

# Unaudited 1Q2017 Results

17 May 2017

# 1Q2017 Results

# 1Q2017 vs 1Q2016 Financial Results

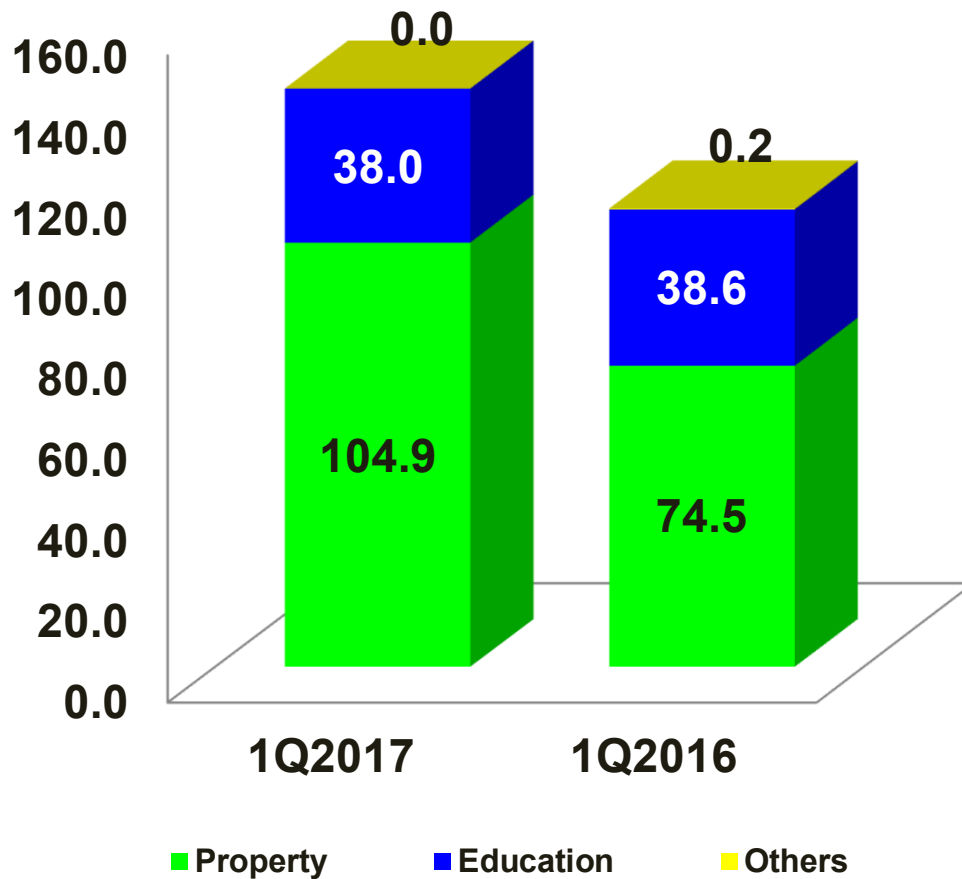
		1Q2017	1Q2016	+/-	%
Revenue	RM'Mil	142.9	113.3	29.6	26%
Profit before tax	RM'Mil	18.3	20.1	(1.8)	-9%
EBITDA	RM'Mil	25.8	26.4	(0.6)	-2%
Profit net of tax	RM'Mil	13.3	14.9	(1.6)	-11%
Profit attributable to ordinary equity holders of the company	RM'Mil	8.3	9.7	(1.4)	-14%
Earnings per share	Sen	1.96	2.29	(0.33)	-14%
Dividend per share	Sen	0.00	0.00	0.00	0%
Net asset per share	RM	2.22	2.13	0.09	4%
Shareholders' funds	RM'Mil	943.4	900.1	43.3	5%
ROE	%	0.9	1.1	(0.2)	-18%
Gearing ratio	Times	0.58	0.51	0.07	14%

Higher Group revenue, by 26%, due to the higher contribution from the Property Division.

Lower Group PBT, by 9%, due to a gain of RM2.3 million recognised on the disposal of apartments in 1Q2016.

# Revenue

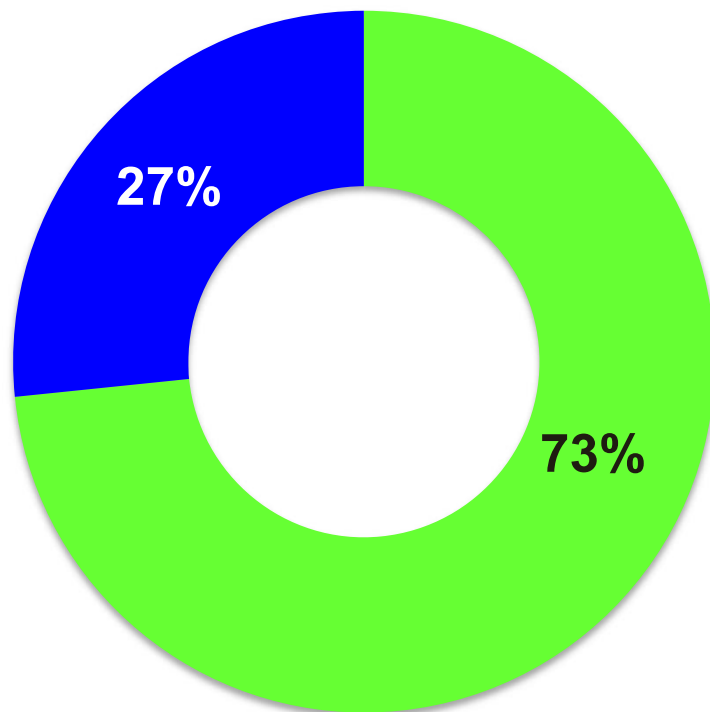
Revenue By Division (RM'Million)



<b>Property Division</b>	Higher revenue, by 41%, due to: " Higher sales and progressive billings from the Utropolis Batu Kawan, Sejati Residences and Greenwoods developments.
<b>Education Division</b>	Marginally lower revenue, by 2% due to: " lower contribution from the primary and secondary schools, and KDU Penang University College offset by " higher revenue from KDU University College, Glenmarie

# Revenue - Contribution By Division

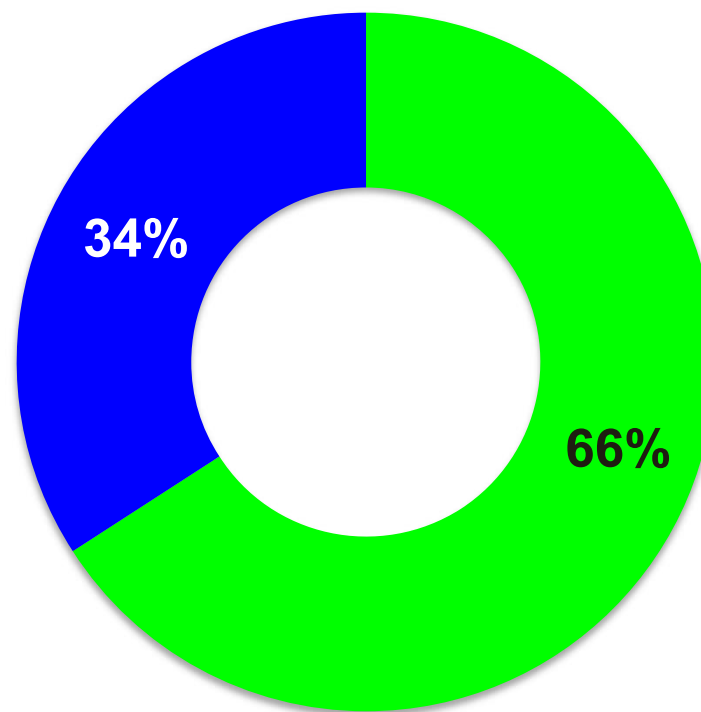
1Q2017 Revenue



■ Property

■ Education

1Q2016 Revenue

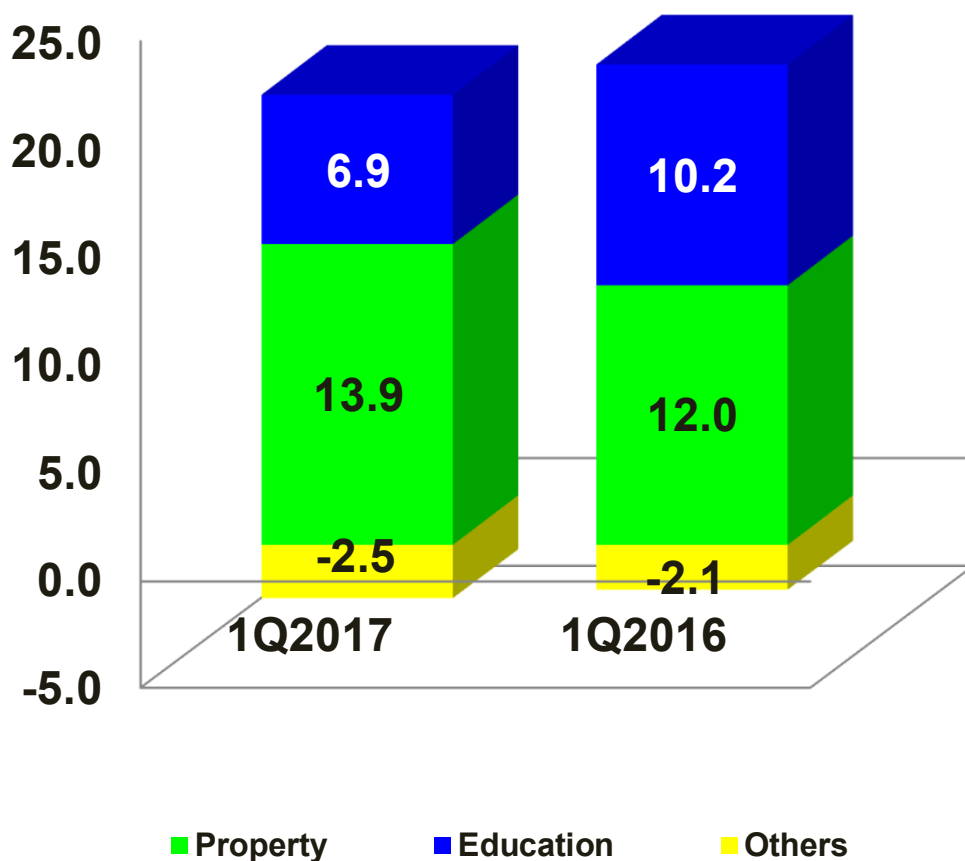


■ Property

■ Education

# PBT

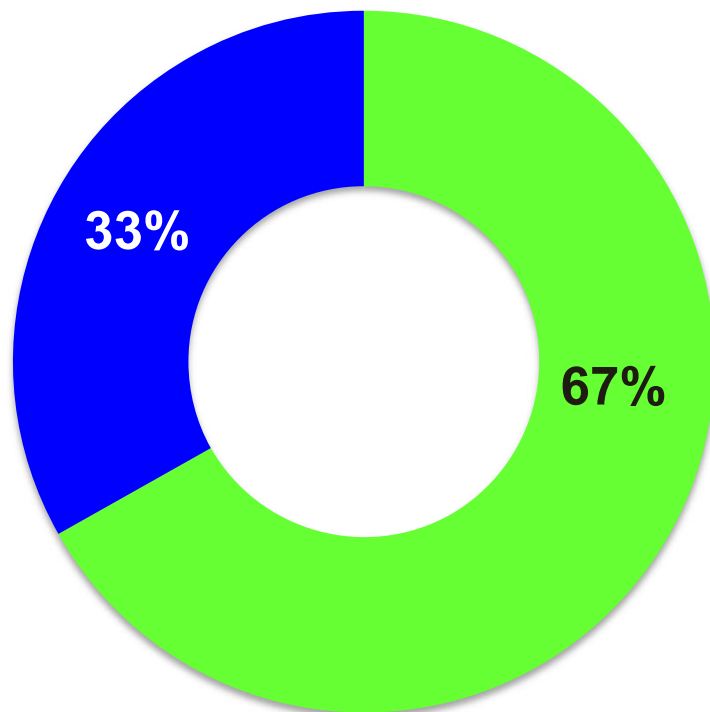
**PBT By Division (RM'Million)**



<p><b>Property Division</b></p>	<p>Higher PBT, by 16%, due to:</p> <ul style="list-style-type: none"> <li>“ Higher contributions from the Utropolis Batu Kawan, Sejati Residences and Greenwoods Salak Perdana developments, offset by;</li> <li>“ Higher losses from property investment and lower contribution from the construction business.</li> </ul>
<p><b>Education Division</b></p>	<p>Lower PBT, by 32%, due to:</p> <ul style="list-style-type: none"> <li>“ Lower PBT from Sri KDU primary and secondary schools and KDU Penang University College, mitigated by;</li> <li>“ Lower losses from KDU University College in Utropolis.</li> <li>“ Gains of RM2.3 million on the disposal of apartments recorded in 1Q2016.</li> </ul>

# PBT – Contribution By Division

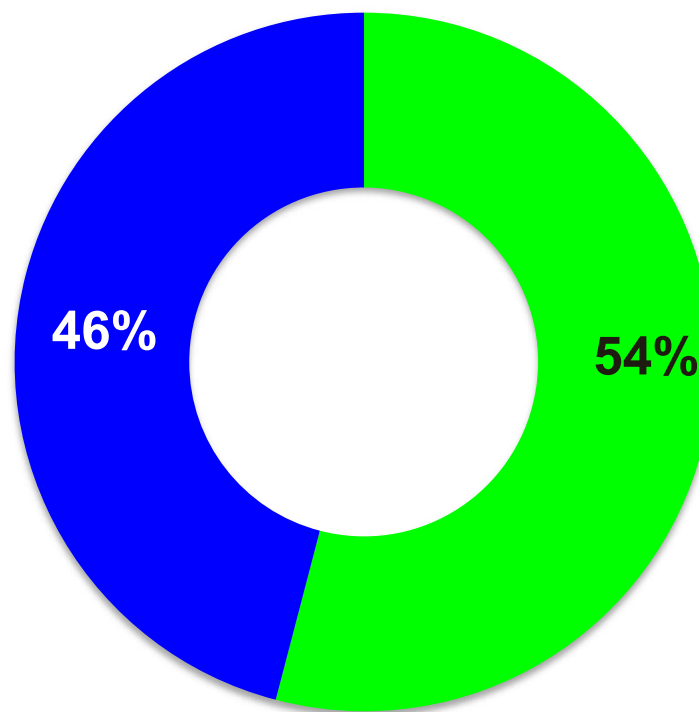
1Q2017 PBT



■ Property

■ Education

1Q2016 PBT



■ Property

■ Education

## Statement of Financial Position

RM'000	31/3/2017	31/12/2016
Non-current assets	1,503,813	1,533,793
Current assets	528,323	484,918
Total assets	2,032,136	2,018,711
Current liabilities	445,863	450,695
Net current assets	82,460	34,223
Non-current liabilities	443,110	433,593
Total liabilities	888,973	884,288
Total equity	1,143,163	1,134,423
Total equity and liabilities	2,032,136	2,018,711



## Debt/Equity Ratio

	31/3/2017	31/12/2016
	RM'Mil	RM'Mil
Borrowings	662.5	636.6
Cash & bank balances	137.5	149.2
Total equity*	1,143.2	1,134.4
	31/3/2017	31/12/2016
Gross D/E ratio	0.58	0.56
Net D/E ratio	0.46	0.43

\*Included Private Debt Securities of RM200 million

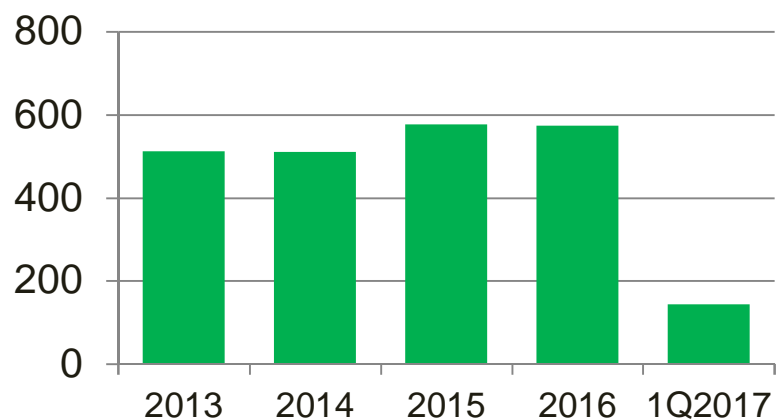
*Gross D/E Ratio = Total Borrowings/Total Equity*

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

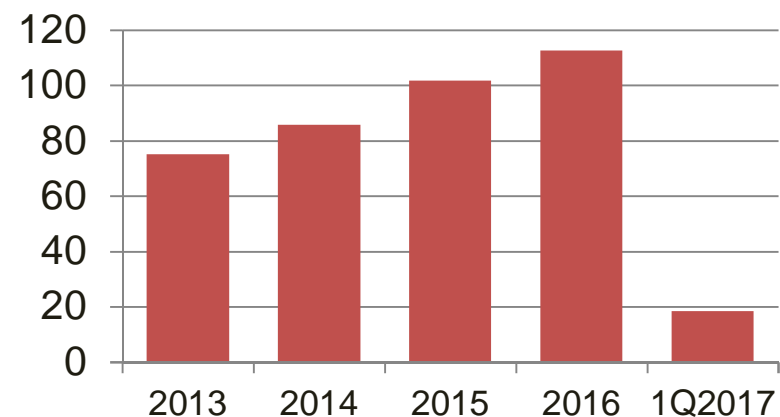
# 5-Year Financial Highlights

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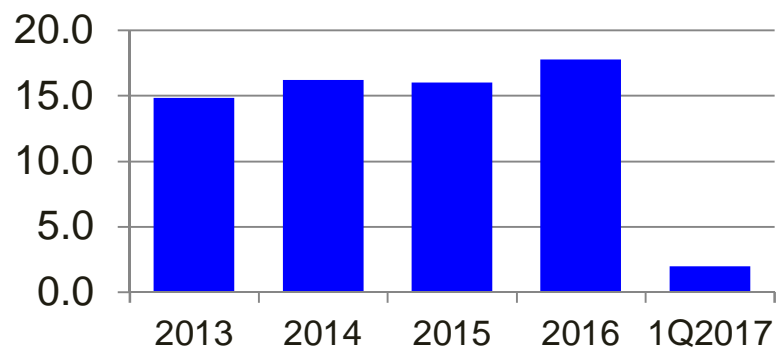
**Revenue (RM'Mil)**



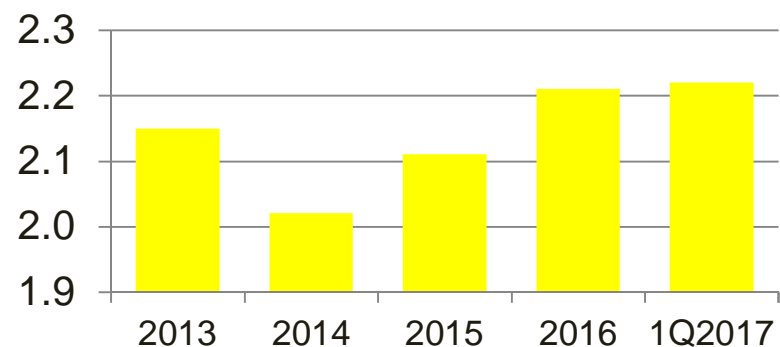
**PBT (RM'Mil)**



**Earnings Per Share (Sen)**

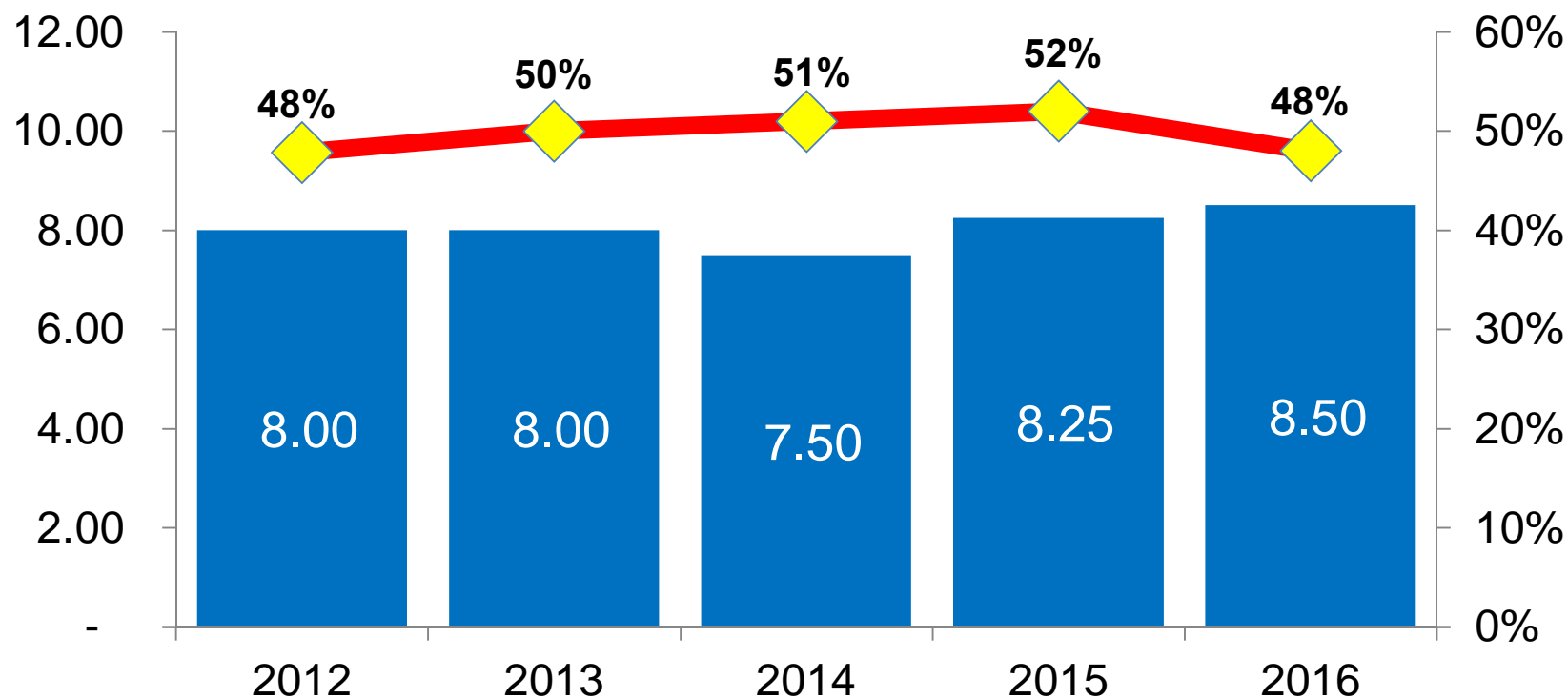


**Net Assets Per Share (RM)**



# 5-Year Financial Highlights

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



# 1Q2017 Highlights

# 1Q2017 Highlights

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## Property Division

- “ Strong property sales of 438 units with a sales value of RM244 million;
- “ Strong take up rate of 70% on the newly launched Utropolis Batu Kawan development;
- “ Unbilled sales of RM506 million as at 31 March 2017.

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## Education Division

- “ Higher student number at KDU UC;
- “ Stable performance of Sri KDU school

# 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	330	2013	2023
Bandar Laguna Merbok, Sungai Petani	500	3	1996	2016
Bukit Banyan, Sungai Petani	520	719	2012	2027
Sejati Residences, Cyberjaya	50	513	2013	2021
Greenwoods, Salak Perdana	238	1,005	2015	2023
Batu Kawan, Penang	28.7	1,422	2016	2026
<b>Total</b>		<b>3,992</b>		



## Total Landbank & GDV

Project	Land Size (Acre)	GDV (Million)	Development Period	
			Start	End
<b>Projects in the Pipeline</b>				
Sekitar26, Shah Alam	16.8	554	2017	2020
Section 13, Petaling Jaya	5.2	608	2017	2020
Jalan Goh Hock Huat, Klang	29.16	1,379	2017	2026
Machang Bubuk, Penang	65	324	2017	2025
<b>Future Projects</b>		2,865		
Lots 7&9, Kota Damansara*	9.4	870		
<b>Total</b>		<b>4,750</b>		
<b>Grand Total</b>		<b>7,727</b>		

# Prospect for 2017

# Prospects

- “ The weak consumer sentiment experienced in 2016 is expected to continue into 2017. In the property sector, stringent lending policies amongst banks are not expected to ease anytime soon and without any near-term broad cooling measures to boost the property market, 2017 is expected to continue to be competitive. We expect a cautious market, with more homebuyers, upgraders and astute investors looking for properties in good locations, in particular townships/integrated developments that are affordably priced and innovatively conceptualised.
- “ Under this scenario, Paramount Property’s performance will be underpinned by the breadth of its product portfolio, which includes both affordably-priced properties and innovatively conceptualised developments. The current portfolio consisting of Sejati Residences in Cyberjaya, Utropolis Glenmarie in Shah Alam, Bukit Banyan in Sungai Petani, Greenwoods Salak Perdana in Sepang and the newly-launched integrated mixed development, Utropolis Batu Kawan in Penang, is expected to well serve market demand.
- “ Sejati Residences’ 40-acre development comprising three storey super-links, semi-detached units, courtyard villas and bungalows, all anchored by the 2016 FIABCI award-winning Chengal House clubhouse boasts of being one of the developments in Cyberjaya offering the ‘best value for money’. Utropolis Glenmarie’s innovative university metropolis concept, anchored by the 10-acre KDU University College is being enhanced with the opening of a 120,000 sq ft retail centre and co-working cum incubator. A 4-star hotel, currently in the pipeline, will complete the self-sustaining eco-system of the development.
- “ Bukit Banyan and Greenwoods Salak Perdana both offer affordably-priced homes while Utropolis Batu Kawan mirrors the very successful university metropolis concept in Glenmarie, offering a mix of affordably-priced commercial and residential apartments for those seeking to live in Penang’s third satellite city.
- “ This will be further supported by the rolling out of another innovative concept development in 2017, Sekitar26 Enterprise, a neighbourhood community retail centre designed for a myriad of uses, and anchored by Paramount Property’s new development office.

## Prospects (cont'd)

- “ On the education front, Paramount Education will continue to face challenges, particularly in the tertiary segment where competition is intense and highly price-sensitive. Education institutions have gone into a price war in an attempt to hold their respective market positions and compete for new students. In the primary and secondary school segments, competition is also stepping up, with the rapid opening of new schools over the last few years, the accelerated increase in capacity of new schools and even established schools giving discounts, fee rebates, waivers and scholarships.
  
- “ Against this scenario, the tertiary education segment is stepping up its marketing efforts to reach new markets within Malaysia, whilst improving on its strategies for international marketing and relationship building with recruitment agencies. This is being further supported with the introduction of new programmes and articulation into universities worldwide to provide more options for students wishing to continue their studies overseas. Efforts are also being invested into building Unique Selling Propositions (USPs) for selected flagship schools to raise their profiles, as well as the value and quality of programmes. The tertiary unit is placing increased focus on a structured entrepreneurship programme as a key attribute of KDU graduates. Cost management and consolidation, as well as improving work efficiencies to reduce cost of operations continue to be focus areas.
  
- “ With the enlarged K-12 segment, comprising Sri KDU and, more recently, the R.E.A.L Education Group, offering premium and more affordably priced alternative private and international schools respectively, Paramount Education is now able to reach a wider segment of the K-12 market. Sri KDU's excellence in quality education continues to be reinforced. Following the success of PISA in 2012, Sri KDU International School achieved the International School Quality Mark (ISQM) Gold Award this year, the first in Malaysia and third in Asia to procure this award.

## Prospects (cont'd)

- “ With these efforts, Paramount Education's prospects remain good. Additionally the division's pursuit of an asset-lite strategy to improve the utilisation of its real estate assets will enhance returns to capital employed and create long term shareholder value.
- “ Barring any unforeseen circumstances, the Group is expected to deliver a comparable set of results for 2017.

## 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**