

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 2016. 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 2016.

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 2016 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 2017 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 has 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 2016 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 financial year 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 financial year 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 financial year.

8. Dividend Paid

The following dividends were paid during the current and previous financial year:

	<u>30.06.2017</u>	<u>30.06.2016</u>
Final dividend for the financial year	30 June 2016	30 June 2015
Approved and declared on	11 November 2016	4 November 2015
Date paid	25 November 2016	18 November 2015
Number of ordinary shares on which dividends were paid ('000)	381,534	381,534
Amount per share (single tier)	4.5 sen	4.5 sen
Net dividend paid (RM'000)	17,169	17,169

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 2017 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	156,917	69,287	-	-	226,204
Inter-segment sales	-	-	5,628	(5,628)	-
Dividend income	-	-	45,000	(45,000)	-
Total revenue	156,917	69,287	50,628	(50,628)	226,204
Segment profit/(loss)	58,320	15,355	62,167	(59,335)	76,507
Investment revenue					14,328
Depreciation					(17,225)
Finance costs					(2,197)
Profit before taxation					71,413
Taxation					(20,677)
Profit for the year					50,736

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 sales	155,012	65,142	-	-	220,154
Inter-segment sales	-	-	5,628	(5,628)	-
Dividend income	-	-	45,000	(45,000)	-
Total revenue	155,012	65,142	50,628	(50,628)	220,154
Segment profit/(loss)	58,149	17,156	60,667	(60,833)	75,139
Investment revenue					16,010
Depreciation					(18,697)
Finance costs					(2,655)
Profit before taxation					69,797
Taxation					(19,362)
Profit for the year					50,435

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 RM62.6 million and net profit of RM20.4 million for current quarter ended 30 June 2017 as compared to a revenue of RM48.3 million and net profit of RM16.3 million for the corresponding quarter of the previous year.

For the current quarter ended 30 June 2017, property development remains a key contributor to the Group results. 70% of Group's revenue was from property development and 30% from hotel operations. The performance from property development were principally derived from its property development activities carried out at Taman Desa Tebrau in Johor, Taman Putra Prima in Selangor, Bintang Maya & Lot 88 in Kedah and The Marin Condominium in Penang.

The higher revenue and net profit for the current quarter ended 30 June 2017 compared to previous year's corresponding quarter was contributed from property development segment mainly from Bintang Maya 2 Storey Terrace House in Kedah and Taman Putra Prima Phase 2C Aquamarine 2&3 Storey Terrace House Selangor which are in advance stage of development.

Hotel operations registered a revenue of RM18.7 million for the current quarter compared to a revenue of RM13.2 million for the corresponding quarter of the previous year due to improved occupancy as well as revenue contributed from Oakwood Hotel & Residence Kuala Lumpur which re-opened for business in 2Q 2017.

For the financial year ended 30 June 2017, the Group recorded a revenue of RM226.2 million and net profit of RM50.7 million compared to a revenue of RM220.2 million and net profit of RM50.4 million for the previous financial year ended 30 June 2016. The higher revenue and net profit for the current financial year was mainly due to the higher 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 RM27.3 million for the current quarter ended 30 June 2017 as compared to a profit before tax of RM17.2 million for the immediate preceding quarter. The higher profit in the current quarter was due to the higher contribution recognised from property division which was mainly from Bintang Maya 2 Storey Terrace House in Kedah and a better performance from hotel division with improved occupancy.

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.

In view of the above, the Board of Directors expects a challenging performance for the financial year ending 30 June 2018.

4. Profit Forecast

Not applicable as no profit forecast was issued.

5. Profit Before Taxation

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

	<u>Individual Quarter</u> 3 months ended 31.03.2017	<u>Cumulative Quarters</u> 12 months ended 30.06.2017
	RM'000	RM'000
Depreciation of property, plant and equipment	(4,495)	(16,640)
Depreciation of investment properties	(148)	(585)
Interest expense	(404)	(2,197)
Gain on disposal of property, plant and equipment	-	24
Realised gain/ (loss) on foreign exchange	69	(8)
Unrealised (loss)/ gain on foreign exchange	(71)	106
Fair value changes in short term investments	-	24
Dividend income from fixed income trust fund	161	3,607
Dividend income from short term investments	1,033	2,065
Interest income from short term deposits	2,244	6,358

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, gain or loss on derivatives and exceptional items for current quarter and financial year ended 30 June 2017.

6. Taxation

Taxation for the current quarter and the financial year comprised the following:

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current year	(323)	5,558	13,952	21,902
- Prior year	(6)	(105)	(532)	160
	<u>(329)</u>	<u>5,453</u>	<u>13,420</u>	<u>22,062</u>
Deferred tax	7,257	(2,700)	7,257	(2,700)
	<u>6,928</u>	<u>2,753</u>	<u>20,677</u>	<u>19,362</u>

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.

7. Status of Corporate Proposals

Status of corporate proposals announced but not completed as at 16 August 2017

The Nomad Offices (Thailand) Co. Ltd. ("TNOTH") and Nomad Space (Thailand) Co. Ltd. ("NSTH"), two (2) inactive indirect wholly-owned subsidiaries of the Company incorporated in Thailand, had submitted for dissolution pursuant to Section 1236(4) of the Civil and Commercial Code of Thailand on 15 November 2016.

The dissolution of TNOTH and NSTH will not have any material impact on the net assets and earnings per share of the Group for the financial year ending 30 June 2018.

8. Group Borrowings and Debt Securities

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

	30.06.2017
	RM'000
Current	
Term Loan (secured)	600
Non-Current	
Term Loan (secured)	30,538
Total	<u>31,138</u>

9. Changes in Material Litigation

There were no material litigation against the Group as at 16 August 2017, 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 the financial year.

11. Realised and Unrealised Profits/Losses Disclosure

The details of the retained earnings as at 30 June 2017 and 30 June 2016 are as follows :

	30.06.2017	30.06.2016
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	831,336	803,898
- Unrealised	(5,797)	(13,168)
	<u>825,539</u>	<u>790,730</u>
Add : Consolidation adjustments	<u>167,732</u>	<u>168,974</u>
Total group retained earnings as per consolidated financial statements	<u><u>993,271</u></u>	<u><u>959,704</u></u>

12. Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit attributable to owners of the Company (RM'000)	20,404	16,258	50,736	50,438
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	380,932
Basic earnings per ordinary share (sen)	5.3	4.3	13.3	13.2

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 2016 was unqualified.

14. Authorisation for Issue

The interim financial report was authorised for issuance by the Board of Directors in accordance with a resolution of the Directors dated 23 August 2017.

**By Order of the Board
PLENITUDE BERHAD**

**REBECCA LEE EWE AI (MAICSA 0766742)
WONG YUET CHYN (MAICSA 7047163)**
Company Secretaries
Kuala Lumpur

23 August 2017