

**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 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 corresponding quarter:

	<u>30.06.2018</u>	<u>30.06.2017</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 financial year ended 30 June 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	176,319	72,390	-	-	248,709
Inter-segment sales	-	-	5,770	(5,770)	-
Dividend income	-	-	45,000	(45,000)	-
<b>Total revenue</b>	<b>175,402</b>	<b>72,404</b>	<b>50,628</b>	<b>(50,628)</b>	<b>247,806</b>
<b>Segment profit/(loss)</b>	<b>54,554</b>	<b>12,336</b>	<b>61,829</b>	<b>(52,048)</b>	<b>76,671</b>
Investment revenue					16,232
Depreciation					(17,908)
Finance costs					(1,275)
Profit before taxation					73,720
Taxation					(21,661)
<b>Profit for the year</b>					<b>52,059</b>

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
<b>Revenue</b>					
External sales	156,918	69,286	-	-	226,204
Inter-segment sales	-	-	5,628	(5,628)	-
Dividend income	-	-	45,000	(45,000)	-
<b>Total revenue</b>	<b>156,918</b>	<b>69,286</b>	<b>50,628</b>	<b>(50,628)</b>	<b>226,204</b>
<b>Segment profit/(loss)</b>	<b>58,320</b>	<b>15,286</b>	<b>62,168</b>	<b>(59,337)</b>	<b>76,437</b>
Investment revenue					14,328
Depreciation					(17,154)
Finance costs					(2,197)
Profit before taxation					71,414
Taxation					(20,677)
<b>Profit for the year</b>					<b>50,737</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 RM55.9 million and net profit of RM15.8 million for current quarter ended 30 June 2018 as compared to a revenue of RM62.6 million and net profit of RM20.4 million for the corresponding quarter of the previous year.

For the current quarter ended 30 June 2018, property development remains a key contributor to the Group results. 71% of Group's revenue was from property development and 29% 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.

Property development division contributed a revenue of RM39.8 million for current quarter compared to RM43.9 million of previous year's corresponding quarter. Its lower revenue was mainly due to lower contribution from completed property development projects, 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 RM16.1 million for the current quarter compared to a revenue of RM18.7 million for the corresponding quarter of the previous year due to lower occupancy and food and beverage revenue from all hotels (except Oakwood Hotel and Residence Kuala Lumpur) mainly in May 2018 due to cancellation and postponement of events. The Nomad Residence Bangsar's business dropped by 30% due to one block of 26 units was closed for renovation, sparked many cancellations from long term guests, due to noise and dust. Oakwood Hotel and Residence Kuala Lumpur has shown improvement in revenue; occupancy for the quarter rose to 51% from 39% corresponding quarter of the previous year.

For the financial year ended 30 June 2018, the Group recorded a revenue of RM248.7 million and net profit of RM52.1 million compared to a revenue of RM226.2 million and net profit of RM50.7 million for the previous financial year ended 30 June 2017. The higher revenue for the current financial year was mainly due to the sale of a parcel of land in Penang for cash consideration of RM46.8 million and full 12-month operating revenue from Oakwood Hotel. Net profit for current financial year increased by RM1.3 million against previous financial year ended 30 June 2017 is mainly attributable to higher dividend/interest income from investments.

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

The Group posted a profit before tax of RM23.2 million for the current quarter ended 30 June 2018 as compared to a profit before tax of RM21.7 million for the immediate preceding quarter. The higher profit in the current quarter was due to sales contribution recognised from completed projects Taman Putra Prima Phase 2C Aquamarine 2&3 Storey Terrace Houses in Selangor, Bintang Maya I 2 Storey Terrace House in Kedah and on-going Desa Tebrau Phase 19&20 2-Storey Terrace Houses.

## 3. Next 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 2019.

## 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 30.06.2018	12 months ended 30.06.2018
	RM'000	RM'000
Depreciation of property, plant and equipment	(4,419)	(17,316)
Depreciation of investment properties	(149)	(592)
Interest expense	(307)	(1,275)
Impairment on other receivables	(142)	(142)
Loss on disposal of property, plant & equipment	(3)	(1)
Realised gain/ (loss) on foreign exchange	243	(112)
Unrealised loss on foreign exchange	30	(942)
Dividend income from fixed income trust fund	281	1,149
Dividend income from short term investments	-	3,249
Fair value changes in short term investments	759	2,581
Interest income from short term deposits	2,107	8,626

## 5. Profit Before Taxation (continued)

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 2018.

## 6. Taxation

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current year	5,992	(319)	19,083	13,956
- Prior year	685	(6)	1,844	(532)
	<u>6,677</u>	<u>(325)</u>	<u>20,927</u>	<u>13,424</u>
Deferred tax	734	7,253	734	7,253
	<u>7,411</u>	<u>6,928</u>	<u>21,661</u>	<u>20,677</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

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 2019.

## 8. Group Borrowings and Debt Securities

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

	<u>30.06.2018</u>	<u>30.06.2017</u>
	RM'000	RM'000
<b>Current</b>		
Term Loan (secured)	1,054	600
<b>Non-Current</b>		
Term Loan (secured)	23,284	30,538
Total	<u>24,338</u>	<u>31,138</u>

## 9. Changes in Material Litigation

There were no material litigation against the Group as at 20 August 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 the financial year.

## 11. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended		12 months ended	
	<u>30.06.2018</u>	<u>30.06.2017</u>	<u>30.06.2018</u>	<u>30.06.2017</u>
Profit attributable to owners of the Company (RM'000)	15,768	20,405	52,059	50,737
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	381,534
Basic earnings per ordinary share (sen)	4.1	5.3	13.6	13.3

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 27 August 2018.

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

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

**WONG YUET CHYN (MAICSA 7047163)**

Company Secretaries

Kuala Lumpur

27 August 2018