

CONSOLIDATED
INCOME STATEMENT

For the financial year ended 31 December 2023

	Note	2023 RM'000	2022 RM'000
Revenue	4	1,012,252	847,464
Other income		21,047	62,184
Property development costs		(721,376)	(608,775)
Employee benefits expenses	5	(57,537)	(54,939)
Depreciation and amortisation		(23,324)	(25,152)
Other expenses		(66,467)	(89,250)
Finance costs	7	(31,847)	(28,202)
Share of results of associates and a joint venture		(2,525)	1,793
Profit before tax	8	130,223	105,123
Taxation	9	(35,147)	(29,985)
Profit for the financial year		95,076	75,138
Profit attributable to:			
Ordinary equity holders of the Company		82,837	60,200
Holders of Private Debt Securities ("PDS") of the Company		12,212	15,111
Non-controlling interests		27	(173)
		95,076	75,138
Earnings per share ("EPS") attributable to ordinary equity holders of the Company (sen)			
- Basic	10(a)	13.31	9.69
- Diluted	10(b)	13.31	9.56

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2023

	2023 RM'000	2022 RM'000
Profit for the financial year	95,076	75,138
Other comprehensive income:		
Item that will not be reclassified to profit or loss		
Net loss on investment in quoted shares designated at fair value through other comprehensive income	(408)	(2,177)
Item that may be reclassified subsequently to profit or loss		
Foreign currency translation	179	(105)
Total comprehensive income	94,847	72,856
Total comprehensive income attributable to:		
Ordinary equity holders of the Company	82,608	57,918
Holders of PDS of the Company	12,212	15,111
Non-controlling interests	27	(173)
	94,847	72,856

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

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at 31 December 2023

	Note	2023 RM'000	2022 RM'000
Non-current assets			
Property, plant and equipment	12	117,197	118,897
Right-of-use assets	13	20,697	8,538
Inventories - land held for property development	14	812,235	860,690
Investment properties	16	530,156	522,176
Investments in associates and a joint venture	19	38,480	40,172
Other investments	20	8,331	8,730
Other receivables	22	23,966	15,076
Deferred tax assets	31	45,627	50,895
		1,596,689	1,625,174
Current assets			
Inventories - property development costs	14	219,758	232,986
Inventories - completed properties and other inventories	14	60,929	58,558
Contract cost assets	15	157,984	172,244
Trade receivables	21	82,420	111,374
Other receivables	22	34,723	35,307
Other current assets	23	9,098	9,118
Contract assets	24	596,176	534,590
Tax recoverable		16,125	10,774
Cash and bank balances	26	203,188	331,050
		1,380,401	1,496,001
Non-current assets held for sale	17	-	3,970
		1,380,401	1,499,971
Total assets		2,977,090	3,125,145
Current liabilities			
Borrowings	27	268,949	329,807
Lease liabilities	28	5,437	5,210
Trade payables	29	217,231	184,775
Other payables	30	241,857	181,235
Tax payable		1,435	7,396
Contract liabilities	24	252	206
		735,161	708,629
Net current assets		645,240	791,342

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 (cont'd.)

	Note	2023 RM'000	2022 RM'000
Non-current liabilities			
Borrowings	27	545,315	685,431
Lease liabilities	28	16,143	5,791
Other payables	30	47,329	56,494
Deferred tax liabilities	31	2,655	3,826
		611,442	751,542
Total liabilities		1,346,603	1,460,171
Equity			
Share capital	32	335,181	334,299
Reserves		1,094,480	1,130,791
Private debt securities	33	199,609	199,206
Non-controlling interests		1,217	678
Total equity		1,630,487	1,664,974
Total equity and liabilities		2,977,090	3,125,145

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2023

	←	Non-distributable		→	Distributable			
	Share capital RM'000	Employee share reserve # (Note 34) RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings (Note 35) RM'000	Non-controlling interests RM'000	Private debt securities (Note 33) RM'000	Total equity RM'000
At 1 January 2023	334,299	3,203	(6,969)	(515)	1,135,072	678	199,206	1,664,974
Total comprehensive (loss)/income	-	-	(408)	179	82,837	27	12,212	94,847
Transactions with owners								
Vesting of LTIP shares	882	(882)	-	-	-	-	-	-
Re-measurement of LTIP prior to settlement	-	(2,321)	-	-	-	-	-	(2,321)
Private debt securities distribution	-	-	-	-	-	-	(11,809)	(11,809)
Dividends (Note 11)	-	-	-	-	(115,204)	-	-	(115,204)
Acquisition of equity interest from non-controlling interests	-	-	-	-	(512)	512	-	-
Total transactions with owners	882	(3,203)	-	-	(115,716)	512	(11,809)	(129,334)
At 31 December 2023	335,181	-	(7,377)	(336)	1,102,193	1,217	199,609	1,630,487

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023 (cont'd.)

	◄ Non-distributable			► Distributable				
	Share capital RM'000	Employee share reserve # (Note 34) RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings (Note 35) RM'000	Non-controlling interests RM'000	Private debt securities (Note 33) RM'000	Total equity RM'000
At 1 January 2022	330,834	6,252	(4,792)	(410)	1,109,078	851	248,707	1,690,520
Total comprehensive income/(loss)	-	-	(2,177)	(105)	60,200	(173)	15,111	72,856
Transactions with owners								
Vesting of LTIP shares	3,465	(3,465)	-	-	-	-	-	-
Award of LTIP shares to employees	-	416	-	-	-	-	-	416
Private debt securities distribution	-	-	-	-	-	-	(14,612)	(14,612)
Redemption of private debt securities	-	-	-	-	-	-	(50,000)	(50,000)
Dividends (Note 11)	-	-	-	-	(34,206)	-	-	(34,206)
Total transactions with owners	3,465	(3,049)	-	-	(34,206)	-	(64,612)	(98,402)
At 31 December 2022	334,299	3,203	(6,969)	(515)	1,135,072	678	199,206	1,664,974

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 2023

	2023 RM'000	2022 RM'000
Cash flows from operating activities		
Profit before tax	130,223	105,123
Adjustments for:		
Depreciation of property, plant and equipment	10,674	12,741
Depreciation of right-of-use assets	4,451	4,086
Depreciation of investment properties	8,199	8,325
Property, plant and equipment written off	382	214
Loss on measurement to fair value less costs to sell of non-current assets held for sale	-	38,664
Additions of allowance for impairment of trade and other receivables	356	1
Reversal of impairment of property, plant and equipment	(955)	-
Reversal of impairment of investment properties	(300)	-
Reversal of impairment of right-of-use assets	(407)	-
Reversal of allowance for impairment of receivables	(1)	(13)
Share-based payment	(2,321)	416
Bad debts written off	250	62
Gain on disposal of non-current assets held for sale	(1,689)	-
(Gain)/loss on disposal of property, plant and equipment	(33)	5
Gain on disposal of investment properties	(5,535)	(53,686)
(Gain)/loss on lease remeasurement	(115)	52
Gain on lease derecognition	-	(99)
Net unrealised foreign exchange loss/(gain)	1,100	(281)
Share of loss/(profit) of associates and a joint venture	2,525	(1,793)
Interest expense	31,847	28,202
Interest income	(4,556)	(2,807)
Operating profit before working capital changes	174,095	139,212
Receivables	(35,005)	(63,083)
Inventories - property development costs, completed properties and other inventories	164,959	16,060
Payables	82,159	147,962
Cash generated from operations	386,208	240,151
Net taxes paid	(42,362)	(32,876)
Interest paid	(45,625)	(36,716)
Net cash generated from operating activities	298,221	170,559

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023 (cont'd.)

	2023 RM'000	2022 RM'000
Cash flows from investing activities		
Increase in land held for property development	(79,249)	(113,798)
Purchase of property, plant and equipment	(9,534)	(7,217)
Cost incurred for investment properties	(16,308)	(19,075)
Purchase of unquoted investement	-	(7,500)
Purchase of quoted investment	(9)	(283)
Investment in Peer-to-Peer ("P2P") notes	(6,472)	-
Proceeds from disposal of property, plant and equipment	50	18
Proceeds from disposal of investment properties	9,230	60,000
Proceeds from disposal of non-current assets held for sale	5,659	-
Proceeds from disposal of investments in associates	-	120,000
Interest received	4,556	2,807
Net cash (used in)/generated from investing activities	(92,077)	34,952
Cash flows from financing activities		
Dividends paid	(115,204)	(34,206)
Redemption of PDS	-	(50,000)
Payment of PDS distribution	(11,809)	(14,612)
Drawdown of borrowings	296,195	478,689
Repayment of borrowings	(506,876)	(402,703)
Placements in banks restricted for use	(17,371)	(3,052)
Principal portion of lease payments	(5,509)	(5,588)
Interest portion on lease payments	(510)	(552)
Net cash used in financing activities	(361,084)	(32,024)
Net (decrease)/increase in cash and cash equivalents	(154,940)	173,487
Cash and cash equivalents at beginning of financial year	296,811	123,324
Cash and cash equivalents at end of financial year (Note 26)	141,871	296,811

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023 (cont'd.)

Note:

Reconciliation of liabilities arising from financing activities:

	2023 RM'000	2022 RM'000
Borrowings (excluding overdraft) (Note 27)		
At 1 January	1,003,505	927,519
Drawdown of borrowings	296,195	478,689
Repayment of borrowings	(506,876)	(402,703)
Net changes in financing cash flows	(210,681)	75,986
At 31 December	792,824	1,003,505
Lease liabilities (Note 28)		
At 1 January	11,001	15,400
Principal portion of lease payments	(5,509)	(5,588)
Interest portion on lease payments	(510)	(552)
Net changes in financing cash flows	(6,019)	(6,140)
Other changes:		
Interest expense (Note 7)	510	552
Additions	16,253	2,596
Lease remeasurement (Note 28)	(165)	(108)
Lease derecognition (Note 28)	-	(1,007)
Others	-	(292)
	16,598	1,741
At 31 December	21,580	11,001

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

INCOME **STATEMENT**

For the financial year ended 31 December 2023

	Note	2023 RM'000	2022 RM'000
Revenue	4	87,074	54,286
Other income		46,924	98,433
Employee benefits expenses	5	(13,163)	(14,959)
Depreciation		(1,615)	(1,959)
Other expenses		(52,758)	(4,092)
Finance costs	7	(2,987)	(3,964)
Profit before tax	8	63,475	127,745
Taxation	9	(1,435)	(4,801)
Profit after tax, representing total comprehensive income for the financial year		62,040	122,944
Total comprehensive income attributable to:			
Ordinary equity holders of the Company		49,828	107,833
Holders of PDS of the Company		12,212	15,111
		62,040	122,944

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

STATEMENT OF **FINANCIAL POSITION**

As at 31 December 2023

	Note	2023 RM'000	2022 RM'000
Non-current assets			
Property, plant and equipment	12	892	1,584
Right-of-use assets	13	-	812
Investment properties	16	-	555
Investments in subsidiaries	18	816,037	789,287
Investments in associates and a joint venture	19	16,394	16,394
Due from subsidiaries	25	2,722	2,787
Other investments	20	269,915	228,095
Other receivables	22	4,010	-
Deferred tax assets	31	30	-
		1,110,000	1,039,514
Current assets			
Other receivables	22	2,439	495
Due from subsidiaries	25	466,506	608,783
Tax recoverable		4,584	4,612
Cash and bank balances	26	1,161	37,945
Non-current assets held for sale	17	-	2,732
		474,690	654,567
Total assets		1,584,690	1,694,081
Current liabilities			
Borrowings	27	90,178	130,904
Lease liabilities	28	-	727
Other payables	30	15,832	15,699
Due to subsidiaries	25	-	448
		106,010	147,778
Net current assets		368,680	506,789
Non-current liability			
Deferred tax liabilities	31	-	329
		-	329
Total liabilities		106,010	148,107

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 (cont'd.)

	Note	2023 RM'000	2022 RM'000
Equity			
Share capital	32	335,181	334,299
Reserves		943,890	1,012,469
Private debt securities	33	199,609	199,206
		1,478,680	1,545,974
Total equity and liabilities		1,584,690	1,694,081

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

STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2023

	Share capital RM'000	Non-distributable Employee share reserve # (Note 34) RM'000	Distributable Retained earnings (Note 35) RM'000	Private debt securities (Note 33) RM'000	Total equity RM'000
At 1 January 2023	334,299	3,203	1,009,266	199,206	1,545,974
Total comprehensive income	-	-	49,828	12,212	62,040
Transactions with owners					
Vesting of LTIP shares	882	(882)	-	-	-
Re-measurement of LTIP prior to settlement	-	(2,321)	-	-	(2,321)
Private debt securities distribution	-	-	-	(11,809)	(11,809)
Dividends (Note 11)	-	-	(115,204)	-	(115,204)
Total transactions with owners	882	(3,203)	(115,204)	(11,809)	(129,334)
At 31 December 2023	335,181	-	943,890	199,609	1,478,680
At 1 January 2022	330,834	6,252	935,639	248,707	1,521,432
Total comprehensive income	-	-	107,833	15,111	122,944
Transactions with owners					
Vesting of LTIP shares	3,465	(3,465)	-	-	-
Award of LTIP shares to employees	-	416	-	-	416
Private debt securities distribution	-	-	-	(14,612)	(14,612)
Redemption of private debt securities	-	-	-	(50,000)	(50,000)
Dividends (Note 11)	-	-	(34,206)	-	(34,206)
Total transactions with owners	3,465	(3,049)	(34,206)	(64,612)	(98,402)
At 31 December 2022	334,299	3,203	1,009,266	199,206	1,545,974

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 2023

	2023 RM'000	2022 RM'000
Cash flows from operating activities		
Profit before tax	63,475	127,745
Adjustments for:		
Depreciation of property, plant and equipment	865	1,132
Depreciation of right-of-use asset	744	812
Depreciation of investment property	6	15
Impairment of investment in subsidiaries	48,140	-
Gain on disposal of investments in associates	-	(62,689)
Gain on disposal of investment property	(1,351)	-
Gain on disposal of non-current assets held for sale	(2,927)	-
Loss on lease remeasurement	68	-
Gain on lease derecognition	-	(99)
Share-based payment	(2,059)	1,196
Bad debts written off	222	-
Accretion of investment income	(41,820)	(35,337)
Dividend income	(50,000)	(20,000)
Interest expense	2,987	3,964
Interest income	(18,970)	(19,600)
Operating loss before working capital changes	(620)	(2,861)
Receivables	296	12
Payables	133	(767)
Changes in subsidiaries balances	141,632	26,489
Cash generated from operations	141,411	22,873
Net tax paid	(1,766)	(4,352)
Interest paid	(2,970)	(3,908)
Net cash generated from operating activities	136,705	14,613
Cash flows from investing activities		
Proceed from disposal of investment property	1,900	-
Proceed from disposal of investments in associates	-	120,000
Proceed from disposal of non-current assets held for sale	5,659	-
Interest received	18,970	19,600
Dividends received	50,000	20,000
Subscription of Non-Cumulative Redeemable Convertible Preference Shares ("NCRCPS") in subsidiaries	(57,490)	(51,175)
Investment in P2P notes	(6,472)	-
Subscription of ordinary shares in subsidiaries	(17,400)	(2,910)
Purchase of property, plant and equipment	(173)	(109)
Net cash (used in)/generated from investing activities	(5,006)	105,406

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023 (cont'd.)

	2023 RM'000	2022 RM'000
Cash flows from financing activities		
Drawdown of borrowings	130,000	120,000
Repayment of borrowings	(180,000)	(80,000)
Distribution of PDS	(11,809)	(14,612)
Redemption of PDS	-	(50,000)
Dividends paid	(115,204)	(34,206)
Principal portion of lease payments	(727)	(890)
Interest portion on lease payments	(17)	(56)
Placement in banks restricted for use	37	(2)
Net cash used in financing activities	(177,720)	(59,766)
Net (decrease)/increase in cash and cash equivalents	(46,021)	60,253
Cash and cash equivalents at beginning of financial year	26,971	(33,282)
Cash and cash equivalents at end of financial year (Note 26)	(19,050)	26,971

Note:

Reconciliation of liabilities arising from financing activities:

	2023 RM'000	2022 RM'000
Borrowings (excluding overdraft) (Note 27)		
At 1 January	120,000	80,000
Drawdown of borrowings	130,000	120,000
Repayment of borrowings	(180,000)	(80,000)
Net changes in financing cash flows	(50,000)	40,000
At 31 December	70,000	120,000
Lease liabilities (Note 28)		
At 1 January	727	2,624
Principal portion of lease payments	(727)	(890)
Interest portion on lease payments	(17)	(56)
Net changes in financing cash flows	(744)	(946)
Other changes:		
Interest expense (Note 7)	17	56
Lease derecognition (Note 28)	-	(1,007)
	17	(951)
At 31 December	-	727

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

NOTES TO THE **FINANCIAL STATEMENTS**

31 December 2023

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 5 April 2024.

2. MATERIAL 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 2023, the Group and the Company adopted the following pronouncements mandatory for annual financial periods beginning on or after 1 January 2023:

- MFRS 17 - Insurance Contracts (including amendments on Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Definition of Accounting Estimates (Amendments to MFRS 108)
- Disclosure of Accounting Policies (Amendments to MFRS 101 and MFRS Practice Statement 2)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)
- International Tax Reform - Pillar Tow Model Rules (Amendments to MFRS 112)

The adoption of the above amendments did not have any significant impact on the financial statements of the Group and of the Company, except for:

Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies.

The amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL 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
Lease Liabilities in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
Non-current Liabilities with covenant (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The directors expect that the adoption of the above amendments are not expected to have a material impact on the financial statements in the period of initial application.

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.

NOTES TO THE
FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

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. Intragroup assets and liabilities, equity, income, expenses, unrealised gains and losses resulting from intra-group transactions are eliminated in full on consolidation.

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.

2.5 Investments in subsidiaries

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.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.6 Investments in associates and joint ventures (cont'd.)

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.

2.7 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.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.7 Property, plant and equipment (cont'd.)

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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.8 Leases (cont'd.)

(a) As lessee (cont'd.)

(i) Right-of-use assets (cont'd.)

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:

Buildings	2 - 50 years

The right-of-use assets are also subject to impairment as disclosed in Note 2.13.

(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.

(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.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.8 Leases (cont'd.)

(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 2.18(e).

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.

2.9 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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.10 Inventories (cont'd.)

(a) Property inventories (cont'd.)

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.

(b) Other inventories

Other inventories are stated at lower of cost and net realisable value. Other inventories 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.

2.11 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.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.11 Contract cost assets (cont'd.)

(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.

2.12 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the architect. Upon receipt of such certification from the architect, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment on the same basis as financial assets that are within the scope of MFRS 9 as disclosed in Note 2.14(a).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs its obligations under the contract (i.e. transfers control of the related goods or services to the customer).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.12 Contract assets and contract liabilities (cont'd.)

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts certified by the architect and billed to the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount certified by the architect and billed to the customer, the difference is recognised as a contract asset, whereas in contracts in which the goods or services transferred are lower than the amount certified by the architect and billed to the customer (i.e., when a payment is due or a payment is received before the Group transfers the remaining goods or services), the difference is recognised as a contract liability.

2.13 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.

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. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.14 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. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.14 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. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.14 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 transferred 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.14 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-month 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, contract assets and investment in P2P notes, 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. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.14 Financial instruments (cont'd.)

(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.

2.15 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.

2.16 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.

Finance costs comprise the interest expense on finance assets (including leases). Certain borrowing costs are capitalised as disclosed in Note 7.

2.17 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. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.18 Revenue and other income recognition

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.18 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 performance 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) Revenue from rooms

Revenue from room is recognised on a daily basis on customer-occupied rooms. Hotel revenue is recorded based on the published rates, net of discounts.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.18 Revenue and other income recognition (cont'd.)

(e) Rental income

Rental income is recognised on a straight-line basis over the lease term.

(f) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(g) Dividend income

Dividend income is recognised when the right to receive payment is established.

(h) Management fees

Management fees are recognised when services are rendered.

2.19 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 be 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.20 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. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.20 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.

2.21 Employee benefits

(a) 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.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.22 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.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.23 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.

2.24 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 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.25 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 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 with relevant external sources to determine whether the change is reasonable.

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. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.26 Investment properties

Investment properties comprise completed properties and properties under construction which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, completed investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses while investment properties under construction are stated at cost less any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Building is depreciated over its estimated useful life 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.

IPUC are not depreciated as these assets are not yet available for use.

3. MATERIAL 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 property, plant and equipment ("PPE") and investment properties ("IP")

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

3. MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

3.1 Critical judgements made in applying accounting policies (cont'd.)

(b) 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
2023			
Extension options expected not to be exercised	7,393	9,324	16,717
2022			
Extension options expected not to be exercised	3,619	833	4,452

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 estimates are 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

3. MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

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. (cont'd.)

(b) Impairment of PPE and 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 respectively.

(c) Impairment of investment in subsidiary companies

At each reporting date, the Company assesses if any indication of impairment exists. If there is any indication, the Company will make an estimate of the recoverable amounts of its interests. The Company estimated the recoverable amount of the respective cash generating units ("CGUs") based on their fair value less cost to sell or their respective value-in-use ("VIU"), whichever is higher. Significant judgement is required in determining the estimated realisable value of the adjusted net assets and VIU. In making the judgement, the Company relies on independent accredited third party valuers assessment in determining the fair value of the investment property and management to make an estimate of the expected future cash flows based on determined suitable discount and growth rates in order to calculate the present value of the cash flows. The carrying amount as at 31 December 2023 is disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

4. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
Sale of completed properties	11,636	13,505	-	-
Sale of properties under construction	957,716	806,554	-	-
Rental income	24,188	15,190	-	-
Revenue from rooms	9,114	5,486	-	-
Sale of food and beverages	9,598	6,729	-	-
Interest income from advances to subsidiaries	-	-	18,628	19,486
Management fees from subsidiaries	-	-	18,446	14,800
Dividend from subsidiary	-	-	50,000	20,000
Total revenue	1,012,252	847,464	87,074	54,286
Timing of revenue recognition				
Goods transferred at a point in time	21,234	20,234	50,000	20,000
Goods and services transferred over time	991,018	827,230	37,074	34,286
	1,012,252	847,464	87,074	54,286

5. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages and salaries	48,814	44,645	12,333	11,009
Contributions to defined contribution plan	6,084	5,536	1,495	1,325
Share-based payment*	(2,321)	416	(2,059)	1,196
Other benefits	4,960	4,342	1,394	1,429
	57,537	54,939	13,163	14,959

* The credit balance is due to remeasurement of LTIP prior to settlement.

Included in employee benefits expenses of the Group and of the Company are executive directors' remuneration amounting to RM5,448,000 (2022: RM6,207,000) and RM5,448,000 (2022: RM6,207,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

6. DIRECTORS' REMUNERATION

The details of the remuneration received/receivable by directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive:				
Salaries	2,373	2,244	2,373	2,244
Fees	168	168	168	168
Bonus and other benefits	2,365	3,285	2,365	3,285
Defined contribution plan	542	510	542	510
Executive directors' remuneration excluding benefits-in-kind	5,448	6,207	5,448	6,207
Estimated monetary value of benefits-in-kind	247	247	247	247
	5,695	6,454	5,695	6,454
Non-executive:				
Fees	726	772	726	772
Other emoluments (meeting allowances)	58	77	58	77
	784	849	784	849
Total	6,479	7,303	6,479	7,303
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	5,448	6,207	5,448	6,207
Total non-executive directors' remuneration excluding benefits-in-kind (Note 8)	784	849	784	849
Total directors' remuneration excluding benefits-in-kind	6,232	7,056	6,232	7,056

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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 year ended 31 December 2023 are as follows:

	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
2023				
Directors of the Group				
Executive:				
Chew Sun Teong	3,402	84	419	3,905
Benjamin Teo Jong Hian	1,462	84	244	1,790
	4,864	168	663	5,695
Non-executive:				
Quah Chek Tin	-	168	5	173
Ong Keng Siew	-	132	11	143
Quah Poh Keat	-	123	12	135
Fatimah Binti Merican	-	141	16	157
Foong Pik Yee	-	114	12	126
Dato' Ong Eng Bin	-	48	2	50
	-	726	58	784
Directors of the Company				
Executive:				
Chew Sun Teong	3,402	84	419	3,905
Benjamin Teo Jong Hian	1,462	84	244	1,790
	4,864	168	663	5,695
Non-executive:				
Quah Chek Tin	-	168	5	173
Ong Keng Siew	-	132	11	143
Quah Poh Keat	-	123	12	135
Fatimah Binti Merican	-	141	16	157
Foong Pik Yee	-	114	12	126
Dato' Ong Eng Bin	-	48	2	50
	-	726	58	784

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 year ended 31 December 2022 are as follows:

	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
2022				
Directors of the Group				
Executive:				
Chew Sun Teong	3,341	84	1,352	4,777
Benjamin Teo Jong Hian	1,228	84	365	1,677
	4,569	168	1,717	6,454
Non-executive:				
Quah Chek Tin	-	168	7	175
Datuk Seri Dr Yam Kong Choy	-	52	7	59
Ong Keng Siew	-	122	11	133
Quah Poh Keat	-	123	14	137
Fatimah Binti Merican	-	117	11	128
Foong Pik Yee	-	114	15	129
Faizah Binti Khairuddin	-	76	12	88
	-	772	77	849
Directors of the Company				
Executive:				
Chew Sun Teong	3,341	84	1,352	4,777
Benjamin Teo Jong Hian	1,228	84	365	1,677
	4,569	168	1,717	6,454
Non-executive:				
Quah Chek Tin	-	168	7	175
Datuk Seri Dr Yam Kong Choy	-	52	7	59
Ong Keng Siew	-	122	11	133
Quah Poh Keat	-	123	14	137
Fatimah Binti Merican	-	117	11	128
Foong Pik Yee	-	114	15	129
Faizah Binti Khairuddin	-	76	12	88
	-	772	77	849

* Included in other emoluments are allowances, share-based payments, gratuity and benefits-in-kind.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

7. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense on:				
- Term loans	21,429	16,861	-	-
- Islamic Medium Term Notes (iMTN)	4,768	3,296	-	-
- Medium Term Notes	14,275	11,885	-	-
- Other borrowings	5,153	4,674	2,970	3,908
- Lease liabilities (Note 28)	510	552	17	56
	46,135	37,268	2,987	3,964
Less: Interest expense capitalised in:				
- Investment properties (Note 16)	(2,150)	(1,659)	-	-
- Land held for property development (Note 14(a))	(12,138)	(7,407)	-	-
	31,847	28,202	2,987	3,964

8. PROFIT BEFORE TAX

Profit before tax are derived after charging/(crediting):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-executive directors' remuneration (Note 6)	784	849	784	849
Auditors' remuneration				
- statutory audit				
- Ernst & Young PLT	713	614	209	259
- Other auditor	-	30	-	-
- non-audit fee	36	36	5	5
Lease expense relating to short-term leases	510	127	98	8
Lease expense relating to leases of low value assets	100	48	9	11
(Gain)/loss on lease remeasurement	(115)	52	68	-
Gain on lease derecognition	-	(99)	-	(99)
COVID-19 related rental concession	-	41	-	-
Direct operating expenses of investment properties	4,517	4,038	6	6

8. PROFIT BEFORE TAX (CONT'D.)

Profit before tax are derived after charging/(crediting) (cont'd.):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Impairment of investments in subsidiaries	-	-	48,140	-
Reversal of impairment of:				
- property, plant and equipment (Note 12)	(955)	-	-	-
- investment properties (Note 16)	(300)	-	-	-
- right-of-use assets (Note 13)	(407)	-	-	-
Loss on measurement to fair value less costs to sell of non-current assets held for sale	-	38,664	-	-
Depreciation of:				
- property, plant and equipment	10,674	12,741	865	1,132
- right-of-use assets	4,451	4,086	744	812
- investment properties	8,199	8,325	6	15
Property, plant and equipment written off	382	214	-	-
(Gain)/loss on disposal of property, plant and equipment	(33)	5	-	-
Gain on disposal of:				
- investment properties	(5,535)	(53,686)	(1,351)	-
- investments in associates	-	-	-	(62,689)
- non-current assets held for sale (Note 17)	(1,689)	-	(2,927)	-
Additions of allowance for impairment of:				
- trade receivables (Note 21)	5	1	-	-
- other receivables (Note 22)	351	-	351	-
Reversal of allowance for impairment of receivables	(1)	(13)	-	-
Bad debts written off	250	62	222	-
Accretion of investment income	-	-	(41,820)	(35,337)
Interest income from:				
- deposits with licensed banks	(4,556)	(2,807)	(342)	(114)
- advances to subsidiaries	-	-	(18,628)	(19,486)
Rental income recognised in:				
- revenue	(24,188)	(15,190)	-	-
- other income	(2,032)	(1,748)	(17)	(30)
Net unrealised foreign exchange loss/(gain)	1,100	(281)	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

9. TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current income tax:				
Malaysian income tax	30,207	38,352	1,716	384
Under/(over)provision in prior financial years	683	(2,025)	(30)	222
Real property gains tax ("RPGT")	160	3,930	108	3,930
	31,050	40,257	1,794	4,536
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	792	(11,471)	(85)	89
Under/(over)provision in prior financial years	3,305	1,199	(274)	176
	4,097	(10,272)	(359)	265
Taxation	35,147	29,985	1,435	4,801

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

A reconciliation of tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	2023 RM'000	2022 RM'000
Group		
Profit before tax	130,223	105,123
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	31,254	25,230
Effect of share of results of associates and a joint venture	606	(430)
Income not subject to tax	(8,034)	(12,907)
Effect of PDS's distribution deductible for tax purposes	(2,931)	(3,627)
RPGT	160	3,930
Expenses not deductible for tax purposes	8,340	19,116
Deferred tax assets not recognised during the financial year	1,850	-
Utilisation of previously unrecognised deferred tax assets	(86)	(501)
Underprovision of deferred tax in prior financial years	3,305	1,199
Under/(over)provision of income tax in prior financial years	683	(2,025)
Taxation	35,147	29,985

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

9. TAXATION (CONT'D.)

A reconciliation of tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 31 December 2022 are as follows (cont'd.):

	2023 RM'000	2022 RM'000
Company		
Profit before tax	63,475	127,745
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	15,234	30,659
Income not subject to tax	(23,098)	(28,361)
RPGT	108	3,930
Effect of PDS's distribution deductible for tax purposes	(2,931)	(3,627)
Expenses not deductible for tax purposes	12,426	1,802
(Over)/underprovision of deferred tax in prior financial years	(274)	176
(Over)/underprovision of income tax in prior financial years	(30)	222
Taxation	1,435	4,801

10. EARNINGS PER SHARE

(a) Basic

	Group	
	2023	2022
Profit attributable to ordinary equity holders of the Company (RM'000)	82,837	60,200
Issued ordinary shares at beginning of the financial year ('000)	621,926	619,198
Effect of vesting of LTIP shares ('000)	667	2,274
Weighted average number of ordinary shares in issue ('000)	622,593	621,472
Basic earnings per share (sen)	13.31	9.69

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

10. EARNINGS PER SHARE (CONT'D.)

(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	
	2023	**2022**
Profit attributable to ordinary equity holders of the Company (RM'000)	82,837	60,200
Weighted average number of ordinary shares in issue ('000)	622,593	621,472
Dilutive effect of shares issued under the LTIP ('000)	-	8,531
Adjusted weighted average number of ordinary shares ('000)	622,593	630,003
Diluted earnings per share (sen)	13.31	9.56

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	
	2023 RM'000	**2022 RM'000**	**2023 Sen**	**2022 Sen**
Recognised during the financial year:				
For the financial year ended 31 December 2023				
Single-tier interim dividend	18,682	-	3.00	-
For the financial year ended 31 December 2022				
Single-tier special dividend	74,727	-	12.00	-
Single-tier final dividend	21,795	-	3.50	-
Single-tier interim dividend	-	15,548	-	2.50
For the financial year ended 31 December 2021				
Single-tier final dividend	-	18,658	-	3.00
	115,204	34,206	18.50	5.50

On 28 February 2024, the Company has declared a single tier second interim dividend of 4.0 sen per share in respect of the financial year ended 31 December 2023 on 622,726,366 ordinary shares, amounting to a dividend payable of RM24,909,000 which was paid on 27 March 2024.

The financial statements for the current financial year do not reflect the declared second interim dividend. The second interim dividend will be accounted for in equity as appropriation of retained earnings in the financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

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 2022	96,413	65,551	161,964
Additions	5,735	1,482	7,217
Disposals	-	(474)	(474)
Write-off	-	(2,105)	(2,105)
Reclassification	(82)	82	-
Transfer to land held for property development (Note 14(a))	(9,472)	-	(9,472)
At 31 December 2022/1 January 2023	92,594	64,536	157,130
Additions	2,276	7,166	9,442
Disposals	-	(1,053)	(1,053)
Write-off	-	(1,859)	(1,859)
Reclassification	(7,453)	7,453	-
Reclass from investment properties (Note 16)	-	114	114
Transfer to investment properties (Note 16)	(1,679)	-	(1,679)
At 31 December 2023	85,738	76,357	162,095
Accumulated depreciation			
At 1 January 2022	3,390	27,177	30,567
Depreciation charge for the financial year (Note 8)	5,103	7,638	12,741
Disposals	-	(451)	(451)
Write-off	-	(1,891)	(1,891)
Transfer to land held for property development (Note 14(a))	(5,610)	-	(5,610)
At 31 December 2022/1 January 2023	2,883	32,473	35,356
Depreciation charge for the financial year (Note 8)	1,563	9,111	10,674
Disposals	-	(1,036)	(1,036)
Write-off	-	(1,474)	(1,474)
Reclass from investment properties (Note 16)	-	19	19
Transfer to investment properties (Note 16)	(563)	-	(563)
At 31 December 2023	3,883	39,093	42,976

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

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 impairment			
At 1 January 2022/31 December 2022/1 January 2023	-	2,877	2,877
Write off	-	(3)	(3)
Reclass from investment properties (Note 16)	-	3	3
Reversal of impairment (Note 8)	-	(955)	(955)
At 31 December 2023	-	1,922	1,922
Net carrying amount			
At 31 December 2023	81,855	35,342	117,197
At 31 December 2022	89,711	29,186	118,897

During the financial year, the Group had 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. Cash flows projections were prepared based on the remaining lease terms for the respective outlets and the recoverable amount of the respective coworking outlets are based on value in use ("VIU") approach. The review has brought about a reversal of previously recognised impairment losses of RM955,000, attributed to the improved financial performance of previously impaired coworking outlets. The discount rate applied to the cash flow projections in determining the recoverable amounts is 10.00% to 11.00% (2022: 10.00% to 11.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

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 2022	8,833	86,628	952	96,413
Additions	-	-	5,735	5,735
Reclassification	712	(794)	-	(82)
Transfer to land held for property development (Note 14(a))	(3,862)	(5,610)	-	(9,472)
At 31 December 2022/1 January 2023	5,683	80,224	6,687	92,594
Additions	-	-	2,276	2,276
Reclassification	-	-	(7,453)	(7,453)
Transfer to investment properties (Note 16)	(321)	(1,358)	-	(1,679)
At 31 December 2023	5,362	78,866	1,510	85,738
Accumulated depreciation				
At 1 January 2022	-	3,390	-	3,390
Depreciation charge for the financial year	-	5,103	-	5,103
Transfer to land held for property development (Note 14(a))	-	(5,610)	-	(5,610)
At 31 December 2022/1 January 2023	-	2,883	-	2,883
Depreciation charge for the financial year	-	1,563	-	1,563
Transfer to investment properties (Note 16)	-	(563)	-	(563)
At 31 December 2023	-	3,883	-	3,883
Net carrying amount				
At 31 December 2023	5,362	74,983	1,510	81,855
At 31 December 2022	5,683	77,341	6,687	89,711

The freehold land and buildings of the Group with net carrying amount of RM82,948,000 (2022: RM85,430,000) has been pledged as security for borrowing as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Plant, equipment, furniture, fixtures, fitting and motor vehicles RM'000
Company	
Cost	
At 1 January 2022	6,177
Additions	109
Disposal	(6)
Write-off	(1,268)
At 31 December 2022/1 January 2023	5,012
Additions	173
Write-off	(198)
At 31 December 2023	4,987
Accumulated depreciation	
At 1 January 2022	3,570
Depreciation charge for the financial year (Note 8)	1,132
Disposal	(6)
Write-off	(1,268)
At 31 December 2022/1 January 2023	3,428
Depreciation charge for the financial year (Note 8)	865
Write-off	(198)
At 31 December 2023	4,095
Net carrying amount	
At 31 December 2023	892
At 31 December 2022	1,584

13. RIGHT-OF-USE ASSETS

	Building RM'000
Group	
Cost	
At 1 January 2022	27,216
Additions during the financial year	2,596
Lease remeasurement	(160)
Derecognition	(1,178)
At 31 December 2022/1 January 2023	28,474
Additions during the financial year	16,253
Lease remeasurement	(50)
Derecognition	(3,887)
At 31 December 2023	40,790
Accumulated depreciation	
At 1 January 2022	13,675
Depreciation charge for the financial year (Note 8)	4,086
Derecognition	(270)
At 31 December 2022/1 January 2023	17,491
Depreciation charge for the financial year (Note 8)	4,451
Derecognition	(3,887)
At 31 December 2023	18,055
Accumulated impairment	
At 1 January 2022/31 December 2022/1 January 2023	2,445
Reversal of impairment (Note 8)	(407)
At 31 December 2023	2,038
Net carrying amount	
At 31 December 2023	20,697
At 31 December 2022	8,538

As disclosed in Note 12, the Group had reversed the impairment loss of RM407,000 in "other income" of the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

13. RIGHT-OF-USE ASSETS (CONT'D.)

	Building RM'000
Company	
Cost	
At 1 January 2022	5,133
Derecognition	(1,178)
At 31 December 2022/1 January 2023	3,955
Lease remeasurement	(68)
Derecognition	(3,887)
At 31 December 2023	-
Accumulated depreciation	
At 1 January 2022	2,601
Depreciation charge for the financial year (Note 8)	812
Derecognition	(270)
At 31 December 2022/1 January 2023	3,143
Depreciation charge for the financial year (Note 8)	744
Derecognition	(3,887)
At 31 December 2023	-
Net carrying amount	
At 31 December 2023	-
At 31 December 2022	812

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

14. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
Non-current		
At cost:		
Land held for property development (Note a)	812,235	860,690
Current		
At cost:		
Property development costs (Note b)	219,758	232,986
At cost:		
- Completed properties	60,637	58,413
- Food and beverages	217	128
- Consumables	75	17
	60,929	58,558
Total current inventories	280,687	291,544
Total inventories	1,092,922	1,152,234

During the financial year, the amount of inventories recognised as an expense in property development cost of the Group was RM5,966,000 (2022: RM10,788,000).

(a) Land held for property development

	Group	
	2023 RM'000	2022 RM'000
Freehold land		
At 1 January	585,947	554,304
Additions	-	157,220
Disposal	(175)	-
Reclassification	(4,093)	(45,543)
Transfer from property, plant and equipment (Note 12)	-	3,862
Transfer to property development costs (Note b)	(94,766)	(83,896)
At 31 December	486,913	585,947

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

14. INVENTORIES (CONT'D.)

(a) Land held for property development (cont'd.)

	Group	
	2023 RM'000	2022 RM'000
Leasehold land		
At 1 January	86,858	1,457
Additions	-	98,695
Reclassification	-	47,371
Transfer to property development costs (Note b)	(599)	(60,665)
At 31 December	86,259	86,858
Development costs		
At 1 January	187,885	179,862
Costs incurred during the financial year	92,172	73,753
Disposal	(610)	-
Reclassification	4,093	(1,828)
Transfer to property development costs (Note b)	(44,477)	(63,902)
At 31 December	239,063	187,885
Carrying amount at 31 December	812,235	860,690

The freehold land held for property development with net carrying amount of RM494,363,000 (2022: RM527,946,000) has been pledged as security for borrowings as disclosed in Note 27.

The Group's land held for property development include borrowing costs arising from borrowings drawdown specifically for the purpose of the development and construction of the projects. The rates used to determine the amount of borrowing costs for capitalisation were ranging from 4.19% to 4.96% (2022: 3.19% to 4.35%) which are the effective interest rate of the specific borrowings. During the financial year, the borrowing costs capitalised under land held for property development amounted to RM12,138,000 (2022: RM7,407,000).

14. INVENTORIES (CONT'D.)

(b) Property development costs, at cost

	Group	
	2023 RM'000	2022 RM'000
Property development costs		
At 1 January:		
Freehold land	54,060	75,661
Leasehold land	63,943	26,120
Development costs	114,983	185,306
	232,986	287,087
Cost incurred during the year:		
Development costs	88,851	10,568
Transfer from land held for property development (Note a)		
Freehold land	94,766	83,896
Leasehold land	599	60,665
Development costs	44,477	63,902
At 31 December	139,842	208,463
To contract cost assets (Note 15(b))		
Freehold land	(123,679)	(105,290)
Leasehold land	(28,352)	(22,842)
Development costs	(81,702)	(144,121)
	(233,733)	(272,253)
To inventory - completed properties		
Freehold land	(2,240)	(207)
Development costs	(5,948)	(672)
	(8,188)	(879)
Property development costs at 31 December	219,758	232,986

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

15. CONTRACT COST ASSETS

	Group	
	2023 RM'000	2022 RM'000
Costs to obtain contracts with customers (Note a)	26,987	28,408
Costs to fulfill contracts with customers (Note b)	130,997	143,836
	157,984	172,244

(a) Costs to obtain contracts with customers

	Group	
	2023 RM'000	2022 RM'000
At 1 January	28,408	22,002
Additions	25,027	26,948
Amortisation	(26,448)	(20,542)
At 31 December	26,987	28,408

15. CONTRACT COST ASSETS (CONT'D.)

(b) Costs to fulfill contracts with customers

	Group	
	2023 RM'000	**2022 RM'000**
Property development activities:		
At cost:		
At 1 January		
Freehold land	289,902	185,647
Leasehold land	83,378	60,536
Development costs	790,032	306,610
	1,163,312	552,793
Costs incurred during the financial year:		
Development costs	488,541	376,218
Transferred during the financial year from property development costs (Note 14(b))		
Freehold land	123,679	105,290
Leasehold land	28,352	22,842
Development costs	81,702	144,121
	233,733	272,253
Costs eliminated during the financial year due to completion of projects:		
Freehold land	(36,287)	(1,035)
Development costs	(202,742)	(36,917)
	(239,029)	(37,952)
At 31 December	1,646,557	1,163,312
Costs recognised in profit or loss:		
At 1 January	(1,019,476)	(450,400)
Recognised during the financial year	(735,113)	(607,028)
Eliminated during the financial year due to completion of projects	239,029	37,952
At 31 December	(1,515,560)	(1,019,476)
Carrying amount at 31 December	130,997	143,836

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

16. INVESTMENT PROPERTIES

	Buildings RM'000	Freehold land RM'000	Investment properties under construction RM'000	Total RM'000
Group				
Cost				
At 1 January 2022	449,720	48,446	85,242	583,408
Additions	-	-	20,734	20,734
Disposal	(15,093)	(1,982)	-	(17,075)
At 31 December 2022/1 January 2023	434,627	46,464	105,976	587,067
Additions	-	-	18,550	18,550
Disposal	(2,638)	(1,948)	-	(4,586)
Reclass to property, plant and equipment (Note12)	(114)	-	-	(114)
Transfer from property, plant and equipment (Note 12)	1,358	321	-	1,679
At 31 December 2023	433,233	44,837	124,526	602,596
Accumulated depreciation				
At 1 January 2022	65,363	-	-	65,363
Depreciation charge for the financial year (Note 8)	8,325	-	-	8,325
Disposal	(10,761)	-	-	(10,761)
At 31 December 2022/1 January 2023	62,927	-	-	62,927
Depreciation charge for the financial year (Note 8)	8,199	-	-	8,199
Disposal	(891)	-	-	(891)
Reclass to property, plant and equipment (Note12)	(19)	-	-	(19)
Transfer from property, plant and equipment (Note 12)	563	-	-	563
At 31 December 2023	70,779	-	-	70,779
Accumulated impairment				
At 1 January 2022/31 December 2022/1 January 2023	1,964	-	-	1,964
Reclass to property, plant and equipment (Note 12)	(3)	-	-	(3)
Reversal of impairment (Note 8)	(300)	-	-	(300)
At 31 December 2023	1,661	-	-	1,661
Net carrying amount				
At 31 December 2023	360,793	44,837	124,526	530,156
At 31 December 2022	369,736	46,464	105,976	522,176

16. INVESTMENT PROPERTIES (CONT'D.)

	Building RM'000
Company	
Cost	
At 1 January 2022/31 December 2022/1 January 2023	750
Disposal	(750)
	-
Accumulated depreciation	
At 1 January 2022	180
Depreciation charge for the financial year (Note 8)	15
At 31 December 2022	195
Depreciation charge for the financial year (Note 8)	6
Disposal	(201)
At 31 December 2023	-
Net carrying amount	
At 31 December 2023	-
At 31 December 2022	555

The freehold land and buildings of the Group with net carrying amount of RM425,778,000 (2022: RM481,161,000) have been pledged as security for borrowings as disclosed in Note 27.

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 40.

The Group's investment properties under construction include borrowing costs arising from borrowings drawdown specifically for the purpose of the construction of the investment properties. The rates used to determine the amount of borrowing costs for capitalisation were ranging from 4.30% to 4.70% (2022: 3.30% to 4.45%) which are the effective interest rate of the specific borrowings. During the financial year, the borrowing costs capitalised amounted to RM2,150,000 (2022: RM1,659,000).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

17. NON-CURRENT ASSETS HELD FOR SALE

Pursuant to the Share Purchase Agreement ("SPA") dated 19 November 2018 between the Company and UOWM Sdn. Bhd. ("UOWM"), the parties have agreed to irrevocably and unconditionally undertake a sale and purchase of another 5% of the total issued ordinary shares of UOW KDU University College Sdn. Bhd. ("KDUUC") and UOW KDU Penang University Sdn. Bhd. ("KDUPG") on 3 September 2023, being the 4th anniversary of the completion date of the SPA. Accordingly, in the previous financial year, the Group's and the Company's 5% interest in KDUUC and KDUPG of RM3,970,000 and RM2,732,000 respectively had been classified as non-current assets held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

The disposal was completed on 13 December 2023 as a result, the Group and the Company recognised a gain on disposal of RM1,689,000 and RM2,927,000 respectively in the income statement.

18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	256,290	238,890
Investment in Non-cumulative Redeemable Convertible Preference Shares ("NCRCPS")	724,162	666,672
	980,452	905,562
Less: Accumulated impairment losses	(164,415)	(116,275)
Investment in subsidiaries, net	816,037	789,287

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 continuously 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 costs to sell. Based on the assessment by the Company, an impairment loss of RM48,140,000 was recognised in "other expenses" of the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries as at 31 December 2023 and 31 December 2022 are as follows:

Name of subsidiaries	Effective interest 2023 %	Effective interest 2022 %	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 (Sekitar26 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	RM5,001	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	RM2,726	Property development
Paramount Property Development Sdn. Bhd.	100	100	RM5,002	Property development
Jasarim Bina Sdn. Bhd.	100	100	RM5,006	In the process of winding up
Broad Projects Sdn. Bhd.	100	100	RM5,004	Investment holding and car park operator
Paramount Property (Glenmarie) Sdn. Bhd.	100	100	RM5,000	Property development
Paramount Property (Cjaya) Sdn. Bhd.	100	100	RM5,003	Property development
Utropolis Sdn. Bhd.	99	70	RM5,000	Property development
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 holding
Paramount Construction (PG) Sdn. Bhd.	100	100	RM5,000	Building and engineering contractor
Paramount Property (Sepang) Sdn. Bhd.	100	100	RM5,000	Property development
Paramount Coworking Sdn. Bhd.	100	100	RM24,000	Providing coworking spaces and incubator-related services
Paramount Property (Lakeside) Sdn. Bhd.	99	99	RM4,500	Property development

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries as at 31 December 2023 and 31 December 2022 are as follows (cont'd.):

Name of subsidiaries	Effective interest 2023 %	Effective interest 2022 %	Share capital '000	Principal activities
Incorporated in Malaysia (cont'd.)				
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	RM1,000	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	Operation of restaurant
Paramount Global Sdn. Bhd.	100	100	RM5,000	Investment holding
Paramount Globalcom Sdn. Bhd.	100	100	***	Investment holding
Gardens of Hope Sdn. Bhd.	70	70	RM2,000	Providing coworking spaces and incubator-related services
Flexsis Sdn. Bhd.	100	100	***	Investment holding ^
Paramount Property (Lakeview) Sdn. Bhd.	100	100	***	Property development ^
Super Ace Resources Sdn. Bhd.	100	100	RM5,000	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 the reporting date

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.

Change of shareholdings of a subsidiary

On 6 June 2023, the Company has increased its equity interest in Utropolis Sdn. Bhd. ("USB") from 70% to 99.4% following the conversion of 4,900,000 of non-cumulative redeemable convertible preference shares into 4,900,000 ordinary shares in USB.

19. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

Investment in associates

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	28,540	27,709	16,394	16,394
Share of post-acquisition reserves	9,307	9,554	-	-
	37,847	37,263	16,394	16,394

The summarised financial information of material associates, UOW Malaysia KDU University College Sdn. Bhd. ("KDUUC"), UOW Malaysia KDU Penang University College Sdn. Bhd. ("KDUPG") and Omegaxis Sdn. Bhd. ("OMGX"), not adjusted for the proportion of ownership interest held by the Group, are as follows:

	KDUUC RM'000	KDUPG RM'000	OMGX RM'000
Group			
2023			
Assets and liabilities			
Total assets	64,069	53,587	99,153
Total liabilities	(29,491)	(8,984)	(13,743)
Results			
Revenue	42,184	26,445	7,310
Profit/(loss) after tax, representing total comprehensive income for the financial year	59	37	(2,368)
2022			
Assets and liabilities			
Total assets	77,102	53,965	90,414
Total liabilities	(42,583)	(9,085)	(8,944)
Results			
Revenue	44,292	27,469	4,662
Profit/(loss) after tax, representing total comprehensive income for the financial year	3,075	1,664	(505)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

19. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D.)

Investment in associates (cont'd.)

Reconciliation of net assets to carrying amount as at 31 December:

	KDUUC RM'000	KDUPG RM'000	OMGX RM'000	Total RM'000
Group				
2023				
Net assets	34,578	44,603	85,410	
Interest in associates	30.0%	30.0%	16.5%	
Group's share of net assets/ Carrying amount of investments in associates	10,373	13,381	14,093	37,847
2022				
Net assets	34,519	44,880	81,470	
Interest in associates	35.0%	35.0%	16.5%	
Group's share of net assets/ Carrying amount of investments in associates	12,082	15,708	13,443	41,233
Less: Amount reclassified to non-current asset held for sale				(3,970)
				37,263

Details of the associates are as follows:

Name of associates	Effective interest 2023 %	Effective interest 2022 %	Share capital '000	Principal activities
Incorporated in Malaysia				
UOW Malaysia KDU University College Sdn. Bhd.	30	35	RM20,059	Educational services
UOW Malaysia KDU Penang University College Sdn. Bhd.	30	35	RM15,003	Educational services
Omegaxis Sdn. Bhd.	30	30	RM45,667	Investment holding
Peoplender Sdn. Bhd.	16.5	16.5	RM32,142	Peer-to-peer financing platform
Incorporated in Singapore				
Fundaztic SG Pte. Ltd.	8.9	8.4	SGD3,021	Peer-to-peer financing platform

SGD Represents currency denoted in Singapore Dollars

19. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D.)

Investment in a joint venture

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	8,438	8,438	-	-
Share of post-acquisition reserves	(7,805)	(5,529)	-	-
	633	2,909	-	-

Name of joint venture	Effective interest 2023 %	Effective interest 2022 %	Share capital '000	Principal activities
Incorporated in Thailand				
Navarang Charoennakhon Company Limited	49	49	THB100,000	Property development

THB Represents currency denoted in Thailand Baht

The summarised financial information of the Group's share of a non-material joint venture as at 31 December is set out below:

	2023 RM'000	2022 RM'000
The Group's share of loss for the financial year	(2,277)	(1,808)
The Group's share of total comprehensive loss for the financial year	(2,275)	(1,771)
Carrying amount of the Group's interests in individually non-material joint venture	633	2,909

During the financial year, the share of post-acquisition reserves includes the effect of foreign currency translation gain of RM2,000 (2022: RM37,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

20. OTHER INVESTMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:				
At fair value:				
Quoted investment:				
Ordinary shares outside Malaysia	694	1,093	-	-
Unquoted investments:				
Ordinary shares inside Malaysia	7,500	7,500	-	-
Club memberships	137	137	110	110
At amortised cost:				
Unquoted investments:				
Cumulative redeemable non-convertible preference shares ("CRNCPS")	-	-	269,805	227,985
	8,331	8,730	269,915	228,095

The CRNCPS has been pledged as securities for borrowings as disclosed in Note 27.

Details on the fair value for the other investments measured at fair value are disclosed in Note 40.

21. TRADE RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Third parties	44,269	91,627
Stakeholders' sum	38,156	19,748
	82,425	111,375
Less: Allowance for impairment	(5)	(1)
Trade receivables, net	82,420	111,374

Trade receivables are non-interest bearing and are generally on 14 to 30 days (2022: 14 to 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

21. TRADE RECEIVABLES (CONT'D.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
Neither past due nor impaired	69,172	91,642
1 to 30 days past due not impaired	6,798	5,862
31 to 60 days past due not impaired	2,411	3,721
61 to 90 days past due not impaired	580	2,329
91 to 120 days past due not impaired	2,711	5,477
More than 121 days past due not impaired	748	2,343
	13,248	19,732
Impaired	5	1
	82,425	111,375

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 RM13,248,000 (2022: RM19,732,000). There is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

21. 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	
	2023 **RM'000**	**2022** **RM'000**
Trade receivables - nominal amount	5	1
Less: Allowance for impairment	(5)	(1)
	-	-

Movement in allowance accounts:

	Group	
	2023 **RM'000**	**2022** **RM'000**
At 1 January	1	13
Addition during the financial year (Note 8)	5	1
Reversal for the financial year (Note 8)	(1)	(13)
At 31 December	5	1

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.

22. OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Amount due from an associate	19,956	15,076	-	-
Investment in P2P notes	4,010	-	4,010	-
	23,966	15,076	4,010	-
Current				
Deposits	20,220	17,959	266	313
Investment in P2P notes	2,240	-	2,240	-
Sundry receivables	12,614	17,348	284	182
	35,074	35,307	2,790	495
Less: Allowance for impairment	(351)	-	(351)	-
	34,723	35,307	2,439	495
Other receivables, net	58,689	50,383	6,449	495

Amount due from an associate bears interest rate of 7% (2022: 7%) per annum, unsecured and repayable on demand. The Group does not expect that the amount due from an associate will be realised within the next 12 months.

Invesment in P2P notes represents investment notes subscribed through a peer to peer financing platform which is operated by Peoplender Sdn. Bhd. They are unsecured, repayable over 36-equated monthly installment and bear interest rate from 9.15% to 15.0% per annum.

23. OTHER CURRENT ASSETS

	Group	
	2023 RM'000	2022 RM'000
Prepaid expenses	9,098	9,118

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

24. CONTRACT ASSET/(LIABILITY)

	Group	
	2023 RM'000	**2022 RM'000**
Contract asset		
Accrued billings in respect of contract costs (Note a)	596,176	534,590
Contract liability		
Deferred income	(252)	(206)

Set out below is the amount of revenue recognised from:

	2023 RM'000	**2022 RM'000**
Amounts included in contract liabilities at the beginning of the financial year	(206)	(136)

(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 2023 is RM874,683,000 (2022: RM778,750,000). The remaining performance obligations expected to be recognised over years are as follows:

	2023 RM'000	**2022 RM'000**
Within one year	562,399	426,406
More than one year but not later than five years	312,284	352,344
	874,683	778,750

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

25. DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, repayable on demand and bear interest of 2.18% to 6.35% (2022: 1.20% to 6.35%) per annum.

	Company	
	2023 RM'000	**2022 RM'000**
Non-current		
Due from subsidiaries	2,722	2,787
Current		
Due from subsidiaries	466,506	608,783
Total	469,228	611,570
Current		
Due to subsidiaries	-	448

26. CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cash on hand and at banks	162,826	218,792	699	16,279
Deposits with licensed banks	39,929	112,258	29	21,666
Cash held by non banking financial institution	433	-	433	-
Cash and bank balances	203,188	331,050	1,161	37,945
Cash and bank balances restricted from use	(29,820)	(12,411)	(4)	(3)
Deposits maturing more than 3 months from reporting date	(10,057)	(10,095)	(29)	(67)
Bank overdraft (Note 27)	(21,440)	(11,733)	(20,178)	(10,904)
Cash and cash equivalents	141,871	296,811	(19,050)	26,971

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

26. CASH AND BANK BALANCES (CONT'D.)

Included in cash and cash equivalents of the Group are amounts of RM116,408,000 (2022: RM167,978,000) 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 RM1,010,000 (2022: RM1,252,000) in relation to sinking fund held in trust until the formation of Joint Management Body ("JMB"), which is restricted in usage and does not form part of cash and cash equivalents.

Included in cash and bank balances restricted from use of the Group are amounts of RM26,992,000 (2022: RM11,065,000) in the Financial Service Reserve Account ("FSRA"), Debt Service Reserve Account ("DSRA"), Proceeds Account ("PA"), Profit Service Reserve Account ("PSRA") and Revenue Account which are restricted in usage and do not form part of cash and cash equivalents. The FSRA, DSRA, PA, PSRA and Revenue Account are secured against the iMTN Sukuk Programmes and term loans as disclosed in Note 27.

Included also in cash and bank balances restricted from use of the Group are amounts of RM1,811,000 (2022: RM87,000) 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.

Included in cash and bank balances restricted from use of the Group and Company are amounts of RM8,000 and RM4,000 respectively (2022: RM7,000 and RM3,000) in the Trustees' Reimbursement Account ("TRA") which are restricted in usage and do not form part of cash and cash equivalents.

Included in deposits maturing more than 3 months from the reporting date of the Group is an amount of RM10,000,000 (2022: RM10,000,000) which has been pledged as collateral for the term loan facilities as disclosed in Note 27.

Included in cash on hand and at banks of the Group and of the Company are interest-bearing bank balances amounting to RM19,546,000 (2022: RM34,143,000) and RM583,000 (2022: RM16,171,000) which bear interest rates ranging from 0.10% to 1.70% (2022: 0.10% to 1.75%) per annum.

Deposits with licensed banks are made for varying periods of between 5 days and 6 months (2022: 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 2023 for the Group and the Company were 2.10% to 2.80% (2022: 2.00% to 2.40%) per annum and 2.55% to 2.75% (2022: 2.10% to 2.40%) per annum respectively.

Deposits with licensed banks are placed with or entered into with reputable licensed banks.

Included in cash held by non banking financial institution of the Group and of the Company are amount in the Fundaztic, a P2P financing platform which is operated by Peoplender Sdn. Bhd.

27. BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Unsecured:				
Bank overdraft - Floating rate (Note 26)	20,178	10,904	20,178	10,904
Revolving credit - Fixed rate	70,000	120,000	70,000	120,000
	90,178	130,904	90,178	130,904
Secured:				
Bank overdraft - Floating rate (Note 26)	1,262	829	-	-
Revolving credit - Fixed rate	52,651	69,620	-	-
Term loans - Floating rate	124,858	110,393	-	-
iMTN Sukuk Programme - Floating rate	-	18,061	-	-
	178,771	198,903	-	-
	268,949	329,807	90,178	130,904
Non-current				
Secured:				
Term loans - Floating rate	187,634	310,868	-	-
iMTN Sukuk Programme - Floating rate	64,217	81,313	-	-
MTN Programme - Floating rate	293,464	293,250	-	-
	545,315	685,431	-	-
Total	814,264	1,015,238	90,178	130,904

The maturities of the borrowings as at 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Within one year	268,949	329,807	90,178	130,904
More than 1 year but not later than 2 years	124,844	211,133	-	-
More than 2 years but not later than 5 years	395,439	404,421	-	-
More than 5 years	25,032	69,877	-	-
	814,264	1,015,238	90,178	130,904

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

27. BORROWINGS (CONT'D.)

(i) RM800 Million Sukuk Murabahah Programme ("iMTN Sukuk Programme")

On 25 February and 26 March 2019, Paramount Capital Resources Sdn. Bhd. ("PCR"), 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.

On 24 June 2023, the first and second issuance of RM121,168,000 and RM6,332,000 had been fully settled by PCR.

In previous financial year, PCR made the third issuance of RM82,000,000 in nominal value of Sukuk Murabahah 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 rates range from 4.49% to 4.82% (2022: 3.50% to 4.47%) per annum.

The iMTN Sukuk Programme is secured by the following:

(a) Third party legal charge over the lands held for development as disclosed in Note 14(a);

(b) Debentures incorporating a fixed and floating charge on the assets of Utropolis Sdn. Bhd. ("USB") both present and future;

(c) Irrevocable Letter of Undertaking from USB to transfer the redemption sum received and such other monies under the Housing Development Account to the Proceeds Account;

(d) A legal charge and assignment of the PA and PSRA as disclosed in Note 26; and

(e) Corporate guarantee by the Company and USB.

(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 rates range from 4.60% to 5.10% (2022: 3.61% to 4.60%) per annum.

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;

27. BORROWINGS (CONT'D.)

(ii) RM300 Million Medium Term Notes Programme ("MTN Programme") (cont'd.)

The MTN Programme is secured by the following (cont'd.):

(c) Irrevocable Power of Attorney for disposal of the investment properties in favour of the Security Trustee;

(d) Assignment of 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 as disclosed in Note 20.

(iii) RM195 Million Term Loans

In September 2020, 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 from 4.19% to 4.60% (2022: 4.31%) 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 26; and

(d) Corporate guarantee by the Company.

(iv) RM144 Million Term Loan/Bank Guarantee

In June 2019, Aneka Sepakat Sdn. Bhd. ("ASSB") has obtained a term loan/bank guarantee facility to fund the payments of the development rights at Section 51 Petaling Jaya.

The term loan bears interest at the prevailing cost of funds plus 1.00% per annum. The average effective interest rate from 4.56% to 4.98% (2022: 4.46%) per annum during the financial year.

The term loans are secured by the following:

(a) Third party legal charge over the leasehold land as disclosed in Note 14(a);

(b) A debenture incorporating a fixed and floating charge over all present and future assets of ASSB;

(c) Assignment of rights and benefits arising from the construction contracts and contractor's performance bond in favour of ASSB in respect of the Project;

(d) Assignment of sales proceed of the Project between the bank and ASSB;

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

27. BORROWINGS (CONT'D.)

(iv) RM144 Million Term Loan/Bank Guarantee (cont'd.)

The term loans are secured by the following (cont'd.):

(e) Corporate guarantee by the Company; and

(f) A fixed deposit pledged of RM10,000,000 as disclosed in Note 26.

(v) RM32 Million Term Loan/Bank Guarantee

In October 2022, Paramount Holdings Sdn. Bhd. ("PHSB") had obtained a term loan facility to fund the purchase of a parcel of freehold land located at Bukit Minyak, Penang.

The term loan bears interest at the prevailing cost of funds plus 1.10% per annum. The average effective interest rate from 4.60% to 4.99% per annum during the financial year.

The term loans are secured by the following:

(a) Third party legal charge over the freehold land as disclosed in Note 14(a);

(b) A charge over all cash deposit deposited;

(c) A debenture incorporating a fixed and floating charge over all present and future assets of PHSB;

(d) Subordination of all present and future advances of up to RM15 million from shareholders and related parties; and

(e) Corporate guarantee by the Company;

27. BORROWINGS (CONT'D.)

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 FSRA, DSRA, PA, PSRA and Revenue account as disclosed in Note 26.

The effective interest rates of the borrowings (other than iMTN Sukuk Programmes and MTN Programme) as at the reporting date are as follows:

	2023 per annum %	2022 per annum %
- Bank overdraft	4.55 - 5.92	5.31 - 5.32
- Revolving credit	4.58 - 5.05	3.78 - 4.53
- Term loans	4.60 - 5.40	4.25 - 5.15

The management of the interest rate risk of the Group is disclosed in Note 41(c).

28. LEASE LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Lease liabilities	16,143	5,791	-	-
Current				
Lease liabilities	5,437	5,210	-	727
Total lease liabilities	21,580	11,001	-	727

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

28. LEASE LIABILITIES (CONT'D.)

The movement of lease liabilities during the financial year is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	11,001	15,400	727	2,624
Additions	16,253	2,596	-	-
Lease remeasurement	(165)	(108)	-	-
Lease derecognition	-	(1,007)	-	(1,007)
Lease payments	(6,019)	(6,140)	(744)	(946)
Interest expense (Note 7)	510	552	17	56
Others	-	(292)	-	-
At 31 December	21,580	11,001	-	727
Cash flows from financing activities:				
Payment for lease liabilities:				
- principal	5,509	5 ,588	727	890
- interest	510	552	17	56
Total lease payment	6,019	6 ,140	744	946

The maturities of the lease liabilities as at the reporting date are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Within one year	5,437	5,210	-	727
More than 1 year but not later than 2 years	3,796	3,072	-	-
More than 2 years but not later than 5 years	9,751	2,177	-	-
More than 5 years	2,596	542	-	-
	21,580	11,001	-	727

29. TRADE PAYABLES

	Group	
	2023 RM'000	2022 RM'000
Trade payables	74,158	82,121
Trade accruals	105,871	71,554
Retention sums on contracts	37,202	31,100
	217,231	184,775

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2022: 30 to 90 days). The retention sums are payable upon expiry of the defects liability period of 18 to 24 months (2022: 18 to 24 months).

30. OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Sundry payables	47,329	56,494	-	-
Current				
Sundry payables	234,431	174,046	15,832	15,691
Refundable deposits	7,426	7,189	-	8
	241,857	181,235	15,832	15,699
Total	289,186	237,729	15,832	15,699

Included in sundry payables is balance of consideration for the acquisition of development right for a piece of land of RM80,000,000 which will be settled in cash over eight equal installments annually commencing from financial year 2023.

Other than as above, all sundry payables are non-interest bearing and the normal credit terms granted to the Group and the Company range from 30 to 90 days (2022: 30 to 90 days) and 30 days (2022: 30 days) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

31. DEFERRED TAX (ASSETS)/LIABILITIES

	2023 RM'000	2022 RM'000
Group		
At 1 January	(47,069)	(36,797)
Recognised in the income statement (Note 9)	4,097	(10,272)
At 31 December	(42,972)	(47,069)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(45,627)	(50,895)
Deferred tax liabilities	2,655	3,826
	(42,972)	(47,069)

	At 1 January 2023 RM'000	Recognised in the income statement RM'000	At 31 December 2023 RM'000
Deferred tax (assets)/liabilities of the Group:			
Unrealised gain from transfer of investment properties and land held for property development	(7,267)	-	(7,267)
Fair value adjustment from business combination	2,244	(31)	2,213
Interest capitalised*	(14,076)	3,825	(10,251)
Unutilised tax losses and unabsorbed capital allowances	(6,943)	(3,137)	(10,080)
Property development profits	(19,899)	3,063	(16,836)
Right-of-use assets	2,441	(1,273)	1,168
Lease liabilities	(2,380)	1,187	(1,193)
Others	(1,189)	463	(726)
	(47,069)	4,097	(42,972)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

31. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

	At 1 January 2022 RM'000	Recognised in the income statement RM'000	At 31 December 2022 RM'000
Deferred tax (assets)/liabilities of the Group:			
Unrealised gain from transfer of investment properties and land held for property development	(9,989)	2,722	(7,267)
Fair value adjustment from business combination	2,290	(46)	2,244
Interest capitalised*	(13,662)	(414)	(14,076)
Unutilised tax losses and unabsorbed capital allowances	(2,601)	(4,342)	(6,943)
Property development profits	(11,794)	(8,105)	(19,899)
Right-of-use assets	2,334	107	2,441
Lease liabilities	(2,499)	119	(2,380)
Others	(876)	(313)	(1,189)
	(36,797)	(10,272)	(47,069)

* Interest capitalised refers to intercompany interest capitalised in land held for property development which will be deductible upon future disposal.

	2023 RM'000	2022 RM'000
Company		
At 1 January	329	64
Recognised in the income statement (Note 9)	(359)	265
At 31 December	(30)	329

	At 1 January 2023 RM'000	Recognised in the income statement RM'000	At 31 December 2023 RM'000
Deferred tax assets of the Company:			
Others	329	(359)	(30)

	At 1 January 2022 RM'000	Recognised in the income statement RM'000	At 31 December 2022 RM'000
Deferred tax liabilities of the Company:			
Others	64	265	329

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

31. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses	50,056	43,911
Unabsorbed capital allowances	21,649	20,443
	71,705	64,354

Year of expiry is analysed as follows:

	Group	
	2023 RM'000	2022 RM'000
Unutillised tax losses:		
- Expiring in 2028	14,964	14,977
- Expiring in 2029	6,409	6,409
- Expiring in 2030	6,857	6,857
- Expiring in 2031	7,674	7,674
- Expiring in 2032	7,994	7,994
- Expiring in 2033	6,158	-
	50,056	43,911

The unutilised tax losses, unabsorbed capital allowances and other deductible temporary difference 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. 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.

32. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid				
At 1 January	621,926	619,198	334,299	330,834
Ordinary shares issued pursuant to LTIP	800	2,728	882	3,465
At 31 December	622,726	621,926	335,181	334,299

During the financial year, the Company issued 799,900 new ordinary shares to its eligible employees, pursuant to the vesting of the restricted shares under the 2020 RS Grants of LTIP, that had been awarded on 13 March 2020.

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.

33. PRIVATE DEBT SECURITIES

	Group and Company	
	2023 RM'000	2022 RM'000
Perpetual securities	199,609	199,206

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 distribution paid for the financial year ended 31 December 2023 is RM12,212,000 (2022: RM11,889,000).

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

34. 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:

<u>2015 LTIP</u>

(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.

<u>2016 LTIP</u>

(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.

<u>2017 LTIP</u>

(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.

<u>2018 LTIP</u>

(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.

34. EMPLOYEE SHARE SCHEME (CONT'D.)

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.

The 2019 RS Grant was adjusted to 2,925,100 RS to take into account the bonus issue, on the basis of 2 bonus shares for every 5 existing ordinary shares, that was announced on 25 July 2019.

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 of the Company. The LTIP serves to attract, retain, motivate and reward valuable employees of the Group and of the Company.

LTIP movement

	Group and Company	
	2023 RM'000	**2022 RM'000**
At 1 January	3,203	6,252
Sixth award of up to 6,568,300 LTIP shares	-	416
Vesting of RS under the 2019 RS Grant	-	(1,054)
Vesting of PS under the 2019 PS Grant	-	(1,460)
Vesting of RS under the 2020 RS Grant	(882)	(951)
Re-measurement of LTIP prior to settlement	(2,321)	-
At 31 December	-	3,203

On 15 March 2023, 799,900 new ordinary shares in the Company were allotted and issued at the issue prices of RM1.1020 per share pursuant to the third vesting of RS under the 2020 RS Grant. The LTIP expired on 16 September 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

34. 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.

35. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31 December 2023 and 31 December 2022 under the single-tier system.

36. 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 3 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	
	2023 RM'000	2022 RM'000
Not later than 1 year	16,480	13,474
Later than 1 year and not later than 5 years	12,375	17,892
	28,855	31,366

37. COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
Approved and contracted for:		
- Property, plant and equipment	1,193	161
- Investment properties	23,114	46,059
	24,307	46,220
Approved but not contracted for:		
- Property, plant and equipment	-	1,116

As at 31 December 2023, no values were ascribed to the corporate guarantees provided by the Company to secure banking facilities described in Note 27 as the Directors regard the value of the credit enhancement provided by the corporate guarantees as minimal and the probability of default, based on historical track records of the parties receiving the corporate guarantees are remote.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

38. 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Sale of property to Mr Ooi Hun Peng	(500)	-	-	-
Sale of property to Mr Wang Chong Hwa	(1,620)	-	-	-
Sale of property to Mr Chee Siew Pin and his spouse	-	(688)	-	-
Rental income received from Peoplender Sdn. Bhd., a company in which Mr Chew Sun Teong and Mr Benjamin Teo Jong Hian have interests	(132)	(126)	-	-
Rental income received from UOW Malaysia KDU University College Sdn. Bhd., an associate of the Company	(6,538)	(3,063)	-	-
Rental income received from UOW Malaysia KDU Penang University College Sdn. Bhd., an associate of the Company	(1,930)	(867)	-	-
Management fees received from subsidiaries	-	-	(18,446)	(14,800)
Interest income received from subsidiaries	-	-	(18,628)	(19,486)
Interest income receivable from a joint venture	(1,051)	(767)	-	-
Dividend received from subsidiaries	-	-	(50,000)	(20,000)
Rental charges paid to Mr Chew Sun Teong	-	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	-	870	-	870
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	-	142	-	44
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	-	567	-	-
Rental charges paid to Damansara Uptown Seven Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	-	344	-	-

38. RELATED PARTY DISCLOSURES (CONT'D.)

(a) Sale and purchase of goods and services (cont'd.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Rental of wall space paid to Damansara Uptown Retail Centre Sdn. Bhd., a company in which a brother of the late Dato' Teo Chiang Quan has interest	-	3	-	-
Consultancy fee paid to Datuk Wong Baan Chun	180	180	-	-
Platform fee paid to Peoplender Sdn. Bhd., a company in which Mr Chew Sun Teong and Mr Benjamin Teo Jong Hian have interests	26	-	26	-

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short term employee benefits	11,722	12,250	8,681	9,432
Defined contribution plan	1,212	1,096	677	775
	12,934	13,346	9,358	10,207

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive	5,695	6,454	5,695	6,454
Non-executive	784	849	784	849
	6,479	7,303	6,479	7,303

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

39. 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 2.14 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:

	Note	At amortised cost RM'000	At fair value through other comprehensive income RM'000	Total RM'000
Group				
31 December 2023				
Financial assets:				
Other investments	20	-	8,331	8,331
Trade receivables	21	82,420	-	82,420
Other receivables	22	58,689	-	58,689
Cash and bank balances	26	203,188	-	203,188
Total financial assets		344,297	8,331	352,628
Financial liabilities:				
Trade payables	29	217,231	-	217,231
Other payables	30	272,355	-	272,355
Lease liabilities	28	21,580	-	21,580
Borrowings	27	814,264	-	814,264
Total financial liabilities		1,325,430	-	1,325,430
31 December 2022				
Financial assets:				
Other investments	20	-	8,730	8,730
Trade receivables	21	111,374	-	111,374
Other receivables	22	50,383	-	50,383
Cash and bank balances	26	331,050	-	331,050
Total financial assets		492,807	8,730	501,537
Financial liabilities:				
Trade payables	29	184,775	-	184,775
Other payables	30	225,195	-	225,195
Lease liabilities	28	11,001	-	11,001
Borrowings	27	1,015,238	-	1,015,238
Total financial liabilities		1,436,209	-	1,436,209

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

39. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D.)

	Note	At amortised cost RM'000	At fair value through other comprehensive income RM'000	Total RM'000
Company				
31 December 2023				
Financial assets:				
Other investments	20	269,805	110	269,915
Other receivables	22	6,449	-	6,449
Amounts due from subsidiaries	25	469,228	-	469,228
Cash and bank balances	26	1,161	-	1,161
Total financial assets		746,643	110	746,753
Financial liabilities:				
Other payables	30	11,386	-	11,386
Borrowings	27	90,178	-	90,178
Total financial liabilities		101,564	-	101,564
31 December 2022				
Financial assets:				
Other investments	20	227,985	110	228,095
Other receivables	22	495	-	495
Amount due from subsidiaries	25	611,570	-	611,570
Cash and bank balances	26	37,945	-	37,945
Total financial assets		877,995	110	878,105
Financial liabilities:				
Amount due to subsidiaries	25	448	-	448
Other payables	30	11,887	-	11,887
Lease liabilities	28	727	-	727
Borrowings	27	130,904	-	130,904
Total financial liabilities		143,966	-	143,966

* These balances exclude non-financial instruments balances which are not within the scope of MFRS 9: *Financial Instruments.*

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

40. 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 2023				
Group				
Assets for which fair values are disclosed				
Investment properties (Note 16)	-	-	733,791	733,791
Assets measured at fair value				
Other investments - quoted (Note 20)	694	-	-	694
Other investments - unquoted (Note 20)	-	-	7,637	7,637
Company				
Assets measured at fair value				
Other investments - unquoted (Note 20)	-	-	110	110
31 December 2022				
Group				
Assets for which fair values are disclosed				
Investment properties (Note 16)	-	-	657,405	657,405
Assets measured at fair value				
Other investments - quoted (Note 20)	1,093	-	-	1,093
Other investments - unquoted (Note 20)	-	-	7,637	7,637
Company				
Assets for which fair values are disclosed				
Investment properties (Note 16)	-	-	2,000	2,000
Assets measured at fair value				
Other investment - unquoted (Note 20)	-	-	110	110

During the financial year, there were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy.

40. 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.

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)	21
Other receivables (current & non-current)	22
Trade payables (current)	29
Other payables (current & non-current)	30
Borrowings (current & non-current)	27
Lease liabilities (current & non-current)	28

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

41. 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 RM1,156,249,000 (2022: RM1,261,548,000) relating to guarantees extended in support of banking and other credit facilities granted to subsidiaries.

Credit risk concentration profile

The Group and the Company do not have any major concentration of credit risk related to any major customer.

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

41. 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 2023				
Group				
Financial liabilities:				
Trade and other payables	459,924	40,000	20,000	519,924
Lease liabilities	6,244	15,185	2,639	24,068
Borrowings	308,739	585,483	33,142	927,364
Total undiscounted financial liabilities	774,907	640,668	55,781	1,471,356
31 December 2023				
Company				
Financial liabilities:				
Other payables	11,386	-	-	11,386
Borrowings	94,639	-	-	94,639
Total undiscounted financial liabilities	106,025	-	-	106,025
31 December 2022				
Group				
Financial liabilities:				
Trade and other payables	366,437	40,000	30,000	436,437
Lease liabilities	5,540	5,621	556	11,717
Borrowings	375,315	757,074	34,087	1,166,476
Total undiscounted financial liabilities	747,292	802,695	64,643	1,614,630
31 December 2022				
Company				
Financial liabilities:				
Other payables	11,887	-	-	11,887
Due to subsidiaries	448	-	-	448
Lease liabilities	743	-	-	743
Borrowings	136,545	-	-	136,545
Total undiscounted financial liabilities	149,623	-	-	149,623

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

41. 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 RM3,481,000 and RM101,000 (2022: RM4,160,000 and RM55,000) 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.

42. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value.

In order to achieve this overall objective, the Group's and the Company's capital management, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately recall the loans and borrowings. There have been no breaches of financial covenants of any interest-bearing loans and borrowing in the current financial year.

The Group and the Company manages its capital structure and makes adjustments in light of changes in economic conditional and the requirements of the financial covenants. 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 net debts divided by total equity. The Group and the Company include within net debt, loans and borrowings less cash and bank balances.

		Group		**Company**	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Borrowings	27	814,264	1,015,238	90,178	130,904
Less: Cash and bank balances	26	(203,188)	(331,050)	(1,161)	(37,945)
Net debts		611,076	684,188	89,017	92,959
Total equity		1,630,487	1,664,974	1,478,680	1,545,974
Debts to equity ratio		37%	41%	6%	6%

43. 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.

31 December 2023	Property RM'000	Coworking RM'000	Investment and others RM'000	Adjustments and eliminations RM'000	Note	Consolidated RM'000
Revenue:						
External customers	973,681	11,430	27,141	-		1,012,252
Inter-company sales	421,910	1,640	135,212	(558,762)	A	-
Total revenue	1,395,591	13,070	162,353	(558,762)		1,012,252
Results:						
Interest income	11,913	123	53,312	(60,792)	A	4,556
Interest expense	21,928	466	93,479	(84,026)	A	31,847
Depreciation and amortisation	8,370	4,187	23,595	(12,828)		23,324
Share of results of associates and a joint venture	-	-	(2,525)	-		(2,525)
Segment profit	138,340	2,241	14,597	(24,955)	B	130,223

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

43. SEGMENT INFORMATION (CONT'D.)

31 December 2022	Property RM'000	Coworking RM'000	Investment and others RM'000	Adjustments and eliminations RM'000	Note	Consolidated RM'000
Revenue:						
External customers	823,403	7,645	16,416	-		847,464
Inter-company sales	226,650	1,749	97,884	(326,283)	A	-
Total revenue	1,050,053	9,394	114,300	(326,283)		847,464
Results:						
Interest income	7,100	20	49,330	(53,643)	A	2,807
Interest expense	19,706	441	82,613	(74,558)	A	28,202
Depreciation and amortisation	10,464	3,848	23,926	(13,086)		25,152
Share of results of associates and a joint venture	-	-	1,793	-		1,793
Segment profit/(loss)	93,172	(713)	74,746	(62,082)	B	105,123

31 December 2023	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 a joint venture	-	-	38,480	-		38,480
Additions to non-current assets	116,365	3,068	731	-	C	120,164
Segment assets	3,064,215	34,909	1,980,882	(2,102,916)	D	2,977,090
Segment liabilities	1,753,787	25,349	1,444,962	(1,877,495)	E	1,346,603

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

43. SEGMENT INFORMATION (CONT'D.)

31 December 2022	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 a joint venture	-	-	40,172	-		40,172
Additions to non-current assets	356,952	185	482	-	C	357,619
Segment assets	3,036,301	13,091	2,300,653	(2,224,900)	D	3,125,145
Segment liabilities	1,846,080	16,086	1,616,614	(2,018,609)	E	1,460,171

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:

	2023 RM'000	2022 RM'000
Inter-segment dividends	(50,000)	(20,000)
Inter-segment interests	23,235	20,915
Other inter-segment transactions	1,810	(62,997)
	(24,955)	(62,082)

C Additions to non-current assets consist of:

	2023 RM'000	2022 RM'000
Property, plant and equipment	9,442	7,217
Inventories	92,172	329,668
Investment properties	18,550	20,734
	120,164	357,619

NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

43. 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:

	2023 RM'000	2022 RM'000
Investments in associates	(51)	2,878
Inter-segment assets	(2,088,046)	(2,215,438)
Unrealised gains from inter-segment transactions	(14,819)	(12,340)
	(2,102,916)	(2,224,900)

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 financial years ended 31 December 2023 and 31 December 2022, there is no revenue concentration from a single customer that exceeds 10% of the total Group's revenue.

44. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 13 December 2023, the Company completed the sale of its 5% equity interest in KDUUC and KDUPG to UOWM Sdn. Bhd. for a consideration of RM5,659,000. Consequently, the remaining equity interests owned by the Company in KDUUC and KDUPG is 30%.

45. SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

(a) On 6 February 2024, the Company has subscribed 5,640 and 74 Non-Cumulative Redeemable Convertible Preference Shares ("NCRCPS") in its wholly-owned subsidiaries, Paramount Utropolis Retail Sdn. Bhd. and Broad Projects Sdn. Bhd. for a consideration of RM28,200,000 and RM370,000 respectively, at a price of RM5,000 per NCRCPS, by way of setting off against an equivalent amount of RM28,570,000 amount due from a fellow subsidiary, Paramount Capital Resources Sdn. Bhd.

(b) On 28 February 2024, the Company has declared a single tier second interim dividend of 4.0 sen per share in respect of the financial year ended 31 December 2023 on 622,726,366 ordinary shares, amounting to a dividend payable of RM24,909,000 which was paid on 27 March 2024.

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.

05

ADDITIONAL INFORMATION

ADDITIONAL COMPLIANCE **INFORMATION**

AUDIT AND NON-AUDIT SERVICES RENDERED

The amount of audit and non-audit fees paid/payable to the Company's external auditors, Ernst & Young PLT, for the services rendered to the Group for the financial year ended 31 December 2023.

	Company RM'000	Group RM'000
• Audit fee	209	713
• Non-audit fee		
- 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
Total	**214**	**749**

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 2023 or entered into since the end of the previous financial year.

EMPLOYEE SHARE SCHEME

The Long Term Incentive Plan (**LTIP**) 2013-2023, implemented on 17 September 2013, involving 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, has expired on 16 September 2023.

Details of the LTIP are set out in Note 34 to the Audited Financial Statements on pages 176 to 178 of this Annual Report, and the number of LTIP Shares granted, vested and outstanding since the commencement of the LTIP up to the expiry on 16 September 2023 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

ADDITIONAL COMPLIANCE INFORMATION

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	2,666,200	514,800	284,100	1,867,300
2019 PS	1,107,300	620,500	302,500	184,300
2020 RS	2,467,400	538,900	147,600	1,780,900
2020 PS	0	0	0	0

3. Outstanding LTIP Shares (adjusted after the issue of bonus shares 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	0	0	0	0
2019 PS	0	0	0	0
2020 RS	0	0	0	0
2020 PS	0	0	0	0

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.

ANALYSIS OF **SHAREHOLDINGS**

As at 29 March 2024

Issued share capital of the Company: 622,726,366 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	267	3.388	7,663	0.001
100 - 1,000	676	8.579	391,567	0.063
1,001 - 10,000	3,782	47.995	20,622,153	3.312
10,001 - 100,000	2,680	34.010	85,768,411	13.773
100,001 - 31,136,317*	473	6.003	309,553,472	49.709
31,136,318 and above**	2	0.025	206,383,100	33.142
Total	**7,880**	**100.000**	**622,726,366**	**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	24.770
2.	Southern Palm Industries Sdn Bhd	52,131,100	8.371
3.	Southern Acids (M) Berhad	27,043,100	4.342
4.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd (SFS-PB)	18,833,500	3.024
5.	Bunga Indah (M) Sdn Bhd	16,216,200	2.604
6.	Southern Realty (Malaya) Sdn Bhd	14,695,100	2.359
7.	Wong Chong Ngin	9,336,000	1.499
8.	Benjamin Teo Jong Hian	9,312,480	1.495
9.	Amanahraya Trustees Berhad PMB Shariah Growth Fund	9,135,000	1.466
10.	Eliyezer Resources Sdn Bhd	8,541,600	1.371
11.	Amanahraya Trustees Berhad Public Smallcap Fund	7,997,800	1.284
12.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Chew Sun Teong (PB)	6,817,940	1.094
13.	Ong Keng Siew	5,582,780	0.896

ANALYSIS OF SHAREHOLDINGS
As at 29 March 2024

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D.)

	Name of Shareholder	No. of Shares Held	%
14.	RHB Nominees (Asing) Sdn. Bhd. Exempt An For Phillip Securities Pte. Ltd. (A/C Clients)	5,334,560	0.856
15.	Leong Kok Tai	4,991,400	0.801
16.	Eunice Teo Wan Tien	3,691,800	0.592
17.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Teh Wao Kheng (PB)	3,238,100	0.519
18.	Teh Geok Lian	2,682,540	0.430
19.	Chew Sun Teong	2,258,100	0.362
20.	Mikdavid Sdn Bhd	2,123,100	0.340
21.	Gemas Bahru Estates Sdn. Bhd.	2,111,900	0.339
22.	Yeo Khee Huat	2,107,000	0.338
23.	Tan Ai Leng	1,900,056	0.305
24.	Liew Yoon Yee	1,700,000	0.272
25.	Tay Lee Kong	1,662,680	0.267
26.	Southern Edible Oil Industries (M) Sdn Berhad	1,631,700	0.262
27.	Foong Poh Seng	1,627,720	0.261
28.	Teh Wao Kheng	1,603,700	0.257
29.	Ghee Thong Sdn. Bhd.	1,572,900	0.252
30.	Yeo Khee Nam	1,556,100	0.249

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholder	No. of Shares Held	%	No. of Shares Held	%
Paramount Equities Sdn Bhd	154,252,000	24.770	16,216,200 (1)	2.604
Benjamin Teo Jong Hian	9,312,480	1.495	170,468,200 (2)	27.374
Southern Palm Industries Sdn Bhd	52,131,100	8.371	27,043,100 (3)	4.342
Southern Edible Oil Industries (M) Sdn Bhd	1,631,700	0.262	79,174,200 (4)	12.714
Southern Realty (Malaya) Sdn Bhd	14,695,100	2.359	80,805,900 (5)	12.976
Banting Hock Hin Estate Co Sdn Bhd	901,600	0.145	95,501,000 (6)	15.336

ANALYSIS OF SHAREHOLDINGS
As at 29 March 2024

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
Name of Director	No. of Shares Held	%	No. of Shares Held	%
Chew Sun Teong	9,076,040	1.457	-	-
Benjamin Teo Jong Hian	9,312,480	1.495	170,468,200 (2)	27.374
Ong Keng Siew	5,582,780	0.896	-	-
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 Bunga Indah (M) Sdn Bhd to the extent that Paramount Equities Sdn Bhd has an interest.*

(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 29 March 2024

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	335	8.818	12,076	0.006
100 – 1,000	577	15.188	320,200	0.185
1,001 – 10,000	2,061	54.251	7,012,768	4.046
10,001 – 100,000	656	17.268	22,497,000	12.979
100,001 – 8,666,891*	168	4.422	84,529,202	48.766
8,666,892 and above**	2	0.052	58,966,600	34.018
Total	**3,799**	**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.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd (SFS-PB)	5,381,000	3.104
4.	Bunga Indah (M) Sdn Bhd	4,633,200	2.672
5.	Ahmad Adil Luqman Bin Nor Ismail	4,439,700	2.561
6.	Southern Acids (M) Berhad	4,169,800	2.405
7.	Ho Huey Chuin	3,326,300	1.918
8.	Eliyezer Resources Sdn Bhd	2,497,600	1.440
9.	Ruhayat Bin Mohd Nazir	2,288,500	1.320
10.	Benjamin Teo Jong Hian	2,244,280	1.294
11.	Southern Realty (Malaya) Sdn Bhd	2,054,000	1.184
12.	Leong Kok Tai	1,607,200	0.927

ANALYSIS OF WARRANT HOLDINGS
As at 29 March 2024

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D.)

	Name of Warrant Holder	No. of Warrants Held	%
13.	Maybank Nominees (Tempatan) Sdn Bhd Tang Mun Phun	1,428,400	0.824
14.	Tay Ching Huay	1,209,800	0.697
15.	Adlina Ho Binti Abdullah	1,176,800	0.678
16.	Diong Lian Huat	1,106,000	0.638
17.	Khoo Tew Choon	1,067,500	0.615
18.	Maybank Nominees (Tempatan) Sdn Bhd Lim Sze Ming	1,000,000	0.576
19.	Low Chee Onn	987,900	0.569
20.	Lo Boon Son	944,400	0.544
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mohd Fairi Bin Che Wanik	938,400	0.541
22.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Teh Wao Kheng (PB)	924,800	0.533
23.	Teh Wao Kheng	858,200	0.495
24.	Kuek Hock Beng	800,000	0.461
25.	Lou Cheng Hui	770,000	0.444
26.	Eng Zer Lin	760,500	0.438
27.	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd For Chua Eng Siong	700,000	0.403
28.	Musalnizan Binti Mustalkah	700,000	0.403
29.	Asrul Effendi Bin Hasbi	660,000	0.380
30.	Lee Chee Seng	623,500	0.359

DIRECTORS' WARRANT HOLDINGS

	Direct Interest		Deemed Interest	
Name of Director	No. of Warrants Held	%	No. of Warrants Held	%
Benjamin Teo Jong Hian	2,244,280	1.295	48,705,200 [1]	28.098
Ong Keng Siew	80	0.000	-	-

Notes:

[1] *By virtue of his deemed interest in Paramount Equities Sdn Bhd and Bunga Indah (M) Sdn Bhd to the extent that Paramount Equities Sdn Bhd has an interest.*

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 31.12.2023
1	Lot 263 Seksyen 89A Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	16.10.2020	Land approved for residential development - The Ashwood (upcoming)	-	Freehold	156,816	192,830
2	Lot 91902 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	31.01.2012	Utropolis Glenmarie Campus - Rented to UOW Malaysia KDU University College Sdn Bhd	9 years	Freehold	1,011,483 *	188,145
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	3,428,172	152,744
4	Lot 10159, Seksyen 13 Bandar Petaling Jaya Daerah Petaling 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 *	125,428
5	Lots 75, 164, 203-206, 932-935, 1873-1875, 2518 & 2519 Mukim Kapar, Daerah Klang Selangor Darul Ehsan	02.12.2011 and 24.09.2012	Land approved for commercial and residential use - Berkeley Uptown	-	Freehold	670,824	113,154
6	Lot 20022 & Lot 2003, Seksyen 14 Bandar Petaling Jaya Daerah Petaling Selangor Darul Ehsan	22.12.2017	Development rights for The Atera development	-	99 years lease expiring 07.04.2103	243,936	112,634
7	Lot 21536 Mukim 13, Daerah Seberang Prai Selatan Pulau Pinang	05.12.2014	Utropolis Batu Kawan Campus - Rented to UOW Malaysia KDU Penang University College Sdn Bhd	4 years	Freehold	232,521 *	97,670
8	Lot PT 91903 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	31.01.2012	Retail mall and car-park - Paramount Utropolis Marketplace	8 years	Freehold	257,004	88,637
9	Lot PT 91903 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	17.12.2021	13-storey purpose-built hotel building - Mercure Kuala Lumpur Glenmarie Hotel	2 years	Freehold	156,102 *	82,948
10	Lots 557-558, 560, 565-566, 570-572, 575, 1652-1653, 1657-1658, 1660-1661, 1663-1664, 1860, 1952-1954 Mukim 17, Daerah Seberang Perai Tengah Pulau Pinang	08.04.2013, 21.06.2013, 09.08.2014, 18.08.2014, 19.08.2014, 03.12.2014, 27.07.2016	Residential and mixed development use (Held for future development)	-	Freehold	3,014,352	71,915

* Gross floor area/Net lettable area

06

APPENDICES

- Notice of Fifty-Fourth Annual General Meeting
- Electronic Submission of Proxy Form
- Proxy Form

NOTICE OF FIFTY-FOURTH **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Fifty-Fourth 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 Thursday, 6 June 2024 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 2023 together with the Reports of the Directors and the Auditors thereon. **(Please see Explanatory Note A)**

2. 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 2024 to 30 June 2025. **Resolution 1 (Please see Explanatory Note B)**

3. To re-elect the following Directors who are retiring pursuant to Clause 85 of the Company's Constitution:

   (a) Mr Jeffrey Chew Sun Teong **Resolution 2**
   (b) Mr Quah Poh Keat **Resolution 3**
   (Please see Explanatory Note C)

4. To re-elect Dato' Ong Eng Bin who is retiring pursuant to Clause 86 of the Company's Constitution. **Resolution 4 (Please see Explanatory Note D)**

5. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions:

6. **Authority for Mr Ong Keng Siew to continue in office as an Independent Non-Executive Director** **Resolution 6 (Please see Explanatory Note E)**

   "That authority be and is hereby given to Mr Ong Keng Siew who has served as an Independent Non-Executive Director of the Company for a term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

7. **Authority to Directors to allot and issue shares** **Resolution 7 (Please see Explanatory Note F)**

   "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."

By Order of the Board

NG WAI PENG
Secretary

Petaling Jaya
Selangor Darul Ehsan
30 April 2024

NOTES

General Meeting Record of Depositors

In respect of deposited securities, only members whose names appear in the Record of Depositors on 30 May 2024 (General Meeting Record of Depositors) shall be entitled to attend, participate, speak and vote at the Fifty-Fourth 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 shareholding 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 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 (as indicated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad).

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 a proxy may be made 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'.

NOTICE OF FIFTY-FOURTH ANNUAL GENERAL MEETING

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 1 represents an estimated provision for Directors' fees and meeting allowances payable for the period from 1 July 2024 to 30 June 2025 to the Company's Directors, including new Directors as may be appointed by the Board from time to time during the same period, based on the following rates:

Type of Fees	Amount (RM per annum)
Board of Paramount	
Board Chairman	201,600
Director	100,800
Audit Committee	
Committee Chairman	32,400
Member	21,600
Nominating Committee, Remuneration Committee, and Board Risk Management Committee	
Committee Chairman	21,600
Member	14,400
Board of Subsidiary	
Board Chairman	30,000
Director	12,000 - 16,000
Meeting allowance	RM1,000 per meeting

Explanatory Note C

Resolution 2

Mr Jeffrey Chew Sun Teong, a Malaysian, aged 58, is a Fellow of the Association of Chartered Certified Accountants (**ACCA**), United Kingdom (**UK**) and the Asian Institute of Chartered Bankers (**AICB**), and a Member of the Malaysian Institute of Accountants (**MIA**). He joined Paramount on 1 July 2014 as its Group Chief Executive Officer (**CEO**) and was appointed to the Board of Directors (**Board**) of Paramount on 8 June 2015.

As the Group CEO of Paramount, Mr Chew is responsible for managing the businesses of Paramount and its subsidiaries (**the Group**) and ensuring that they deliver consistent shareholder value. Under his management, Paramount consistently showed growth and profitability. Since 2015, Paramount has launched 18 property projects comprising multiple phases, 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 transform Paramount's single-campus school education business into the largest pre-tertiary education group in Malaysia in 2017, subsequently unlocking its value in 2019 and completely exiting the business in 2022. In 2018, Paramount also divested the majority stake of its home-grown KDU tertiary education institutions to the University of Wollongong, an Australian public university, thus allowing the institutions to grow to a different level. Under his leadership, Paramount won numerous awards in 2023, including the Malaysia Developer Awards 2023 where Paramount was ranked 1st for Best Qualitative for Market Capitalisation of below RM1.0 Billion, StarProperty Awards 2023 and BCI Asia Awards 2023. Tatler Malaysia named Mr Chew as one of Asia's Most Influential in 2023.

He was on the Advisory Committee of ACCA Malaysia up to 2017 and a member of the Small Debt Resolution Committee of Bank Negara Malaysia up to December 2023. He is currently an Independent Director and Chairman of the Audit Committee of the Asian Banking School (**ABS**).

Mr Chew does not have any conflict of interest (**COI**) or potential COI with the Group, and he has met all the fit and proper criteria set out in the Directors' Fit and Proper Policy (**DFPP**) of Paramount, as assessed by the Company's Nominating Committee (**NC**) in January 2024.

Resolution 3

Mr Quah Poh Keat, a Malaysian, aged 71, is a Fellow of the Chartered Tax Institute of Malaysia and ACCA, UK, and a member of the MIA, Malaysian Institute of Certified Public Accountants and Chartered Institute of Management Accountants, UK. He joined the Board of Paramount on 8 June 2016 as an Independent Non-Executive Director (**INED**). He is also the Chairman of the Audit Committee and a member of the NC of the Company.

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 until his retirement on 31 December 2007. He was also an INED of Public Bank Berhad (**PBB**) from 30 July 2008 to 1 October 2013 until his appointment as the Deputy CEO of PBB, a post he held until 31 December 2015. Thereafter, he remained active in the corporate world as an INED of several listed and non-listed public companies.

Mr Quah does not have any COI or potential COI with the Group, and he has met all the fit and proper criteria set out in the DFPP of Paramount, as assessed by the Company's NC in January 2024.

Explanatory Note D

Resolution 4

Dato' Ong Eng Bin, a Malaysian, aged 60, graduated from the University of Manchester, UK with a Bachelor of Arts (Hons) in Accounting and Finance. He joined the Board of Paramount on 1 July 2023. He is also a member of the Remuneration Committee (**RC**) and Board Risk Management Committee (**BRMC**) of the Company.

Dato' Ong began his career at Pricewaterhouse Malaysia (now known as PricewaterhouseCoopers Malaysia) in 1986. He had an impressive 35-year career at OCBC Bank (Malaysia) Berhad (**OCBC**) where he rose through the ranks from a Corporate Banking Officer in 1988 to several leadership roles in different divisions of the bank, including as CEO of OCBC for eight years from August 2014 until his retirement in December 2022. During his tenure as CEO of OCBC, he was also the Chairman of Pac Lease Berhad and e2 Power Sdn Bhd and a Council Member of the Association of Banks in Malaysia. He was an Adviser to the Chairman of OCBC until 30 June 2023 and an INED of Credit Guarantee Corporation Malaysia Berhad and Credit Bureau Malaysia Sdn Bhd until 13 October 2023.

Currently, in addition to his directorship in public companies, Dato' Ong is a Non-Executive Director of ASB and a Council Member of AICB.

Dato' Ong does not have any COI or potential COI with the Group, and he has met all the fit and proper criteria set out in the DFPP of Paramount, as assessed by the Company's NC in January 2024.

NOTICE OF FIFTY-FOURTH ANNUAL GENERAL MEETING

Explanatory Note E

The Board had, through the NC, conducted an assessment on the independence of Mr Ong Keng Siew who has served as an INED for more than nine (9) years. The assessment took into account Mr Ong's performance score in the 2023 Directors' Self and Peer assessment, a Declaration of Independence made by him as at the end of 2023 and his compliance with the DFPP. The NC, being satisfied with the outcome of this assessment, concluded that the independence of Mr Ong is not impaired, and hence, has recommended that Mr Ong Keng Siew be allowed to continue in office as an INED of the Company up to the 55^{th} AGM of the Company in 2025.

Mr Ong Keng Siew, a Malaysian, aged 67, is a Fellow of ACCA, UK, and a member of MIA. He joined the Board of Paramount on 14 November 1994 and was re-designated as an INED on 14 August 2014. He assumed the role of Senior INED of Paramount on 3 August 2022. He is also the Chairman of the NC and was the former Chairman of the BRMC from 20 January 2020 to 29 February 2024. He is now a member of the BRMC as well as a member of the RC of the Company. Mr Ong has served the Group with distinction in various roles for more than 30 years. He started as an Accountant in 1981 and rose through the ranks to assume the post of Deputy Group Managing Director and Deputy Group 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.

Currently, in addition to his directorship in public companies, Mr Ong also serves as a director of Perbadanan Aset Keretapi (Railway Assets Corporation), a federal statutory body established under the Railway Act 1991.

Mr Ong does not have any COI or potential COI with the Group, and he has met all the fit and proper criteria set out in the DFPP of Paramount, as assessed by the Company's NC in January 2024.

Explanatory Note F

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-Third AGM held on 15 June 2023, which will lapse at the conclusion of the Fifty-Fourth 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.

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 54TH 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 54TH 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 54TH 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.

This page is intentionally left blank.

PROXY FORM

PARAMOUNT

PARAMOUNT CORPORATION BERHAD

Registration No: 196901000222 (8578-A)

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-Fourth 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 Thursday, 6 June 2024 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	Directors' fees and meeting allowances for the period from 1 July 2024 to 30 June 2025		
Resolution 2	Re-election of Mr Jeffrey Chew Sun Teong as a Director		
Resolution 3	Re-election of Mr Quah Poh Keat as a Director		
Resolution 4	Re-election of Dato' Ong Eng Bin as a Director		
Resolution 5	Re-appointment of Auditors and to fix their remuneration		
Resolution 6	Mr Ong Keng Siew to continue in office as an Independent Non-Executive Director		
Resolution 7	Authority to Directors to allot and issue shares		

Dated this ________ day ____________________ 2024

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 shareholding 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 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 (as indicated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad).
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 a proxy may be made 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 the holding of 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 the 'Electronic Submission of Proxy Form'.
7. In respect of deposited securities, only members whose names appear in the Record of Depositors on 30 May 2024 (General Meeting Record of Depositors) shall be entitled to attend, participate, speak and vote at this AGM.

1. Fold along this line first

Please
Affix
Stamp

The Share Registrar of
PARAMOUNT CORPORATION BERHAD

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
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)

Level 8, Uptown 1
1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : +603-7712 3333 | Fax : +603-7712 3322