

**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 2015. 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 2015.

**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 2015 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 2016 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 2018. 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 FRS 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. 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 2019.

**3. Auditors’ Report on Preceding Annual Financial Statements**

The annual audited financial statements for the financial year ended 30 June 2015 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**

The Company made, on 2 March 2015, an unsolicited and conditional general offer to acquire all the ordinary shares of RM1.00 each in The Nomad Group Bhd ("TNGB") at a price of RM1.25 per offer share to be satisfied through the issuance of new ordinary shares of RM1.00 each in the Company at an issue price of RM2.50 each. The Company had, on 30 July 2015, completed its general offer for and acquired the entire equity interest of TNGB.

During the financial period and in relation to and for the completion of the said general offer, the Company issued 7,591,169 new ordinary shares of RM1.00 each at an issue price of RM2.50 each to the shareholders of TNGB. With this new issuance of 7,591,169 ordinary shares, the Company now has an issued and paid-up capital of RM381,533,758 divided into 381,533,758 ordinary shares of RM1.00 each.

**8. Dividend Paid**

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

	<u>31.12.2015</u>	<u>31.12.2014</u>
Final dividend for the financial year	30 June 2015	30 June 2014
Approved and declared on	4 November 2015	29 October 2014
Date paid	18 November 2015	14 November 2014
Number of ordinary shares on which dividends were paid ('000)	381,534	270,000
Amount per share (single tier)	4.5 sen	6 sen
Net dividend paid (RM'000)	17,169	16,200

## 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 2015 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
External	69,907	35,507	-	-	105,414
Inter-segment sales	-	-	2,814	(2,814)	-
<b>Total revenue</b>	<b>69,907</b>	<b>35,507</b>	<b>2,814</b>	<b>(2,814)</b>	<b>105,414</b>
<b>Operating profit</b>	24,994	(110)	7,182	(7,262)	24,804
Finance costs					(1,398)
Investment revenue					6,701
Profit before taxation					30,107
Taxation					(9,890)
<b>Profit for the period</b>					<b>20,217</b>

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
<b>Revenue</b>					
External sales	119,995	9,536	-	-	129,531
Inter-segment sales	-	20	2,478	(2,498)	-
<b>Total revenue</b>	<b>119,995</b>	<b>9,556</b>	<b>2,478</b>	<b>(2,498)</b>	<b>129,531</b>
<b>Operating profit</b>	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)
<b>Profit for the period</b>					<b>42,476</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**

Following an unsolicited and conditional general offer by the Company to acquire all the ordinary shares of RM1.00 each in The Nomad Group Bhd (“TNGB”) at a price of RM1.25 per offer share to be satisfied through the issuance of new ordinary shares of RM1.00 each in the Company at an issue price of RM2.50 each, the Company had announced on 21 May 2015 that it had received valid acceptances for more than 50% of the entire equity interest of TNGB and thereby effectively making TNGB a subsidiary of the Company.

The Company had, on 30 July 2015, completed its general offer for the acquisition of its entire equity interest in TNGB and thereby making TNGB a wholly-owned subsidiary of the Company.

## **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 RM61.0 million and net profit of RM12.1 million for current quarter ended 31 December 2015 as compared to a revenue of RM67.2 million and net profit of RM20.7 million for the corresponding quarter of the previous year.

For the financial period ended 31 December 2015, property development remains a key contributor with 66% of total Group revenue whereas hotel operations contributed 34%. The Group's key revenue and profit were principally derived from its property development activities carried out at Taman Desa Tebrau in Johor, Taman Putra Prima in Selangor and Bandar Perdana & Lot 88 in Kedah and in Penang.

Hotel operations have contributed a higher revenue compared to the corresponding quarter of the previous year due to the new acquisition of The Gurney Resort Hotel & Residences and of TNGB in the fourth quarter of the previous financial year.

The lower revenue and net profit generated by the property development division for the current quarter was mainly due to the lower contribution from both the existing and completed property development projects.

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

The Group posted a profit before tax of RM17.8 million for the current quarter ended 31 December 2015 as compared to a profit before tax of RM12.3 million for the immediate preceding quarter. Higher profit in the current quarter is mainly due to the higher contribution recognised from the completion and delivery of vacant possession of Phase 3E Double Storey Terrace House and Three Storey Terrace House at Taman Putra Prima in Selangor 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. The hotel business is expected to remain challenging.

In view of the above, the Board of Directors expects challenging performance for the financial year ending 30 June 2016.

#### 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 31.12.2015	6 months ended 31.12.2015
	RM'000	RM'000
Depreciation of property, plant and equipment	(4,426)	(8,831)
Depreciation of investment properties	(146)	(292)
Interest expense	(689)	(1,398)
Loss on disposal of property, plant and equipment	(3)	(7)
Realised gain on foreign exchange	4	-
Unrealised loss on foreign exchange	(606)	(1,081)
Fair value changes in short term investments	9	406
Dividend income from fixed income trust fund	1,615	2,702
Interest income from short term deposits	1,502	2,805

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 2015.

#### 6. Taxation

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

	Individual Quarter		Cumulative Quarters	
	3 months ended 31.12.2015	31.12.2014	6 months ended 31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Taxation	5,699	6,531	9,890	14,883

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**

The Group's borrowings and debt securities are as follows:-

	<u>31.12.2015</u>
	RM'000
<b>Current</b>	
Term Loan (secured)	6,825
<b>Non-Current</b>	
Term Loan (secured)	36,225
Total	<u>43,050</u>

**9. Changes in Material Litigation**

There were no material litigation against the Group as at 17 February 2016, 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 2015 and 31 December 2014 are as follows :

	<u>31.12.2015</u>	<u>31.12.2014</u>
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	813,277	771,135
- Unrealised	(38,996)	(40,836)
	<u>774,281</u>	<u>724,183</u>
Add : Consolidation adjustments	125,055	6,517
Total group retained earnings as per consolidated financial statements	<u>899,336</u>	<u>736,816</u>

**12. Earnings Per Share**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		6 months ended	
	<u>31.12.2015</u>	<u>31.12.2014</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Profit attributable to owners of the Company (RM'000)	12,109	20,738	20,220	42,476
Weighted average number of ordinary shares in issue ('000)	380,377	270,000	380,377	270,000
Basic earnings per ordinary share (sen)	3.2	7.7	5.3	15.7

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 2015 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 24 February 2016.

**By Order of the Board**  
**PLENITUDE BERHAD**

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

24 February 2016