

Unaudited FY2019 Results

28 February 2020

4Q2019 Results

4Q2019 vs 4Q2018 Financial Results

		4Q2019	4Q2018	+/-	%
<u>Continuing</u>					
Revenue	RM'Mil	209.6	186.3	23.3	13%
Profit before tax	RM'Mil	37.4	33.5	3.9	12%
EBITDA	RM'Mil	63.2	45.6	17.6	39%
Profit after tax	RM'Mil	24.1	24.1	0.0	0%
<u>Discontinued</u>					
Profit after tax	RM'Mil	17.4	5.9	11.5	195%
Profit for the period					
	RM'Mil	41.5	30.0	11.5	38%
Profit attributable to ordinary equity holders of the company					
	RM'Mil	39.1	26.9	12.2	45%
Earnings per share	Sen	6.45	4.49	1.96	44%
Dividend per share	Sen	4.50	6.00	(1.50)	-25%

(Note: Pursuant to the completion of the disposal of the pre-tertiary education and the tertiary businesses, the education division has been classified as "discontinued operations" for financial reporting purposes.

4Q2019 vs 4Q2018 Financial Results

Continuing operations

The Group's revenue was 13% higher than the revenue of the corresponding quarter last year of RM186.3 million. The Group's profit before tax (PBT) from continuing operations was 12% higher at RM37.4 million mainly attributable to the higher contribution from the property division.

Discontinued operations

The higher profit after tax (PAT) was mainly attributable to assets of Sri KDU and the R.E.A.L Education Group were not depreciated since the signing of the sale and purchase agreement with Prestigion Education Sdn Bhd until the completion of the sale, in line with the accounting treatment of "assets held for sale", which has contributed to the improved PAT of the education division. In addition, an additional amount of RM2.1 million was recognised in 4Q2019 following the finalisation of the completion accounts of UOW Malaysia KDU University College Sdn Bhd ("KDUUC") and UOW Malaysia KDU Penang University College Sdn Bhd ("KDUPG") in relation to the KDU Disposal (i.e. the disposal of the controlling stake in KDUUC, KDUPG and UOW Malaysia KDU College Sdn Bhd ("KDUPJ")) to UOWM Sdn Bhd.

With the higher profit after tax from discontinued operations in 4Q2019, the Group's profit attributable to ordinary equity holders of the Company of RM39.1 million was 45% higher than that of the corresponding quarter of RM26.9 million.

FY2019 vs FY2018 Financial Results

		FY2019	FY2018	+/-	%
<u>Continuing</u>					
Revenue	RM'Mil	706.0	632.5	73.5	12%
Profit before tax	RM'Mil	88.8	110.2	(21.4)	-19%
EBITDA	RM'Mil	121.9	129.0	(7.1)	-6%
Profit after tax	RM'Mil	54.5	78.4	(23.9)	-30%
<u>Discontinued</u>					
Profit after tax	RM'Mil	64.5	31.1	33.4	107%
Profit for the period	RM'Mil	119.0	109.5	9.5	9%
Profit attributable to ordinary equity holders of the Company	RM'Mil	104.0	91.8	12.2	13%
Earnings per share	Sen	17.17	15.29	1.88	12%
Dividend per share	Sen	6.50	8.50	(2.00)	-24%
Net asset per share	RM	1.88	2.50	(0.62)	-25%
Shareholders' funds	RM'Mil	1,141.0	1,071.3	69.7	7%
ROE	%	9.7	8.8	0.9	10%
Gearing ratio	Times	0.62	0.67	(0.05)	-7%

FY2019 vs FY2018 Financial Results

Continuing operations

The Group's revenue for FY2019 was 12% higher as compared to the corresponding period last year while the Group's PBT from continuing operations was RM88.8 million. Excluding the gain from the disposal of Kota Damansara land in 2018 ("KD Land Disposal"), the Group's revenue and PBT from continuing operations in FY2019 would be higher than that of FY2018 by 31% and 33%, respectively.

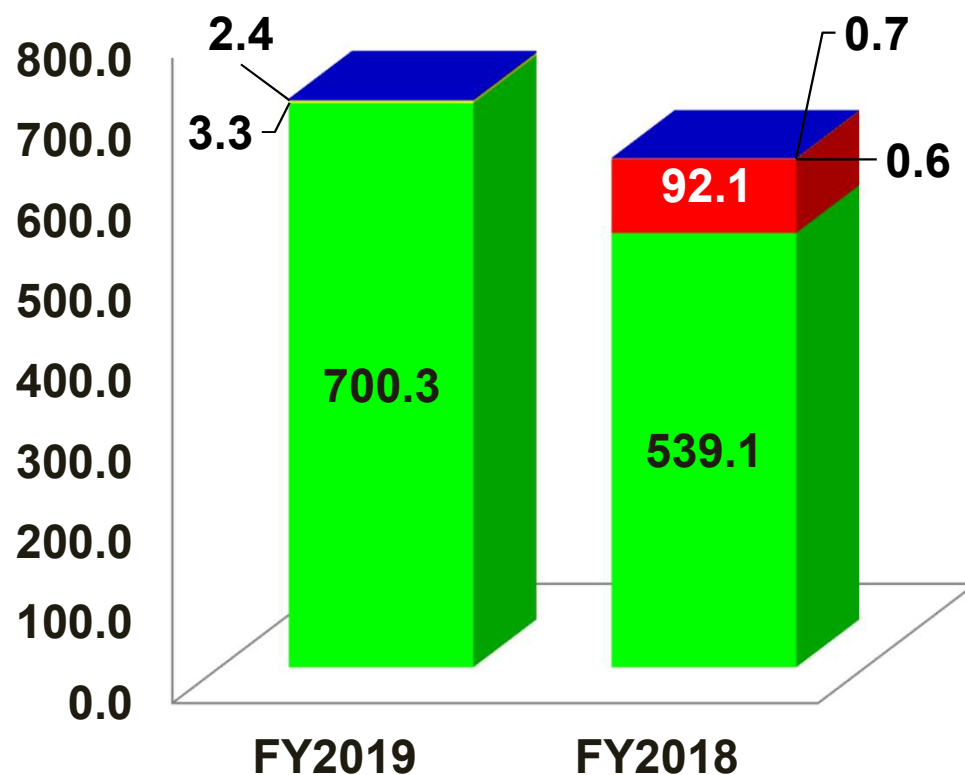
Discontinued operations

Higher PAT was mainly due to the gain of RM25.4 million recognised for the KDU Disposal. In addition, the assets of Sri KDU and the R.E.A.L Education Group were not depreciated since the signing of the sale and purchase agreement with Prestigion Education Sdn Bhd until the completion of the sale in line with the accounting treatment of "assets held for sale" has also contributed to the improved PAT of the education division in FY2019.

The Group's profit attributable to ordinary equity holders of the Company of RM104.0 million was 13% higher than that of FY2018 of RM91.8 million.

Revenue

Revenue By Division (RM'Million)

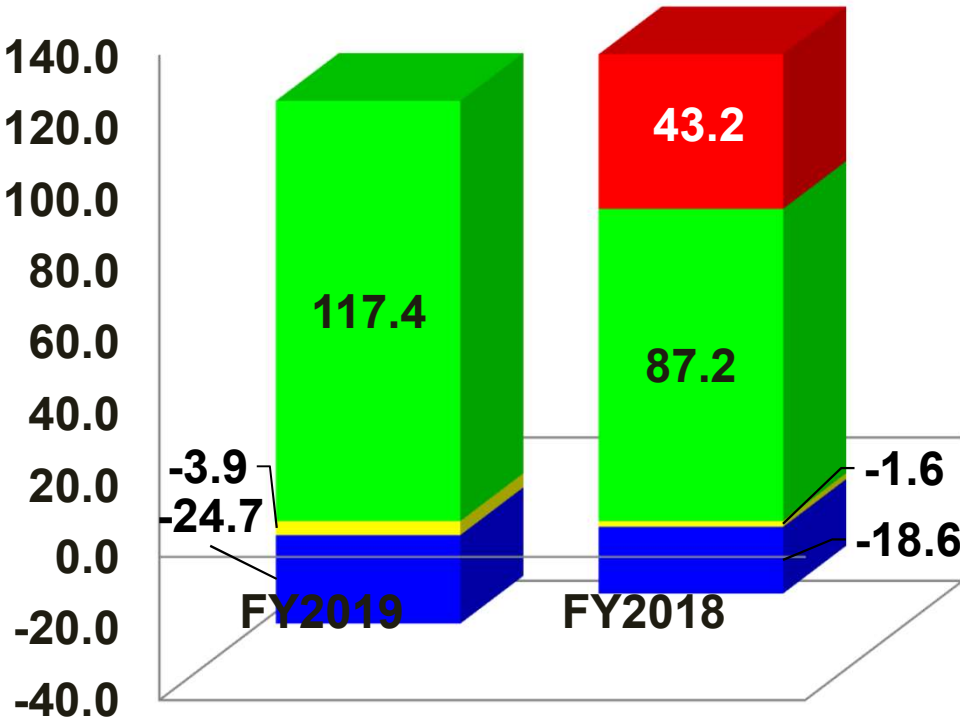


Property Division	<p>Higher revenue, (excluding KD Land Disposal) by 31%, mainly due to:</p> <ul style="list-style-type: none"> Higher revenue from Utropolis Glenmarie, Shah Alam development, Utropolis Batu Kawan, Penang development, and Greenwoods, Salak Tinggi development.
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■ Property ■ KD Land disposal ■ Co-labs ■ Others

PBT

PBT By Division (RM'Million)



Property Division	Higher PBT (excluding KD Land Disposal) , by 35%, mainly due to: <ul style="list-style-type: none"> Higher revenue from Utropolis Glenmarie, Shah Alam development, Utropolis Batu Kawan, Penang development, and Greenwoods, Salak Tinggi development.
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■ Property ■ KD Land disposal ■ Co-labs ■ Others

Statement of Financial Position

RM'000	31/12/2019	31/12/2018
Non-current assets	1,534,978	1,747,452
Current assets	1,538,575	928,178
Total assets	3,073,553	2,675,630
Current liabilities	884,910	835,218
Net current assets	653,665	92,960
Non-current liabilities	724,494	494,127
Total liabilities	1,609,404	1,329,345
Total equity	1,464,149	1,346,285
Total equity and liabilities	3,073,553	2,675,630

Debt/Equity Ratio

	31/12/2019	31/12/2018
	RM'Mil	RM'Mil
Borrowings	911.9	900.7
Cash & bank balances	134.7	137.0
Total equity*	1,464.1	1,346.3
	31/12/2019	31/12/2018
Gross D/E ratio	0.62	0.67
Net D/E ratio	0.53	0.57

*Included Private Debt Securities of RM249 million (2018: RM200 million)

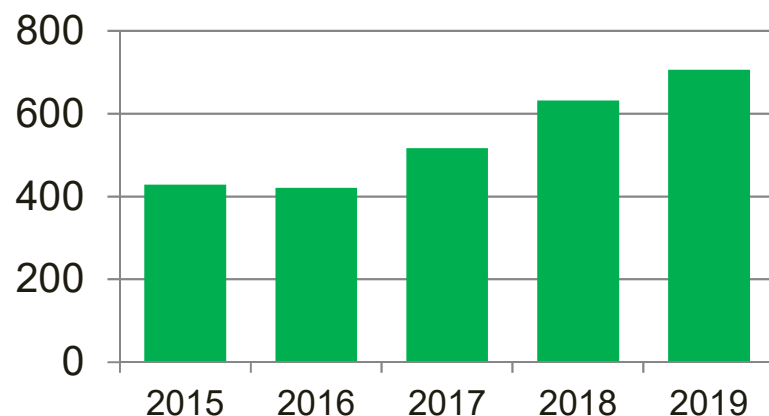
Gross D/E Ratio = Total Borrowings/Total Equity

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

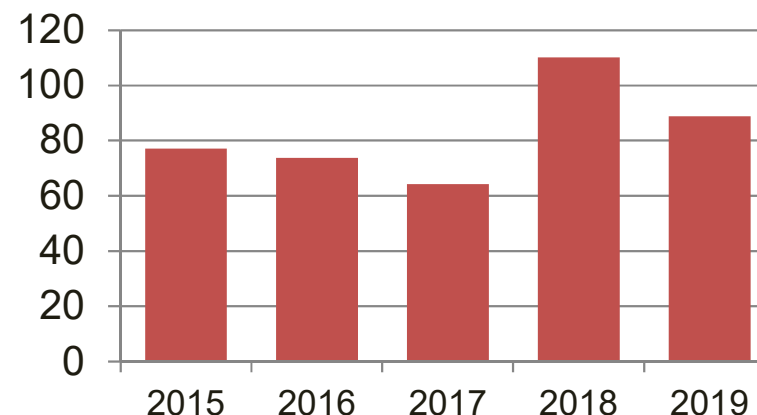
5-Year Financial Highlights

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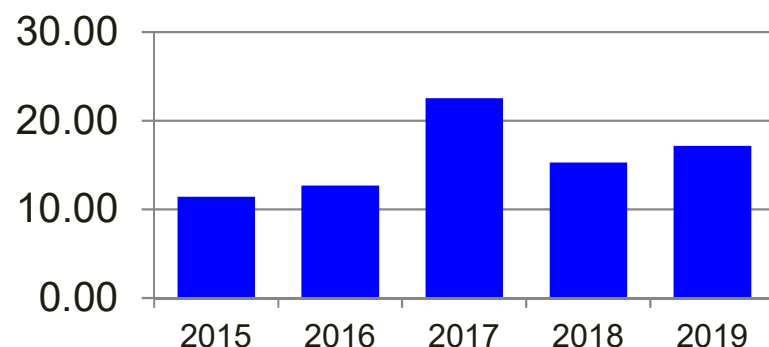
Revenue (RM'Mil)



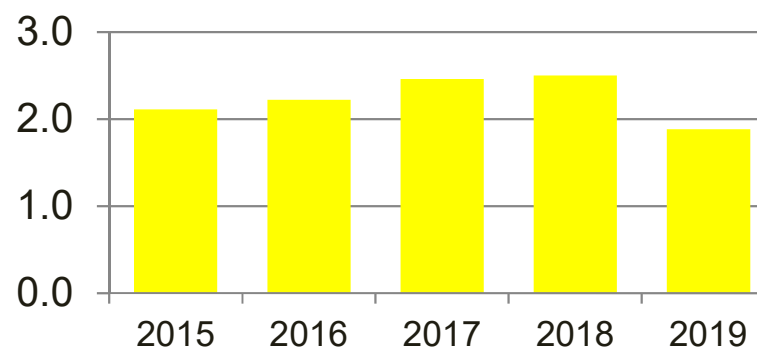
PBT (RM'Mil)



Earnings Per Share (Sen)



Net Assets Per Share (RM)



Note:

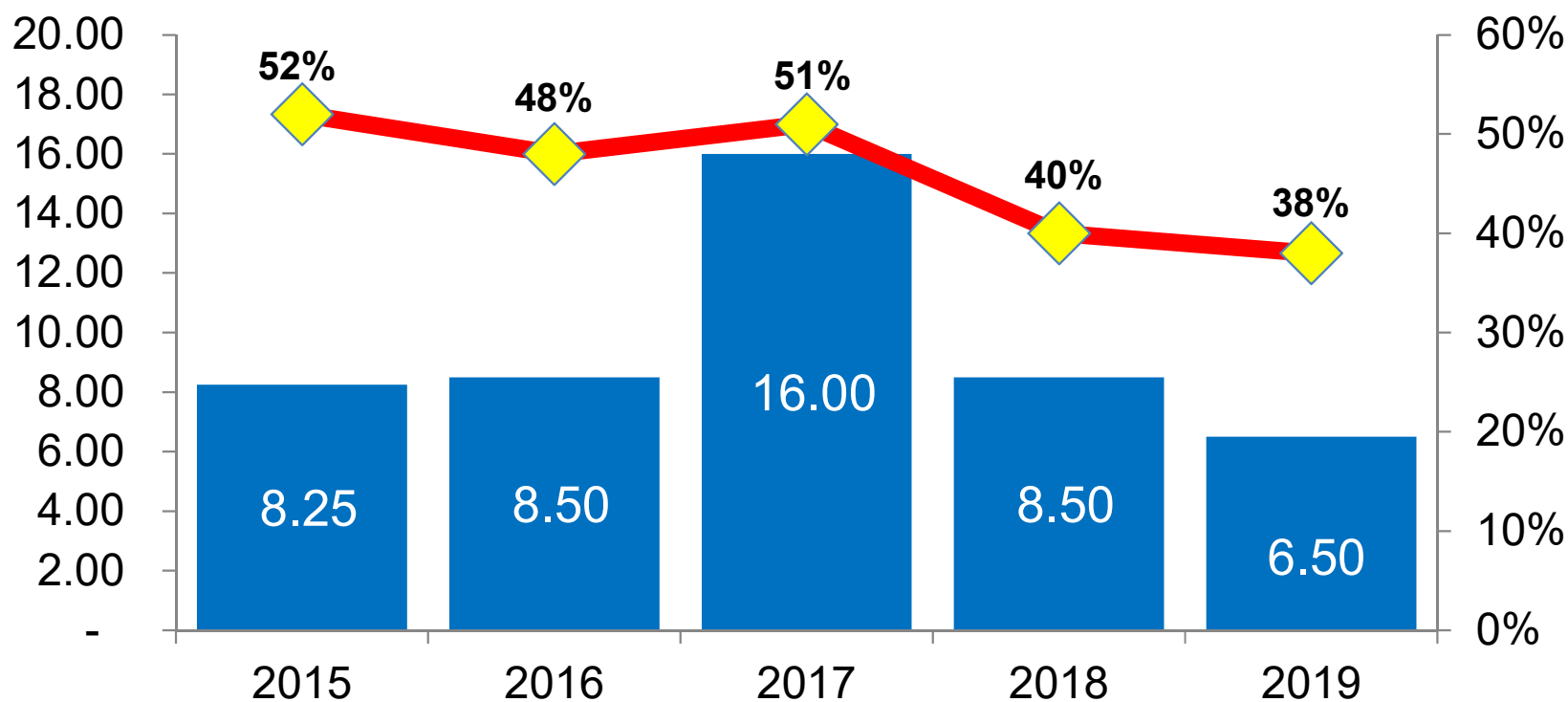
Revenue & PBT – These represent financials from continuing operations

Earnings per share – The comparatives have been restated to account for the effects of the bonus issue that was completed in 3Q2019

Net assets (NA) per share - The NA per share as at 31/12/2019 was based on the enlarged issued share capital after the bonus issue.

5-Year Financial Highlights

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



Note:

An interim dividend of 2.0 sen per share was paid on 25 September 2019 for FY2019;
 A final dividend of 4.50 sen per share has been proposed for FY2019; and
 A special interim dividend of 29.0 sen per share in respect of financial year ending 31/12/2020 has been declared.

FY2019 Highlights

FY2019 Highlights

Property Division

- Property sales of 1,402 units with a sales value of RM692 million;
- Unbilled sales of RM913 million as at 31 December 2019.
- Acquisition of land measuring approximately 41.406 acres in Mukim Dengkil, Daerah Sepang, Negeri Selangor at a total cash consideration of RM149.7 million was completed on 26 March 2019

Education Division

- Paramount has entered into a sale and purchase agreement to dispose its controlling equity interests in the pre-tertiary education group for an indicative cash consideration of RM540.5 million to Prestigion Education Sdn Bhd. The disposal was completed on 20 February 2020 and total cash received was RM569.2 million
- Disposal of the controlling stake in KDUUC, KDUPG and KDUPJ was completed on 3 September 2019. The gain on disposal recognised in FY2019 was RM25.4 million
- Arising from the above, the education division has been presented as discontinued operations in the financial statements.

Total landbank & GDV

Total Landbank & GDV

Project	Remaining Gross Undeveloped Lands (Acres)	Remaining GDV* (Million)	Development Period	
			Start	End
On going Developments				
Kemuning Utama, Shah Alam	26.7	532	2004	2026
Sekitar26, Shah Alam	11.6	603	2013	2026
Bandar Laguna Merbok, Sungai Petani	0.0	6		
Utropolis Glenmarie, Shah Alam	0.0	5		
Bukit Banyan, Sungai Petani	178.0	536	2012	2027
Sejati Residences, Cyberjaya	10.3	445	2013	2021
Greenwoods, Salak Perdana	141.0	871	2015	2027
Utropolis Batu Kawan, Penang	25.4	2,066	2016	2027
Atwater, Petaling Jaya	0.0	290	2018	2022
Berkeley Uptown, Klang	15.4	691	2019	2028
Lakeside, Cyberjaya	31.5	460	2019	2025
Total	439.9	6,505		

Total Landbank & GDV

Project	Remaining Gross Undeveloped Lands (Acres)	GDV* (Million)	Development Period	
			Start	End
Future Projects				
Machang Bubuk, Penang	69.2	420	2020	2025
Grand Total	509.1	6,925		

* Comprising potential GDV from undeveloped lands and GDV from properties launched but remained unsold as at 31 December 2019

Prospect for 2020

Prospect

Growth in the Malaysian economy moderated to 3.6% in 4Q2019 (3Q2019: 4.4%) supported by higher private sector spending. For 2019 as a whole, the economy expanded by 4.3% (2018: 4.7%). Going into 2020, growth, particularly in the first quarter of the year, will be affected by the Covid-19 outbreak. The overall impact of the virus on the Malaysian economy will, however, depend on the duration and spread of the outbreak as well as policy responses by authorities. For the year as a whole, growth will be supported by household spending, the realisation of approved private investment projects in recent periods, and higher public sector capital spending.

Paramount Property

For 2020, the Group foresees the property sector to remain soft. Nevertheless, the lower lending rate following the reduction in the Overnight Policy Rate by Bank Negara Malaysia in January 2020 and the 2020 Economic Stimulus Package are expected to improve consumer sentiments for the purchase of properties.

In 2020, Paramount Property looks forward to launching six projects (including new phases of existing projects) with an estimated GDV of RM1.2 billion. For the Central region, Paramount Property will be launching its fourth high-rise residential project in Kemuning Utama, adjacent to its award winning Kemuning Aman and KU Suites. Kemuning Utama was Paramount's first township development in the Klang Valley spanning over 525 acres and next to Kota Kemuning, a matured mixed integrated township in Shah Alam. Other notable launches in the Central region are two new residential towers of Berkeley Uptown, Klang and the landed development in Sejati Lakeside, Cyberjaya. As for the Northern region, Paramount Property will be launching the third phase of its serviced apartments in Utropolis Batu Kawan. The Group's total unbilled sales of RM913 million as at 31 December 2019 is expected to contribute positively to the Group's financial performance in the near future. In addition, several parcels of development land have been identified for sale.

In January 2020, Paramount Property ventured beyond Malaysia through the acquisition of 49% equity interest in Navarang Charoennakorn Company Limited (Navarang Charoennakorn), a Bangkok-based property developer. Navarang Charoennakorn has launched Na Reva in February 2020, a premium condominium project offering a good view of the Chao Phraya river in Bangkok with ICONSIAM and Asiatique as landmarks in the vicinity.

Prospect

On the coworking space front, Co-labs Coworking will be opening a new coworking space in the Klang Valley in 2020. The demand for coworking space is expected to be on the rise in Malaysia, in line with the global trend in coworking space that offer flexibility, hassle-free and cost efficient alternative to conventional office space.

Paramount Education

The disposal by Paramount of its controlling equity interests in Paramount Education Sdn Bhd, Paramount Education (Klang) Sdn Bhd and Sri KDU Sdn Bhd (collectively referred to as Pre-Tertiary Education Group") was completed on 20 February 2020. However, the Group will continue to recognise the financial performance of the Pre-Tertiary Education Group through its effective 20% equity interest held post completion.

Following the aforementioned divestment, the Group will be ramping up landbanking activities focusing on parcels of land suitable for landed or integrated development in the next five years, and where there is synergy and greater efficiency, the Group will participate in joint ventures with land owners. In addition, the Group will explore new business opportunities in property-related businesses to future proof its business and for sustainability of its earnings over the long run.

Barring any unforeseen circumstances, the Group's financial performance for the financial year ending 31 December 2020 will be better than the previous year.

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