

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 year 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 year:

| | <u>30.06.2016</u> | <u>30.06.2015</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 financial year ended 30 June 2016 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 | 155,012 | 65,142 | - | - | 220,154 |
| Inter-segment sales | - | - | 5,628 | (5,628) | - |
| Dividend income | - | - | 45,000 | (45,000) | - |
| Total revenue | 155,012 | 65,145 | 50,628 | (50,628) | 220,154 |
| Operating profit | 57,464 | (1,473) | 59,880 | (59,428) | 56,443 |
| Finance costs | | | | | (2,655) |
| Investment revenue | | | | | 16,010 |
| Profit before taxation | | | | | 69,798 |
| Taxation | | | | | (19,363) |
| Profit for the year | | | | | 50,435 |

Segment information for the financial year ended 30 June 2015 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 | 237,401 | 26,254 | - | - | 263,655 |
| Inter-segment sales | - | 20 | 5,628 | (5,648) | - |
| Dividend income | - | - | 45,000 | (45,000) | - |
| Total revenue | 237,401 | 26,273 | 50,628 | (50,648) | 263,655 |
| Operating profit | 100,548 | (5,291) | 54,904 | 37,903 | 188,064 |
| Finance costs | | | | | (355) |
| Investment revenue | | | | | 12,171 |
| Profit before taxation | | | | | 199,880 |
| Taxation | | | | | (30,740) |
| Profit for the year | | | | | 169,140 |

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 RM48.3 million and net profit of RM16.3 million for current quarter ended 30 June 2016 as compared to a revenue of RM71.7 million and net profit of RM106.6 million for the corresponding quarter of the previous year. The higher profit recorded in the corresponding quarter of the previous year is mainly due to the bargain purchase gain of RM92.2 million in the take-over of The Nomad Group Bhd (“TNGB”).

For the current quarter ended 30 June 2016, property development remains a key contributor with 70% of total Group revenue whereas hotel operations contributed 30%. 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 for the current quarter compared to the corresponding quarter of the previous year due to the acquisition of The Gurney Resort Hotel & Residences and four hotels of TNGB in the fourth quarter of the previous financial year.

For the financial year ended 30 June 2016, the Group recorded a revenue of RM220.2 million and net profit of RM50.4 million compared to a revenue of RM263.7 million and net profit of RM169.1 million for the previous financial year ended 30 June 2015. The lower revenue and net profit for the current financial year was mainly due to the lower contribution from both the existing and completed property development projects. In addition, the increase in profit for the previous financial year is mainly derived from the bargain purchase gain of RM92.2 million in the take-over of TNGB.

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

The Group posted a profit before tax of RM19.0 million for the current quarter ended 30 June 2016 as compared to a profit before tax of RM20.7 million for the immediate preceding quarter. Slightly lower profit in the current quarter is mainly due to the higher contribution recognised from the completion and delivery of vacant possession of Taman Desa Tebrau Phase 12A Three Storey Semi-D during the immediate preceding quarter.

3. Next 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 as well.

In view of the above, the Board of Directors expects a challenging performance for the financial year ending 30 June 2017.

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 | 12 months ended |
| | 30.06.2016 | 30.06.2016 |
| | RM'000 | RM'000 |
| Depreciation of property, plant and equipment | (3,381) | (16,510) |
| Depreciation of investment properties | (146) | (584) |
| Interest expense | (627) | (2,655) |
| Gain on disposal of property, plant and equipment | 75 | 68 |
| Realised (loss)/gain on foreign exchange | (1) | 2 |
| Unrealised (loss)/gain on foreign exchange | (305) | 1 |
| Fair value changes in short term investments | 9 | 416 |
| Dividend income from fixed income trust fund | 1,660 | 6,121 |
| Interest income from short term deposits | 1,064 | 5,384 |

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 year ended 30 June 2016.

6. Taxation

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

| | Individual Quarter | | Cumulative Quarters | |
|----------------|--------------------|------------|---------------------|------------|
| | 3 months ended | | 12 months ended | |
| | 30.06.2016 | 30.06.2015 | 30.06.2016 | 30.06.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Taxation | | | | |
| - Current year | 5,557 | 8,608 | 21,901 | 31,755 |
| - Prior year | (105) | 13 | 160 | (252) |
| | 5,452 | 8,621 | 22,061 | 31,503 |
| Deferred tax | (2,698) | (763) | (2,698) | (763) |
| | 2,754 | 7,858 | 19,363 | 30,740 |

The Group's effective tax rate for the financial year 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.

6. Status of Corporate Proposals

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

7. Group Borrowings and Debt Securities

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

| | 30.06.2016 |
|---------------------|------------|
| | RM'000 |
| Current | |
| Term Loan (secured) | 5,763 |
| Non-Current | |
| Term Loan (secured) | 33,788 |
| Total | 39,551 |

8. Changes in Material Litigation

There were no material litigation against the Group as at 17 August 2016, being 7 days prior to the date of this report.

9. Dividend Proposed or Declared

The Board of Directors does not recommend any final dividend for the financial year.

11. Realised and Unrealised Profits/Losses Disclosure

The details of the retained earnings as at 30 June 2016 and 30 June 2015 are as follows :

| | 30.06.2016 | 30.06.2015 |
|--|----------------|----------------------|
| | RM'000 | RM'000 (Restated) |
| Total retained earnings of the Company and its subsidiaries : | | |
| - Realised | 821,609 | 840,480 |
| - Unrealised | (21,831) | (42,517) |
| | <u>799,778</u> | <u>797,963</u> |
| Add : Consolidation adjustments | 161,148 | 117,942 |
| Total group retained earnings as per consolidated financial statements | <u>960,926</u> | <u>915,905</u> |

12. Earnings Per Share

| | Individual Quarter | | Cumulative Quarters | |
|--|--------------------|------------|---------------------|------------|
| | 3 months ended | | 12 months ended | |
| | 30.06.2016 | 30.06.2015 | 30.06.2016 | 30.06.2015 |
| Profit attributable to owners of the Company (RM'000) | 16,258 | 106,650 | 50,438 | 169,219 |
| Weighted average number of ordinary shares in issue ('000) | 380,932 | 277,756 | 380,932 | 277,756 |
| Basic earnings per ordinary share (sen) | 4.3 | 38.4 | 13.2 | 60.9 |

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 August 2016.

**By Order of the Board
PLENITUDE BERHAD**

JENNY WONG CHEW BOEY (MAICSA 7006120)
Company Secretary
Kuala Lumpur

24 August 2016