

Unaudited 6M2017 Results

16 August 2017

2Q2017 Results

2Q2017 vs 2Q2016 Financial Results

		2Q2017	2Q2016	+/-	%
Revenue	RM'Mil	184.6	145.3	39.3	27%
Profit before tax	RM'Mil	24.7	32.9	(8.2)	-25%
EBITDA	RM'Mil	34.8	39.5	(4.7)	-12%
Profit net of tax	RM'Mil	17.3	25.5	(8.2)	-32%
Profit attributable to ordinary equity holders of the Company	RM'Mil	14.7	23.9	(9.2)	-38%
Earnings per share	Sen	3.47	5.65	(2.18)	-39%
Dividend per share	Sen	2.50	2.50	0.00	0%

Higher Group revenue, by 27%, with higher contribution from both the property and education divisions.

Lower Group PBT, by 25%, due to lower PBT contribution from the property division, which was offset by higher PBT contribution from the education division. There was also a non-recurring gain of RM6.4 million recognised on the disposal of apartments in 2Q2016.

6M2017 vs 6M2016 Financial Results

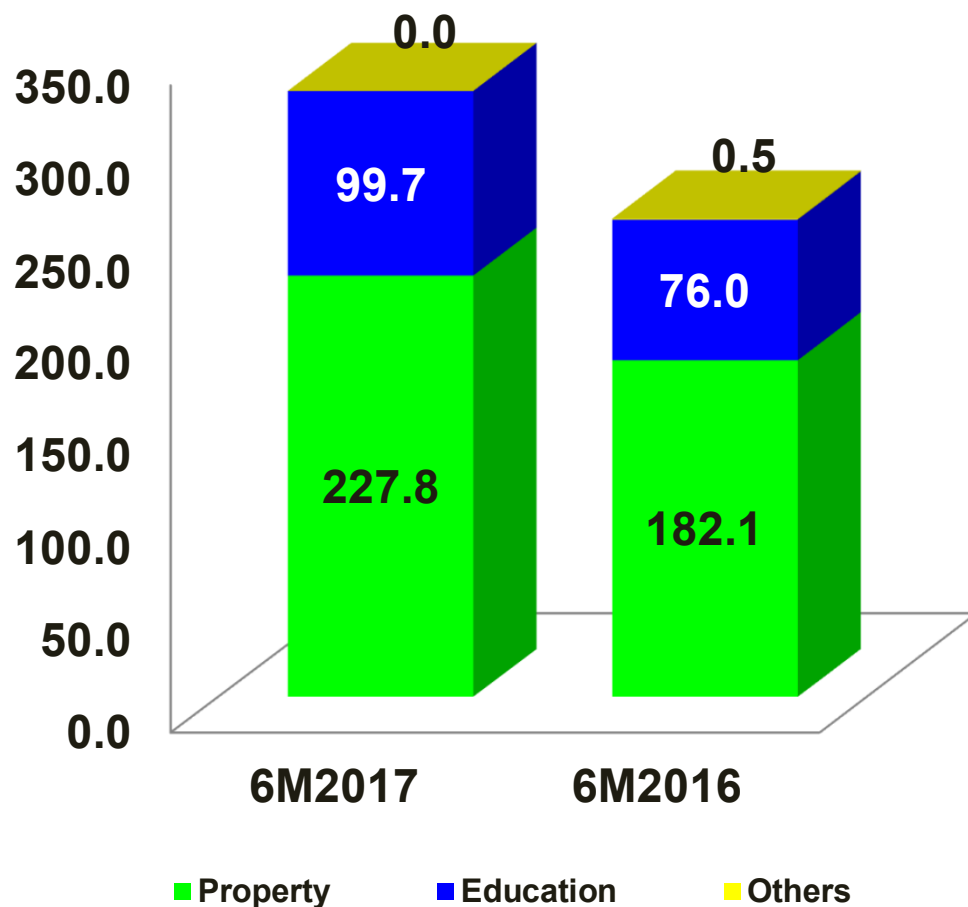
		6M2017	6M2016	+/-	%
Revenue	RM'Mil	327.5	258.6	68.9	27%
Profit before tax	RM'Mil	43.0	53.0	(10.0)	-19%
EBITDA	RM'Mil	60.6	65.9	(5.3)	-8%
Profit net of tax	RM'Mil	30.6	40.4	(9.8)	-24%
Profit attributable to ordinary equity holders of the Company	RM'Mil	23.0	33.6	(10.6)	-32%
Earnings per share	Sen	5.43	7.95	(2.52)	-32%
Dividend per share	Sen	2.50	2.50	0.00	0%
Net asset per share	RM	2.20	2.13	0.07	3%
Shareholders' funds	RM'Mil	932.3	899.7	32.6	4%
ROE	%	2.6	3.8	(1.2)	-32%
Gearing ratio	Times	0.77	0.51	0.26	51%

Higher Group revenue, by 27%, with higher contribution from both the property and education divisions.

Lower Group PBT, by 19%, due to lower PBT contribution from the property division, which was offset by higher PBT contribution from the education division but principally due to a non-recurring gain of RM8.8 million recognised on the disposal of apartments in 6M2016.

Revenue

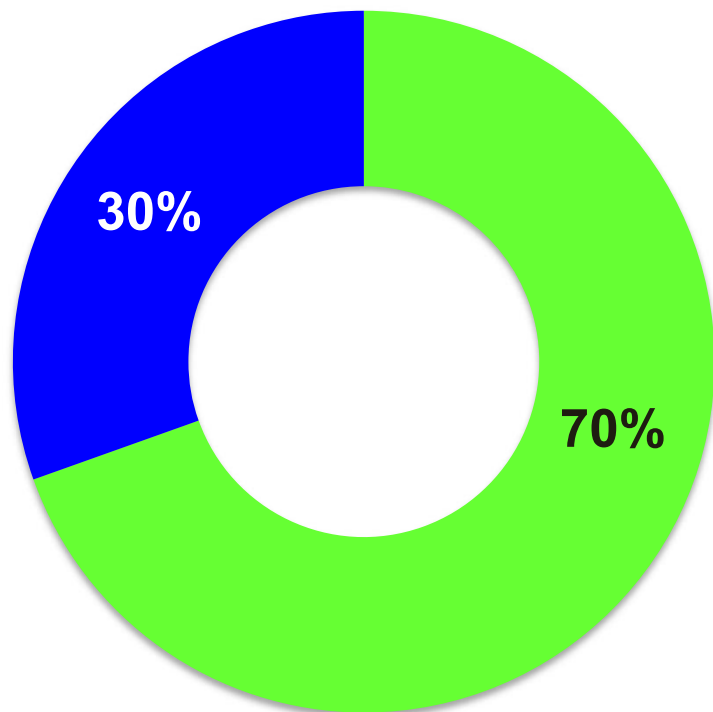
Revenue By Division (RM'Million)



Property Division	Higher revenue, by 25%, due to: “ Higher sales and progressive billings from the Utropolis Batu Kawan, Sejati Residences and Greenwoods Salak Perdana developments.
Education Division	Higher revenue, by 31% due to: “ New stream of income from REAL Education Group which contributed RM22.9 million to Group revenue; “ Higher revenue from Sri KDU and KDU University College, Glenmarie, stemming from higher new student enrolments.

Revenue - Contribution By Division

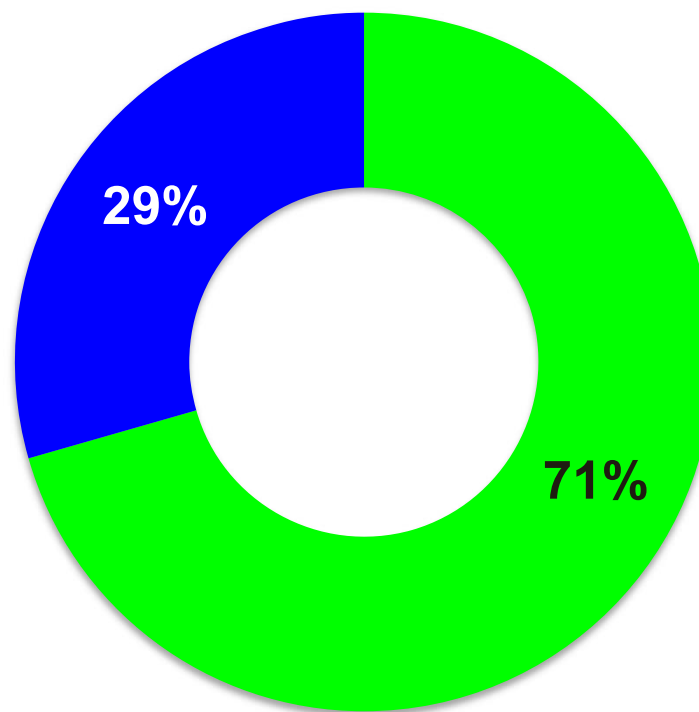
6M2017 Revenue



■ Property

■ Education

6M2016 Revenue

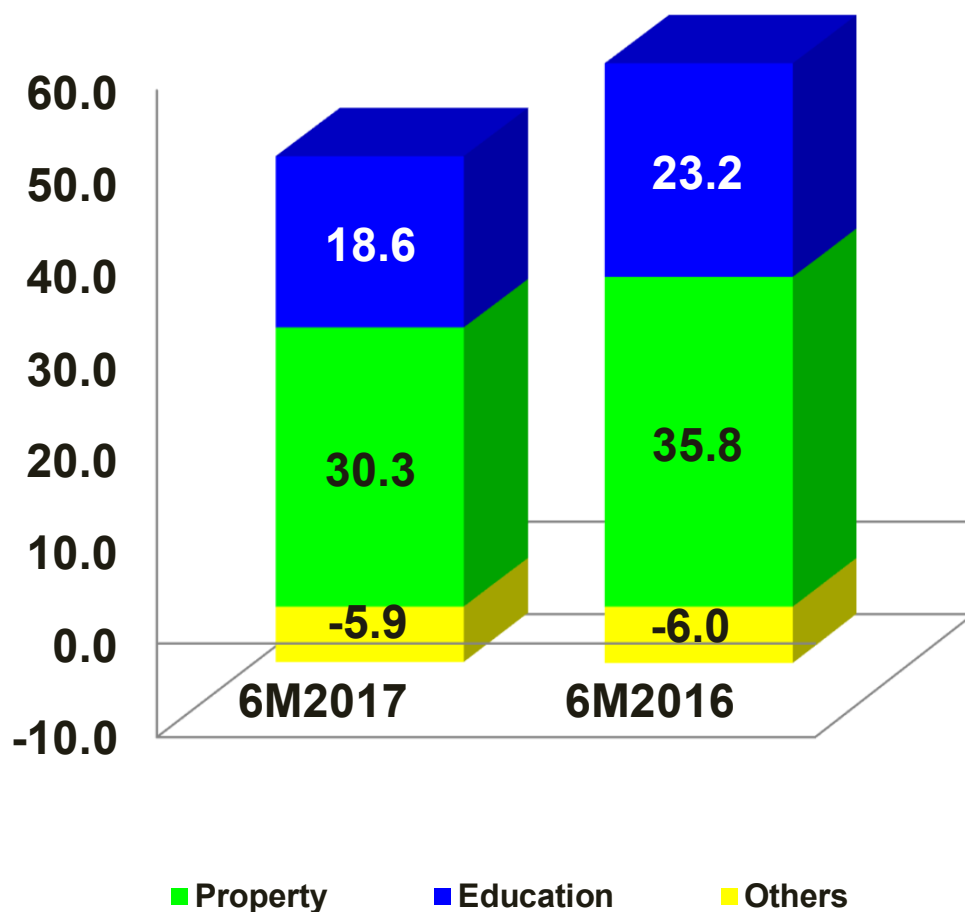


■ Property

■ Education

PBT

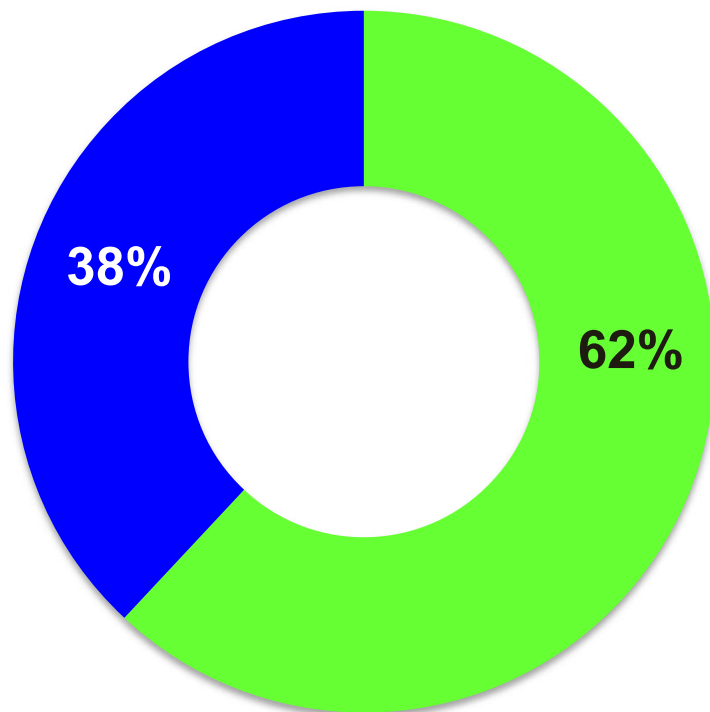
PBT By Division (RM'Million)



Property Division	<p>Lower PBT, by 15%, due to:</p> <ul style="list-style-type: none"> “ Higher losses incurred by the retail mall, Utropolis Marketplace; “ Lower contribution from the construction business, offset by; “ Higher PBT from the Utropolis Batu Kawan, Sejati Residences and Greenwoods Salak Perdana developments
Education Division	<p>Lower PBT, by 20%, due to:</p> <ul style="list-style-type: none"> “ Non-recurring gains of RM8.8 million recorded on the disposal of apartments in 6M2016, offset by; “ New stream of income from REAL Education Group, which contributed RM3.4 million to the Group PBT, and; “ Lower losses from KDU University College in Utropolis.

PBT – Contribution By Division

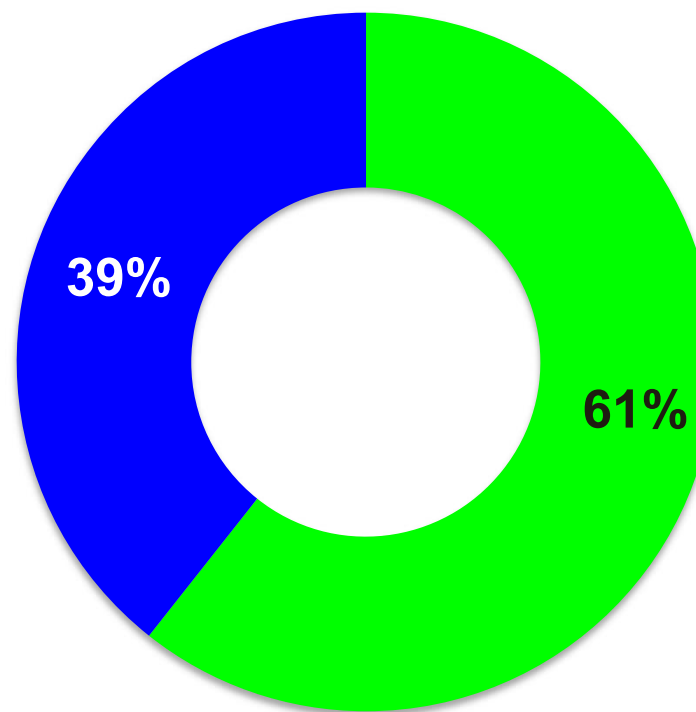
6M2017 PBT



■ Property

■ Education

6M2016 PBT



■ Property

■ Education

Statement of Financial Position

RM'000	30/6/2017	31/12/2016
Non-current assets	1,863,922	1,533,793
Current assets	564,278	484,918
Total assets	2,428,200	2,018,711
Current liabilities	515,939	450,695
Net current assets	48,339	34,223
Non-current liabilities	732,473	433,593
Total liabilities	1,248,412	884,288
Total equity	1,179,788	1,134,423
Total equity and liabilities	2,428,200	2,018,711

Debt/Equity Ratio

	30/6/2017	31/12/2016
	RM'Mil	RM'Mil
Borrowings	903.7	636.6
Cash & bank balances	170.8	149.2
Total equity*	1,179.8	1,134.4
	30/6/2017	31/12/2016
Gross D/E ratio	0.77	0.56
Net D/E ratio	0.62	0.43

*Included Private Debt Securities of RM200 million

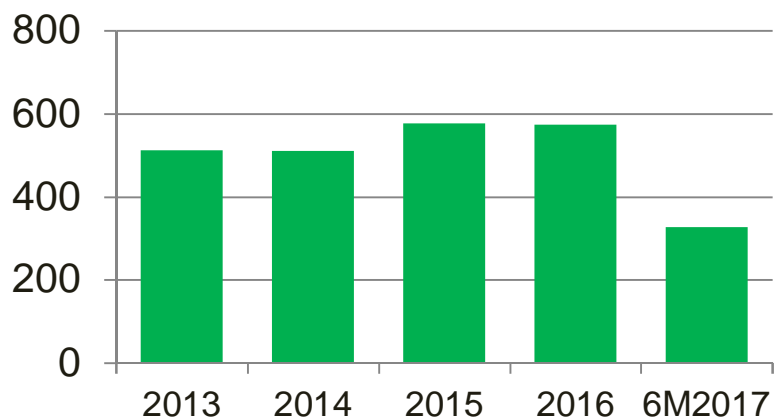
Gross D/E Ratio = Total Borrowings/Total Equity

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

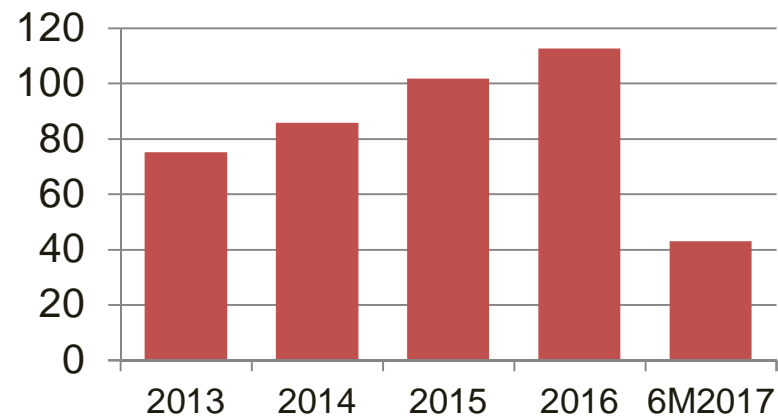
5-Year Financial Highlights

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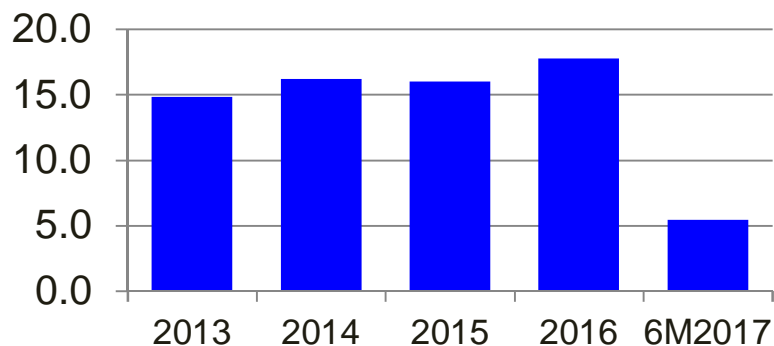
Revenue (RM'Mil)



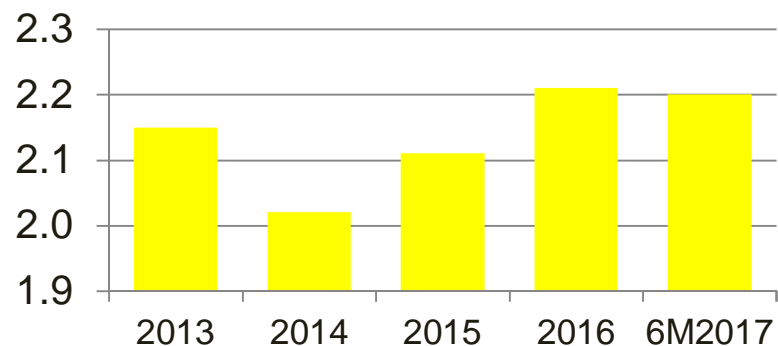
PBT (RM'Mil)



Earnings Per Share (Sen)

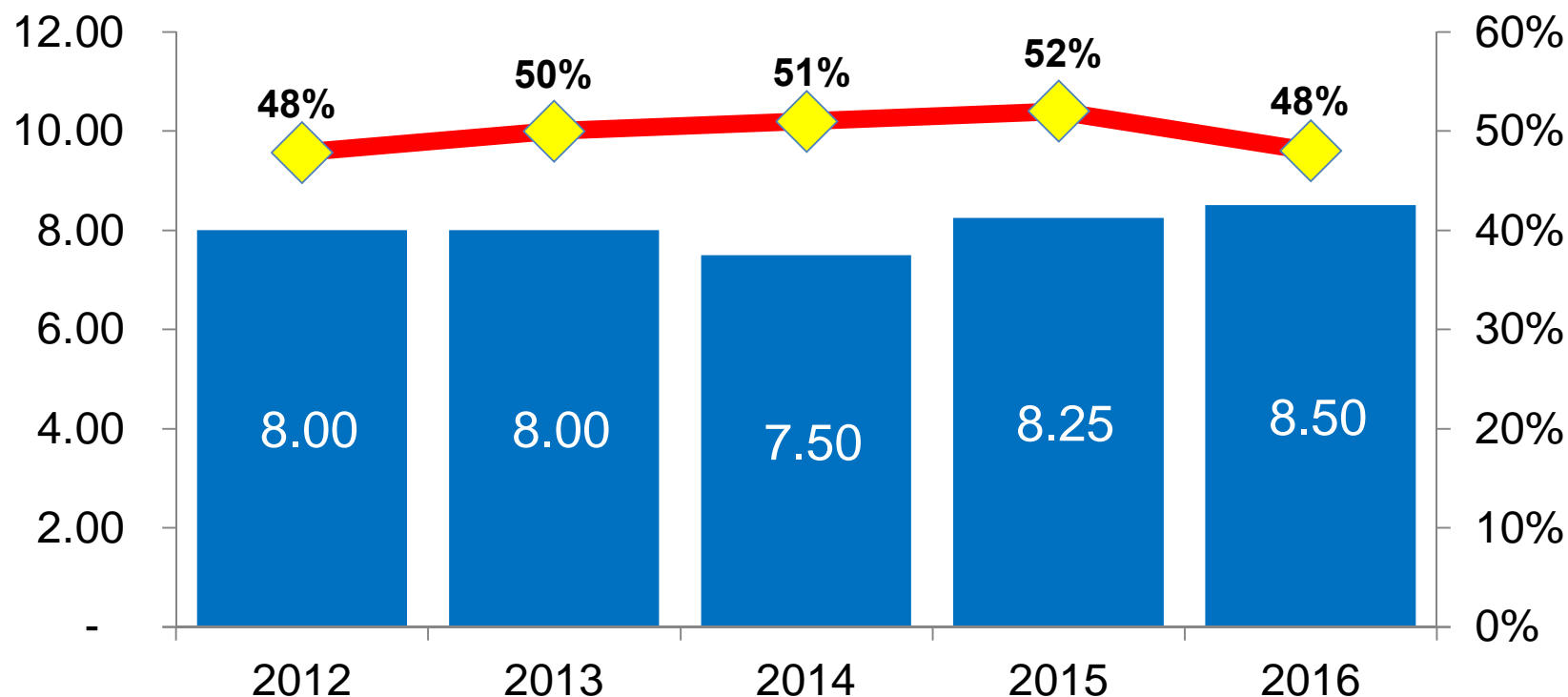


Net Assets Per Share (RM)



5-Year Financial Highlights

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



The Board has declared an interim dividend of 2.50 sen per share for the financial year ending 31 December 2017.

6M2017 Highlights

6M2017 Highlights

Property Division

- “ Strong property sales of 709 units with a sales value of RM420 million surpassing the full year 2016 sales of RM402 million;
- “ Unbilled sales of RM534 million as at 30 June 2017.

Education Division

- “ New stream of income from REAL Education Group which contributed revenue and PBT of RM22.9 million and RM3.4 million, respectively;
- “ KDU UC and Sri KDU registering higher new student enrolments;
- “ KDU UC registering a positive EBITDA of RM2.38 million.

Total landbank & GDV

Total Landbank & GDV

Project	Original Land Size (Acre)	Remaining GDV (Million)	Development Period	
			Start	End
On going Developments				
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
Total		3,992		

Total Landbank & GDV

Project	Land Size (Acre)	GDV (Million)	Development Period	
			Start	End
Projects in the Pipeline				
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
Future Projects		2,865		
Lots 7&9, Kota Damansara*	9.4	870		
Total		4,750		
Grand Total		7,727		

Prospect for 2017

Prospects

- “ While consumer sentiments have rebounded (Source: MIER), the Group continues to take a cautious stand on the market. The muted economic environment, the banking sector’s stringent lending policies, and pressures on disposable income continue to dampen short-term demand. Homebuyers, upgraders and astute investors are investing in properties in good locations, in particular townships/integrated developments that are affordably priced and innovatively conceptualised, as well as those with compelling value proposition as evidenced from the brisk sales chalked up by Paramount Property’s developments.
- “ Paramount Property’s performance will be underpinned by the breadth of its product portfolio. The current portfolio consisting of Sejati Residences, Utropolis Glenmarie, Bukit Banyan, Greenwoods Salak Perdana and Utropolis Batu Kawan 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 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 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.
- “ With these efforts, Paramount Education's prospects remain good. Additionally to achieve the Group's asset-light strategy to unlock capital resources from long term assets, providing growth capital and allowing the Group to focus on its core activities to ultimately better reward shareholders, the Group had entered into a Sale and Leaseback agreement with Alpha REITs to dispose of the Sri KDU campus, which is expected to be completed in 4Q2017.

Prospects (cont'd)

- “ Barring any unforeseen circumstances, the Group is expected to deliver better 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