

PARAMOUNT

# Unaudited 1Q2020 Results

29 May 2020

# 1Q2020 Results

# 1Q2020 vs 1Q2019 Financial Results

		1Q2020	1Q2019	+/-	%
<b><u>Continuing</u></b>					
Revenue	RM'Mil	122.1	122.3	(0.2)	0%
Profit before tax	RM'Mil	4.3	8.6	(4.3)	-50%
EBITDA	RM'Mil	13.3	13.7	(0.4)	-3%
Profit after tax	RM'Mil	3.0	4.7	(1.7)	-36%
<b><u>Discontinued</u></b>					
Profit after tax	RM'Mil	470.6	7.3	463.3	6347%
<b>Profit for the period</b>					
	RM'Mil	473.6	12.0	461.6	3847%
<b>Profit attributable to ordinary equity holders of the Company</b>					
	RM'Mil	467.0	6.2	460.8	7432%
Earnings per share	Sen	76.64	1.03	75.61	7341%
Dividend per share	Sen	0.00	0.00	0.00	0%
Net asset per share	RM	2.61	2.50	0.11	4%
Shareholders' funds	RM'Mil	1,606.7	1,077.5	529.2	49%
ROE	%	40.9	0.6	40.3	6717%
Gearing ratio	Times	0.40	0.85	(0.45)	-53%

# 1Q2020 vs 1Q2019 Financial Results

## **Continuing operations**

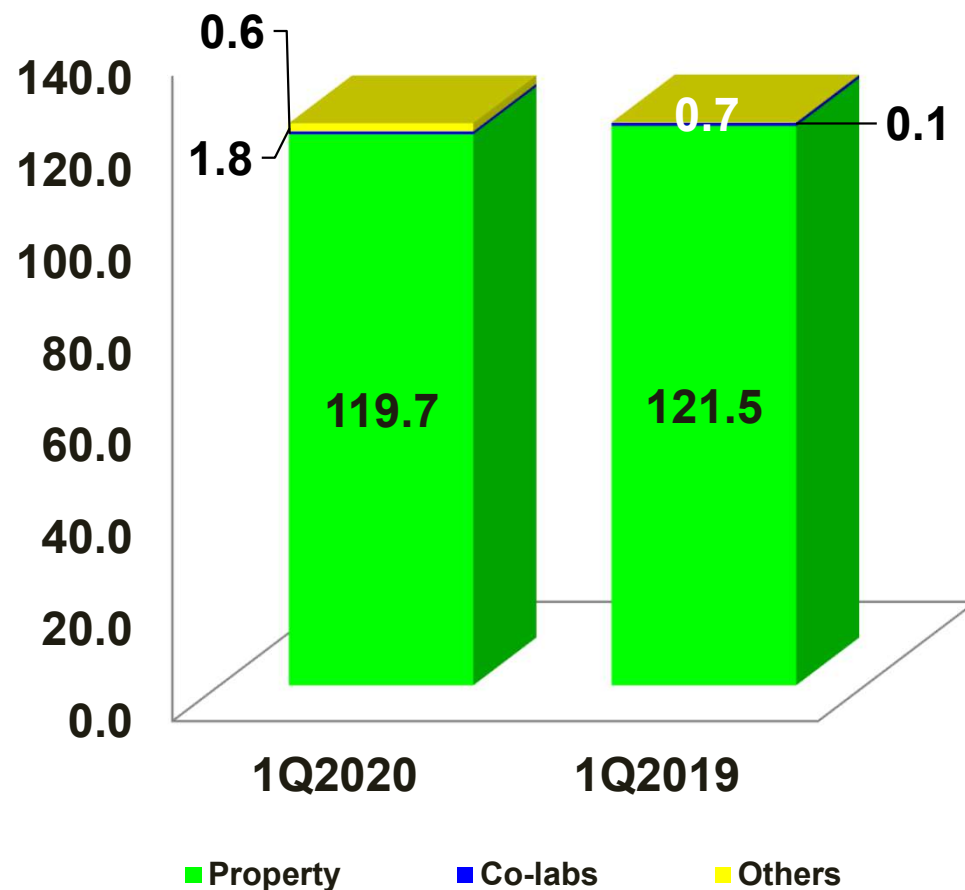
For 1Q2020, the property division achieved a revenue of RM119.7 million, marginally lower than that of 1Q2019 of RM121.5 million while its PBT had decreased by 60% to RM6.1 million (1Q2019: RM15.1 million). This was mainly due to lower contribution from Utropolis Batu Kawan, Penang development, whereby its Phase 1, comprising commercial and high rise residential properties were completed in 4Q2019 while the launch of its Phase 3 service apartments has been deferred. In addition, all on-going phases of Sejati Residences, in Cyberjaya and Sekitar26, in Shah Alam had been completed in 2019 while some of its on-going projects such as Sejati Lakeside, in Cyberjaya, Berkeley Uptown, in Klang and Kemuning Idaman, in Kemuning Utama are at the initial stage of developments. In addition, the construction works of all its projects have been halted in compliance to the movement control order (MCO), which has also affected the Group's profitability.

## **Discontinued operations**

The education division recorded an increase in profit after tax in 1Q2020 by RM463.3 million to RM470.6 million (1Q2019: RM7.3 million). This was mainly due to the gain recognised on the disposal of the pre-tertiary education business of RM460.6 million.

# Revenue – continuing operations

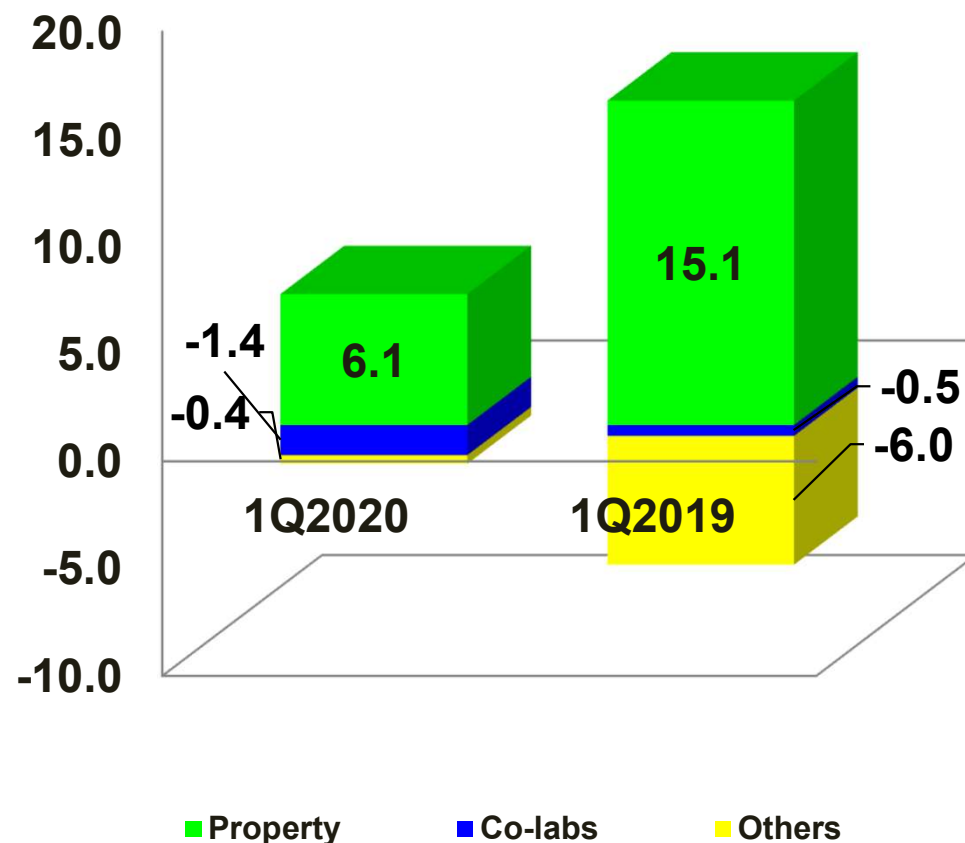
Revenue By Division (RM'Million)



Property Division	Marginally lower revenue mainly due to lower construction activities as a result of the Movement Control Order
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# PBT - continuing operations

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



Property Division

Lower PBT by 60%, mainly due to:

- Lower contribution from Utropolis Batu Kawan, Penang development;
- All ongoing phases in Sejati Residences, in Cyberjaya and Sekitar26, in Shah Alam had been completed in 2019;
- Sejati Lakeside, in Cyberjaya, Berkeley Uptown, in Klang and Kemuning Idaman, in Kemuning Utama are at the initial stages of development; and
- Construction works of all its projects have been halted in compliance to the Movement Control Order

## Statement of Financial Position

RM'000	31/3/2020	31/12/2019
Non-current assets	1,727,218	1,538,447
Current assets	1,169,955	1,535,106
Total assets	2,897,173	3,073,553
Current liabilities	356,714	884,910
Net current assets	813,241	650,196
Non-current liabilities	684,761	724,494
Total liabilities	1,041,475	1,609,404
Total equity	1,855,698	1,464,149
Total equity and liabilities	2,897,173	3,073,553

## Debt/Equity Ratio

	31/3/2020	31/12/2019
	RM'Mil	RM'Mil
Borrowings	746.3	911.9
Cash & bank balances	497.9	134.7
Total equity*	1,855.7	1,464.1
	31/3/2020	31/12/2019
Gross D/E ratio	0.40	0.62
Net D/E ratio	0.13	0.53

\*Included Private Debt Securities of RM249 million (2019: RM249 million)

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

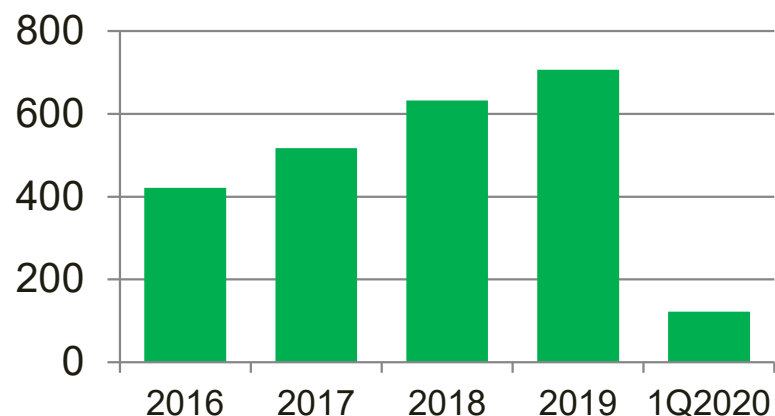
*Net D/E Ratio = (Total Borrowings-Cash & Bank Balances)/Total Equity*



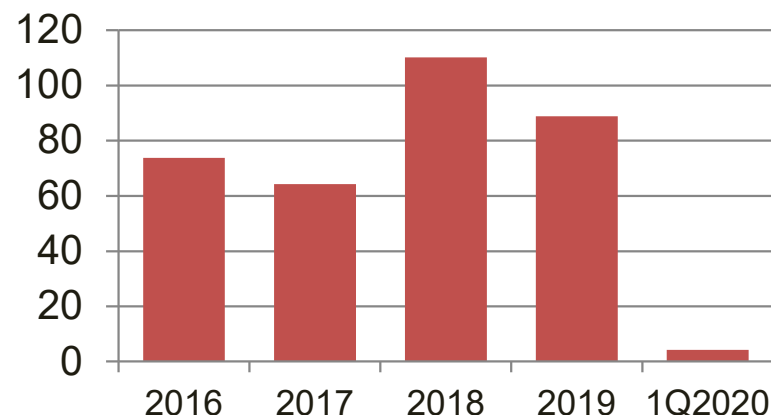
# 5-Year Financial Highlights

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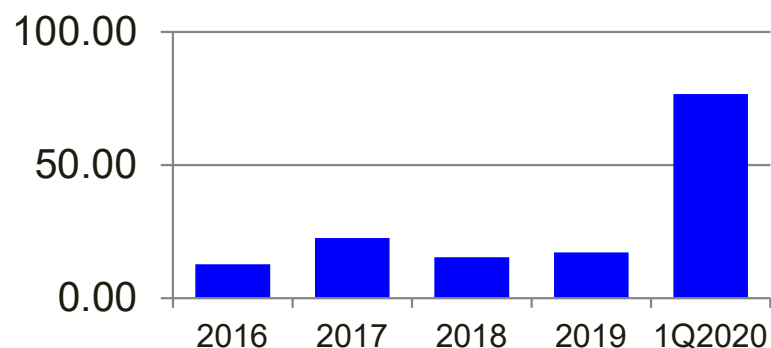
**Revenue (RM'Mil)**



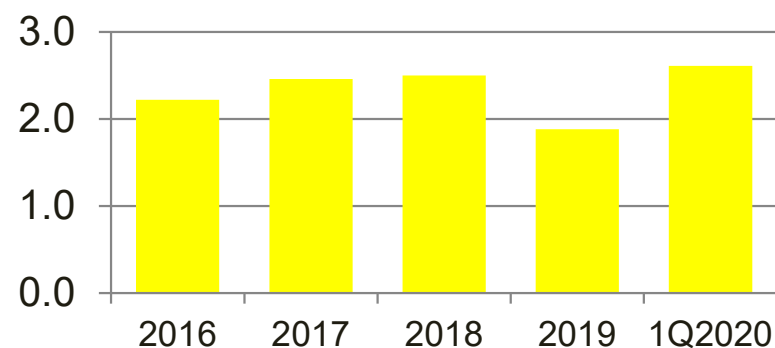
**PBT (RM'Mil)**



**Earnings Per Share (Sen)**



**Net Assets Per Share (RM)**



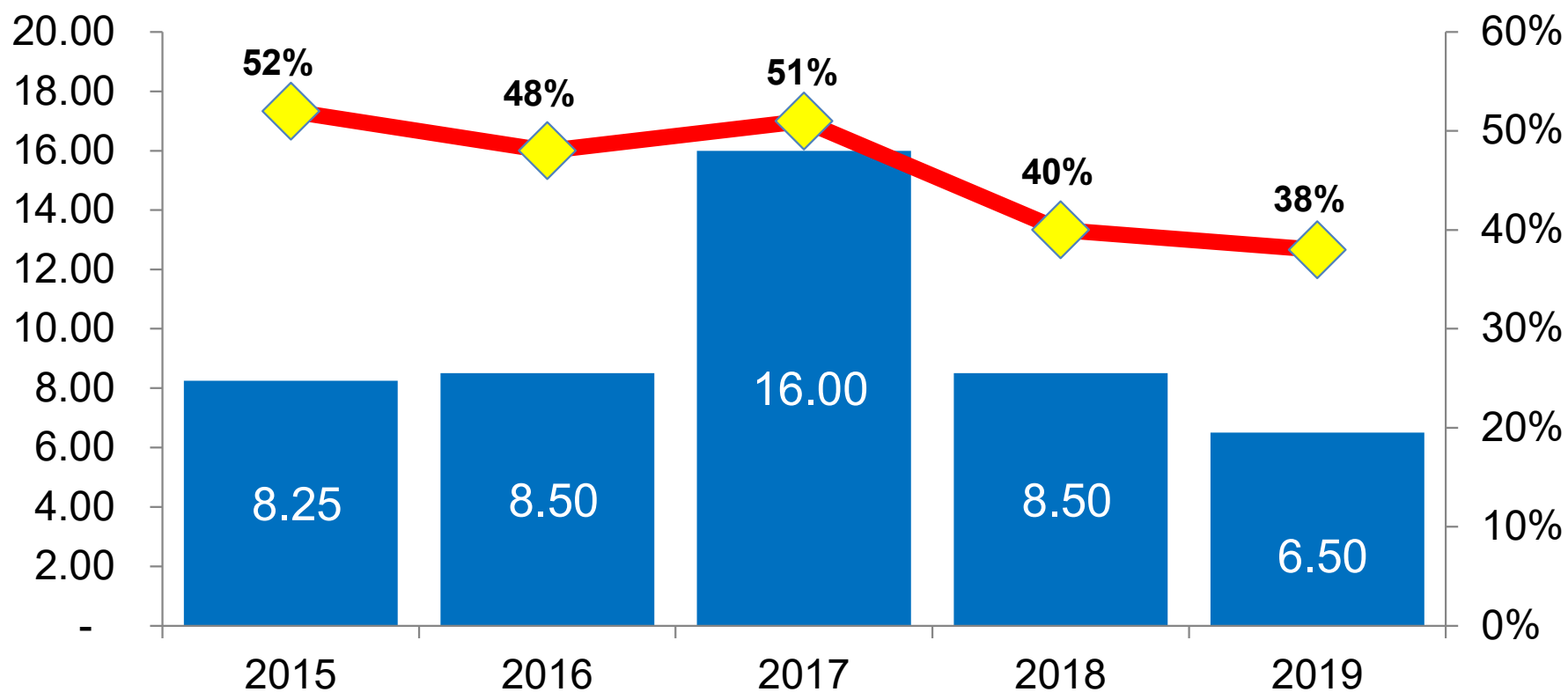
**Note:**

Revenue & PBT – These represent financials from continuing operations

Net assets (NA) per share - The NA per share as at 31/3/2020 and 31/12/2019 were based on the enlarged issued share capital after the bonus issue.

# 5-Year Financial Highlights

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



# 1Q2020 Highlights

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## Property Division

- Property sales of 235 units with a sales value of RM113 million;
- Unbilled sales stood at RM854 million as at 31 March 2020.
- Construction sites and property sales galleries had been closed in compliance with the Movement Control Order that was effective from 18 March 2020 to 3 May 2020

## Education Division

- The disposal of Paramount's controlling equity interests in the pre-tertiary education business was completed on 20 February 2020 and a gain of RM460.6 million has been recognised in 1Q2020. Thereafter, the financial results of this business has been equity accounted as part of the Group's profit after taxation from continuing operations under the "Investment and Others" segment as Paramount retains an effective 20% equity interest in the pre-tertiary education group.

# Total landbank & GDV

## Total Landbank & GDV

Project	Remaining Gross Undeveloped Lands (Acres)	Remaining GDV* (Million)	Development Period	
			Start	End
<b>On going Developments</b>				
Kemuning Utama, Shah Alam	26.7	521	2004	2026
Sekitar26, Shah Alam	11.6	635	2013	2026
Bandar Laguna Merbok, Sungai Petani	0.0	6	1996	2018
Utropolis Glenmarie, Shah Alam	0.0	5	2013	2020
Bukit Banyan, Sungai Petani	178.0	498	2012	2027
Sejati Residences, Cyberjaya	10.3	445	2013	2025
Greenwoods, Salak Perdana	141.0	855	2015	2027
Utropolis Batu Kawan, Penang	25.4	2,057	2016	2027
Atwater, Petaling Jaya	0.0	286	2018	2022
Berkeley Uptown, Klang	15.4	685	2019	2028
Sejati Lakeside, Cyberjaya	31.5	414	2019	2023
<b>Total</b>	<b>439.9</b>	<b>6,407</b>		

## Total Landbank & GDV

Project	Remaining Gross Undeveloped Lands (Acres)	GDV* (Million)	Development Period	
			Start	End
<b>Future Projects</b>				
Machang Bubuk, Penang	69.2	420	2020	2025
<b>Grand Total</b>	<b>509.1</b>	<b>6,827</b>		

\* Comprising potential GDV from undeveloped lands and GDV from properties launched but remained unsold as at 31 March 2020



# Prospect for 2020

# Prospect

The prospects of the Malaysian economy for 2020 has been dampened by the sudden outbreak of COVID-19 pandemic. Latest economic indicators suggest that the pace of economic activities in Malaysia are contracting and growth prospects are deteriorating. Large output losses from the Malaysian economy in 2020 are expected as a result of the pandemic and the consequences of the containment measures of the government to curb the spread of the virus.

The Group's operations has also been impacted. Its offices, construction sites and property sales galleries had been closed in compliance with the Movement Control Order that was effective from 18 March 2020 though the marketing of properties continued to be conducted digitally. Thereafter, the Group's operations and construction activities have since resumed progressively during the Conditional Movement Control Order period, after complying with the relevant standard operating procedures and guidelines. While the implementation of a combination of monetary and fiscal measures by the Malaysian government and Bank Negara Malaysia could help to lessen the impact of this crisis to households and businesses, the scale and duration of the economic effects arising from the pandemic remain uncertain.

To face these challenges, the Group has to embrace the new norm and overcome obstacles to become more resilient. Hence, the Group is adapting and redefining its business processes, products and service offerings to customers under the new normal. Measures have been taken to protect the health and well being of the Group's employees, customers, suppliers and the Group's financial resiliency during this unprecedented time. The divestment of Paramount's pre-tertiary education businesses that was completed in February 2020 provides a strong cash buffer which put the Group in a good financial position.

## Property

Paramount Property's pipeline launches for FY2020 is estimated at RM647 million, comprising entirely of residential properties (including new phases of existing projects). The Group's total unbilled sales of RM854 million as at 31 March 2020 is expected to contribute positively to the Group's financial performance in the near future.

# Prospect

## Co-labs Coworking

The spread of COVID-19 could lead to flexible workspaces becoming more relevant to larger companies as they seek to address the risk of business disruption and to protect their employees by setting up remote offices and/or creating smaller teams to work from multiple locations as part of their business continuity plans. Hence, Co-labs Coworking has moved to serve this emerging market by offering flexible workspace solutions that are available for immediate move-in for teams to stay productive.

For the financial year ending 31 December 2020, the Group expects the COVID-19 pandemic to significantly affect the demand of its products and services as well as the projects' construction progress and hence, the Group's financial performance. However, this would be bolstered by the RM460.6 million gain on disposal of the Pre-Tertiary Education Group that was recognised in 1Q2020.

## **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**