

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 30 June 2014. These explanatory notes provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2014.

2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2014 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2014 respectively. The Group has not early adopted the standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) which are effective for the accounting periods beginning 1 January 2016. The adoption of the new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the MASB issued a new MASB approved accounting standards, Malaysian Financial Reporting Standards (“MFRSs Framework”). The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate (“Transitioning Entities”).

The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2017. Accordingly, the Group which is a Transitioning Entity have chosen to defer the adoption of MFRSs framework. The Group will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 30 June 2018.

3. Auditors’ Report on Preceding Annual Financial Statements

The annual audited financial statements for the financial year ended 30 June 2014 were not subject to any qualification.

4. Comments about Seasonal or Cyclical Factors

The Group's business operations are not significantly affected by seasonal or cyclical factors.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and year-to-date other than disclosed in this report.

6. Significant Changes in Estimates

There were no changes in estimates that have any material effect on the current quarter and year-to-date results.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and year-to-date.

8. Dividend Paid

The following dividends were paid during the current and previous corresponding quarter:

	<u>31.12.2014</u>	<u>31.12.2013</u>
Final dividend for the financial year	30 June 2014	30 June 2013
Approved and declared on	29 October 2014	31 October 2013
Date paid	14 November 2014	15 November 2013
Number of ordinary shares on which dividends were paid ('000)	270,000	270,000
Amount per share (single tier)	6 sen	6 sen
Net dividend paid (RM'000)	16,200	16,200

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9. Segmental Information

Segmental information is presented in respect of the Group's business segments which form the primary basis of segmental reporting.

Segment information for the six (6) months ended 31 December 2014 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	119,995	9,536	-	-	129,531
Inter-segment sales	-	20	2,478	(2,498)	-
Total revenue	119,995	9,556	2,478	(2,498)	129,531
Operating profit	52,877	(1,344)	3,244	(3,843)	50,934
Finance costs					(33)
Investment revenue					6,458
Profit before taxation					57,359
Taxation					(14,883)
Profit for the period					42,476

Segment information for the six (6) months ended 31 December 2013 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	147,382	4,140	-	-	151,522
Inter-segment sales	-	-	2,701	(2,701)	-
Total revenue	147,382	4,140	2,701	(2,701)	151,522
Operating profit	53,359	(1,376)	3,192	7,341	62,516
Finance costs					(27)
Investment revenue					6,009
Profit before taxation					68,498
Taxation					(15,951)
Profit for the period					52,547

10. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment brought forward from the previous financial year.

11. Material Subsequent Events

There were no material events subsequent to the end of the current quarter.

12. Changes in the Composition of the Group

There were no changes to the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiary, long term investments and restructuring.

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities and contingent assets of the Group since the last annual reporting date.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Performance Review

The Group registered a revenue of RM67.2 million and net profit of RM20.7 million for current quarter ended 31 December 2014 as compared to a revenue of RM79.1 million and net profit of RM26.4 million for the corresponding quarter of the previous year.

The Group's current revenue and profit were principally derived from its property development activities carried out at Taman Desa Tebrau in Johor, Taman Putra Prima in Selangor, Bayu Ferringhi in Penang and Bandar Perdana & Lot 88 in Kedah.

The lower revenue and net profit for the current quarter was mainly due to the completion of Phase 9F Cluster Home at Taman Desa Tebrau in Johor and Phase 6C Double Storey Terrace House at Bandar Perdana in Kedah. Besides, the newly launch project in the current quarter, The Marin Condominium at Bayu Ferringhi in Penang, is in the early stage of construction.

The Group's financial position remains healthy with zero gearing. Cash and cash equivalents amount to RM439.2 million as at 31 December 2014.

2. Material Changes in Profit Before Tax of Current Quarter Compared to Preceding Quarter

The Group posted a profit before tax of RM27.3 million for the current quarter ended 31 December 2014 as compared to profit before tax of RM30.1 million for the immediate preceding quarter. The decrease in profit in the current quarter is mainly due to certain niche properties which were fully recognised in the immediate preceding quarter.

3. Current Year Prospects

The property market is expected to experience slower growth amidst global, regional and national economic uncertainties and cautious market sentiments. In spite of this, properties in good locations are expected to continue to draw property buyers.

In view of the above, the Board of Directors expects challenging performance for the financial year ending 30 June 2015.

4. Profit Forecast

Not applicable as no profit forecast was issued.

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5. Profit Before Taxation

Profit before taxation is stated after crediting/(charging) :

	Individual Quarter	Cumulative Quarters
	3 months ended 31.12.2014	6 months ended 31.12.2014
	RM'000	RM'000
Depreciation of property, plant and equipment	(1,548)	(3,096)
Depreciation of investment properties	(61)	(121)
Interest expense	(18)	(33)
Dividend income from fixed income trust fund	862	1,682
Interest income from short term deposits	1,874	3,490

Other than the above items, there were no impairment of assets, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for current quarter and financial period ended 31 December 2014.

6. Taxation

Taxation for the current quarter and year-to-date comprised the following:

	Individual Quarter		Cumulative Quarters	
	3 months ended 31.12.2014	31.12.2013	6 months ended 31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Taxation	6,531	7,931	14,883	15,951

The Group's effective tax rate for the financial period was higher than the statutory rate as certain expenses were disallowed as deductions for tax purposes. Losses incurred by certain subsidiary companies were also not available for set off against taxable profits in other companies within the Group.

7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the reporting date.

8. Group Borrowings and Debt Securities

There were no borrowings and debt securities as at 31 December 2014.

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9. Changes in Material Litigation

There were no material litigation against the Group as at 9 February 2015, being 7 days prior to the date of this report.

10. Dividend Proposed or Declared

The Board of Directors does not recommend any interim dividend for the current quarter and year-to-date.

11. Realised and Unrealised Profits/Losses Disclosure

The details of the retained earnings as at 31 December 2014 and 31 December 2013 are as follows :

	<u>31.12.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	783,166	729,873
- Unrealised	<u>(46,350)</u>	<u>(54,432)</u>
Total group retained earnings as per consolidated financial statements	<u>736,816</u>	<u>675,441</u>

12. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended		6 months ended	
	<u>31.12.2014</u>	<u>31.12.2013</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Profit attributable to owners of the Company (RM'000)	20,738	26,433	42,476	52,547
Weighted average number of ordinary shares in issue ('000)	270,000	270,000	270,000	270,000
Basic earnings per ordinary share (sen)	7.7	9.8	15.7	19.5

Diluted earnings per ordinary share is not applicable as the Company does not have any convertible instruments.

13. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2014 was unqualified.

14. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 16 February 2015.

By Order of the Board
PLENITUDE BERHAD

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur

16 February 2015