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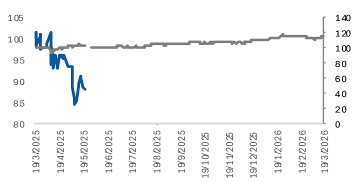
Recommendation:	BUY
Current Price:	RM 1.01
Previous Target Price:	RM 1.40
Target Price: ↑	RM 1.46
Capital Upside/Downside:	44.6%
Dividend Yield (%):	6.9%
Total Upside/Downside:	**51.5%**

Stock information	
Board	MAIN
Sector	Property
Bursa / Bloomberg Code	1724 / PARMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	622.8
Market Cap (RM' m)	629.0
52-Week Price Range (RM)	0.9-1.11
Beta (x)	0.8
Free float (%)	47.2
3M Average Volume (m)	0.3
3M Average Value (RM' m)	0.3

Top 3 Shareholders	(%)
Paramount Equities Sdn Bhd	24.8
Flamingo	15.1
Teo Chok Boo	6.6

Share Price Performance



	1M	3M	12M
Absolute (%)	-7.3	1.0	-2.9
Relative (%)	-6.1	-2.7	-14.8

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	946.9	1,092.2	1,396.6
PATAMI (RM'm)	118.8	100.3	149.4
CNP (RM'm)	72.3	100.3	149.4
EPS - core (sen)	11.6	16.1	24.0
P/E (x)	9.0	6.5	4.4

Paramount Corporation Bhd

Acquisition of Strategic Landbank

- **Paramount is acquiring 3.70 acres of freehold land along Jalan Ampang for a total consideration of RM257.9m.**
- **The Group intends to develop the site into two blocks of high-end serviced apartments, leveraging an existing development order secured by the vendor.**
- **We are constructive on the acquisition, given its close proximity to the Group's previously successful developments.**
- **Maintain a BUY recommendation with higher target price of RM1.46 (from RM1.40), derived from a 50% discount to revised RNAV, incorporating a three-star ESG rating.**

Prime Land Acquisition. Paramount's wholly owned subsidiary, Meridian Kuasa Sdn Bhd, has entered into a sale and purchase agreement with IOI Properties Berhad to acquire 3.70 acres of freehold land along Jalan Ampang, Kuala Lumpur, for a total consideration of RM257.9m. The acquisition is in line with the Group's strategy of securing well-located urban sites with strong development potential, particularly in areas where it has an established track record. The site is located within the prestigious U-Thant enclave, with close proximity to lifestyle, healthcare and education amenities. **The purchase will be funded through a combination of internally generated funds and bank borrowings**.

Intended Development. The Group intends to develop the site into two blocks of high-end serviced apartments, leveraging an existing development order secured by the vendor. This provides a meaningful speed-to-market advantage, enabling more efficient project execution with a targeted launch by end-2026 and an estimated development timeline of approximately six years post-launch. **The proposed project is expected to generate a gross development value (GDV) of approximately RM1.1bn**.

Our View. We are positive on the acquisition, given its close proximity to the Group's previously successful developments, Ashwood and Atrium. This allows the Group to leverage its familiarity with the location and the strong market reception of its earlier projects to deliver another well-positioned residential offering. **The acquisition implies a land cost-to-GDV ratio of 23.4%, slightly above the Group's recent acquisition average**. However, we view this premium as justified, supported by the project's shorter time-to-market, lower execution risk and proven take-up rates of nearby developments.

Figure 1: Proposed Landbank Acquisitions in FY25-FY26

Date of acquisition	Location	Land size (acre)	Purchase price (RM m')	Price psf (RM)	GDV (RM m')	Land cost/GDV (%)
31-Jul-25	Batu Kawan, Penang	18.97	57.8	70.0	744.0	7.8%
8-Aug-25	Bandar Lunas, Kulim, Kedah	295.55	128.7	10.0	946.0	13.6%
17-Dec-25	Shah Alam, Selangor	48.49	113.5	53.7	579.0	19.6%
7-Jan-26	Putrajaya	2.62	40	350.0	323.0	12.4%
18-Mar-26	Jalan Ampang, KL	3.7	257.9	1,600.0	1,100.0	23.4%
	TOTAL	**369.3**	**597.9**	**37.1**	**3,692.0**	**16.2%**

Source: Company, Apex Securities

Outlook. The Group's outlook remains constructive, with **total projected landbank GDV rising to c.RM8.8bn post-acquisition**, which is expected to sustain long-term revenue visibility while supporting its FY26 property launch target of RM1.1bn. This is further supported by unbilled sales of RM1.5bn, providing a solid earnings base as project construction progresses. Assuming 80% debt funding, we estimate the acquisition would raise **the Group's gearing, with debt-to-equity increasing from 0.81x to 0.95x on a pro-forma basis, while net gearing rises to 0.77x**. Nonetheless, we view this as manageable, supported by the Group's strong development pipeline and earnings visibility.

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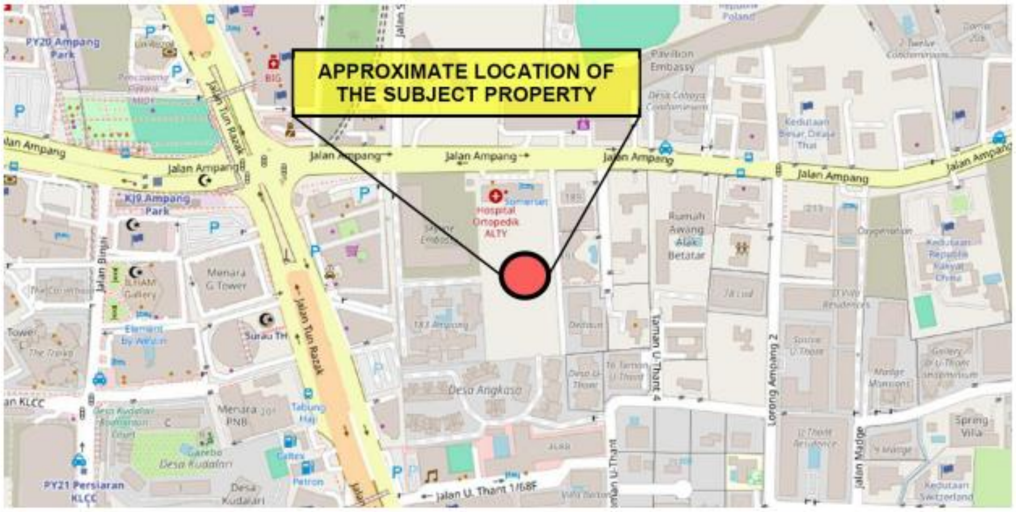
Earnings Revision. We lift our FY27F earnings forecast by +17.8%, driven by the inclusion of contributions from the newly acquired project.

Valuation. Following the incorporation of this project into our valuation model, we estimate a 3.8% accretion to our RNAV. Accordingly, we **maintain our BUY recommendation with a higher TP of RM1.46 (from RM1.40)**. This is based on an unchanged 50% discount to our revised RNAV of RM1.8bn.

Risk. Failure to monetise non-core assets, exposure to the cyclicality of the property sector and rising construction costs.

Figure 2: Land Location



Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	**1012.3**	**1040.2**	**946.9**	**1092.2**	**1396.6**
Operating Profit	**160.0**	**199.8**	**199.5**	**321.9**	**411.6**
EBITDA	**183.4**	**226.1**	**273.5**	**200.5**	**257.4**
Depreciation & Amortisation	-23.3	-26.3	-28.3	-27.1	-26.5
EBIT	**160.0**	**199.8**	**245.3**	**173.4**	**230.9**
Net Finance Income/ (Cost)	-27.3	-37.1	-45.8	-43.3	-37.3
Associates & JV	-2.5	-5.8	3.3	10.0	15.0
Pre-tax Profit	**130.2**	**156.9**	**157.0**	**140.0**	**208.6**
Tax	-35.1	-42.0	-35.9	-39.2	-58.4
Profit After Tax	**95.1**	**114.9**	**121.1**	**100.8**	**150.2**
Minority Interest	0.0	0.3	2.3	0.5	0.8
Net Profit	**82.8**	**102.4**	**118.8**	**100.3**	**149.4**
Exceptionals	0.4	-17.0	-46.5	0.0	0.0
Core Net Profit	**83.2**	**85.5**	**72.3**	**100.3**	**149.4**

Key Ratios

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	13.4	13.7	11.6	16.1	24.0
P/E (x)	7.9	7.6	9.0	6.5	4.4
P/B (x)	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x)	6.9	6.3	5.6	6.3	3.7
DPS (sen)	7.0	7.5	7.5	7.0	7.0
Dividend Yield (%)	6.7%	7.1%	7.1%	6.7%	6.7%
EBITDA margin (%)	18.1%	21.7%	28.9%	18.4%	18.4%
EBIT margin (%)	15.8%	19.2%	25.9%	15.9%	16.5%
PBT margin (%)	12.9%	15.1%	16.6%	12.8%	14.9%
PAT margin (%)	9.4%	11.1%	12.8%	9.2%	10.8%
NP margin (%)	8.2%	9.8%	12.5%	9.2%	10.7%
CNP margin (%)	8.2%	8.2%	7.6%	9.2%	10.7%
ROE (%)	5.1%	5.8%	4.9%	6.6%	9.2%
ROA (%)	2.8%	2.8%	2.2%	3.0%	4.2%
Gearing (%)	49.9%	66.7%	81.5%	75.7%	62.1%
Net gearing (%)	37.5%	52.1%	59.2%	39.9%	17.5%

Valuations	**FY26F**	**Valuation methodology**
Total RNAV (RM' m)	1815.7	(Ke: 10%)
Discount Rate	50.0%	
Discounted RNAV (RM' m)	907.8	
No. of shares	622.8	
Fair Value (RM)	**1.46**	

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash and bank balances	203.2	217.0	331.5	543.1	725.8
Receivables	117.1	222.4	317.3	253.3	282.4
Inventories	219.8	327.1	440.1	192.5	203.1
Other current assets	840.3	994.9	711.2	773.4	0.0
Total Current Assets	**1380.4**	**1761.4**	**1800.2**	**1762.2**	**1991.8**
Fixed Assets	137.9	139.4	153.2	130.1	127.7
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1458.8	1164.0	1296.7	1406.4	1408.9
Total Non-Current Assets	**1596.7**	**1303.5**	**1449.9**	**1536.5**	**1536.6**
Short-term debt	268.9	353.5	369.4	409.8	360.9
Payables	459.1	520.6	475.7	557.4	820.1
Other current liabilities	7.1	12.7	7.5	12.7	12.7
Total Current Liabilities	**735.2**	**886.8**	**852.6**	**979.8**	**1193.7**
Long-term debt	545.3	635.1	843.7	739.6	648.8
Other non-current liabilities	66.1	60.5	64.8	60.5	60.5
Total Non-Current Liabilities	**611.4**	**695.6**	**908.6**	**800.1**	**709.3**
Shareholder's equity	1629.3	1481.0	1488.0	1516.6	1622.4
Minority interest	1.2	1.4	1.0	2.3	3.0
Total Equity	**1630.5**	**1482.4**	**1488.9**	**1518.9**	**1625.4**

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	**130.2**	**156.9**	**157.0**	**140.0**	**208.6**
Depreciation & amortisation	23.3	26.3	28.3	27.1	26.5
Changes in working capital	284.9	92.0	12.6	216.0	534.5
Others	-140.2	111.2	-102.8	-140.7	-396.4
Operating cash flow	**298.2**	**386.5**	**95.0**	**242.4**	**373.1**
Capex	-9.4	-11.4	-10.7	-11.5	-11.6
Others	-82.6	-304.9	-106.1	-85.9	4.5
Investing cash flow	**-92.1**	**-316.3**	**-116.8**	**-97.3**	**-7.1**
Dividends paid	-115.2	-62.3	-28.0	-43.6	-43.6
Others	-245.9	-25.9	182.3	92.0	-139.7
Financing cash flow	**-361.1**	**-88.2**	**154.3**	**48.4**	**-183.3**
Net cash flow	**-154.9**	**-18.0**	**132.5**	**193.5**	**182.8**
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	296.8	141.9	123.8	256.4	449.9
Ending cash & cash equivalent	141.9	123.8	256.4	449.9	632.7
Fixed deposits and overdraft	61.3	93.2	75.2	93.2	93.2
Total cash & deposits	**203.2**	**217.0**	**331.5**	**543.1**	**725.8**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Emissions	★★	Actively tracks carbon emissions across its reported entities
Energy	★★★	Reduced average Building Energy Intensity (BEI) from 136 kWh/m^2/year to 127 kWh/m^2/year in FY24
Water	★★★	Reduced average Water Intensity (WI) from 1.056m^3/m^2/year to 0.604m^3/m^2/year in FY24
Waste	★★★	Reduced construction waste from 10,135 mT to 6,278 mT in FY24

Social

Diversity	★★★	Balanced gender across workforce with 52% male and 48% female
Occupational Safety and Health	★★★	40 health and safety training attended by 77 employees at construction sites
Labour Practices	★★★	Zero injuries and fatalities across construction sites
Training and Development	★★★	Employees averaged 39 training hours in FY24

Governance

CSR Strategy	★★★	Committed RM571,635 in community investments benefitting 51 organisations and communities
Oversight	★★	The Board undertakes an oversight role of the Group’s sustainability efforts
Directors	★★	25% female representation across directors
ESG Ratings	★★★	Constituent of FTSE4Good Index Series with 3-star rating

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain + dividend yield

Sector Recommendations:
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value

As of **Thursday, 19 Mar, 2026**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.