

# Unaudited 6M2016 Results

17 August 2016

# 2Q2016 & 6M2016 Results

## 2Q2016 vs 2Q2015 Financial Results

		2Q2016	2Q2015	+/-	%
Revenue	RM'Mil	145.3	115.3	30.0	26%
Profit before tax	RM'Mil	32.9	22.1	10.8	49%
EBITDA	RM'Mil	39.5	29.2	10.3	35%
Profit net of tax	RM'Mil	25.5	15.7	9.8	62%
Profit attributable to ordinary equity holders of the company	RM'Mil	23.9	14.1	9.8	70%
Earnings per share	Sen	5.65	3.33	2.32	70%
Dividend per share	Sen	2.50	2.50	0.00	0%

Group revenue increased by 26% on the back of higher revenue from the Property Division.

As a result of the higher revenue, Group PBT increased by 49%.

## 6M2016 vs 6M2015 Financial Results

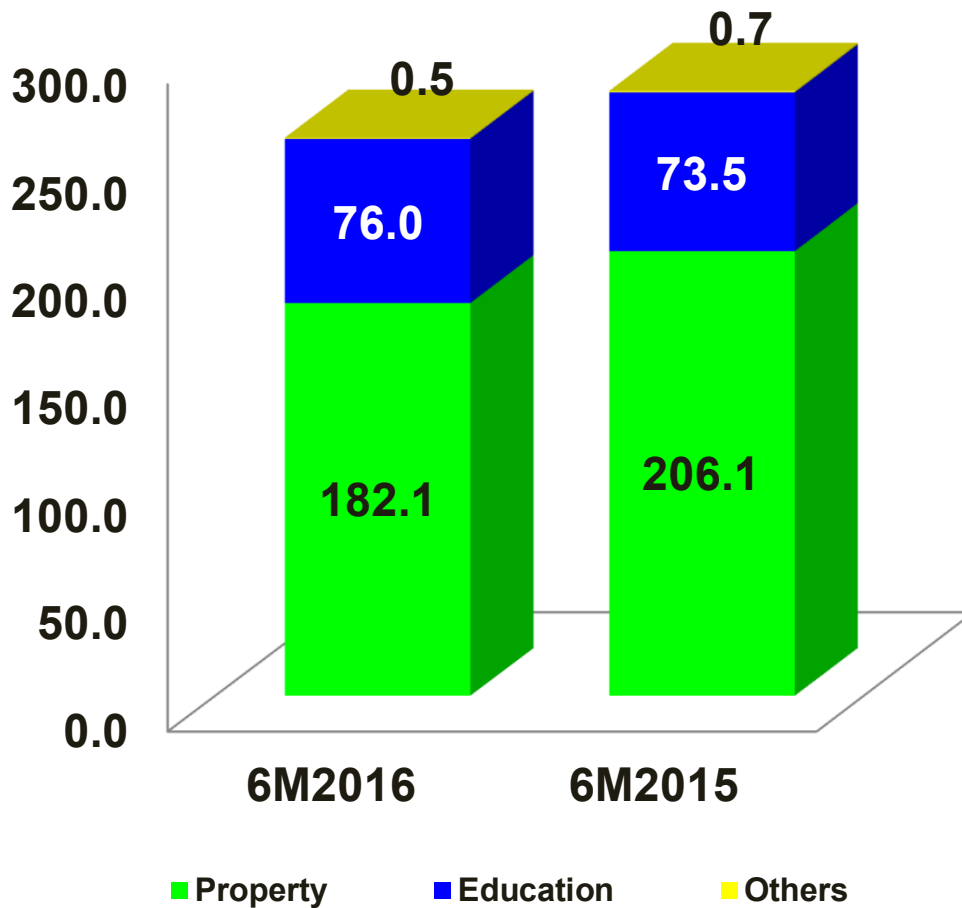
		6M2016	6M2015	+/-	%
Revenue	RM'Mil	258.6	280.3	(21.7)	-8%
Profit before tax	RM'Mil	53.0	55.7	(2.7)	-5%
EBITDA	RM'Mil	65.9	68.7	(2.8)	-4%
Profit net of tax	RM'Mil	40.4	40.5	(0.1)	0%
Profit attributable to ordinary equity holders of the company	RM'Mil	33.6	37.3	(3.7)	-10%
Earnings per share	Sen	7.95	8.82	(0.87)	-10%
Dividend per share	Sen	2.50	2.50	0.00	0%
Net asset per share	RM	2.13	2.06	0.07	3%
Shareholders' funds	RM'Mil	899.7	868.3	31.4	4%
ROE	%	3.8	4.2	(0.4)	-10%
Gearing ratio	Times	0.51	0.43	0.08	19%

Group revenue declined by 8% on the back of lower revenue from the Property Division, offset by a marginal increase in the revenue from the Education Division.

Group PBT marginally decreased by 5%.

# Revenue

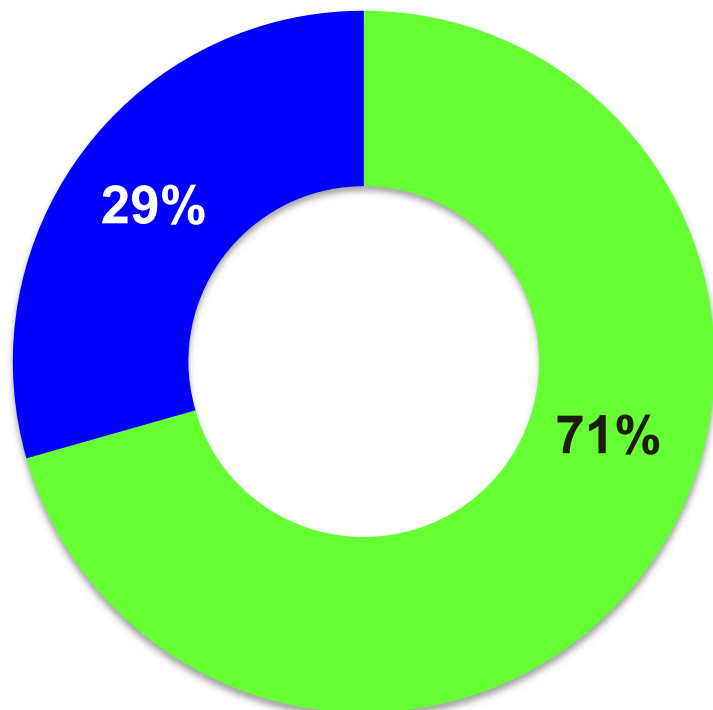
Revenue By Division (RM'Million)



<b>Property Division</b>	Revenue decreased by 12% due to: " Lower sales from the Utropolis and Sekitar26 Business developments.
<b>Education Division</b>	Revenue increased marginally by 3% due to higher student population at KDU University College in Utropolis.

# Revenue - Contribution By Division

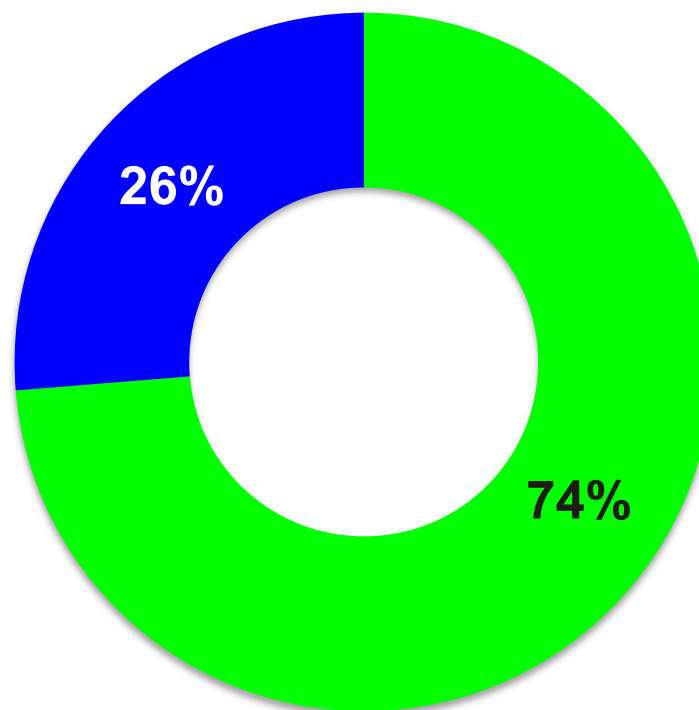
6M2016 Revenue



■ Property

■ Education

6M2015 Revenue

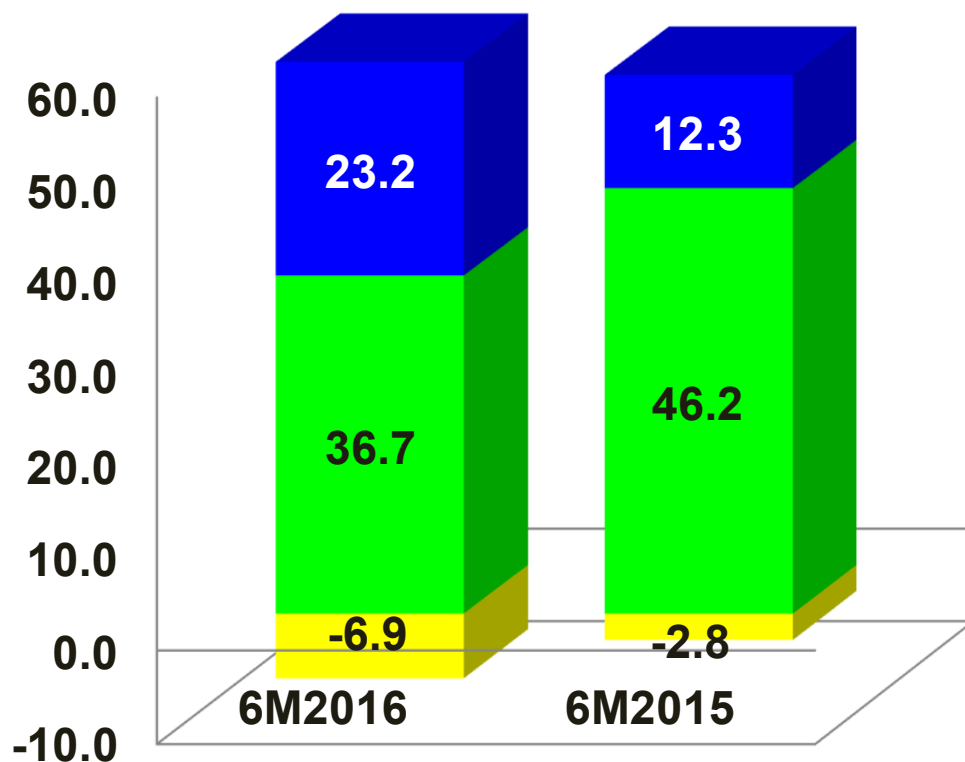


■ Property

■ Education

# PBT

**PBT By Division (RM'Million)**

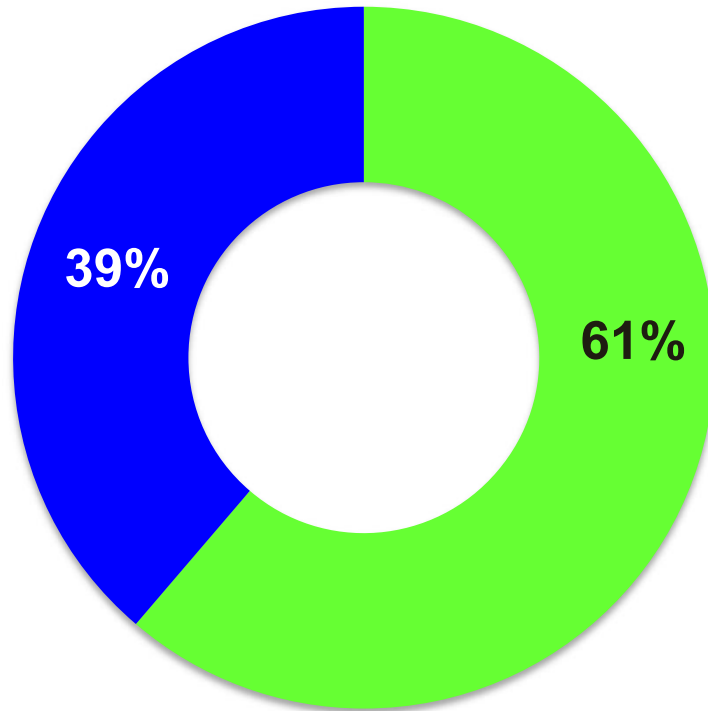


■ Property    ■ Education    ■ Others

<b>Property Division</b>	In line with the lower revenue, PBT decreased by 21%.
<b>Education Division</b>	<p>PBT increased by 89% due to:</p> <ul style="list-style-type: none"> <li>“ Higher PBT from Sri KDU primary and secondary schools</li> <li>“ Lower losses from KDU University College in Utropolis</li> <li>“ A gain of RM8.8 million from the disposal of student accommodation apartments that were no longer required.</li> </ul>

# PBT – Contribution By Division

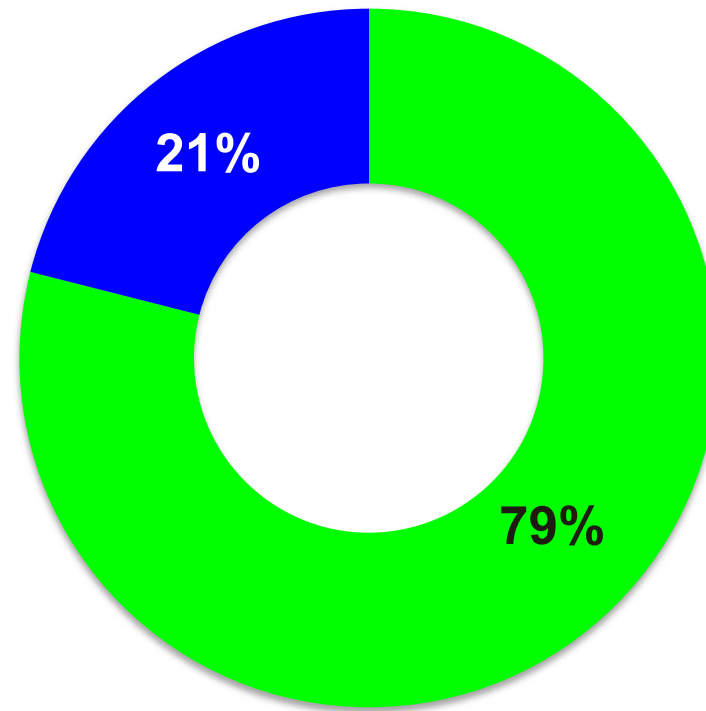
6M2016 PBT



■ Property

■ Education

6M2015 PBT



■ Property

■ Education



# Statement of Financial Position

<b>RM'000</b>	<b>30/6/2016</b>	<b>31/12/2015</b>
Non-current assets	1,526,083	1,479,919
Current assets	384,542	450,304
Total assets	1,910,625	1,930,223
Current liabilities	358,518	377,484
Net current assets	26,024	72,820
Non-current liabilities	452,670	462,116
Total liabilities	811,188	839,600
Total equity	1,099,437	1,090,623
Total equity and liabilities	1,910,625	1,930,223

## Debt/Equity Ratio

	30/6/2016	31/12/2015
	RM'Mil	RM'Mil
Borrowings	558.4	549.6
Cash & bank balances	67.1	149.6
Total equity*	1,099.4	1,090.6
	30/6/2016	31/12/2015
Gross D/E ratio	0.51	0.50
Net D/E ratio	0.45	0.37

\*Included Private Debt Securities of RM200 million

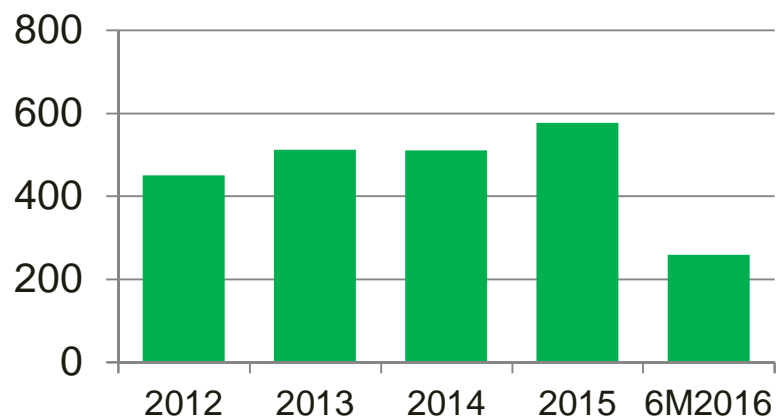
*Gross D/E Ratio = Total Borrowings/Total Equity*

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

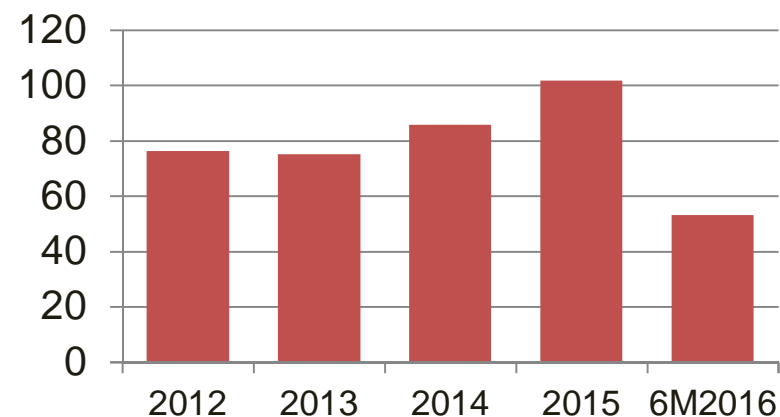
# 5-Year Financial Highlights

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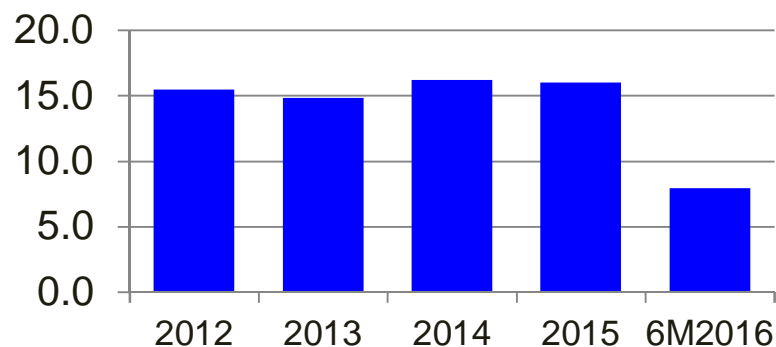
**Revenue (RM'Mil)**



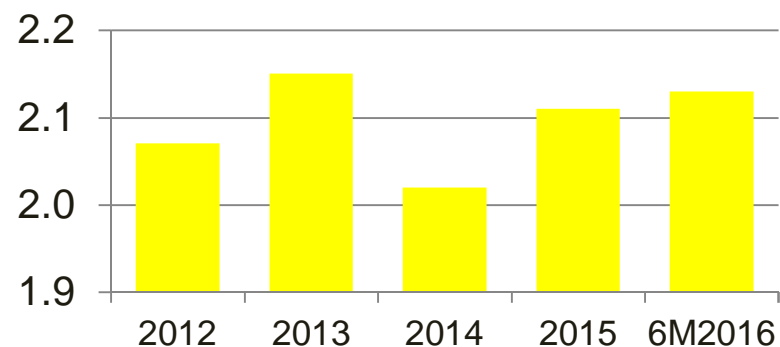
**PBT (RM'Mil)**



**Earnings Per Share (Sen)**

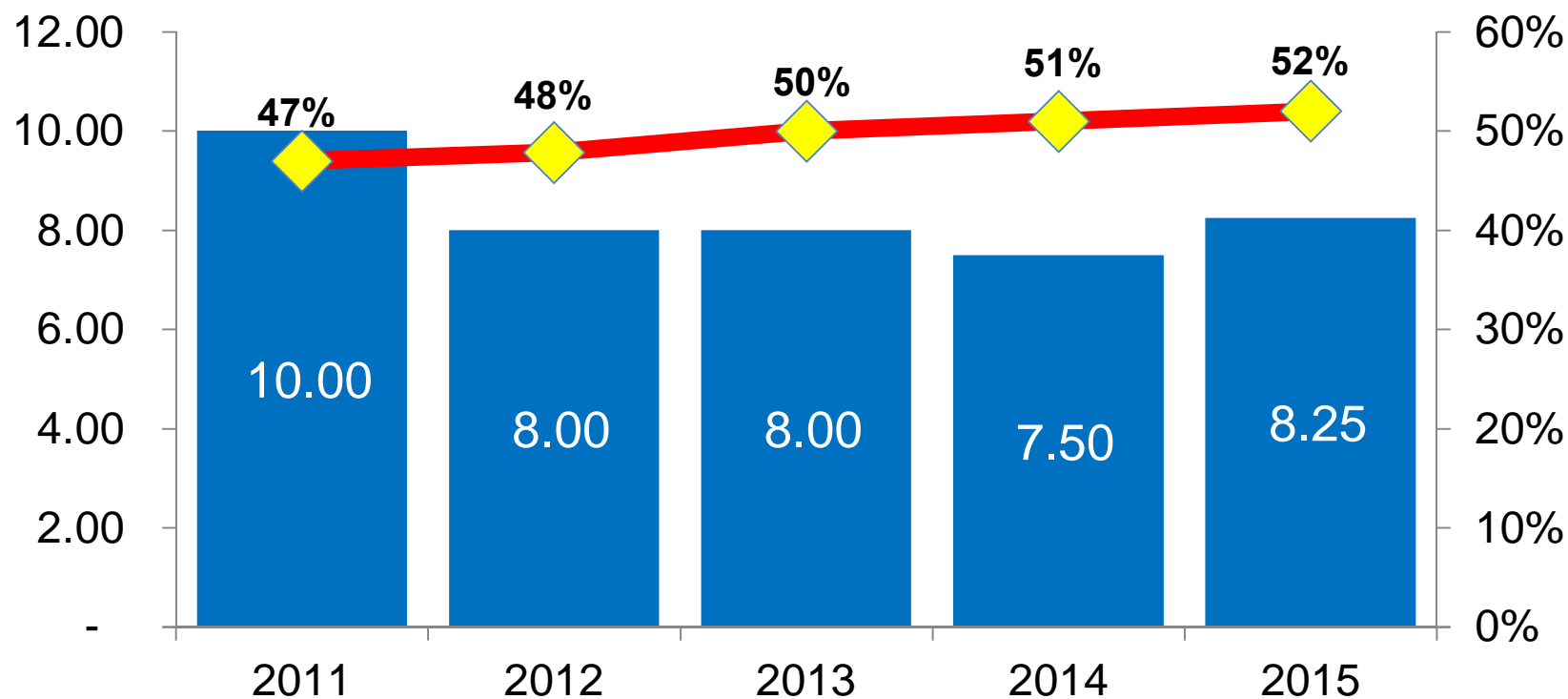


**Net Assets Per Share (RM)**



# 5-Year Financial Highlights

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



The Board has declared an interim dividend of 2.50 sen per share for the financial year ending 31 December 2016.

# 6M2016 Highlights

# 6M2016 Highlights

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## Property Division

- “ Higher sales recorded in Q22016 on higher priced products Sekitar26 Businessqcommercial properties and Sejati Residencesqbungalows and semi-detached residential properties.
- “ Recorded property sales of 156 units with a total sales value of RM129 million for 6M2016.
- “ Locked-in sales of RM356 million as at 30 June 2016.

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## Education Division

- “ Higher student number at KDU UC and KDU College PJ contributed to the higher revenue.
- “ Gains from sale of student accommodation apartments boosted PBT.

# Total landbank & GDV



## Total Landbank & GDV

Project	Original Land Size (Acre)	Remaining GDV (Million)	Development Period	
			Start	End
<b>On going Developments</b>				
Sekitar26 Business, Shah Alam	13.5	0	2013	2016
Paramount Utropolis, Glenmarie	11.8	274	2013	2023
Bandar Laguna Merbok, Sungai Petani	500	14	1996	2016
Bukit Banyan, Sungai Petani	520	800	2012	2027
Sejati Residences, Cyberjaya	50	888	2013	2021
Greenwoods, Salak Perdana	238	1,597	2015	2023
<b>Total</b>		<b>3,573</b>		

## Total Landbank & GDV

Project	Land Size (Acre)	GDV (Million)	Development Period	
			Start	End
<b>Projects in the Pipeline</b>				
Section 13, Petaling Jaya	5.2	701	2016	2020
Jalan Goh Hock Huat, Klang	29.16	1,052	2016	2026
Batu Kawan, Penang	20	1,368	2016	2026
Machang Bubuk, Penang	65	395	2017	2025
<b>Future Projects</b>				
Lots 7&9, Kota Damansara*	9.4	870		
Sekitar26, Shah Alam	16.8	364		
<b>Total</b>		<b>4,750</b>		
<b>Grand Total</b>		<b>8,323</b>		

# Prospect for 2016

# Prospects

- “ The Group remains cautiously optimistic about its performance for the rest of the year; given that the Business Conditions Survey has improved, from 92.9 points in 1Q2016 to 106.4 points in 2Q2016. The Consumer Sentiments Index has also increased to 78.5 points from 72.9 points, but remained below the 100 points, last seen in 4Q2014.
- “ Prospects for the Property division are improving, especially in the area of commercial properties, where astute investors are looking to make long-term strategic investments. Planned launches for the Group’s commercial developments - Sekitar26 Enterprise commercial shoplots (GDV: RM117 million), Greenwoods Salak Perdana shophouses (GDV: RM30 million) and Utropolis Batu Kawan commercial shoplots (GDV: RM105 million) - are expected to meet with favourable demand.
- “ These will be complemented by the launch of several residential developments to maintain the Group’s business strategy of having an array of products at different priced points and locations. These include Sejati Residences semi-detached units in Cyberjaya (GDV RM31 million), as well as more attractively priced bungalows, semi-detached, double storey link homes and shoplots in Bukit Banyan, Sg Petani (GDV: RM122 million).
- “ The Group is also finalising plans for the rollout of its new development in Batu Kawan, Penang, which remains a property hotspot. The development mirrors Paramount’s very successful Utropolis Glenmarie project, anchored on the concept of a university metropolis. Utropolis Batu Kawan is primed to meet demand for what is planned to be Penang’s third satellite city, as properties on the island become more expensive, beyond the reach of the mass market.
- “ Unbilled sales as at 30 June 2016 stands at RM355 million, on the back of 6M2016 sales of 156 units with a sales value of RM129 million, as well as progressive billings from on-going developments.
- “ The Education Division will continue to face challenges, as the business continues to be intensely competitive, especially in the tertiary segment. The muted economic environment has driven many private higher education providers to offer significant reductions in tuition fees by way of discounts and promotions.
- “ In the primary and secondary segment, competition is also stepping up due to new schools opening, with more in the pipeline scheduled for 2016 to 2018. Sri KDU’s excellent reputation, its strong value proposition, and its consistent enrolment, which is on track with budget, is expected to drive the performance of Paramount Education in 2016.
- “ Barring any unforeseen circumstances, the Group is expected to deliver a comparable set of results for 2016.

## Disclaimer

### **Statement Regarding Unaudited Financial Information**

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

### **Disclaimer on Forward-Looking Statements**

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

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**Thank You**