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Unaudited 6M2018 Results

21 August 2018

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2Q2018 Results

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2Q2018 vs 2Q2017 Financial Results

		2Q2018	2Q2017	+/-	%
Revenue	RM'Mil	278.4	189.7	88.7	47%
Profit before tax	RM'Mil	60.8	29.6	31.2	106%
EBITDA	RM'Mil	71.4	38.8	32.6	84%
Profit net of tax	RM'Mil	44.7	20.7	24.0	116%
Profit attributable to ordinary equity holders of the company	RM'Mil	42.3	18.1	24.2	134%
Earnings per share	Sen	9.88	4.28	5.60	131%
Dividend per share	Sen	2.50	2.50	0.00	0%

Higher Group revenue, by 47%, with higher contribution from the property and education divisions.

Group PBT was higher at RM60.8 million mainly attributable to the disposal of 9.4 acres of industrial land in Kota Damansara which had contributed PBT of RM43.2 million (KD Land Disposal).

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6M2018 vs 6M2017 Financial Results

		6M2018	6M2017 (Restated)	+/-	%
Revenue	RM'Mil	440.6	336.5	104.1	31%
Profit before tax	RM'Mil	78.8	48.0	30.8	64%
EBITDA	RM'Mil	99.8	64.2	35.6	55%
Profit net of tax	RM'Mil	57.9	34.1	23.8	70%
Profit attributable to ordinary equity holders of the Company	RM'Mil	49.3	26.5	22.8	86%
Earnings per share	Sen	11.56	6.26	5.30	85%
Dividend per share	Sen	2.50	2.50	0.00	0%
Net asset per share	RM	2.47	2.22	0.25	11%
Shareholders' funds	RM'Mil	1,058.6	941.9	116.7	12%
ROE	%	4.7	2.9	1.8	62%
Gearing ratio	Times	0.70	0.76	(0.06)	-8%

Higher Group revenue, by 31%, with higher contribution from both the property and education divisions.

Higher Group PBT, by 64%, due to KD Land Disposal and higher PBT from the education division.

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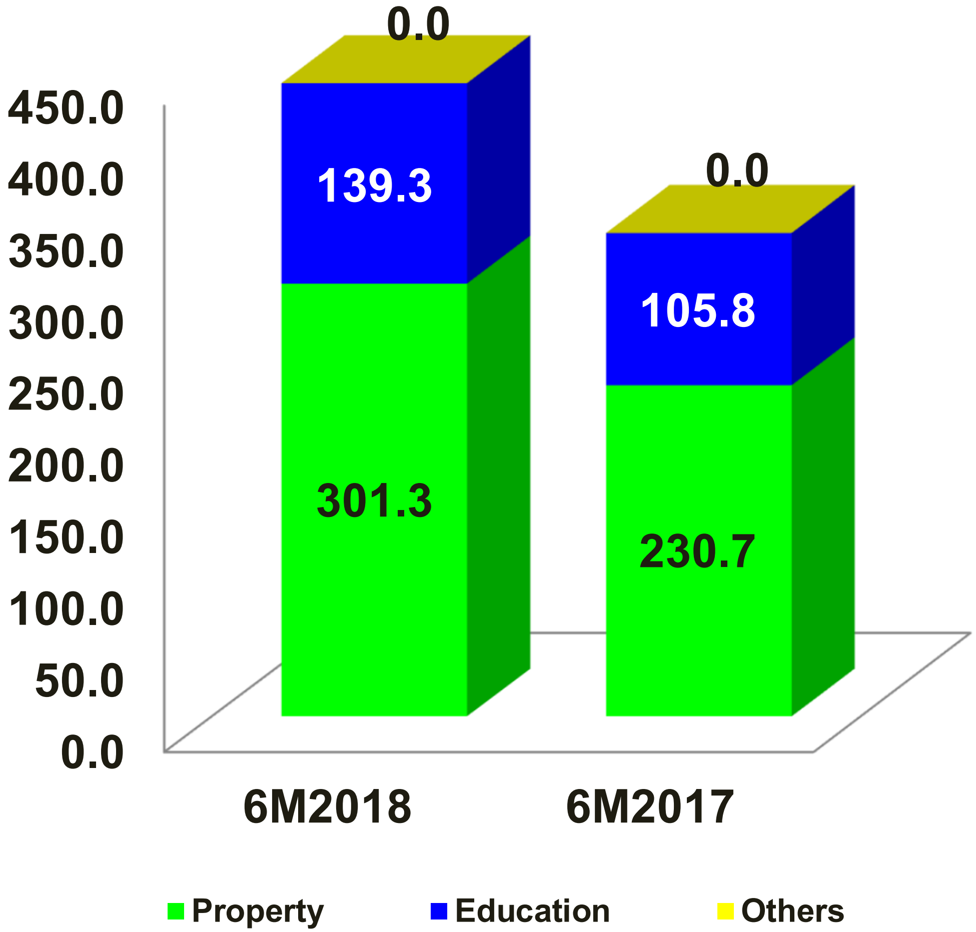
Revenue

Revenue By Division (RM'Million)



Property Division	Higher revenue, by 31%, mainly due to: Å KD Land Disposal; off-set by Å Lower level of construction activities achieved; and Å Completion of certain phases within the high-end Sejati Residences comprising semi-detached and superlink properties in Cyberjaya and Utropolis Glenmarieôs serviced apartments in Shah Alam in 2017
Education Division	Higher revenue, by 32%, mainly due to: Å Consolidation of REAL Education Groupôs financial results from April 2017; and Å Higher revenue from KDU University College, Glenmarie stemming from higher new student enrolments.

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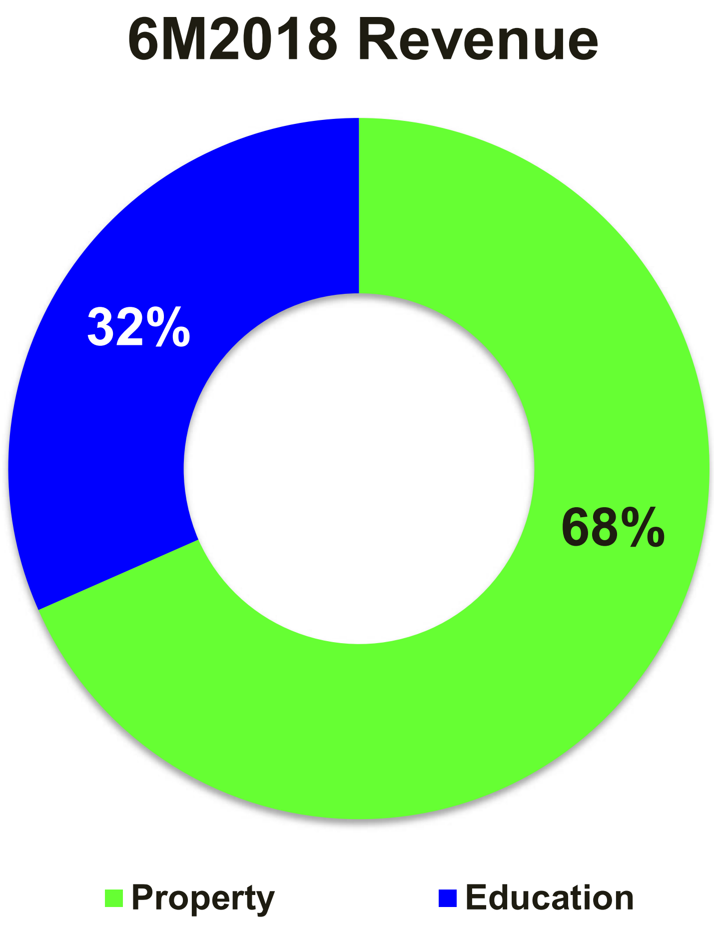
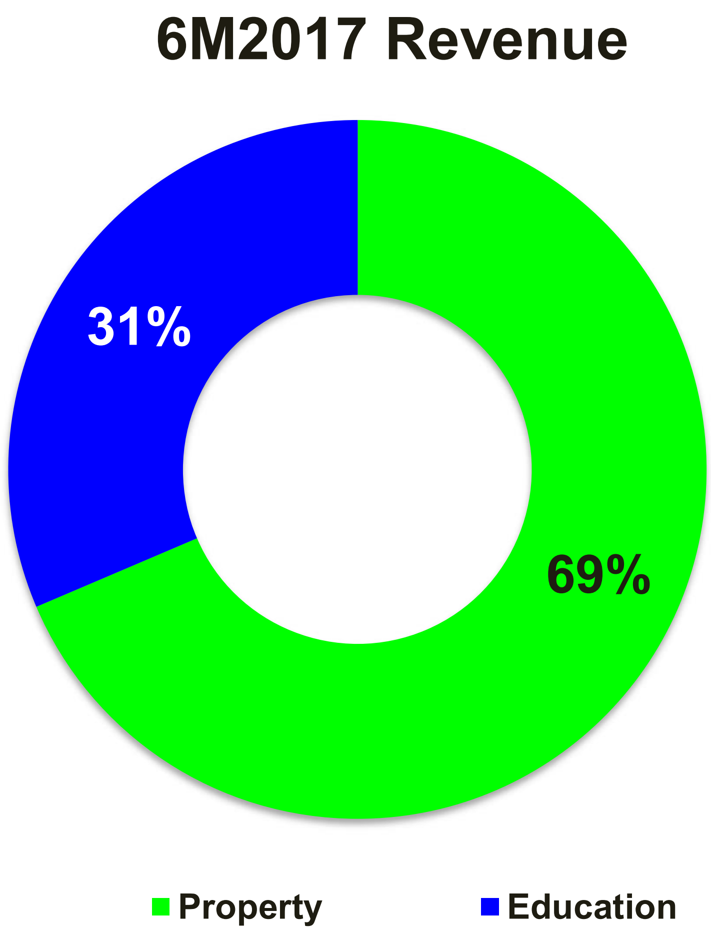
Revenue - Contribution By Division





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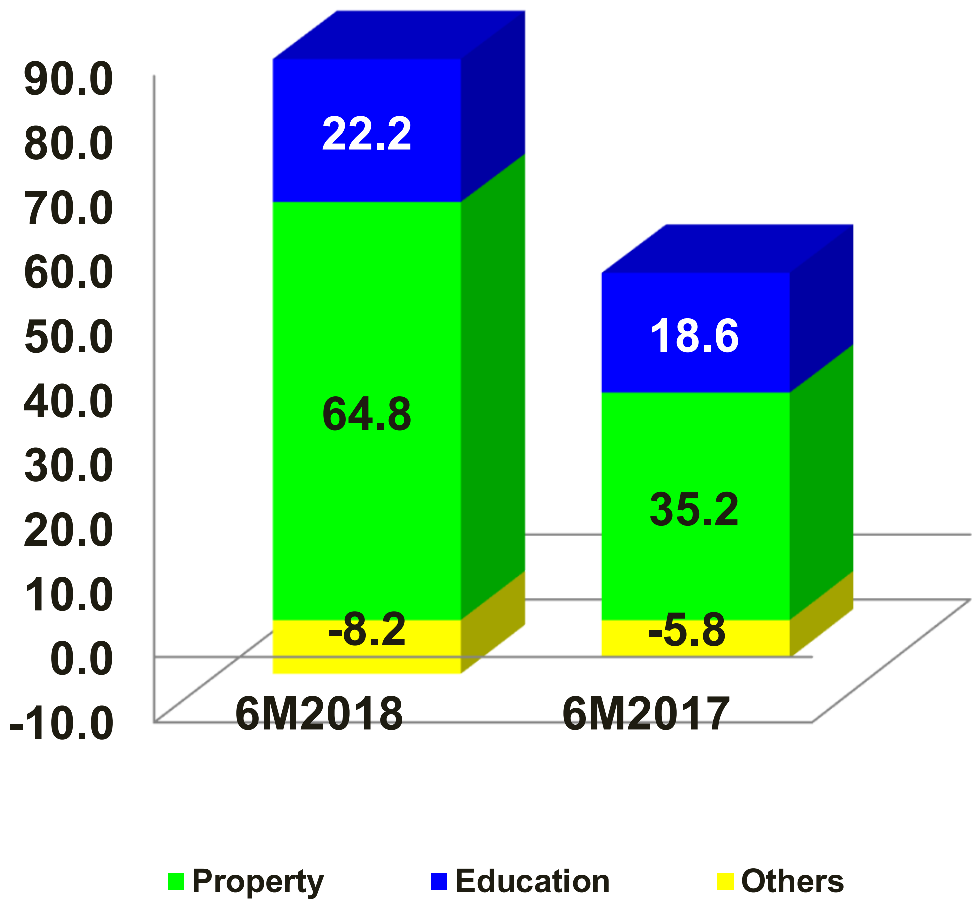
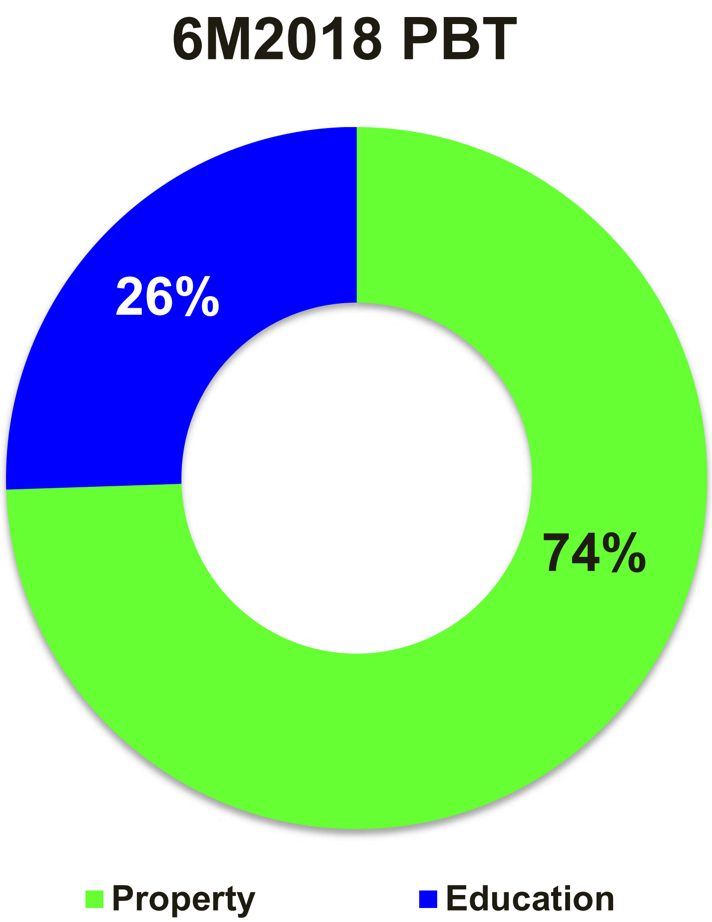
PBT

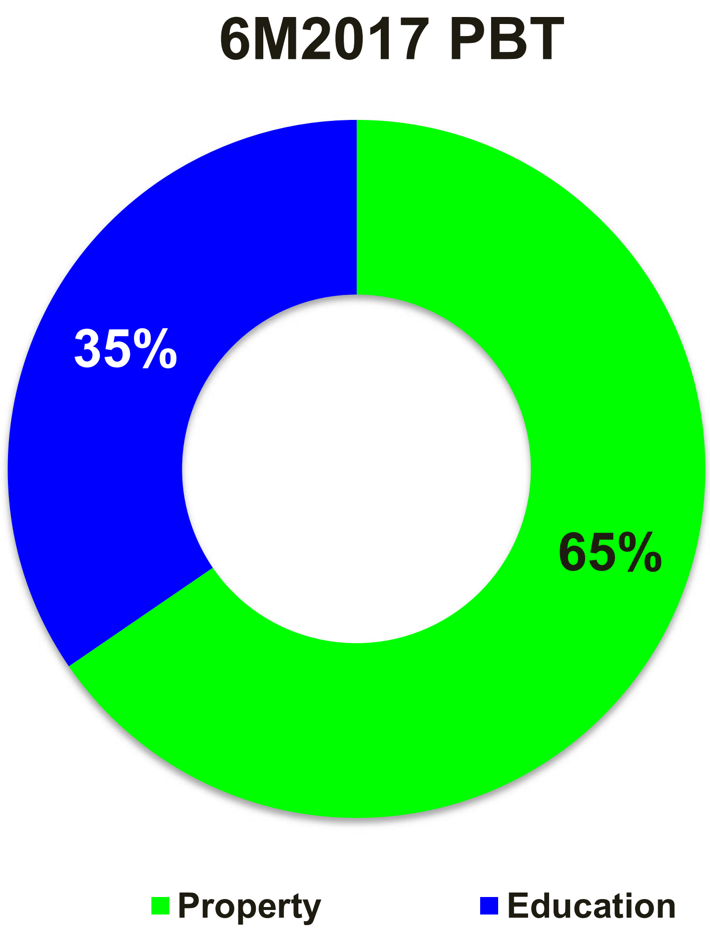
PBT By Division (RM'Million)



Property Division	Higher PBT, by 84%, mainly due to: Å KD Land Disposal, off-set by Å Lower level of construction activities achieved; and Å Completion of certain phases within the high-end Sejati Residences comprising semi-detached and superlink properties in Cyberjaya and Utropolis Glenmarieȇs serviced apartments in Shah Alam in 2017
Education Division	Higher PBT, by 19%, mainly due to: Å Consolidation of REAL Education Groupȇs financial results from April 2017; and Å Higher new student enrolments from KDU University College

PBT – Contribution By Division





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Statement of Financial Position

RM'000	30/6/2018	31/12/2017 (Restated)
Non-current assets	1,713,027	1,834,218
Current assets	900,875	697,092
Total assets	2,613,902	2,531,310
Current liabilities	557,312	523,051
Net current assets	343,563	174,041
Non-current liabilities	721,197	691,439
Total liabilities	1,278,509	1,214,490
Total equity	1,335,393	1,316,820
Total equity and liabilities	2,613,902	2,531,310

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Debt/Equity Ratio

	30/6/2018	31/12/2017 (Restated)
	RM'Mil	RM'Mil
Borrowings	937.7	823.8
Cash & bank balances	130.7	141.4
Total equity*	1,335.4	1,316.8
	30/6/2018	**31/12/2017 (Restated)**
Gross D/E ratio	0.70	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

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5-Year Financial Highlights

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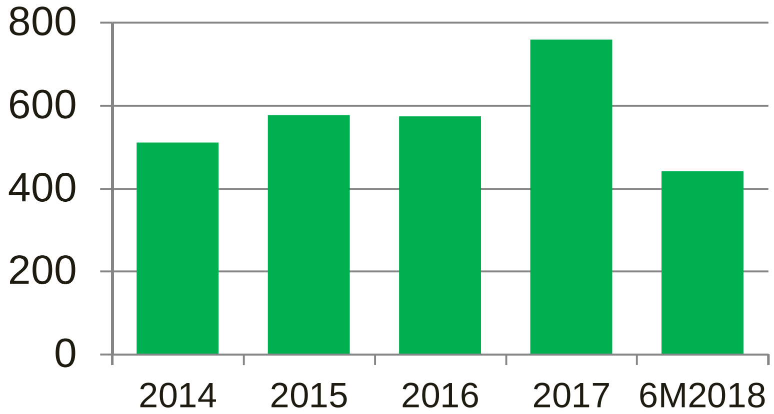
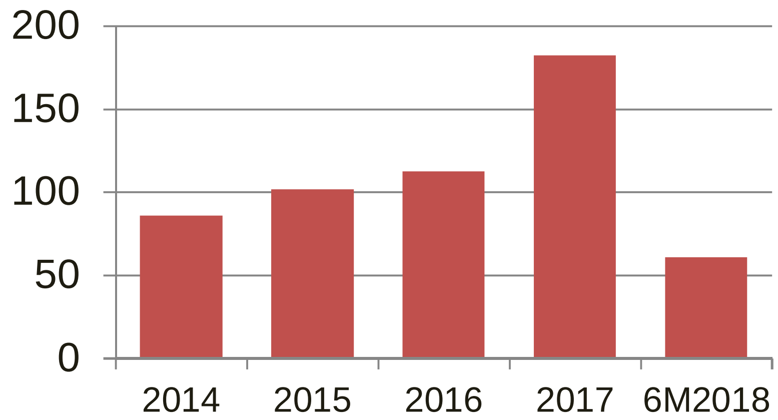
5-Year Financial Highlights

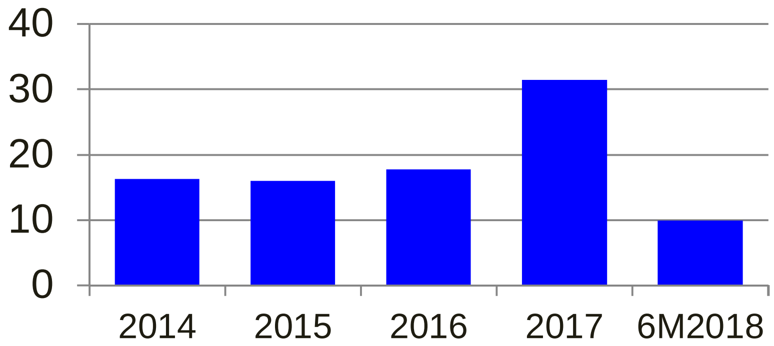
Revenue (RM'Mil)



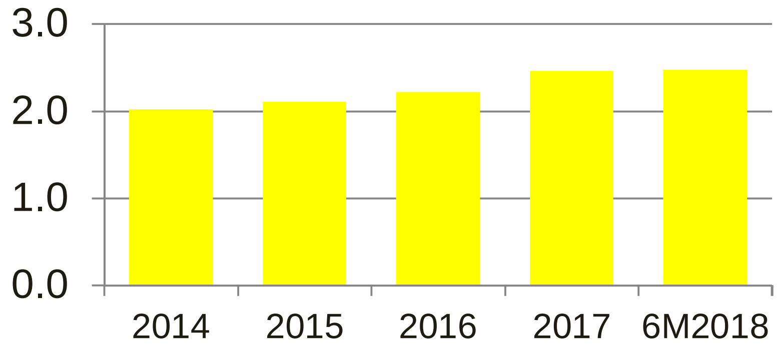
PBT (RM'Mil)



Earnings Per Share (Sen)



Net Assets Per Share (RM)



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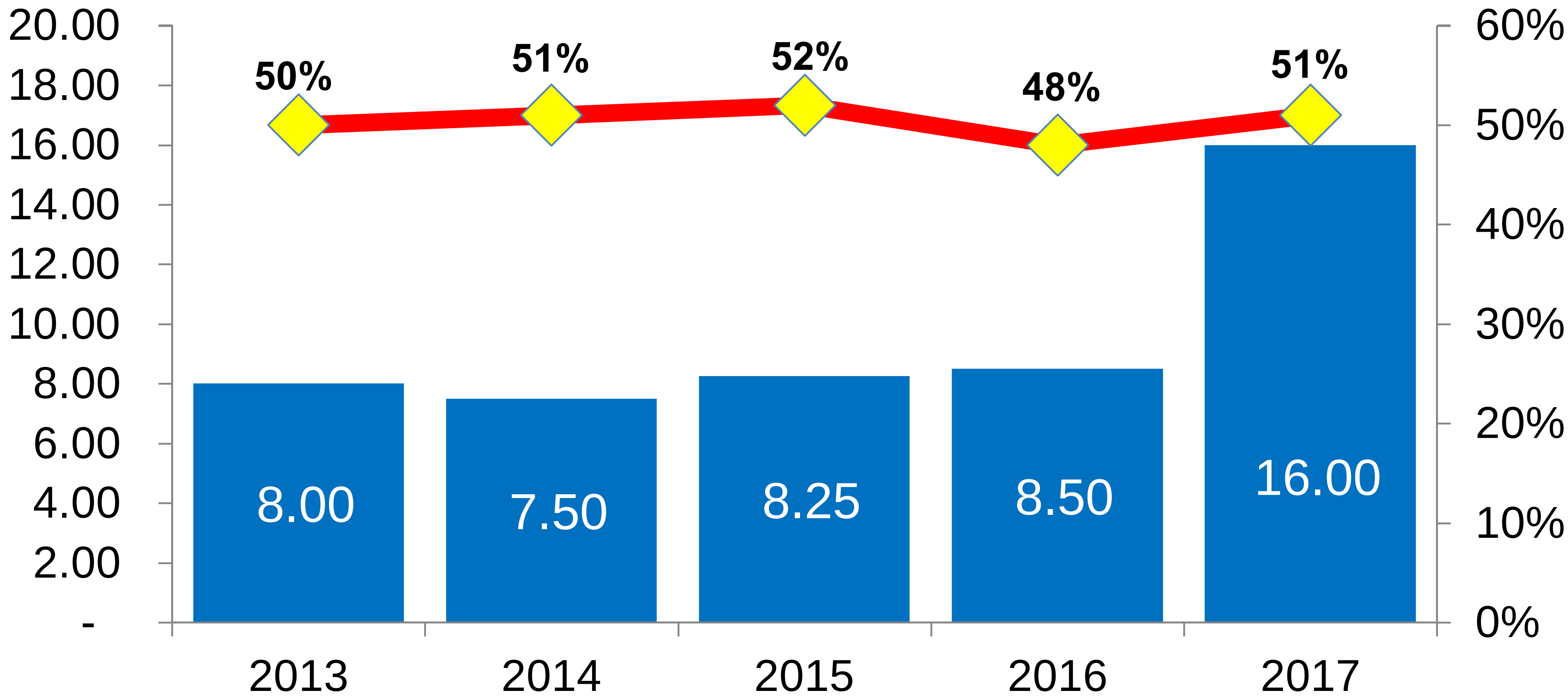
5-Year Financial Highlights

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



6M2018 Highlights

6M2018 Highlights

Property Division

Å Strong property sales of 858 units with a sales value of RM598 million;

Å Unbilled sales of RM866 million as at 30 June 2018.

Education Division

Å KDU UC Glenmarie and Penang registering higher new student enrolments;

Å KDU UC Glenmarie registering a positive EBITDA of RM4.58 million.

Total landbank & GDV

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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**		

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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
Total		**1,820**		
Grand Total		**7,570**		

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Prospect for 2018

Prospects

- The Malaysian economy is projected to grow by 5.0% in 2018. Domestic demand will continue to be the anchor of growth, underpinned by private sector activity. Private consumption growth is expected to sustain, supported by continued growth in employment and income, lower inflation and improving sentiments.

- According to the National Property Information Centre, the property market is projected to stabilise in 2018, having endured challenging times in the last two years. The forecast economic growth, accommodative monetary policy and the growing household formation will help sustain the momentum in the property sector.

- During the six months ended 30 June 2018, the Group achieved sales of RM598 million and targets 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 RM866 million as at 30 June 2018 is expected to contribute positively to the Group's financial performance in the near future.

- The Group is encouraged by the strong take-up rate of Atwater in Section 13, Petaling Jaya, Suasana Phase 1 in Batu Kawan, Penang and Keranji Phase 1 (a component of the Greenwoods township development in Sepang), all of which were launched in March 2018. On the back of encouraging sales achieved, the Group will be launching in the second half of 2018 Phase 2 of Suasana, Phase 2 of Keranji and the commercial development at Atwater.

- Further, the Group is targeting to launch in 2018, a mixed development project located in the vicinity of Klang's main business and commercial area, where 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.

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Prospects (cont'd)

- In respect of the education segment, competition will remain intense amidst a 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.

- The Group will remain focused 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 mass affluent 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 broadened the Group's spectrum of offerings to pre-school and enrichment centres, and will contribute a full year's 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 30 June 2018, which are expected to contribute positively to the Group's financial performance. 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 in Malaysia, whilst enhancing strategies for international marketing and relationship building with recruitment agencies, as well as intensifying promotional activities through various media, particularly digital marketing. Towards this end, the student enrolment at KDU University College (Glenmarie and Penang) has shown encouraging improvement for the six months ended 30 June 2018 as compared to the corresponding period last year.

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Prospects (cont'd)

- In line with the Group's asset light strategy, it will continue to pursue sale and leaseback of education assets and build strategic partnerships to undertake property development projects on joint venture basis if such opportunities arise. In addition, the Group seeks to unlock value through the monetisation of land bank and strategic divestments.

- Barring any unforeseen circumstances, the Group is expected to deliver a better operating performance for the current financial year ending 31 December 2018.

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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