

Investor Relations & Media Presentation

Acquisition of 21.54% Equity Interests in
Eco World International Berhad

13 May 2024

Overview of the Acquisition

Transaction date/ Estimated completion date	Direct business transaction entered on 10 May 2024/ Settlement to be on 14 May 2024
Acquirer	Flexsis Sdn Bhd, 100% owned by Paramount Corporation Berhad (PCB)
Vendor	GLL EWI (HK) Limited
Equity interest acquired	21.54% (or 517 million shares) of Eco World International Berhad (Acquiree)
Purchase consideration	Cash of RM0.33 per share or RM170,610,000

Background of Acquiree

- Real estate developer with projects in United Kingdom (UK) and Australia through its subsidiaries and joint venture companies
- Acquiree's business operations are centered in London, while in Australia, its projects are located in Melbourne and Sydney
- Listed on the Main Market of Bursa Malaysia Securities Berhad in April 2017
- Top 3 substantial shareholders as at 30 April 2024
 - Eco World Capital (International) Sdn Bhd (27%)
 - Vendor (27%)
 - Tan Sri Dato' Sri Liew Kee Sin (10.27%)

Statistics on Acquiree

Closing market price (9/5//24)*	RM0.3550
Audited net assets per share (31/10/23)	RM0.69
Audited earnings per share (FY2023)	-RM0.04
Net Gearing (times) (31/10/23)	-

* Being the latest trading date prior to the direct business transaction

Benefits of the Acquisition

1

Faster crystallisation of PCB's overseas expansion & diversification strategy

2

New layer of profits on top of the growth generated from domestic property development business in the future

3

Potential collaboration with the Acquiree's major shareholder in the domestic property development market

Strategic fit into PCB's overseas expansion plan



2018



Disposal of controlling equity interests in tertiary education businesses

2019



Disposal of controlling equity interests in pre-tertiary education businesses

2020



Partnered with Thai-based developer for the development of Na Reva Charoennakhon, a 29-storey freehold condominium in Bangkok. Invested RM24.6 million in both debt and equity

2022



Fully exited pre-tertiary education businesses

2024



The Acquisition allows PCB exposure to the mature property markets in UK & Australia

Prospects of the Acquiree

SALES BREAKDOWN – UP TO 29 FEB 2024

PROJECT	OWNERSHIP	GDV (MILLION)	CUMULATIVE SALES (MILLION)	SALES VALUE (MILLION)		EFFECTIVE FUTURE REVENUE
				FY2015-2023	FY2024	
United Kingdom						
London City Island	75%	£685	£675	£675	£1	-
Embassy Gardens	75%	£898	£855	£838	£17	£12
Wardian London	75%	£569	£550	£537	£13	£5
Millbrook Park	70%	£105	£83	£80	£3	£3
Kensal Rise & Maida Hill (M&J)	70%	£95	£95	£95	-	-
Lampton	35%	£86	£86	£86	-	£4
Aberfeldy Village	35%	£857	£134	£134	£0.4	-
Kew Bridge	70%	£603	£349	£347	£2	£0.4
Barking Wharf	70%	£166	£166	£166	-	-
Woking	70%	£377	£15	£15	-	-
UK Sub-total		£4,442	£3,008	£2,972	£36	£25
Australia						
West Village	100%	A\$319	A\$318	A\$316	A\$2	-
Yarra One	100%	A\$241	A\$240	A\$233	A\$7	-
Australia Sub-total		A\$560m	A\$558	A\$549	A\$8	-
GRAND TOTAL		RM28,469	RM19,829	RM19,586	RM243	RM152

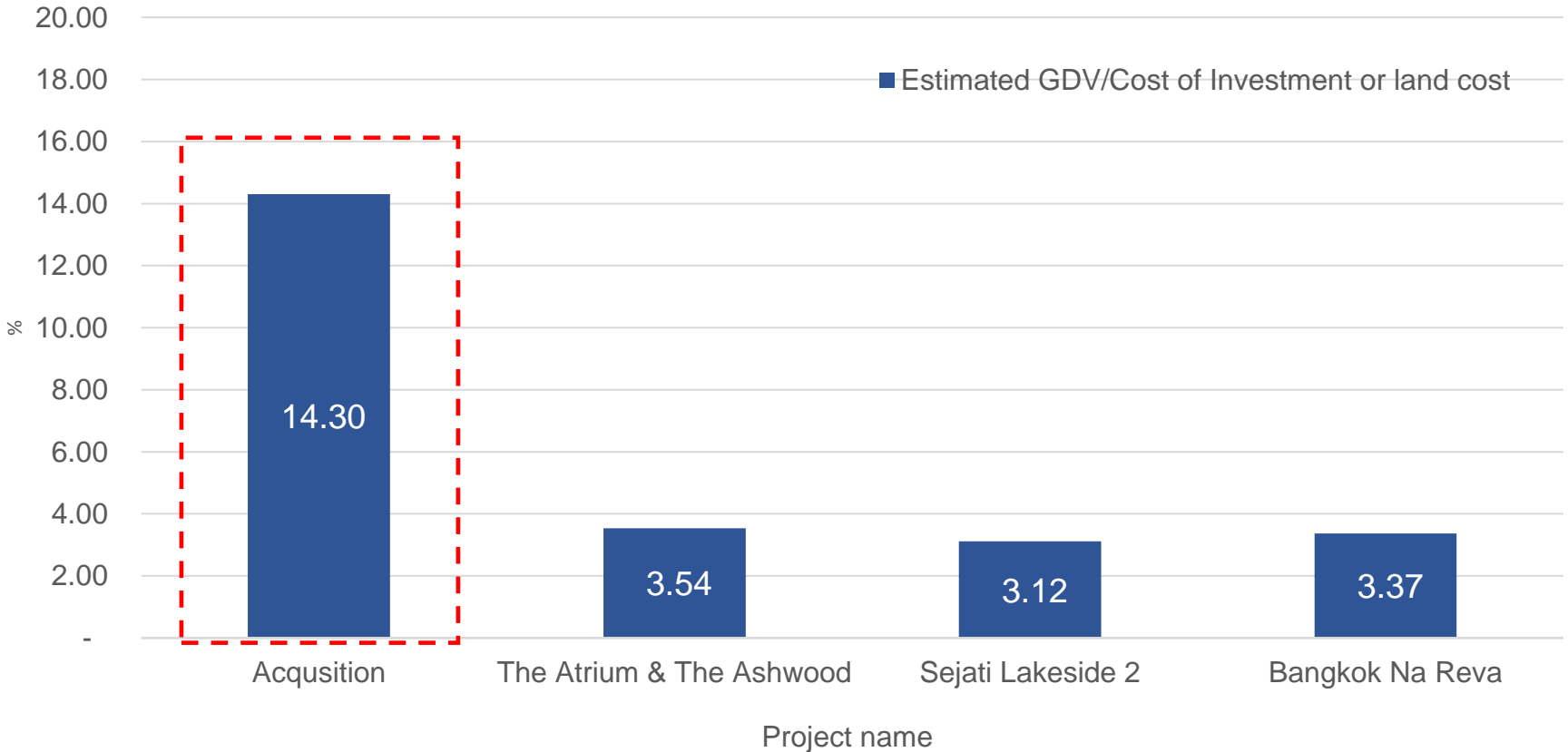
*Sales in RM based on exchanged rates of £1:RM6.0188 and A\$1:RM3.0939 as at 29 Feb 2024

RM8.64 billion

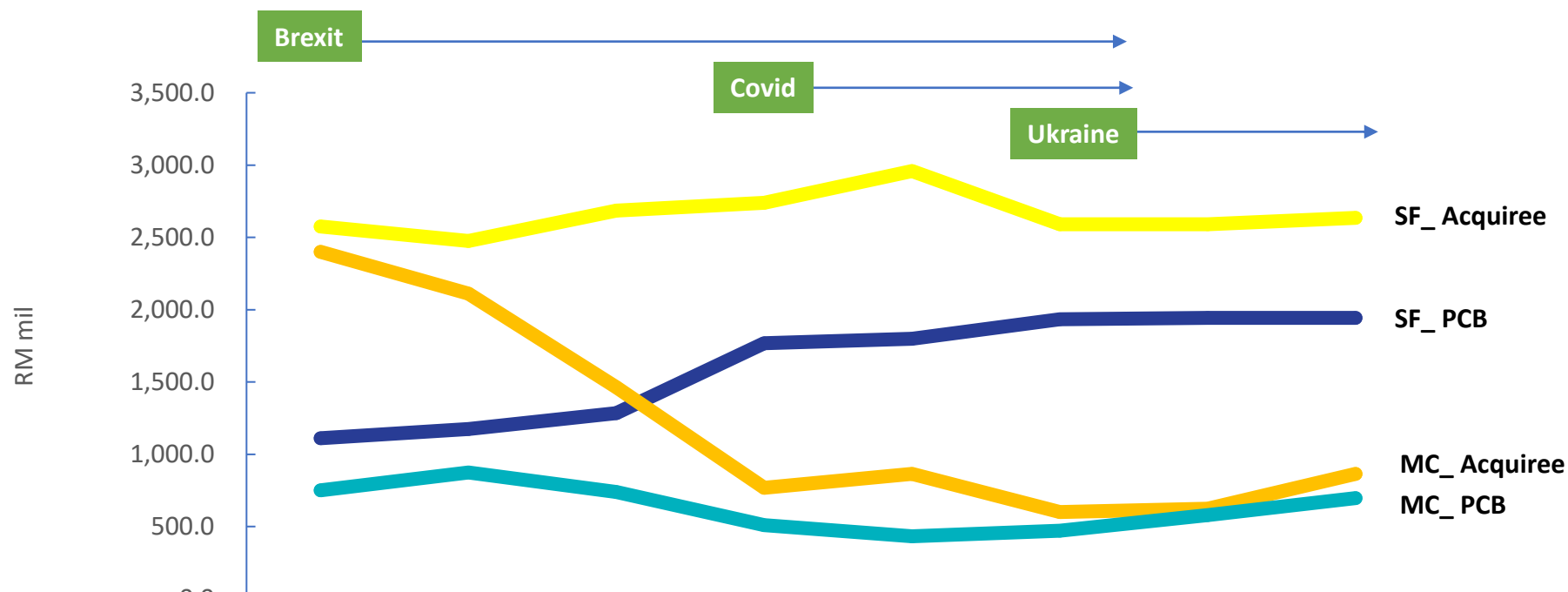
Source: Sales performance report FY2024 downloaded from Acquiree's website

Ratio of estimated GDV to cost of investment or land cost

Estimated GDV/Cost of Investment or land cost



Shareholders' funds & market capitalisation



SF: Shareholders' funds
MC: Market capitalisation

	2017	2018	2019	2020	2021	2022	2023	2024
SF_Acquiree	2,575.4	2,475.0	2,684.6	2,739.1	2,959.3	2,591.2	2,590.8	2,635.1
SF_PCB	1,110.4	1,175.1	1,283.9	1,768.6	1,798.3	1,934.4	1,943.0	1,943.0
MC_Acquiree	2,400.0	2,112.0	1,464.0	768.0	864.0	600.0	624.0	864.0
MC_PCB	751.0	873.7	740.2	510.0	433.4	472.6	579.1	697.0

- Notes:
- (1) Shareholders' funds are derived assuming no dividends were declared in the respective financial year end sourced from the annual reports. For 2024, this was extracted from the Acquiree's 1Q2024 quarterly report and for PCB, it was based on its 31 Dec 2023 annual report.
 - (2) The market capitalisation was as at the respective financial year end except for 2024, which was as at 9 May 2024.

London Property Market

Savills five-year UK forecast has been revised up from 17.9% to 21.6%, and the distribution of growth is expected to be more even over the five-year period.

According to Savills, a stronger economic performance in 2025 and 2026 will support buyer sentiment.

“Improving economic performance, combined with steady cuts to the base rate, will open up greater capacity for growth from 2025. But without the previously expected falls at the start of our forecast period, affordability constraints will become a factor towards the end of the five year period, particularly in the already stretched markets of London and the South East,” concludes Lucian Cook, head of residential research at Savills.

	2024	2025	2026	2027	2028	5 years to 2028
UK	2.5%	3.5%	4.5%	5.0%	4.5%	21.6%
North West	4.0%	4.5%	5.5%	6.5%	5.5%	28.8%
Yorkshire and The Humber	3.5%	4.5%	5.5%	6.5%	5.5%	28.2%
Wales	4.5%	4.5%	5.0%	5.5%	4.5%	26.4%
Scotland	4.0%	4.0%	5.0%	5.5%	5.0%	25.8%
North East	4.5%	4.5%	4.5%	5.0%	4.5%	25.2%
West Midlands	2.0%	4.0%	5.0%	6.0%	4.5%	23.4%
East Midlands	2.5%	4.0%	4.5%	5.5%	4.5%	22.8%
South West	1.0%	3.5%	4.0%	4.5%	4.5%	18.7%
South East	1.5%	3.0%	4.5%	4.5%	3.5%	18.2%
East of England	1.0%	3.0%	4.5%	4.5%	4.0%	18.1%
London	2.0%	2.5%	2.5%	3.5%	3.0%	14.2%

Source: Savills Research (Note: These forecasts apply to average prices in the second hand market. New build values may not move at the same rate.)

Distribution of dividends from the Acquiree

-Proposed capital reduction exercise

Extracted from Acquiree’s Circular dated 23 Feb 2024 on its proposed capital reduction exercise duly approved by its shareholders on 25 March 2024

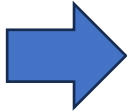
Potential impact to PCB



The tentative timetable in relation to the Proposed Capital Reduction is set out below:

Key events	Tentative timeline
10 th AGM	25 March 2024
Lodgement of documents with the Registrar of Companies for the Proposed Capital Reduction	March 2024
Completion of the Proposed Capital Reduction	May 2024

On 14 May 2024, PCB will effectively own 21.54% of Acquiree’s shares

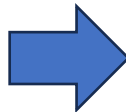


PCB will be entitled to future dividends declared by Acquiree



Subject to the shareholders approving the Proposed Capital Reduction and our Group achieving the Internal Sales Target and being able to meet the relevant legal and regulatory requirements at the material points in time and after setting aside funds for our Group’s estimated working capital and funding requirements, we are targeting to distribute dividends of up to RM504.0 million, representing RM0.21 per Share, in 2024 to 2025 (“**Targeted Distribution Amount**”).

Potential dividends attributable to PCB in 2024 & 2025

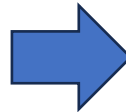


Up to RM108.57 million



Following completion of the Proposed Capital Reduction, we intend to declare a first tranche of dividend amounting to at least RM144.0 million (“**First Tranche Dividend FYE 2024**”). The date for the declaration of the First Tranche Dividend FYE 2024 will be determined and announced at a later date subject to completion of the Proposed Capital Reduction and our Company’s compliance with all applicable laws and regulations relating to dividend distribution at such point in time.

Potential dividends attributable (first tranche dividend FYE 2024) to PCB



Up to RM31.02 million

Risks of the Acquisition

1

Risks inherent to property development in the UK and Australia

2

Non-controlling stake of the business and operations of the Acquiree

3

Acquisition risk (eg. anticipated benefits & prospects of the Acquisition may not be realised)

4

Dilution risk if PCB does not participate in Acquiree's future equity fund raising

Proforma effects of the Acquisition

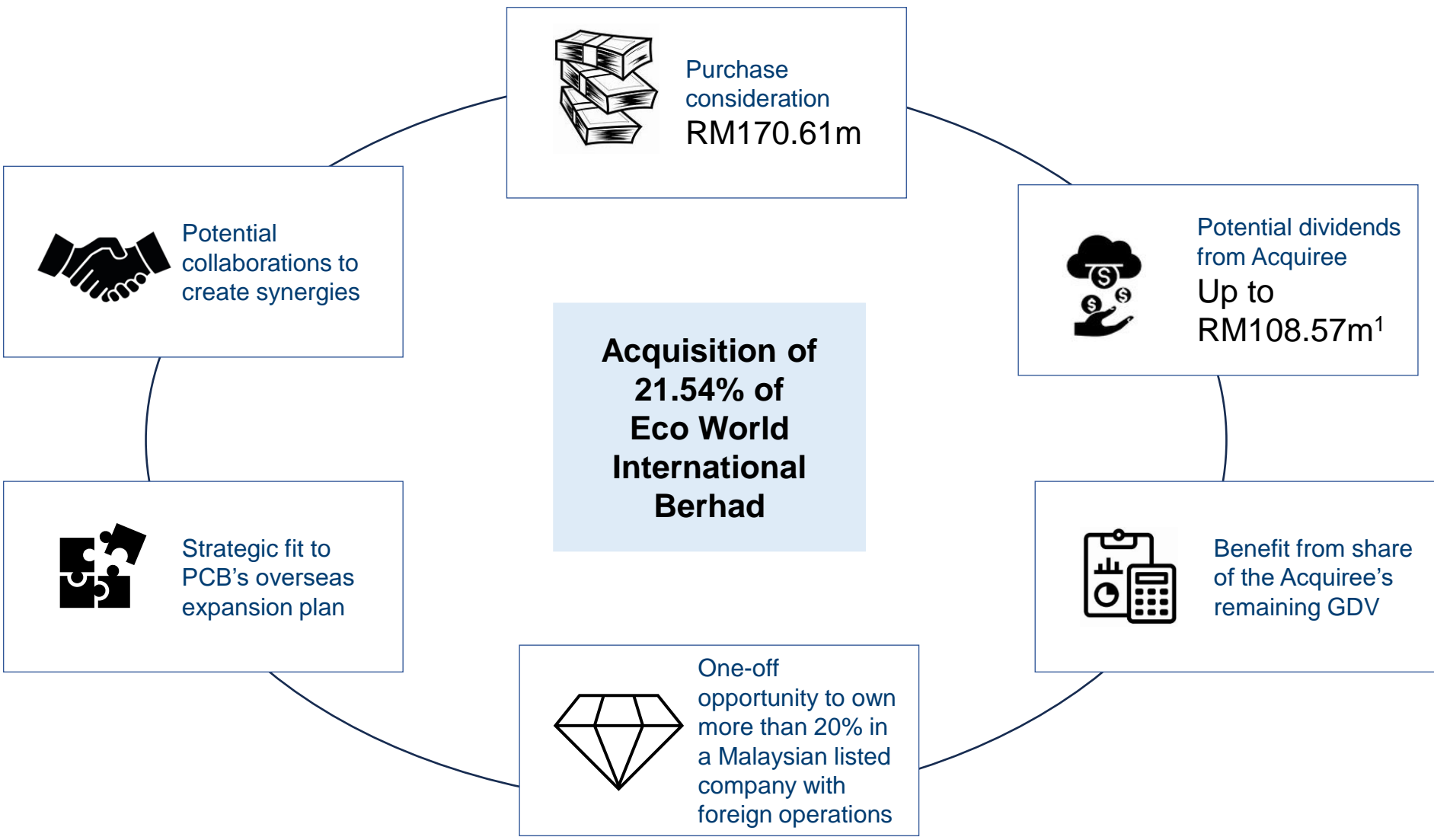
	Audited as at 31 December 2023	I	II	Proforma effects of the Acquisition
		After the payment of interim dividend ¹	After (I) and the Acquisition ²	
Shareholders' funds /net assets (NA) (RM'mil)	1,430	1,405	1,405	-
NA per share ³ (RM)	2.30	2.26	2.26	-
Borrowings ⁴ (RM'mil)	814	814	949	+135
Gearing ⁵ (times)	0.50	0.51	0.59	+0.09

Notes:

- 1 After adjusting for the payment of the single-tier second interim dividend of 4.0 sen per ordinary share in PCB in respect of the FYE 31 December 2023 amounting to approximately RM24.9 million on 27 March 2024.
- 2 After deducting estimated expenses in relation to the Acquisition of approximately RM0.18 million.
- 3 Computed based on shareholders' funds / NA over the number of ordinary shares of PCB.
- 4 Assuming that borrowings of RM134.9 million is undertaken to part finance the purchase consideration of the Acquisition.
- 5 Computed based on total borrowings divided by total equity.

The Acquisition is not expected to have any material effect on the earnings and earnings per share of the Company for the financial year ending 31 December 2024.

Key takeaways



Note:
1 Derived based on Acquiree's Circular to Shareholders dated 23 February 2024 in relation to its proposed capital reduction exercise

Disclaimer

Cautionary Statement

This presentation is to be read together with PCB's announcement dated 10 May 2024 to Bursa Securities in relation to the Acquisition.

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Thank You