

**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 2017. 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 2017.

**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 2017 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 2018 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 2017 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>31.03.2018</u>	<u>31.03.2017</u>
Final dividend for the financial year	30 June 2017	30 June 2016
Approved and declared on	27 October 2017	11 November 2016
Date paid	10 November 2017	25 November 2016
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 nine (9) months ended 31 March 2018 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	136,574	56,267	-	-	192,841
Inter-segment sales	-	-	4,221	(4,221)	-
<b>Total revenue</b>	<b>136,574</b>	<b>56,267</b>	<b>4,221</b>	<b>(4,221)</b>	<b>192,841</b>
<b>Segment profit/(loss)</b>	<b>30,534</b>	<b>11,687</b>	<b>13,037</b>	<b>(3,407)</b>	<b>51,851</b>
Investment revenue					12,998
Depreciation					(13,340)
Finance costs					(968)
Profit before taxation					50,541
Taxation					(14,250)
<b>Profit for the period</b>					<b>36,291</b>

Segment information for the nine (9) months ended 31 March 2017 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	112,970	50,611	-	-	163,581
Inter-segment sales	-	-	4,221	(4,221)	-
<b>Total revenue</b>	<b>112,970</b>	<b>50,611</b>	<b>4,221</b>	<b>(4,221)</b>	<b>163,581</b>
<b>Segment profit/(loss)</b>	<b>36,343</b>	<b>10,990</b>	<b>12,471</b>	<b>(11,686)</b>	<b>48,118</b>
Investment revenue					10,338
Depreciation					(12,582)
Finance costs					(1,793)
Profit before taxation					44,081
Taxation					(13,749)
<b>Profit for the period</b>					<b>30,332</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**

The liquidation of The Nomad Offices (Thailand) Co., Ltd (“TNOTH”) and Nomad Space (Thailand) Co., Ltd (“NSTH”), inactive indirect wholly-owned subsidiaries of the Company, were approved and registered with the Department of Business Development, Ministry of Commerce of Thailand on 19 October 2017. As such, TNOTH and NSTH have ceased to be the Company’s indirect wholly-owned subsidiaries.

Save for the above, there was no material changes to the composition of the Group during the current quarter under review.

**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 RM85.9 million and net profit of RM16.1 million for current quarter ended 31 March 2018 as compared to a revenue of RM64.3 million and net profit of RM12.2 million for the corresponding quarter of the previous year.

The Group's performance for the current quarter ended 31 March 2018 were contributed by 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. Its property development which remains a key contributor to the Group's results has contributed 56% or RM21.4 million and 44% or RM16.5 million from hotel operations. One off gain from sale of a parcel of land in Penang for cash consideration of RM46.8 million with a net profit of RM9.5 million has further contributed to its improved performance.

Property development division contributed a revenue of RM21.4 million for current quarter compared to RM48.2 million of previous year's corresponding quarter. Its lower revenue was mainly due to lower contribution from completed property development projects Phase 12A Three Storey Semi-D at Taman Desa Tebrau, Taman Putra Prima Phase 2C Aquamarine 2&3 Storey Terrace House in Selangor where substantial sales had been recognized in 1Q 2018 and Bintang Maya I 2 Storey Terrace House in Kedah which delivered vacant possession in 2Q 2018.

Hotel operations registered a revenue of RM16.5 million for the current quarter compared to a revenue of RM16.0 million for the corresponding quarter of the previous year due to higher revenue contributed from Oakwood Hotel & Residence Kuala Lumpur which re-opened for business in November 2016.

For the 9-month financial period ended 31 March 2018, the Group recorded a revenue of RM192.8 million and net profit of RM36.3 million compared to a revenue of RM163.6 million and net profit of RM30.3 million for the previous financial period ended 31 March 2017. Besides sale of land, the higher revenue and net profit for the current financial period was mainly due to the higher contribution from both the existing and completed property development projects and improved performance from hotels in central region.

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

The Group posted a profit before tax of RM21.7 million for the current quarter ended 31 March 2018 as compared to a profit before tax of RM7.4 million for the immediate preceding quarter. The higher profit in the current quarter was due to sale of land contribution of RM12.5 million, sales contribution recognised from completed projects Taman Putra Prima Phase 2C Aquamarine 2&3 Storey Terrace Houses in Selangor and on-going Desa Tebrau Phase 19&20 2-Storey Terrace Houses.

### 3. Current Year Prospects

The property market is expected to experience slower growth amidst 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) :

	Individual Quarter	Cumulative Quarters
	3 months ended 31.03.2018	9 months ended 31.03.2018
	RM'000	RM'000
Depreciation of property, plant and equipment	(4,299)	(12,897)
Depreciation of investment properties	(148)	(443)
Interest expense	(304)	(968)
Realised loss on foreign exchange	(368)	(355)
Unrealised loss on foreign exchange	(871)	(972)
Dividend income from fixed income trust fund	287	868
Dividend income from short term investments	1,124	3,249
Fair value changes in short term investments	4,737	1,822
Gain on disposal of property, plant & equipment	-	2
Interest income from short term deposits	2,083	6,519

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 period ended 31 March 2018.

## 6. Taxation

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current year	4,482	5,615	13,091	14,275
- Prior year	1,159	(526)	1,159	(526)
	<u>5,641</u>	<u>5,089</u>	<u>14,250</u>	<u>13,749</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

Corporate proposals announced but not completed at the date of reporting:

Two indirect wholly-owned subsidiaries incorporated in Malaysia, PNT Materials Trading Sdn Bhd and Nomad International Sdn Bhd had commenced a members' voluntary winding up pursuant to Section 439(1) of the Companies Act 2016 on 19 April 2018 and on 3 May 2018 respectively.

The winding up of the above two companies is part of the Group's efforts to streamline operations and optimize overall efficiencies. It will not have any significant financial and operational impact on the Group's performance for financial year ending 30 June 2018.

## 8. Group Borrowings and Debt Securities

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

	31.03.2018	31.03.2017
	RM'000	RM'000
<b>Current</b>		
Term Loan (secured)	423	1,223
<b>Non-Current</b>		
Term Loan (secured)	23,915	30,907
Total	<u>24,338</u>	<u>32,130</u>

## 9. Changes in Material Litigation

There were no material litigation against the Group as at 21 May 2018, 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. Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Profit attributable to owners of the Company (RM'000)	16,088	12,157	36,291	30,332
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	381,534
Basic earnings per ordinary share (sen)	4.2	3.2	9.5	8.0

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

## 12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2017 was unqualified.

## 13. 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 28 May 2018.

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

**REBECCA LEE EWE AI (MAICSA 0766742)**

**WONG YUET CHYN (MAICSA 7047163)**

Company Secretaries  
Kuala Lumpur

28 May 2018