

## **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>31.03.2015</u>	<u>31.03.2014</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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2015**

**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 nine (9) months ended 31 March 2015 was as follows:

	<b>Property development RM'000</b>	<b>Hotel operations RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External	177,726	14,270	-	-	191,996
Inter-segment sales	-	20	3,717	(3,737)	-
<b>Total revenue</b>	<b>177,726</b>	<b>14,290</b>	<b>3,717</b>	<b>(3,737)</b>	<b>191,996</b>
<b>Operating profit</b>	78,598	(2,558)	5,308	(5,472)	75,876
Finance costs					(48)
Investment revenue					9,623
Profit before taxation					85,451
Taxation					(22,882)
<b>Profit for the period</b>					<b>62,569</b>

Segment information for the nine (9) months ended 31 March 2014 was as follows:

	<b>Property development RM'000</b>	<b>Hotel operations RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External sales	215,947	8,278	-	-	224,225
Inter-segment sales	-	-	3,934	(3,934)	-
<b>Total revenue</b>	<b>215,947</b>	<b>8,278</b>	<b>3,934</b>	<b>(3,934)</b>	<b>224,225</b>
<b>Operating profit</b>	74,514	(1,436)	4,302	11,927	89,307
Finance costs					(43)
Investment revenue					9,041
Profit before taxation					98,305
Taxation					(22,614)
<b>Profit for the period</b>					<b>75,691</b>

#### **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 RM62.5 million and net profit of RM20.1 million for current quarter ended 31 March 2015 as compared to a revenue of RM72.7 million and net profit of RM23.1 million for the corresponding quarter of the previous year.

For the financial period ended 31 March 2015, the Group recorded a revenue of RM192.0 million and net profit of RM62.6 million compared to a revenue of RM224.2 million and net profit of RM75.7 million for the previous financial period ended 31 March 2014.

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 Group has on 18 March 2015 completed the acquisition of a 259-suite hotel known as The Gurney Resort Hotel & Residence, retail units and 551 car park bays, the furniture, fixtures, fittings and equipment, the IT systems, the supplies and the food and beverages. As such, its post-acquisition revenue and profit has been included in current quarter performance.

The lower revenue and net profit for the current quarter was mainly due to the completion of Phase 9F Cluster Home and Phase 12B Bungalow at Taman Desa Tebrau in Johor and Phase 6C Double Storey Terrace House at Bandar Perdana in Kedah. Besides, the newly launch project, The Marin Condominium at Batu Ferringhi in Penang, is in the early stage of construction.

The lower revenue and net profit for the current financial period was mainly due to the lower contribution from both the existing and completed property development projects at Taman Desa Tebrau, Taman Putra Prima in Selangor and Bandar Perdana & Lot 88 in Kedah. The Group launched The Marin Condominium at Batu Ferringhi in Penang during the current financial period.

The Group's financial position remains healthy with zero gearing. Cash and cash equivalents amount to RM292.5 million as at 31 March 2015.

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

The Group posted a profit before tax of RM28.1 million for the current quarter ended 31 March 2015 as compared to profit before tax of RM27.3 million for the immediate preceding quarter. The slightly increase in profit in the current quarter is mainly due to the higher contribution recognised from the completion and delivery of vacant possession of Phase 9D & 9E Double Storey Terrace House and Three Storey Terrace House at Taman Desa Tebrau in Johor during the current 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.

### 5. Profit Before Taxation

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

	Individual Quarter	Cumulative Quarters
	3 months ended	9 months ended
	31.03.2015	31.03.2015
	RM'000	RM'000
Depreciation of property, plant and equipment	(1,777)	(4,873)
Depreciation of investment properties	(61)	(182)
Interest expense	(15)	(48)
Loss on disposal of other investment	(30)	(30)
Dividend income from fixed income trust fund	729	2,411
Interest income from short term deposits	1,801	5,291

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 March 2015.

## 6. Taxation

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current year	8,264	6,480	23,147	22,431
- Prior year	(265)	183	(265)	183
	<u>7,999</u>	<u>6,663</u>	<u>22,882</u>	<u>22,614</u>

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

Brief details of a corporate proposal announced but it was not completed as at the reporting date :

On 2 March 2015, the Company proposed to undertake a conditional take-over offer to acquire all the ordinary shares of RM1.00 each in The Nomad Group Bhd ("TNGB") ("Offer Shares") at an offer price of RM1.25 per Offer Share ("Offer Price") ("Proposed Offer").

The Offer Price shall be satisfied through the issuance of new ordinary shares of RM1.00 each in Plenitude at an issue price of RM2.50 each ("Consideration Shares"). Each holder of the Offer Shares who accepts the Offer will receive one (1) Consideration Share for every two (2) Offer Shares surrendered.

On 23 April 2015, the Company announced that Bursa Securities has approved the listing of and quotation for up to 111,533,769 new ordinary shares of RM1.00 each in Plenitude to be issued as the Consideration Shares pursuant to the Proposed Offer.

On 6 May 2015, the Company has despatched the following :-

- (i) The Circular dated 6 May 2015 in relation to the Proposed Offer to the shareholders of Plenitude; and
- (ii) The Offer Document dated 6 May 2015, which sets out the details, terms and conditions of the Proposed Offer, together with the form of acceptance and transfer, to the Board of Directors of TNGB and the shareholders of TNGB.

## **7. Status of Corporate Proposals (Continued)**

At the Extraordinary General Meeting (“EGM”) of the Company held on 21 May 2015, the shareholders have duly approved the Ordinary Resolution tabled at the EGM to give effect to the Proposed Offer.

Following the approval of Bursa Securities for the listing of and quotation for the Consideration Shares and the approval of the shareholders at the EGM held on 21 May 2015, the Proposed Offer is only conditional upon the fulfillment of the Acceptance Condition (shall have the same meaning as defined in the Circular dated 6 May 2015).

The Acceptance Condition must be fulfilled by Plenitude on the closing date of the Proposed Offer.

The closing date of the Proposed Offer is 5.00 p.m. (Malaysian time) on 27 May 2015, unless extended by Plenitude in accordance with the provisions of the Malaysian Code on Take-Overs and Mergers 2010.

## **8. Group Borrowings and Debt Securities**

There were no borrowings and debt securities as at 31 March 2015.

## **9. Changes in Material Litigation**

There were no material litigation against the Group as at 14 May 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 March 2015 and 31 March 2014 are as follows :

	31.03.2015	31.03.2014
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	806,323	750,810
- Unrealised	(49,414)	(52,225)
Total group retained earnings as per consolidated financial statements	<u>756,909</u>	<u>698,585</u>



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2015**

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**12. Earnings Per Share**

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Profit attributable to owners of the Company (RM'000)	20,093	23,144	62,569	75,691
Weighted average number of ordinary shares in issue ('000)	270,000	270,000	270,000	270,000
Basic earnings per ordinary share (sen)	7.4	8.6	23.2	28.0

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 21 May 2015.

**By Order of the Board  
PLENITUDE BERHAD**

**WONG KEO ROU (MAICSA 7021435)**  
Company Secretary  
Kuala Lumpur

21 May 2015