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Unaudited FY2020 Results

25th February 2021

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4Q2020 & FY2020 Results

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4Q2020 vs 4Q2019 Financial Results

		4Q2020	4Q2019	+/-	%
Continuing					
Revenue	RM'Mil	188.4	209.6	(21.2)	-10%
Profit before tax	RM'Mil	13.0	37.4	(24.4)	-65%
EBITDA	RM'Mil	20.1	55.4	(35.3)	-64%
Profit after tax	RM'Mil	4.6	24.1	(19.5)	-81%
Discontinued					
Profit after tax	RM'Mil	0.5	17.4	(16.9)	-97%
Profit for the period	RM'Mil	5.1	41.5	(36.4)	-88%
Profit attributable to ordinary equity holders of the company	RM'Mil	3.6	39.1	(35.5)	-91%
Earnings per share	Sen	0.58	4.99	(4.41)	-88%
Dividend per share	Sen	2.50	4.50	(2.00)	-44%

For 4Q2020, the Group recorded a revenue from continuing operations of RM188.4 million, which was 10% lower than that of the corresponding quarter last year of RM209.6 million. However, the Group's profit before tax (PBT) from continuing operations was 65% lower at RM13 million (4Q2019: RM37.4 million) mainly attributable to the lower profit contribution from the property division. In light of this, the Group's profit attributable to ordinary equity holders of the Company was also lower at RM3.6 million (4Q2019: RM39.1 million). As the financial results of the pre-tertiary education business is no longer consolidated after the divestment of the Company's controlling equity stakes in February 2020, this has also contributed to the decline in the Group's profit attributable to ordinary equity holders of the Company.

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FY2020 vs FY2019 Financial Results

		FY2020	FY2019	+/-	%
Continuing					
Revenue	RM'Mil	593.6	706.0	(112.4)	-16%
Profit before tax	RM'Mil	51.8	88.8	(37.0)	-42%
EBITDA	RM'Mil	82.7	127.4	(44.7)	-35%
Profit after tax	RM'Mil	31.6	54.5	(22.9)	-42%
Discontinued					
Profit after tax	RM'Mil	471.1	64.5	406.6	630%
Profit for the period	RM'Mil	502.7	119.0	383.7	322%
Profit attributable to ordinary equity holders of the Company	RM'Mil	486.7	104.0	382.7	368%
Earnings per share	Sen	79.37	17.17	62.20	362%
Dividend per share	Sen	31.50	6.50	25.00	385%
Net asset per share	RM	2.33	1.88	0.45	24%
Shareholders' funds	RM'Mil	1,431.8	1,141.0	290.8	25%
ROE	%	42.7	9.7	33.0	340%
Gross Debt/Equity Ratio	Times	0.57	0.62	(0.05)	-8%

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FY2020 vs FY2019 Financial Results

Continuing operations

For FY2020, the Group's revenue from continuing operations was RM593.6 million, which was 16% lower than that of the corresponding period last year of RM706.0 million. On the back of lower revenue, the Group recorded a PBT from continuing operations of RM51.8 million as compared to RM88.8 million in FY2019, mainly attributable to the lower contribution from the property division but was mitigated by the lower non-recurring expenses and interest expense in the investment & others division. However, the Group's profit attributable to ordinary equity holders of the Company has increased by RM382.6 million to RM486.7 million (FY2019: RM104.0 million) contributed by the gain recognised on the disposal of the pre-tertiary education business of RM462.7 million.

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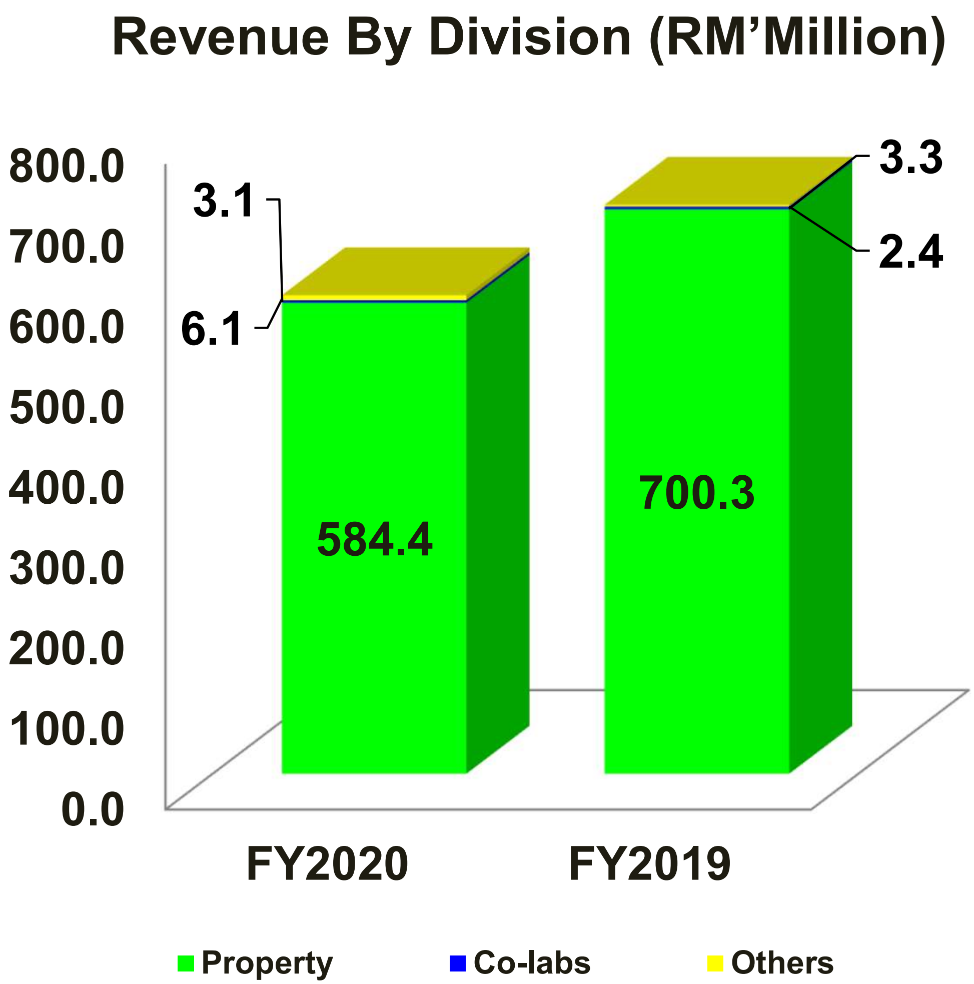
Revenue – continuing operations



Property Division	Lower revenue was mainly due to unprecedented disruption caused by the COVID-19 pandemic in 2Q2020 leading to the loss of construction time, deferment of project launches

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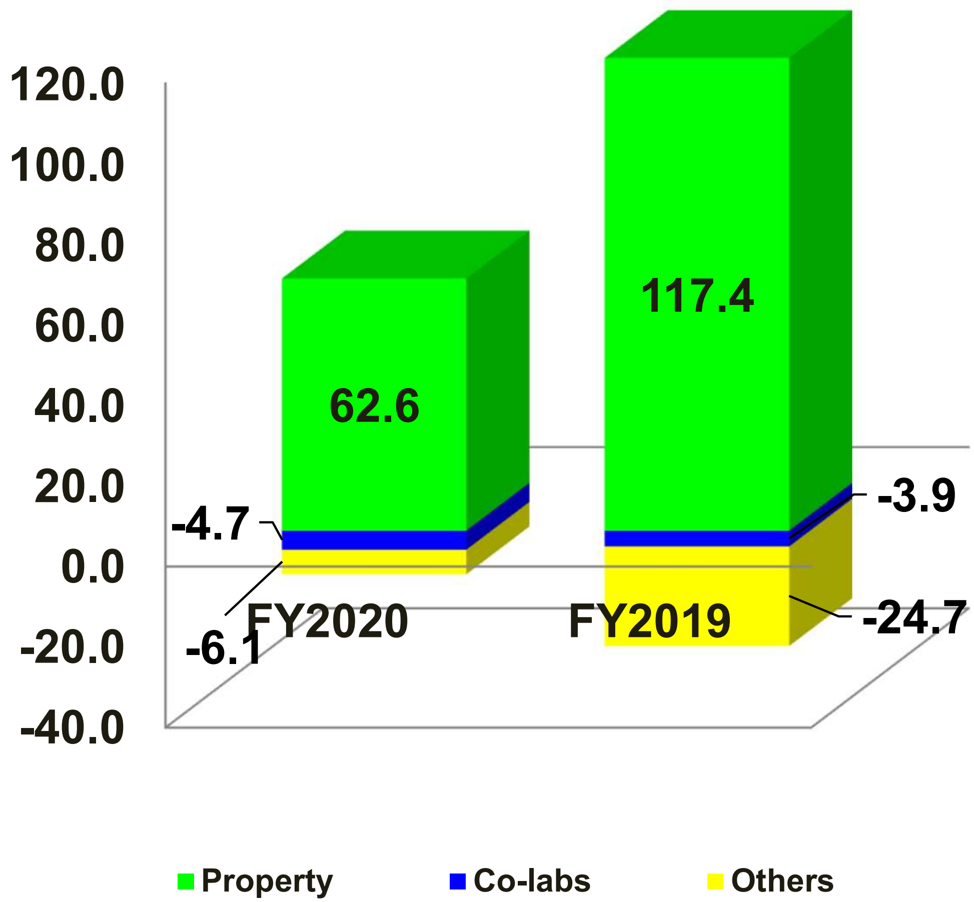
PBT - continuing operations

PBT By Division (RM'Million)



Property Division	Lower PBT was mainly attributable to unprecedented disruptions to the construction progress coupled with the additional project related and compliance costs arising from the COVID-19 pandemic.

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Statement of Financial Position

RM'000	31/12/2020	31/12/2019
Non-current assets	1,885,347	1,538,447
Current assets	1,087,802	1,535,106
Total assets	2,973,149	3,073,553
Current liabilities	481,339	884,910
Net current assets	606,463	650,196
Non-current liabilities	810,379	724,494
Total liabilities	1,291,718	1,609,404
Total equity	1,681,431	1,464,149
Total equity and liabilities	2,973,149	3,073,553

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Debt/Equity Ratio

	31/12/2020	31/12/2019
	RM'Mil	RM'Mil
Borrowings	954.2	911.9
Cash & bank balances	204.3	134.7
Total equity*	1,681.4	1,464.1
	31/12/2020	**31/12/2019**
Gross D/E ratio	0.57	0.62
Net D/E ratio	0.45	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

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5-Year Financial Highlights

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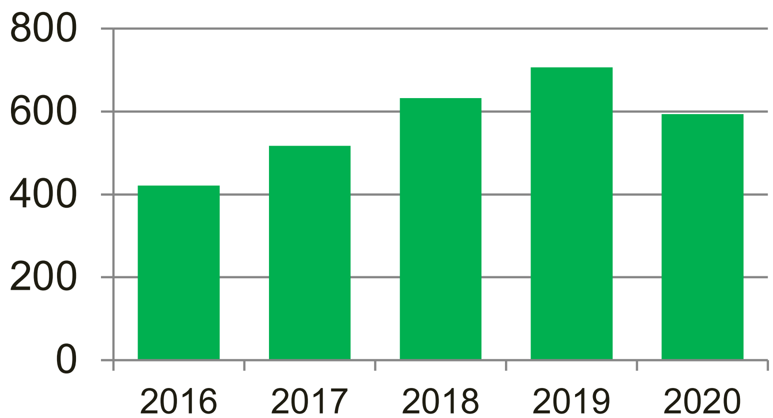
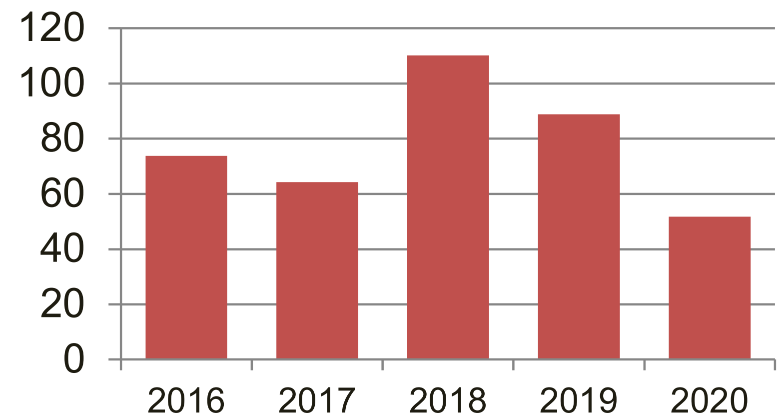
5-Year Financial Highlights

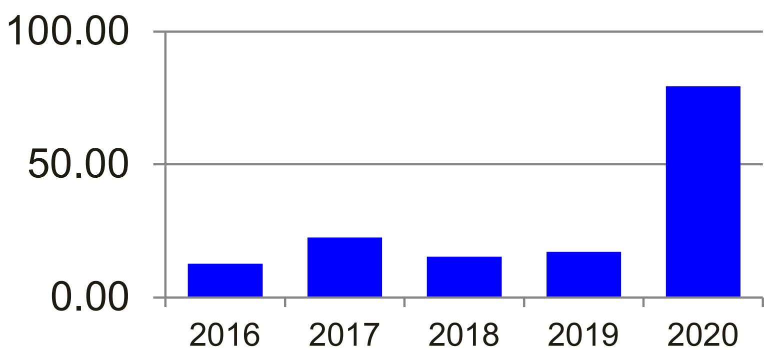
Revenue (RM'Mil)



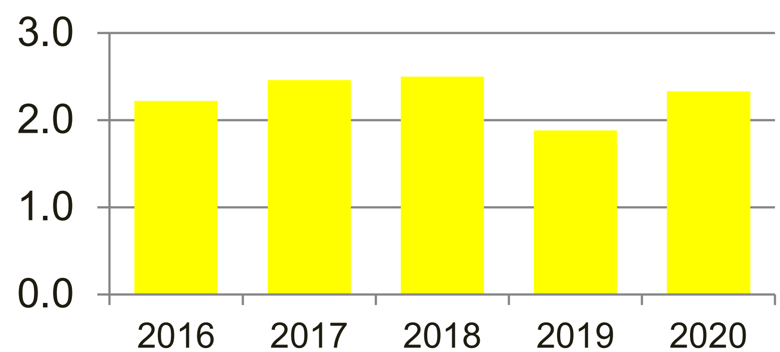
PBT (RM'Mil)



Earnings Per Share (Sen)



Net Assets Per Share (RM)



Note:
Revenue & PBT – These represent financials from continuing operations
Net assets (NA) per share - The NA per share as at 31/12/2020 and 31/12/2019 were based on the enlarged issued share capital after the bonus issue.

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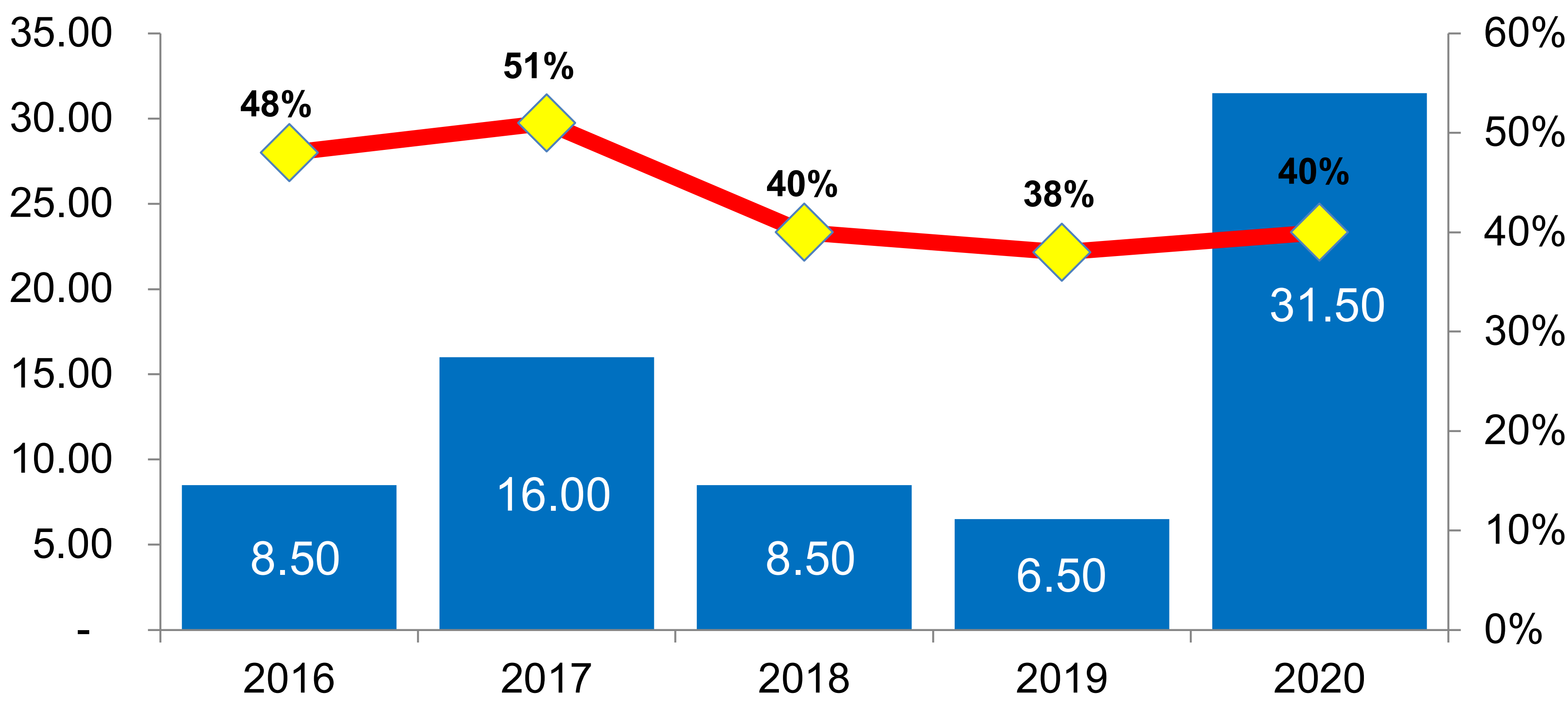
5-Year Financial Highlights

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



A single tier final dividend of 2.5 sen per share for the FY2020 has been proposed and it is subject to the approval of the shareholders at the forthcoming AGM.

FY2020 Highlights

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FY2020 Highlights

Property Division

- Property sales of 1,475 units with a sales value of RM770 million;
- Unbilled sales stood at RM1,087 million as at 31 December 2020.
- Unprecedented disruption caused by the COVID-19 pandemic resulting in lower construction activities and sales achieved in 2Q2020

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 RM462.7 million has been recognised. Post disposal, 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.

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Total landbank & GDV

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Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	Remaining GDV* (Million)	Development Period	
			Start	End
On going Developments				
Kemuning Utama, Shah Alam	26.7	425	2004	2026
Sekitar26, Shah Alam	11.6	604	2013	2026
Bandar Laguna Merbok, Sungai Petani	0.0	1	1996	2018
Utropolis Glenmarie, Shah Alam	0.0	7	2013	2020
Bukit Banyan, Sungai Petani	169.0	407	2012	2027
Sejati Residences, Cyberjaya	10.3	463	2013	2025
Greenwoods, Salak Perdana	100.5	656	2015	2027
Utropolis Batu Kawan, Penang	21.4	1,884	2016	2027
Atwater, Petaling Jaya	0.0	285	2018	2022
Berkeley Uptown, Klang	15.4	729	2019	2028
Sejati Lakeside, Cyberjaya	18.9	307	2019	2023
Total	**373.8**	**5,768**		

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Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	GDV* (Million)	Development Period	
			Start	End
Project in the pipeline				
Ampang Hilir, Kuala Lumpur	9.1	968	2021	2026
Future Projects				
Bukit Banyan II, Sungai Petani	137.1	405	2023	2027
Machang Bubuk, Penang	69.2	420	2023	2027
Total	**206.3**	**825**		
Grand Total	**589.2**	**7,561**		

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

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Total Landbank & GDV

Project developed by associate company	Remaining Gross Undeveloped Lands (Acres)	GDV^ (Million)	Development Period	
			Start	End
Na Reva	-	75	2020	2023

^ *Being the Group's share of GDV from properties launched by* Navarang Charoennakhon Company Limited *but remained unsold as at 31 December 2020*

Prospect for 2021

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Prospect

The economy registered a negative growth of 3.4% in the fourth quarter (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order (CMCO) on a number of states since mid-October. For 2020 as a whole, the economy contracted by 5.6%.

While near-term growth in 2021 will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. The improvement will be driven by the recovery in global demand, where the International Monetary Fund has revised upwards their 2021 global growth forecast by 0.3 percentage points to 5.5%. Growth will also be supported by a turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine roll-out which will commence this month is also expected to lift sentiments.

(Source: Bank Negara Malaysia Quarterly Bulletin for 4Q2020)

The property market will, however, be weighed down by continued economic uncertainties which could result in cautious household spending, reduced business expenditure and weakened employment market. Nevertheless, the low interest rate environment coupled with the stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes under the home ownership campaign and 2021 Budget initiatives are expected to continue to spur buying interests in properties.

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Prospect (cont'd)

a) <u>Property</u>

Unlike the previous movement control order (MCO), the re-imposed MCO from 13 January 2021 (MCO 2.0) has allowed more economic sectors to remain open. Hence, the Group's construction activities remained operational during the MCO 2.0 while the sales of properties have been carried out on virtual platforms.

Despite the on-going pandemic, the Group's property sales for 2020 has surpassed the 2019 sales by 11% to RM770 million. Given this, the Group intends to capitalise on the strong sales momentum generated last year and would intensify the promotional activities to boost sales. While the pipeline of property launches for 2021 is RM1.2 billion, about 42% more than the GDV launched last year, the pandemic could, however, derail the timing of these launches. We are hopeful that the pandemic would be brought under control with the expected rollout of the National COVID-19 Immunisation Programme in February 2021.

The Group's unbilled sales of RM1.1 billion as at 31 December 2020 is a new record achieved. Although this provides some visibility on the Group's cashflow in the near term, the pace at which this can be converted into billings would depend largely on the construction progress of the projects.

b) <u>Co-labs Coworking</u>

Co-labs Coworking has opened a new outlet in early January 2021 at Tropicana Gardens Mall, located in Kota Damansara, Selangor prior to the implementation of MCO 2.0. It looks towards capitalising on opportunities arising from the change in business landscape as a result of the COVID-19 pandemic.

Prospect (cont’d)

b) <u>Co-labs Coworking (cont’d)</u>

Despite the shifts towards remote working, the physical office is still very much the preferred place for collaboration, innovation and social interaction among colleagues, clients and other stakeholders. Hence, Scalable Malaysia was launched in 2020 to provide an end-to-end consult, design, build and manage workspace ecosystem solution to the corporates. This new business derives synergies between the Group's property development and its coworking businesses and is expected to derive new revenue streams for the Group.

As the resurgence of COVID-19 infections remains a risk, the Group will continue to be vigilant and have taken measures to safeguard its staff wellbeing and minimise disruption to its supply chain. As cash and liquidity management are critical during this challenging time, the Group has also put in place risk mitigation plans and cost rationalisation measures to manage the Group's expenses but will continue to invest for long term business sustainability.

Barring any unforeseen circumstances, the Group is cautiously optimistic that its earnings from continuing operations for the financial year ending 31 December 2021 would be relatively better than last year with the anticipation that the COVID-19 pandemic would be brought under control. However, any re-imposition of containment measures resulting in prolonged disruptions/closure of construction sites affecting the work progress and the timely launching of property projects would have an adverse impact on the Group's financial performance.

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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.

Thank You