

PARAMOUNT

Unaudited 1Q2018 Results

23 May 2018

1Q2018 Results

1Q2018 vs 1Q2017 Financial Results

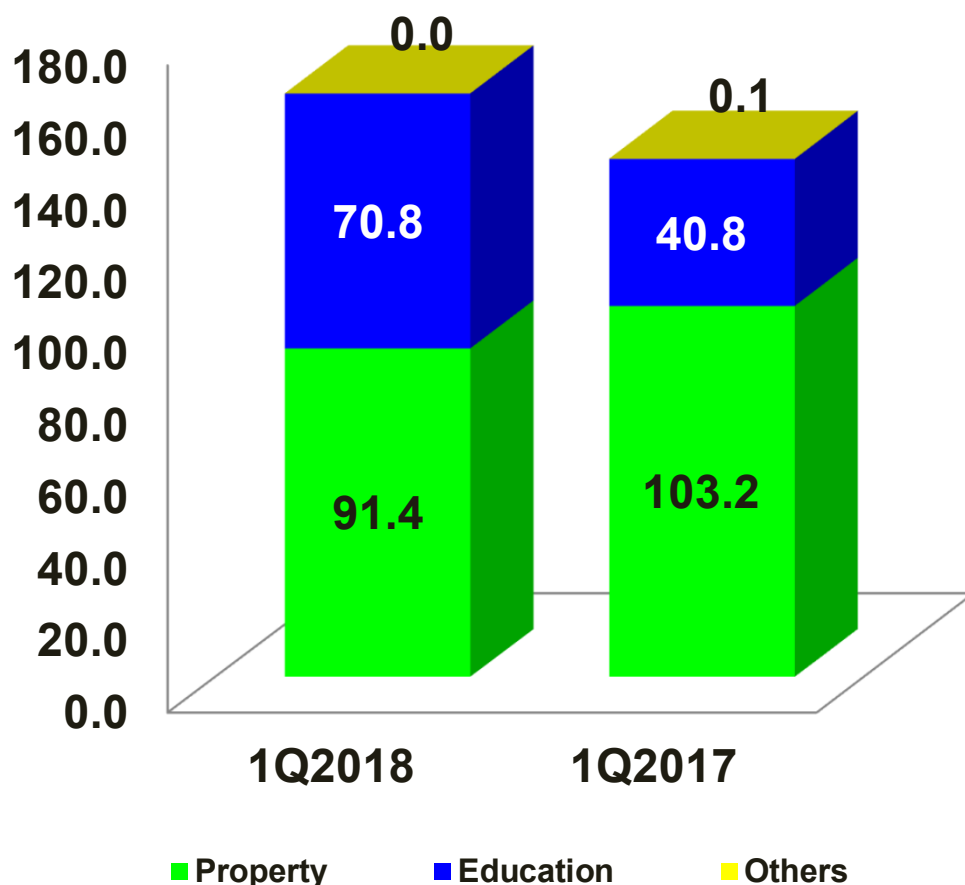
		1Q2018	1Q2017 (Restated)	+/-	%
Revenue	RM'Mil	162.2	144.1	18.1	13%
Profit before tax	RM'Mil	18.0	17.5	0.5	3%
EBITDA	RM'Mil	26.9	25.0	1.9	8%
Profit net of tax	RM'Mil	13.2	12.0	1.2	10%
Profit attributable to ordinary equity holders of the Company	RM'Mil	7.0	7.0	0.0	0%
Earnings per share	Sen	1.64	1.65	(0.01)	-1%
Dividend per share	Sen	0.00	0.00	0.00	0%
Net asset per share	RM	2.37	2.22	0.15	7%
Shareholders' funds	RM'Mil	1,016.9	947.1	68.2	7%
ROE	%	0.7	0.7	0.0	0%
Gearing ratio	Times	0.68	0.58	0.10	17%

Higher Group revenue, by 13%, with higher contribution from the education division.

Group PBT was marginally higher at RM18 million mainly due to the higher contribution from the education division was off-set by the lower progressive billings recorded from the property division.

Revenue

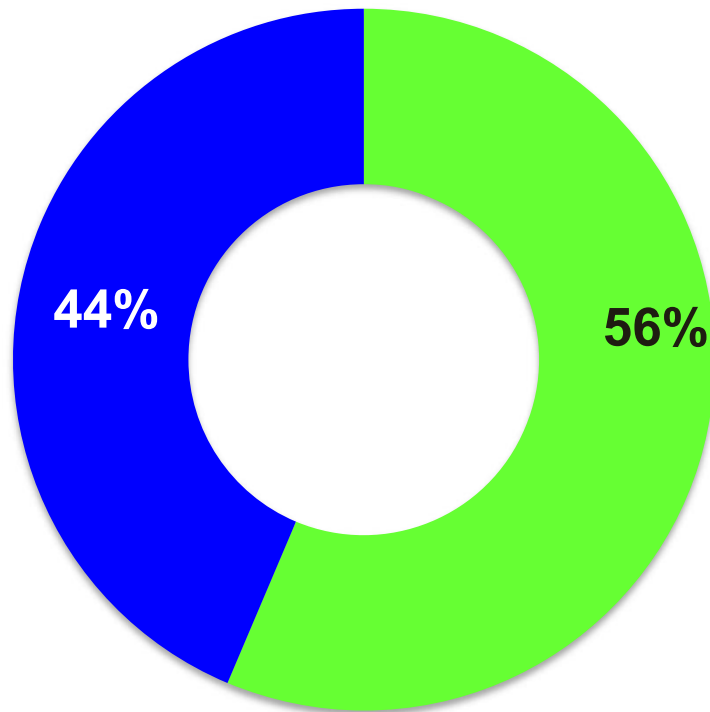
Revenue By Division (RM'Million)



<p>Property Division</p>	<p>Lower revenue, by 11%, due to:</p> <ul style="list-style-type: none"> “ Lower level of construction activities achieved “ Completion of certain phases within the high-end Sejati Residences comprising semi-detached and superlink properties in Cyberjaya and Utropolis Glenmarie serviced apartments in Shah Alam in 2017
<p>Education Division</p>	<p>Higher revenue, by 74% due to:</p> <ul style="list-style-type: none"> “ New stream of revenue from REAL Education which contributed RM27 million to Group revenue; “ Higher revenue from KDU University College, Glenmarie & Penang stemming from higher new student enrolments.

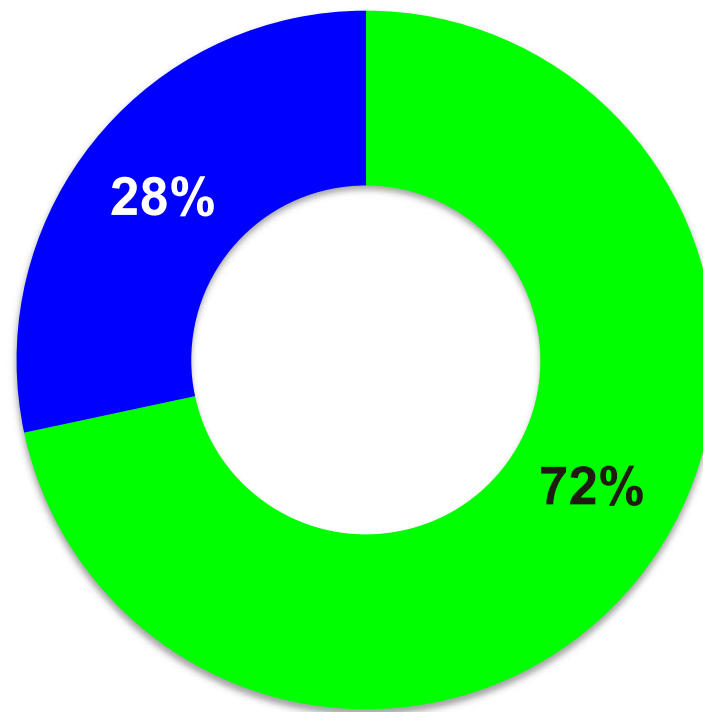
Revenue - Contribution By Division

1Q2018 Revenue



■ Property ■ Education

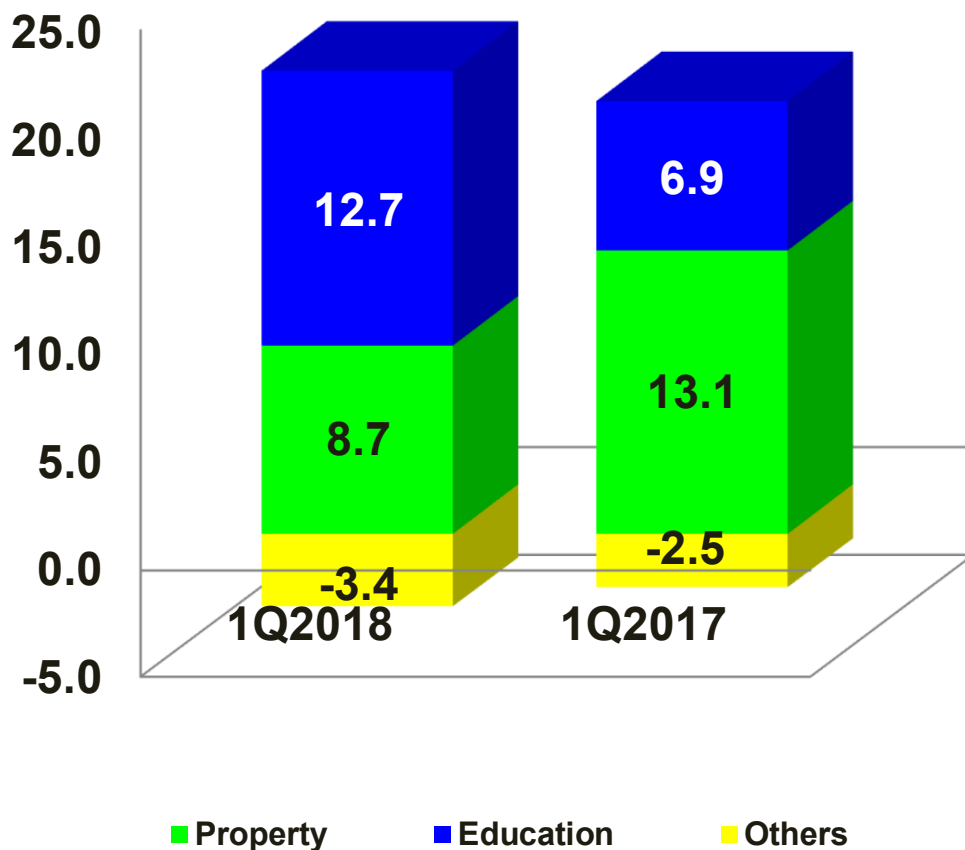
1Q2017 Revenue



■ Property ■ Education

PBT

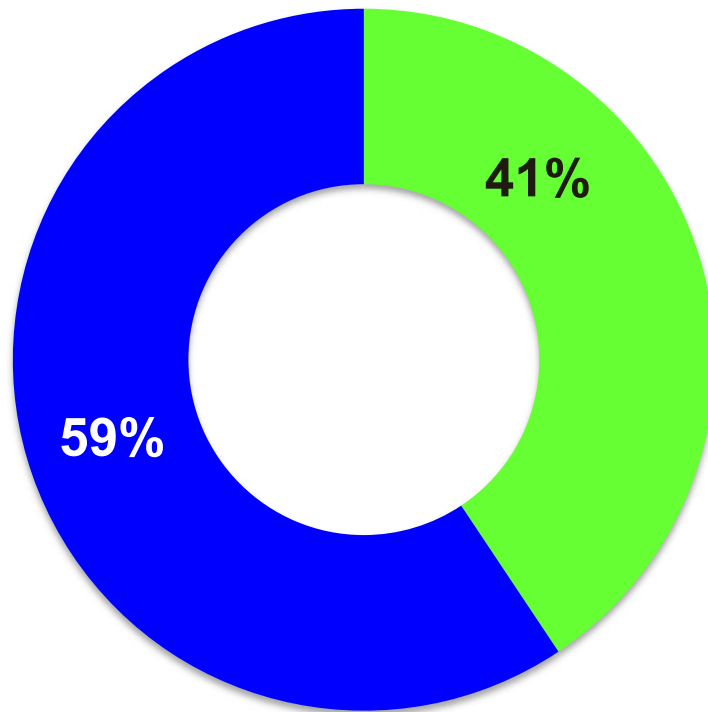
PBT By Division (RM'Million)



<p>Property Division</p>	<p>Lower PBT, by 34%, due to:</p> <ul style="list-style-type: none"> “ Lower level of construction activities achieved “ Completion of certain phases within the high-end Sejati Residences comprising semi-detached and superlink properties in Cyberjaya and Utropolis Glenmarie; serviced apartments in Shah Alam in 2017
<p>Education Division</p>	<p>Higher PBT, by 84%, due to:</p> <ul style="list-style-type: none"> “ New stream of income from REAL Education, which contributed RM4.9 million to the Group PBT, and; “ Lower losses from KDU University College in Glenmarie; “ Higher PBT achieved by KDU University College in Penang.

PBT – Contribution By Division

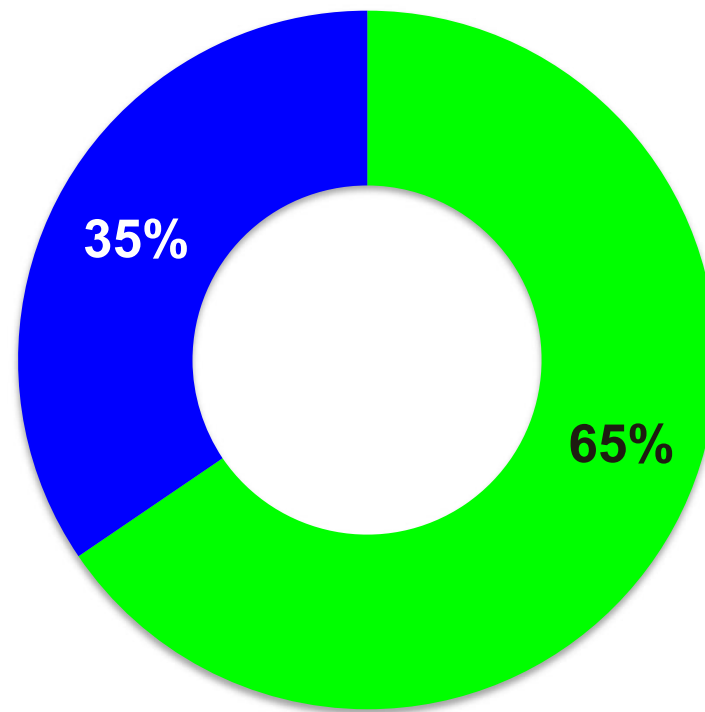
1Q2018 PBT



■ Property

■ Education

1Q2017 PBT



■ Property

■ Education

Statement of Financial Position

RM'000	31/3/2018	31/12/2017 (Restated)
Non-current assets	1,757,031	1,834,498
Current assets	747,716	697,092
Total assets	2,504,747	2,531,590
Current liabilities	528,594	523,050
Net current assets	219,122	174,042
Non-current liabilities	683,267	691,098
Total liabilities	1,211,861	1,214,148
Total equity	1,292,886	1,317,442
Total equity and liabilities	2,504,747	2,531,590

Debt/Equity Ratio

	31/3/2018	31/12/2017 (Restated)
	RM'Mil	RM'Mil
Borrowings	881.0	823.8
Cash & bank balances	104.8	141.4
Total equity*	1,292.9	1,317.4
	31/3/2018	31/12/2017 (Restated)
Gross D/E ratio	0.68	0.63
Net D/E ratio	0.60	0.52

*Included Private Debt Securities of RM200 million

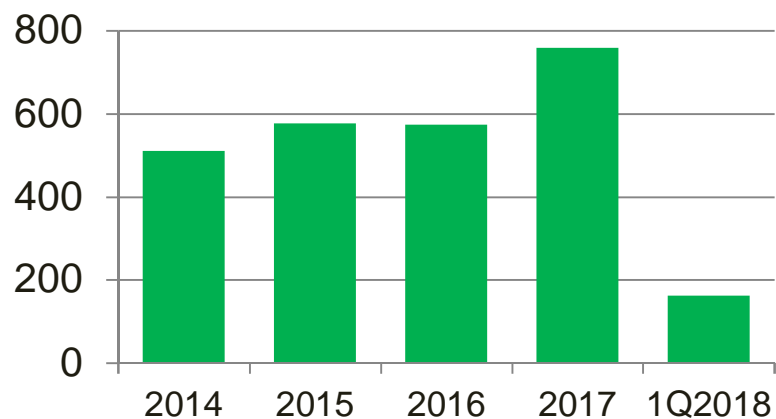
Gross D/E Ratio = Total Borrowings/Total Equity

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

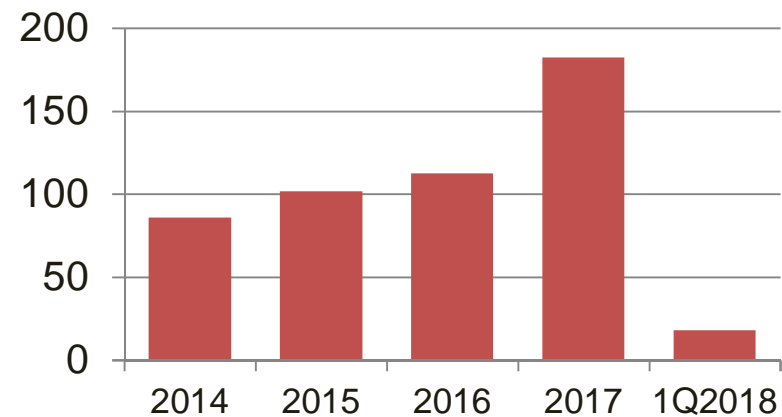
5-Year Financial Highlights

5-Year Financial Highlights

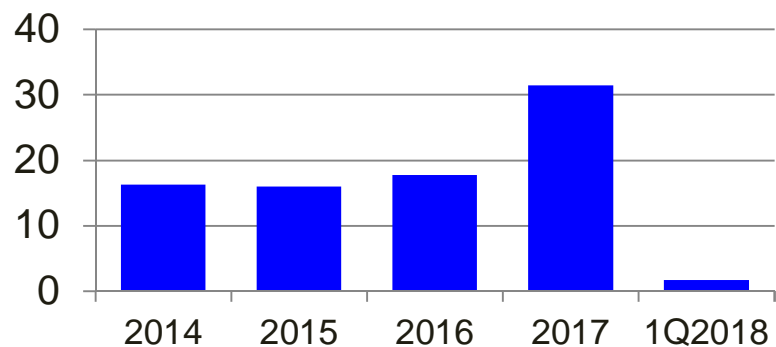
Revenue (RM'Mil)



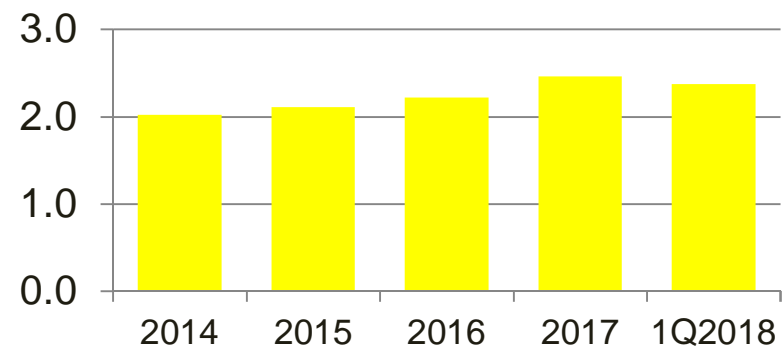
PBT (RM'Mil)



Earnings Per Share (Sen)

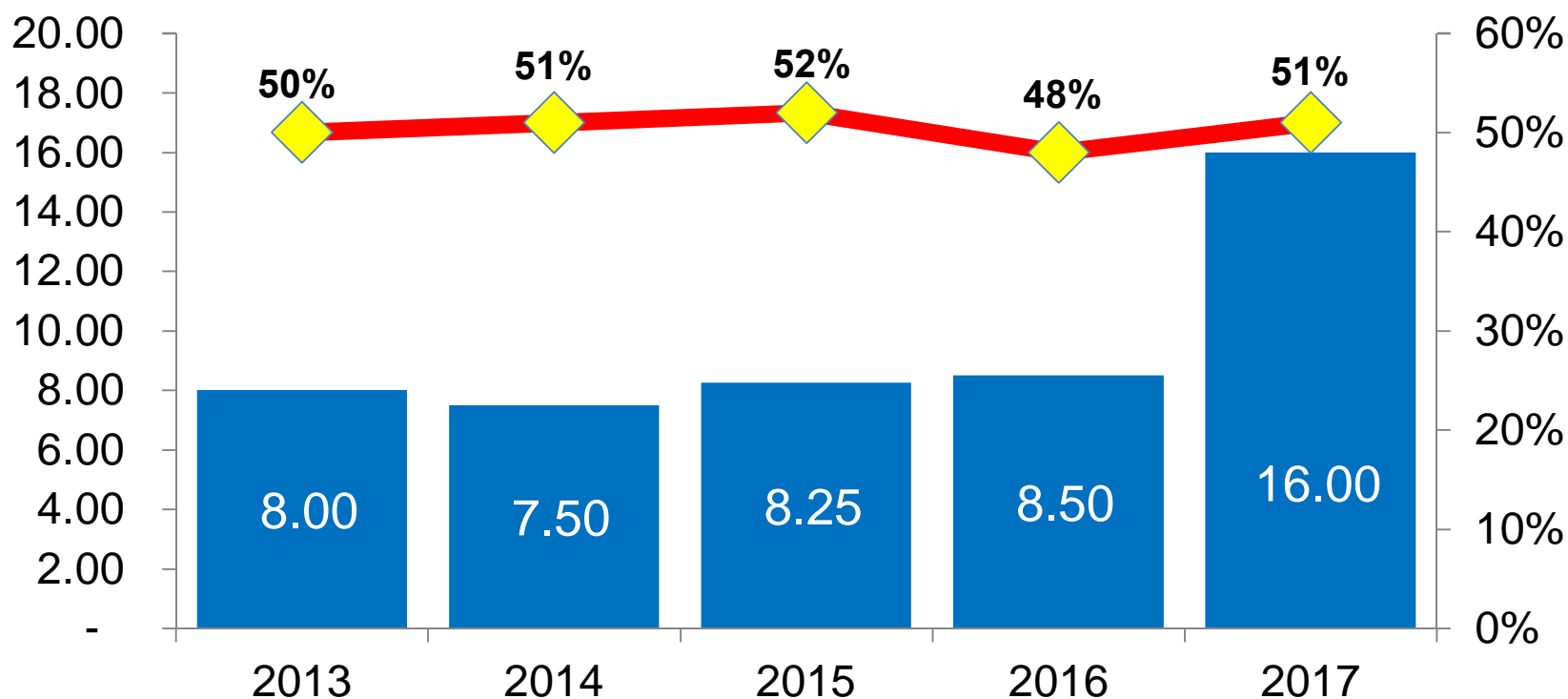


Net Assets Per Share (RM)



5-Year Financial Highlights

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



1Q2018 Highlights

1Q2018 Highlights

Property Division

- “ Strong property sales of 376 units with a sales value of RM227 million;
- “ Unbilled sales of RM736 million as at 31 March 2018.

Education Division

- “ New stream of income from REAL Education Group which contributed revenue and PBT of RM27 million and RM4.9 million, respectively;
- “ KDU UC Glenmarie and Penang registering higher new student enrolments;
- “ KDU UC Glenmarie registering a positive EBITDA of RM1.32 million.

Total landbank & GDV

Total Landbank & GDV

Project	Original Land Size (Acre)	Remaining GDV (Million)	Development Period	
			Start	End
On going Developments				
Kemuning Utama, Shah Alam	524.7	506	2004	2020
Sekitar26, Shah Alam	11.6	372	2013	2020
Bandar Laguna Merbok, Sungai Petani	500	6	1996	2018
Bukit Banyan, Sungai Petani	520	624	2012	2027
Sejati Residences, Cyberjaya	50	214	2013	2021
Greenwoods, Salak Perdana	238	1,084	2015	2023
Batu Kawan, Penang	28.7	2,083	2016	2026
Atwater, Petaling Jaya	5.2	861	2018	2022
Total		5,750		

Total Landbank & GDV

Project	Land Size (Acre)	GDV (Million)	Development Period	
			Start	End
Projects in the Pipeline				
Berkeley Uptown, Klang	33.3	1,410	2018	2026
Future Projects				
Machang Bubuk, Penang	69.2	410	2019	2027
Lots 7&9, Kota Damansara*	9.5	870		
Total		2,690		
Grand Total		8,440		

Note:

* Pending completion of the disposal for which a sale and purchase agreement had been entered into in January 2018.

Prospect for 2018

Prospects

- “ Amid the stronger global economic conditions, the Malaysian economy is projected to grow by 5.5% - 6.0% in 2018. Domestic demand will continue to be the anchor of growth, underpinned by private sector activity. Private consumption growth is expected to remain sustained, supported by continued growth in employment and income, lower inflation and improving sentiments.
- “ According to the National Property Information Centre, the property market is foreseen to stabilise in 2018, having endured challenging moments in the last two years. The forecast economic growth, accommodative monetary policy as well as continuous incentives for the housing sector will help sustain the momentum in the property sector.
- “ During the quarter ended 31 March 2018, the Group achieved sales of RM227 million and target to achieve property sales of approximately RM1.0 billion backed by new launches of properties of approximately RM1.2 billion for the financial year 2018. In addition, the Group's unbilled sales of RM736 million as at 31 March 2018 is expected to contribute positively to the Group's financial performance in the near future.
- “ The Group is encouraged by the sales achieved in its recently launched serviced apartments Atwater in the first quarter of 2018 and the Group's flagship project of Utropolis Batu Kawan, an integrated university metropolis located within the vicinity of IKEA Batu Kawan. On the back of the overwhelming response with all units were taken-up on the official day of launch of first phase of Keranji (a component of the Greenwoods township development), the Group is preparing to launch the second phase this year to meet the strong demand for affordable properties in Salak Perdana, Sepang.
- “ Further, the Group is targeting to launch in 2018, a mix development project located in the vicinity of Klang's main business and commercial area for which the Group will also be constructing a new Sri KDU international school. This is in line with the Group's strategy to derive synergy from its strong branding and expertise in its property and education businesses.

Prospects (cont'd)

- “ In respect of the education segment, competition will remain intense amidst a highly price sensitive environment, with slow market growth and high market penetration for the tertiary segment. The K-12 segment is expected to see continued mushrooming of new entrants into the market.

- “ The Group will remain focus on delivering quality education and will leverage on proven, long standing track record of the KDU brand to grow the student population.

- “ The K-12 segment will be the main driver within the education segment with R.E.A.L targeting the affordable segment while Sri KDU offers premium private and international schools. In addition, the acquisition of R.E.A.L Education Group in April 2017 has broaden the Group’s spectrum of offerings to pre-school and enrichment centres and it will contribute a full year of results in 2018. The Group believes there is untapped growth potential in the pre-school and enrichment centre segments. In this regard, the Group has opened three (3) new pre-school centres in the Klang Valley during the quarter ended 31 March 2018. In addition, the Group will also leverage on the synergies and opportunities for student continuity and retention, with R.E.A.L Kids kindergarten students moving to R.E.A.L Schools or Sri KDU national and international schools, and for R.E.A.L School students moving to KDU University Colleges.

- “ Responding to market conditions, the tertiary education segment will increase its marketing efforts to tap into new markets within Malaysia, whilst enhancing strategies for international marketing and relationship building with recruitment agencies as well as intensifying promotional activities through various media, particularly the digital marketing. Towards this end, the student enrolment at KDU University College (Glenmarie and Penang) has shown encouraging improvement for the quarter ended 31 March 2018 as compared to the corresponding quarter last year.

Prospects (cont'd)

- “ In line with the Group’s asset light strategy, it will continue to pursue sale & leaseback of assets and to build strategic partnerships to undertake development projects on joint venture basis if such opportunities arise.
- “ Barring any unforeseen circumstances, the Group is expected to deliver a better operating performance for 2018.

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