ANNUAL REPORT 2018

Tanjung Point, Penang

PLENITUDE

CONTENTS

THE MARIN
AT FERRINGHI

PENANG

FREEHOLD

Luxury condominium

Low density development comprising 149 units in 2 towers

Exclusive & private - only 4 units per floor

Built-up sizes: 1,750 sq.ft. - 1,850 sq.ft.

Lush greenery & overlooking the Andaman Sea

Penang, Malaysia, best healthcare & infrastructures

INTERNATIONAL LIVING 2nd

Penang as second best place to retire quoted by International Living

Best shopping, beaches and street food within George Town

The Marin at Ferringhi, Penang

Bintang Maya II, Sg. Petani, Kedah

ABOUT US

Plenitude Berhad is a public listed company with core interests in property development, property investment and property management. Incorprated on 6 November 2000 as Plenitude Sdn Bhd, it became a public limited company in the same year and was renamed Plenitude Berhad.

The Plenitude Group commands a diverse portfolio of business ventures related to property and has built a reliable track record in the real estate industry. Recognized for their strategic locations, easy accessibility and comprehensive amenities, notable properties include:

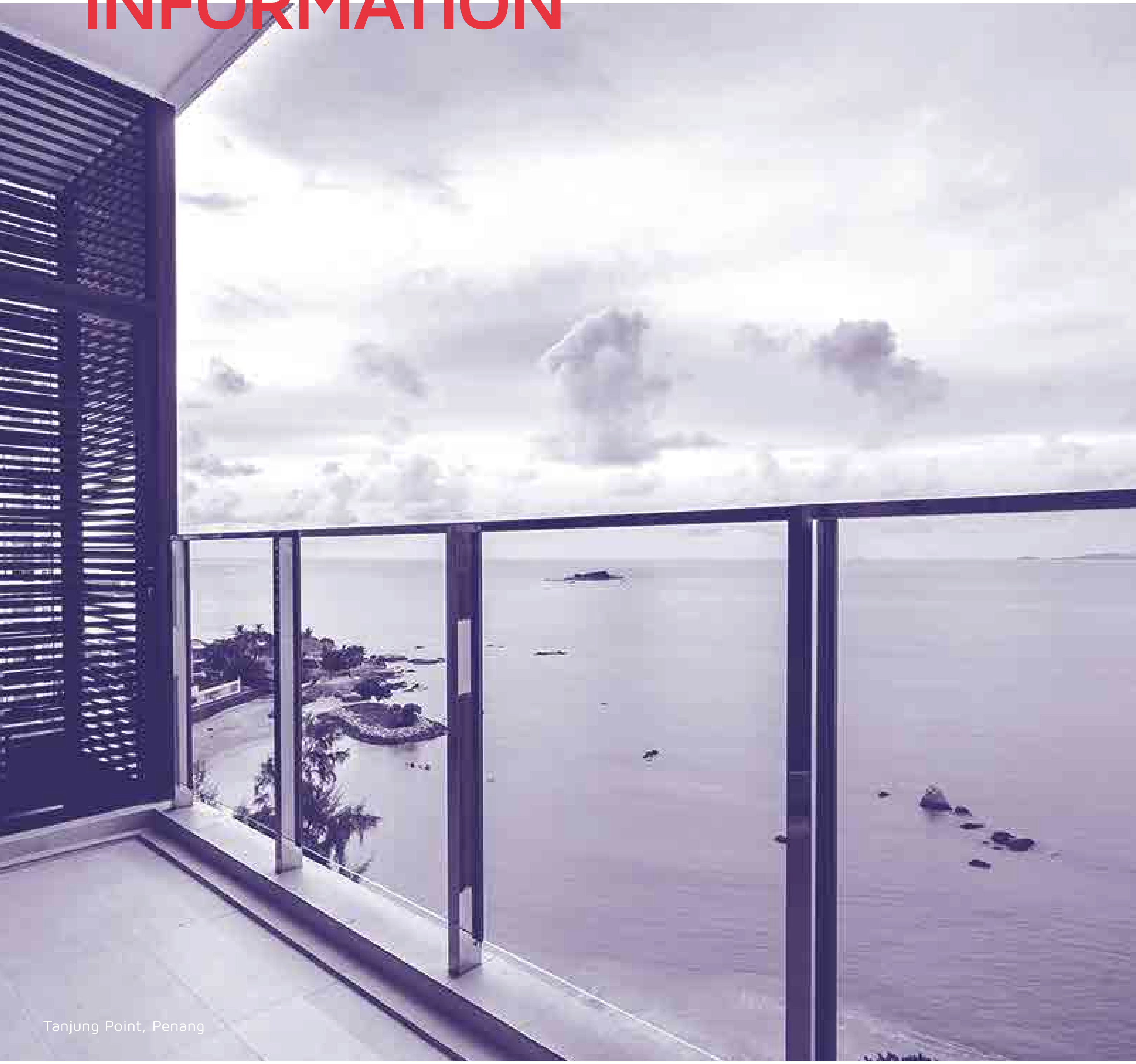
- Taman Desa Tebrau, Johor Bahru
- Taman Putra Prima, Puchong
- Bukit Bintang, Sungai Petani
- The Marin at Ferringhi, Penang

Plenitude's investments in hospitality are:

- Novotel Kuala Lumpur City Centre
- Oakwood Hotel & Residences, Kuala Lumpur
- The Nomad Serviced Residences, Bangsar
- The GLOW Penang
- The Gurney Resort Hotel & Residences, Penang
- Tanjung Point, Penang

The hotel property in Tanjung Bungah, Penang, will be rebranded to Mercure Penang Beach Hotel effective 1 October 2018.

CORPORATE INFORMATION



Tanjung Point, Penang

BOARD OF DIRECTORS

Chua Elsie
Executive Chairman

Datuk Mohd Nasir bin Ali
Deputy Chairman
Independent
Non-Executive Director

Tan Kak Teck
Independent
Non-Executive Director

Ir. Teo Boon Keng
Independent
Non-Executive Director

Lok Bah Bah @
Loh Yeow Boo
Independent
Non-Executive Director

Tee Kim Chan
Independent
Non-Executive Director

COMPANY SECRETARIES

Rebecca Lee Ewe Ai
MAICSA 0766742

Wong Yuet Chyn
MAICSA 7047163

AUDIT COMMITTEE

Tan Kak Teck
Chairman

Ir. Teo Boon Keng
Member

Lok Bah Bah @
Loh Yeow Boo
Member

REMUNERATION COMMITTEE

Datuk Mohd Nasir bin Ali
Chairman

Lok Bah Bah @
Loh Yeow Boo
Member

NOMINATION COMMITTEE

Datuk Mohd Nasir bin Ali
Chairman

Tee Kim Chan
Member

Tan Kak Teck
Member

REGISTERED OFFICE

2nd Floor, No. 2
Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
T: +603-6201 0051
F: +603-6201 0071

SHARE REGISTRAR

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
T: +603-6201 1120
F: +603-6201 3121

AUDITORS

Baker Tilly Monteiro Heng
(AF 0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
RHB Bank Berhad
OCBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa
Malaysia Securities Berhad
Sector : Property
Stock Code : 5075
(Listed since 18 November 2003)

WEBSITE

plenitude.com.my

TANJUNG POINT

Serviced residences

Covered carpark

Swimming pool

Retail enclave

Children's playground

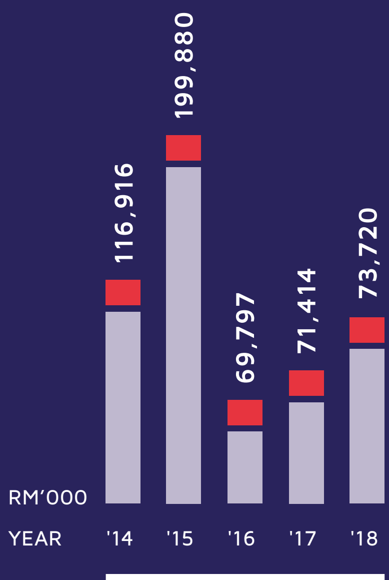
Sea view

Laundry service

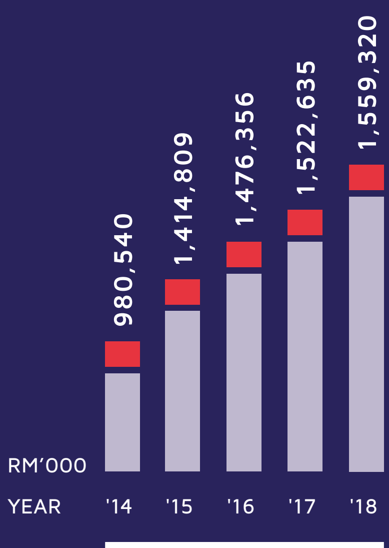
FREE Wi-Fi


Tanjung Point, Penang

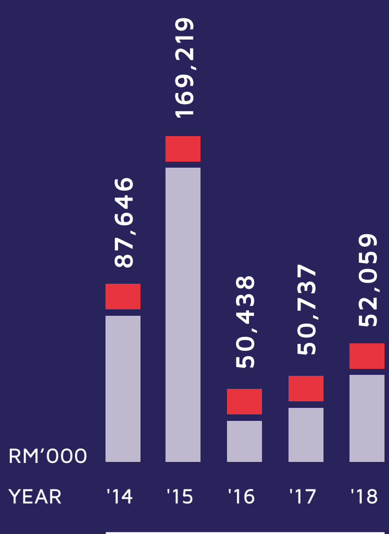
FINANCIAL HIGHLIGHTS



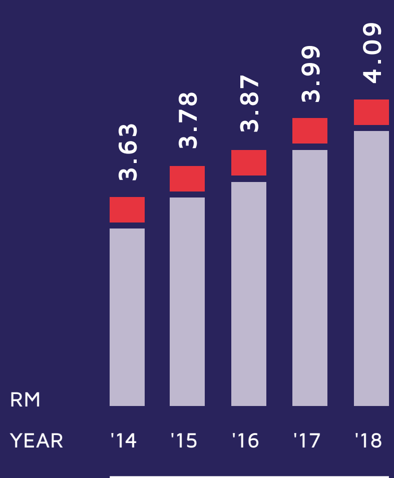
PROFIT BEFORE TAX



SHAREHOLDERS' EQUITY



NET PROFIT FOR THE FINANCIAL YEAR



NET ASSETS PER SHARE

FINANCIAL YEAR ENDED 30 JUNE

	2014	2015	2016	2017	2018
Revenue (RM'000)	309,887	263,655	220,154	226,204	248,709
Profit Before Tax (RM'000)	116,916	199,880	69,797	71,414	73,720
Net Profit for the Financial Year Attributable to Owners of the Company (RM'000)	87,646	169,219	50,438	50,737	52,059
Total Assets (RM'000)	1,134,561	1,676,733	1,688,758	1,714,295	1,725,079
Cash & Cash Equivalents (RM'000)	396,356	323,174	356,128	343,484	329,769
Total Borrowings (RM'000)	-	46,275	39,550	31,138	24,338
Issued and Paid Up Capital (RM'000)	270,000	373,943	381,534	381,534	381,534
Shareholders' Equity Attributable to Owners of the Company (RM'000)	980,540	1,414,809	1,476,356	1,522,635	1,559,320
Basic Earnings per Share (sen)	32.5	60.9	13.2	13.3	13.6
Net Assets per Share (RM)	3.63	3.78	3.87	3.99	4.09
Final Single Tier Dividend per Share (sen)	6.0	4.5	4.5	4.5	4.5

BOARD OF DIRECTORS' PROFILES

CHUA ELSIE
EXECUTIVE CHAIRMAN

AGED 60, FEMALE
MALAYSIAN

Madam Chua Elsie was appointed to the Board on 2 September 2002. She is the Executive Chairman of Plenitude Berhad and also the Chairman of the Management Committee.

She actively oversees the entire operations of Plenitude Berhad group of companies ("Group") and is also responsible for the formulation and implementation of the Group's business policies and strategies. She is a Director of Ikatanbina Sdn Bhd, a substantial shareholder of Plenitude Berhad.

DATUK MOHD NASIR BIN ALI
DEPUTY CHAIRMAN INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 60, MALE
MALAYSIAN

Datuk Nasir was appointed to the Board on 9 September 2015 and was redesignated as Deputy Chairman on 18 September 2015. He is Chairman of the Nomination Committee and Remuneration Committee.

He graduated from University Malaya with a Bachelor of Economics (Hons) and also holds a Master of Science (Finance) from University of Strathclyde, UK.

Datuk Nasir is also an Independent Non-Executive Director of E.A. Technique (M) Berhad, Goodyear Malaysia Berhad and Amanah Raya Berhad.

TAN KAK TECK
INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 59, MALE
MALAYSIAN

Mr. Tan Kak Teck was appointed to the Board on 15 July 2003. He is Chairman of the Audit Committee.

Mr. Tan is a Chartered Accountant with the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants. He began his auditing career in 1983 and is currently a partner of an audit firm in Kuala Lumpur.

Mr. Tan is also an Independent Non-Executive Director of Y & G Corporation Bhd.

IR. TEO BOON KENG
INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 64, MALE
MALAYSIAN

Ir. Teo Boon Keng was appointed to the Board on 2 July 2012. He is a member of the Audit Committee. He has a Bachelor of Science (Hons) degree in Civil Engineering from University of Newcastle Upon Tyne, United Kingdom.

Ir. Teo is a Registered Professional Engineer with the Board of Engineers Malaysia and a Member of the Institution of Engineers Malaysia.

Ir. Teo began his professional career with the Ministry of Work (JKR) Malaysia. He has been a Development Consultant and Consulting Civil & Structural Engineer for over 30 years.

LOK BAH BAH @ LOH YEOW BOO
INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 69, MALE
MALAYSIAN

Mr. Lok Bah Bah @ Loh Yeow Boo was appointed to the Board on 9 September 2015. He is a member of the Audit Committee and Remuneration Committee.

He graduated from Nanyang University with a Bachelor of Commerce (Accountancy).

Mr. Lok is a Chartered Accountant of the Malaysian Institute of Accountants as well as Fellow of CPA, Australia.

TEE KIM CHAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 64, MALE
MALAYSIAN

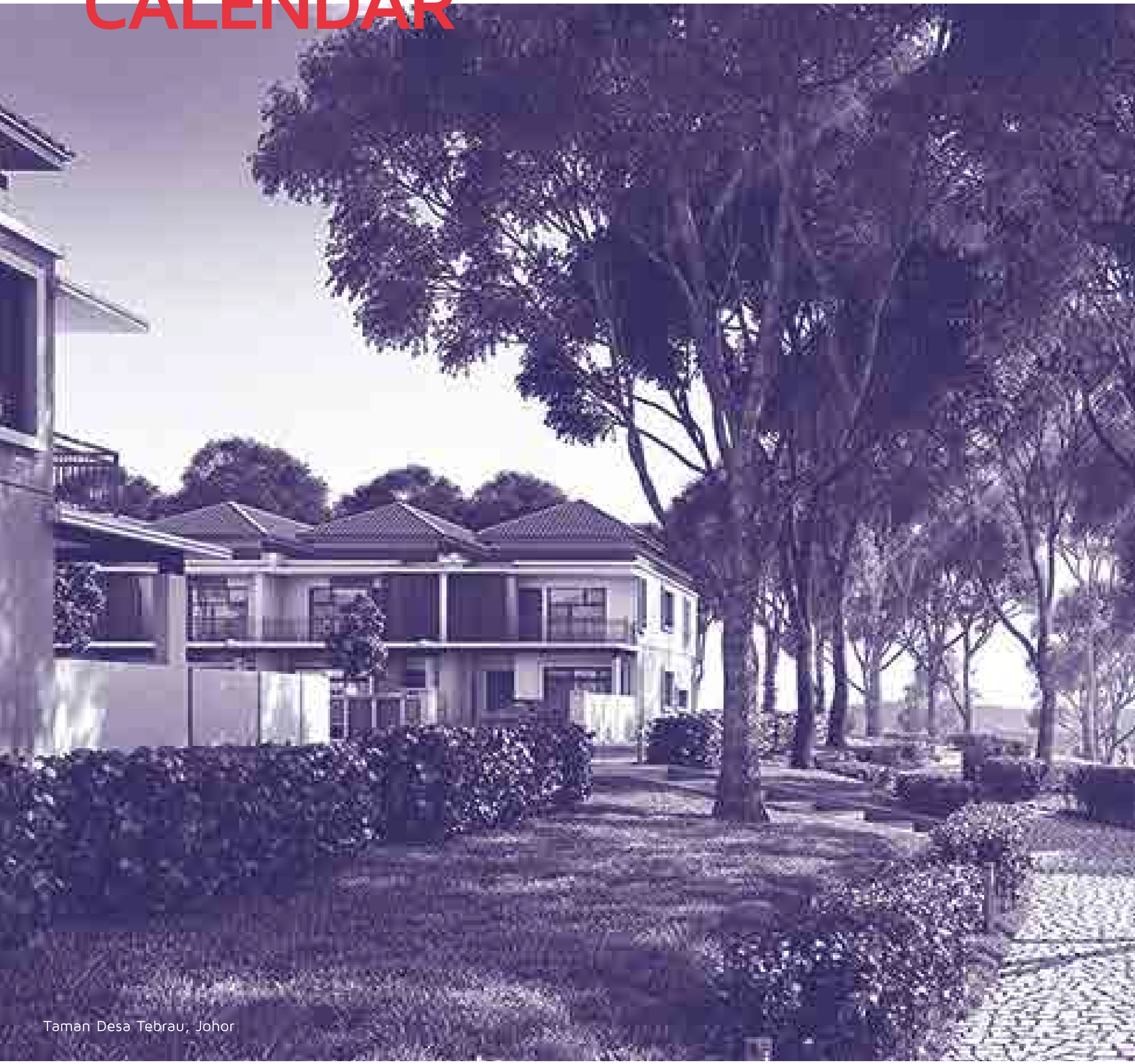
Mr. Tee Kim Chan was appointed to the Board on 9 September 2015. He is a member of the Nomination Committee.

Mr. Tee was admitted to the Honourable Society of Lincoln's Inn in 1978 and enrolled as an advocate and solicitor of the High Court of Malaya in 1979. He is currently practising as an advocate and solicitor in his own law firm.

OTHER INFORMATION

FAMILY RELATIONSHIP - None of the directors have any family relationship with any director and/or major shareholder of Plenitude Berhad.
CONFLICT OF INTEREST - None of the directors have any conflict of interest with Plenitude Berhad.
CONVICTION FOR OFFENCES - None of the directors have been convicted for any offences within the past 5 years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year other than traffic offences, if any.
DIRECTORSHIP AT OTHER PUBLIC COMPANIES AND LISTED COMPANIES - Except for Datuk Mohd Nasir bin Ali and Mr. Tan Kak Teck, none of the other directors hold any directorship in other public companies and listed companies.
ATTENDANCE FOR BOARD MEETINGS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 - The Directors' attendance at the Board Meetings for the financial year ended 30 June 2018 is presented on page 56 of the Annual Report.

CORPORATE CALENDAR



Taman Desa Tebrau, Johor

2017

JULY
- Monthly Management Meeting

AUGUST
- Monthly Management Meeting
- Nomination Committee Meeting
- Remuneration Committee Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the fourth quarter ended 30 June 2017

SEPTEMBER
- Monthly Management Meeting
- Nomination Committee Meeting
- Remuneration Committee Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the Proposed Final Single Tier Dividend of 4.5 sen per share for the financial year ended 30 June 2017
- Announcement of Final Dividend Entitlement (Notice of Book Closure)

OCTOBER
- Monthly Management Meeting
- 17th Annual General Meeting
- Announcement of Notice of the Seventeenth Annual General Meeting of Plenitude Berhad
- Announcement of the outcome of resolutions passed at the Seventeenth Annual General Meeting of Plenitude Berhad held on 27 October 2017

NOVEMBER
- Monthly Management Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the first quarter ended 30 September 2017

DECEMBER
- Monthly Management Meeting

2018

JANUARY
- Monthly Management Meeting

FEBRUARY
- Monthly Management Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the second quarter ended 31 December 2017

MARCH
- Monthly Management Meeting

APRIL
- Monthly Management Meeting

MAY
- Monthly Management Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the third quarter ended 31 March 2018

JUNE
- Monthly Management Meeting

Taman Desa Tebrau, Johor

CORPORATE SOCIAL CALENDAR

Our vision of building sustainable communities is achieved with the help of our social outreach which engage our employees, business associates and community organisations in making the world a better place.

MAR-NOV
2017

RECYCLING PROJECT
INITIATIVE IN COLLABORATION WITH NEW LIFE COMMUNITY CENTER KUALA LUMPUR

- To give back to the community in terms of enhancing lives with sustainable activities.
- Bringing together Novotel employees and improving teamwork through voluntary projects.

GOTONG-ROYONG EVENT
TO PROVIDE A SAFE PLAYGROUND AREA FOR CHILDREN IN COLLABORATION WITH NEW LIFE COMMUNITY KUALA LUMPUR (NLCC) & KUALA LUMPUR CITY HALL (DBKL)

- To enable these facilities to be used by children who attend English class at the New Life Community Center (NLCC) without having to go to a sports court 5km away from the centre.
- Novotel KLCC has adopted NLCC as the main focus of its all year round commitment to help with their needs.
- Novotel also runs a recycling project and collection of children's books earmarked for distribution to NLCC.

NOVOTEL HOTELS KUALA LUMPUR CITY CENTRE

JUL
2017

BUKA PUASA
WITH ANAK YATIM SHIFA

Novotel invited 10 children and 2 patrons to a buka puasa dinner at The Square Restaurant, followed by a 'duit raya' and goodie bags gift session from the management and staff.

27 NOV
2017

WELCOME HEROES
"OUR DOORS ARE OPEN"

- The event themed "Our doors are open" celebrated local heroes/local communities to show our recognition and appreciation.
- Novotel invited 10 heroes each from the Royal Malaysia Police (PDRM) and Fire & Rescue Department of Malaysia for high tea, followed by door gifts from the Management.

05 JUL
2018

RAMADHAN KAREEM
IFTAR BOX FOR TAXI DRIVERS

- To show support towards taxi drivers around Kuala Lumpur in collaboration with MF Travel.
- To create strong networks with taxi drivers.
- About 60 to 70 drivers participated in this campaign.

Oakwood HOTEL & RESIDENCE KUALA LUMPUR

19 DEC 2017

CHRISTMAS LUNCH
WITH AGATHIANS SHELTER

Celebrating the spirit of Christmas, Oakwood Hotel & Residence Kuala Lumpur invited the boys from Agathians Shelter to have lunch at the Hotel. Agathians Shelter is a home for underprivileged boys founded in 2003 when an illegal children's home closed down. The boys were invited to have lunch at treat restaurant on Tuesday, 19 December, to celebrate the Christmas cheer. A sumptuous spread of local and western dishes were prepared by Syaiful Hafizee, Head western Chef, and his culinary team to ensure the children enjoyed delicious and wholesome food.

The Hotel's limousine operator, JK Emerald, kindly sponsored two MPVs to transport the children from the home in Petaling Jaya to the Hotel. The twenty boys were thrilled to have buffet food for lunch they participated in games such as picking up peanuts with chopsticks and passing the ping pong balls with spoons. The event ended with the children receiving Christmas presents.

As part of our annual Corporate Social Responsibility programme, Oakwood Hotel & Residence Kuala Lumpur also invites various homes to the Hotel for fun, food and activities.

24 MAY 2018

BUKA PUASA

WITH PERTUBUHAN KEBAJIKAN AL-FIRDAUSI AT TREAT RESTAURANT & BAR

For the second year running, Oakwood Hotel & Residence Kuala Lumpur hosted a buka puasa event for 45 children and 10 single mothers from Pertubuhan Kebajikan Al-Firdausi at Treat Restaurant & Bar. The children were invited to partake in the Citarasa Desa buffet dinner after a warm welcome by the General Manager and his team of Managers. The children were also given duit raya after their prayers.

THE GURNEY RESORT HOTEL & RESIDENCES • PENANG •

28 MAY 2018

RAMADHAN BUKA PUASA

WITH WISMA YATIM LAKI-LAKI ISLAM

The children were invited to lunch and given goodie bags and duit raya

08 DEC 2017

BEACH CLEANING PROJECT
ASSOCIATES & SPRINGTIDE CONDOMINIUM GUESTS

Community and neighbourhood service.

26 MAY 2018

RAMADHAN BUFFET DINNER
WITH MAZHAD TAHFIZ CHILDREN & UTARA BIKERS

Community service and corporate social responsibility.

20 SEP 2017

FUND RAISING
SPORTS DAY WITH METHODIST GIRLS' SCHOOL

Fundraising for Operation Smile Thailand.

JAN-DEC 2018

OPERATION SMILE THAILAND DONATION BOX
WITH GAMA SHOPPING MALL

Collecting donations in support of Operation Smile Thailand – for children with cleft lip: operation expenses, speech therapy, manpower, administration usage.

21-22 APR 2018

MALAYSIAN RED CRESCENT SOCIETY
DONATION BOX ON FLAG DAY

Collection for the Malaysian Red Crescent Society.

25 MAY 2018

DISTRIBUTION OF BUBUR LAMBOK
TO THE PUBLIC

As a goodwill gesture during the fasting month and to promote GLOW Penang to the general public.

DEC 2017

FUND RAISING
AT HOTEL LOBBY

Fundraising for Operation Smile Thailand.

FEB-DEC 2018

SPCA DONATION BOX
YEAR OF THE DOG 2018

- In conjunction with the year of the dog.
- Collecting donations in support of SPCA.

THE GURNEY
RESORT HOTEL & RESIDENCES
• P E N A N G •

Gurney Drive,
a popular
tourist spot

Spa & massage
services

295 rooms

Studio suites
515 sq.ft.

Two bedroom suites
950 sq.ft.

Infinity
swimming pool

Separate kids'
swimming pool
with slide

Grand ballroom –
an ideal venue for
special occasions of
up to 900 guests

Conference rooms,
function halls &
business center

All day
dining

FREE
Wi-Fi

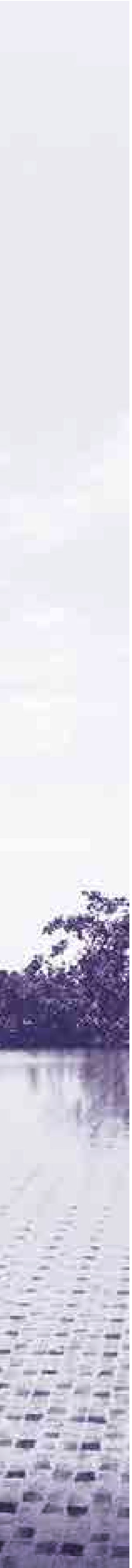
The Gurney Resort Hotel & Residences, Penang

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Plenitude Berhad ("Plenitude" or "the Group") for the financial year ended 30 June 2018.


The Marin at Ferringhi, Penang



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.

Plenitude's property development segment remains the Group's key contributor at 71% and while the hotel's segment contributed 29% respectively.

The financial position of the Group remains healthy with low gross debt to equity ratio of 0.02, achieved despite the cash outflow of RM17.17 million paid out as dividend in November 2017 and the loan repayment of RM6.8 million during the financial year. The Group's cash and cash equivalents at the close of the financial year remained strong at RM330 million.

Our shareholders' fund stood at RM1.560 billion compared to the previous financial year of RM1.523 billion and net assets per share stood at RM4.09 as at 30 June 2018, representing an enhanced value of 3% from the previous year at RM3.99 per share.

DIVIDEND

Based on the financial year's performance, the Board is recommending a first and final Single Tier Dividend of 4.5% (4.5 sen per share) on 381,533,758 ordinary shares, amounting to RM17,169,019 in respect of the financial year ended 30 June 2018 ('Proposed Dividend') representing a Net Dividend Yield of 3.0% subject to shareholders' approval at the forthcoming Annual General Meeting.

It is noteworthy that Plenitude has been consistent with dividend payments for every financial year since its listing in 2003. The Proposed Dividend will be tabled for shareholders' approval at the forthcoming Eighteenth (18th) Annual General Meeting ("AGM") of the Company.

FUTURE PROSPECTS

We expect the market to remain cautious and challenging going into the new financial year ending 30 June 2019. Barring any unforeseen adverse or unfavourable circumstances, new launches of gross development value RM326.7 million in the pipeline are: Plenitude Heights's Bintang Maya II 98 units double storey terraced house at Sungai Petani, Kedah; Plenitude Permai's Taman Putra Prima Phase 4E 136 units two/three storey terraced houses at Puchong, Selangor; Plenitude Tebrau's Taman Desa Tebrau Phases 19 & 20 112 units of Cluster Homes at Johor Bahru, Johor.

We expect contribution from the Hospitality Division to improve with substantive building enhancement ongoing at The Nomad Bangsar Residences and refurbishment at Novotel KLCC.

ACKNOWLEDGEMENT

My thanks to the staff of Plenitude for their dedication and loyalty. My sincere appreciation to our shareholders for their strong support and to our customers and business partners for their confidence.

Finally, my thanks to all my fellow Directors for their commitment.

Chua Elfie
Executive Chairman

Taman Desa Tebrau, Johor Bahru

HARP

TAMAN DESA TEBRAU
JOHOR BAHRU

FREEHOLD

Surrounded by lush greenery

Residential, landed, double storey cluster homes

Ideal residential neighbourhood

Estimated GDV RM121,645,000

49.34 acres

MANAGEMENT DISCUSSION & ANALYSIS

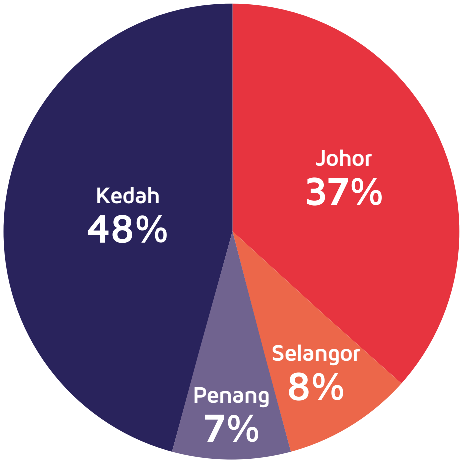
OVERVIEW OF BUSINESS AND OPERATIONS

Plenitude Berhad ("Plenitude") is an investment holding company with a diverse portfolio of business ventures mainly in property development, property investment and hotel operations.

Property Development Division

Plenitude's property developments activities cover both residential and commercial projects, consisting of terrace houses, semi-detached houses, bungalows, condominiums, serviced apartments, shops and shop offices. The Group's development projects are located in prime areas spreading across Malaysia in Johor, Selangor, Kedah and Penang. Its key property developments are at Taman Desa Tebrau in Johor Bahru, Johor; Taman Putra Prima in Puchong, Selangor; Bandar Perdana, Bintang Maya and Bukit Bintang in Sungai Petani, Kedah; and The Marin Condominium and a future mix of developments in Batu Ferringhi in Penang. Currently Plenitude still has a balance landbank of approximately 1,343 acres.

Figure 1: Plenitude's Balance Landbank Profile



Location	Acres	Net Book value RM'M	Average price/ Sq.ft.
Johor	508	65.98	2.98
Selangor	105	33.90	7.41
Penang	89	88.76	22.89
Kedah	641	51.25	1.84
TOTAL	**1,343**	**239.89**	**4.10**

During the financial year ended 30 June 2018, the Group has launched properties in various locations with a total gross development value ("GDV") of approximately RM255.9 million.

Figure 2: Plenitude's Launches in FY 2018

Location	No.	Project	Area	Type	GDV (RM'M)
Southern Region	1.	Harp @ Taman Desa Tebrau	Johor	100 units 2-storey cluster homes (34'x80')	121.6
	2.	Clarinet @ Taman Desa Tebrau	Johor	116 units 2-storey terrace homes	98.9
Northern Region	3.	Bintang Maya 2 @ Sungai Petani	Kedah	81 units 2-storey terrace houses	35.4

Hospitality Division

Plenitude diversified its business to include hospitality in May 2015. It now owns five (5) hotels and one (1) serviced residence situated at prime/strategic locations in Penang and Kuala Lumpur. THE FOUR POINTS BY SHERATION PENANG ("Four Points Penang"), THE GURNEY RESORT HOTEL & RESIDENCES ("Gurney Hotel") and GLOW (Glow Penang) located in Penang; NOVOTEL KUALA LUMPUR CITY CENTRE ("Novotel KLCC"), OAKWOOD HOTEL & RESIDENCE KUALA LUMPUR ("Oakwood KL") and THE NOMAD SERVICED RESIDENCES BANGSAR ("The Nomad Bangsar") in Kuala Lumpur.

By next financial year ending 30 June 2019, one 37-storey tower of 98 apartments with 2 levels of retail lots and 234 carparks (known as TANJUNG POINT) will be added to the hospitality division to be managed as Serviced Apartments. The 2 levels of retail podium with approximately 13,000 sq.ft. of net lettable area for a mix of cafes, restaurants, convenience store, beauty salon and co-working space. All residences have a sea view and will be fully furnished. Tanjung Point is located along Tanjung Bungah beach. The target market is short and long stay business/corporate travellers/expats. Refurbishment work is ongoing and is targeted to roll out into market before end 3Q FY 2019 i.e. before March 2019.

FINANCIAL

Figure 3: Plenitude's Financial Performance FY 2018 & FY 2017

	2018	2017	% Change
Revenue (RM'million)	248.7	226.2	9.9%
Gross profit (RM'million)	129.1	124.5	3.7%
Profit before tax (RM'million)	73.7	71.4	3.2%
Net profit (RM'million)	52.1	50.7	2.7%
Net EPS (sen)	13.6	13.3	2.2%
Gross margin	51.9%	55.0%	-
Pre-tax margin	29.6%	31.6%	-

FINANCIAL (CONT'D)

The Group registered a revenue of RM248.7 million and a net profit of RM52.1 million for the financial year ended 30 June 2018 ("FYE 30 June 2018" or "FY 2018"). Year-on-Year ("Y-on-Y"), the Group's revenue rose 9.9% or RM22.5 million from last financial year of RM226.2 million while net profit for the year closed RM1.3 million higher than last financial year of RM50.7 million.

The significant increase in revenue was attributed to a RM46.8 million sale arising from the disposal of one parcel of development land in Penang with a net profit of RM11.5 million which was completed in March 2018. Adjusting for that, FY 2018 revenue would have declined by a lesser 11% or RM24.3 million and the net profit would have dropped by 20% or RM10.2 million compared against last year.

The subdued topline performance was in line with our cautious stance towards new launches over the past three years, in view of the expected consolidation in the marketplace. Oakwood KL, which had re-opened for business in November 2016, contributed RM12.1 million to the Group's revenue, an increase of RM7.7 million over previous year's 8-month revenue of RM4.4 million. As highlighted, profit performance has also slowed in tandem with the lower level of development activities.

The Group's operating expenses increased by RM3.8 million to RM80.1 million from previous financial year of RM76.3 million. The increased in expenses was mainly due to RM2.0 million M&E cost of Bangsar Residences written off in 4Q 2018 as refurbishment work were in progress and an unrealised foreign exchange loss of RM1.8 million on a foreign bank deposit due to appreciation of Malaysia Ringgit.

Segmental Contributions

Property Development segment remains the Group's core revenue and profit contributor accounting for 71% of Group's revenue in FY 2018 and 69% in FY 2017.

Figure 4: Segment Revenue Analysis

	FY 2018		FY 2017	
Revenue	**RM'M**	**%**	**RM'M**	**%**
Property Development	176.3	71%	156.9	69%
Hotel Operations	72.4	29%	69.3	31%
Total Revenue	**248.7**	**100%**	**226.2**	**100%**

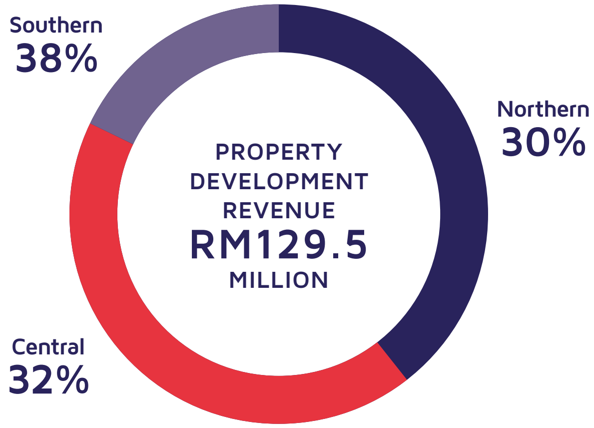
Property Development

This year under review was challenging for the property market. Consumers remained cautious on spending while financial institutions remained stringent with their regulations on housing loan approvals. These conditions did not auger too well for the main business activity for the Group, which is property development.

For the year ended 30 June 2018, the Group's property development activities recorded a higher turnover of RM176.3 million in comparison against last year revenue of RM156.9 million. As mentioned earlier, current year revenue has included a RM46.8 million entry arising from the sale of development land in Penang. Excluding for that, property development's revenue would have fell 17.5% or RM27.4 million to RM129.5 million (Figure 5) from RM156.9 million last year. Current year's performance dipped due to soft property market industry-wide affected by strict policy on housing loans, making it difficult for purchasers to secure their choice property.

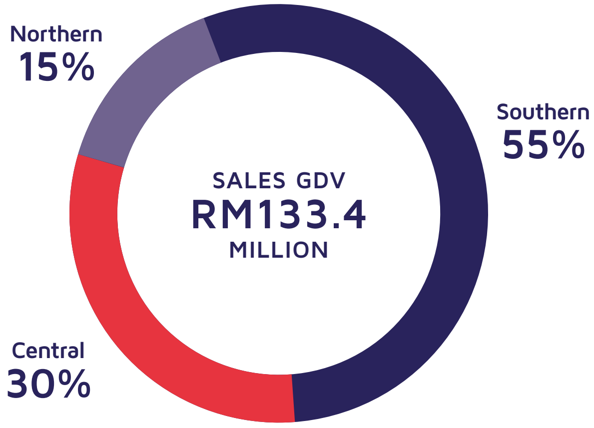
FY 2018 revenue contribution by region was quite diverse which demonstrated the success of our strategy to reduce single region concentration in our development activities (Figure 5). Central Region accounted for 32% of property development segment revenue, underpinned by billings from Klang Valley, Taman Putra Prima Phase 3E and 2C double and three storey terraced houses, as well as contributions from Low Cost Apartment which had completed during the financial year. Projects in Southern and Northern Region accounted for 38% and 30% respectively. Contributing projects from Southern Region included our maturing township Taman Desa Tebrau, Johor, completed project Phase 12A double storey terraced houses and ongoing Phase 19 & 20 Clarinet double storey terraced houses and Harp double storey cluster homes. Revenue contribution from Northern Region in Penang Island and Sungai Petani derived from Bandar Perdana Lot 88:3A double storey semi-detached and Bintang Maya I & II double storey terraced houses. Contribution from Penang The Marin Condominium which targeted to deliver vacant possession by December 2018.

Figure 5: FY 2018 Property Development Revenue by Region



Overall, Plenitude achieved new sales of RM133.4 million for FY 2018 amidst a challenging property market. 55% or RM72.8 million of the new sales were from the Southern Region, 30% or RM41.1 million from Central and 15% or RM19.5 million from Northern (Figure 6). Sales dropped 26% or RM47 million compared with RM180 million last year.

Figure 6: FY 2018 Sales GDV by Region



The Group's unrecognised revenue at end FY 2018 stood at RM66.7 million, where ongoing phases at Taman Desa Tebrau, Johor accounted for a substantial portion of future revenue. We expect our unrecognised revenue to grow in tandem as sales momentum pick up with an estimated RM384 million balance stock and RM327 million new launches planned for FY 2019.

The following highlights several of Plenitude's key development projects during the financial year 2018.

TAMAN DESA TEBRAU, Johor Bahru, Johor

Developed by	:	Plenitude Tebrau Sdn Bhd
Land size	:	965.70 acres
Launched	:	1997
Status	:	Ongoing

Taman Desa Tebrau, spanning 965.7 acres along the Tebrau Corridor and located within the larger Iskandar Region, developed since 1997 provides the setting for a well-planned self-contained mixed-use development where residents have access to choice homes, facilities and amenities not only for living, but for working and playing as well.

Taman Desa Tebrau, consists of landed terrace house, semi-detached, shop offices and medium cost apartment. Total of 965.70 acres land, there is still 250 acres land still undeveloped which would take another ten (10) years to complete. Ongoing Phase 19 & 20 234 units Clarinet double storey terraced houses of GDV RM199.5 million are expected to deliver vacant possession in FY 2019. During FY 2018, 100 units Harp double storey cluster homes of RM121.6 million was soft launched in June 2018.

TAMAN PUTRA PRIMA, Puchong, Selangor

Developed by	:	Plenitude Permai Sdn Bhd
Land size	:	451.63 acres
Launched	:	1999
Status	:	Ongoing

Taman Putra Prima is a freehold mixed development which spans 452 acres land and comprises terrace house, super links and commercial units. It is a well-planned township featuring a "Linear Garden" concept that offers a linear green lung surrounded by amenities. It has the conveniences of established amenities such as AEON Big Puchong, Columbia Asia Hospital, KPMC Puchong Specialist, Putrajaya Hospital, public schools and LRT Putra Prima Station.

Completed in year 2017, Phase 2C, Aquamarine consists of 150 units 2 & 3-Storey Terrace Homes was built on 24 acres of land. The total gross development value of RM168.1 million was 70% sold as of June 2018

During the financial year under review, four (4) blocks of 5-storey walk-up apartment with 478 low cost apartment was delivered to purchasers by stages from July 2017 to September 2017. As of end June 2018, 94% or GDV RM19.6 million was sold at basic selling price RM42,000 per unit with upgrade tiling option.

BINTANG MAYA, Sungai Petani, Kedah

Developed by	:	Plenitude Heights Sdn Bhd
Land size	:	93 acres
Launched	:	2015
Status	:	Ongoing

Bintang Maya I & II are the latest development projects of Plenitude Heights Sdn. Bhd. at Sungai Petani, Kedah after Bandar Perdana and Lot 88 development completed in 2015. It is strategically located along the Eastern Bypass of Sungai Petani, opposite the Bandar Perdana development. Bintang Maya comprises 343 units residential properties was first launched in May 2015. Bintang Maya I 164 units double storey terraced houses of GDV RM67.1 million had delivered vacant possession in FY 2018 and was 97% sold. Bintang Maya II 81 units double storey terraced houses was launched in August 2017 and balance 98 uniits will be launched in FY 2019.

THE MARIN @ Ferringhi, Batu Ferringhi, Penang

Developed by	:	Plenitude Bayu Sdn Bhd
Land size	:	4 acres
Launched	:	2014
Status	:	Ongoing

THE MARIN @ Ferringhi consists of two towers 21-storey of 149 units luxury apartments is set on over 4 acres of prime freehold lushness at Batu Ferringhi, Penang. It set on the ridge of Batu Ferringhi overseeing the Andaman Sea. It is target to deliver vacant possession before December 2018. Only one block of 76 units GDV RM127.8 million was opened for sale.

Hotel/Hospitality Operations

For the year under review, the hotels saw an increase in revenue from RM69.3 million last year to RM72.4 million this year. As mentioned earlier, Oakwood KL which had a full 12-month operations made a revenue of RM12.1 million this year compared with RM4.4 million last year. An improvement in revenue performance of RM7.7 million with occupancy rose to 59% from 39% last year. This increase was offset by slower performance from other hotels due to market competition; re-schedule of travelling or events by guests for GE14 and flash flood in Penang. The Nomad Bangsar performance was particularly affected by the noise and inconvenience caused by on-going upgrading and refurbishment work. One block of 26 units serviced apartments was closed for sale, its occupancy dropped from last year 61% to 38% this year. Other hotels occupancy ranges from 53% to 71%.

Hotel/Hospitality Operations (cont'd)

The hotels' RM72.4 million revenue contribution by geographical operations was quite equally distributed, 50.2% or RM36.3 million was from Central Region and 49.8% or RM36.1 million from Northern Region (Figure 7).

Figure 7: FY 2018 Hotel Revenue by Region

FINANCIAL POSITION AND LIQUIDITY

The proceeds from the sale of land of RM46.8 million was partly used to purchase investments that would generate favourable returns and growth prospects in the long term. Of which, RM31.5 million was placed in short term investments where its dividends income are exempted from tax.

During the financial year, the Group also spent RM6.31 million for upgrading and refurbishment works, maintenance and equipment of hotels; RM6.80 million was for redemption of a loan to reduce the financial burden of Glow Penang and RM17.17 million was paid out as final dividend in respect of financial year 2017. Despite these payments, the Group's cash and cash equivalents at the close of the financial year remained strong at RM329.77 million. A reduction of 4% or RM13.71 million compared with RM343.48 million last year as it excluded the RM31.5 million investment in short term money market fund which does not meet the cash and cash equivalents criteria by the accounting definition.

At the close of the financial year, the Group's borrowings reduced to RM24.34 million from RM31.14 million in the previous year. The gross debt-to-equity ratio remained low at 0.02 times of shareholders' fund.

Shareholders' Fund stood at RM1.56 billion compared to previous financial year of RM1.52 billion. Net Assets per Share of RM4.09 as at 30 June 2018, representing an enhanced value of 2.5% from previous year of RM3.99 per Share.

Our financial position remains healthy comfortably in the coming year. At the same time, if suitable property or landbank becomes available in the market, we are in a position to gear further to capitalise on such opportunities.

CAPITAL EXPENDITURES ("CAPEX")

Included in the property, plant and equipment, a RM68.66 million was the cost of Tanjung Point work-in-progress transferred from property development project. Tanjung Point is a 37 storey building consists of 98 units of serviced-apartment situated at Tanjung Tokong, Penang. Total construction cost of the building is approximately RM92 million. Upon completion in December 2018, it will be operated as serviced-apartment for rental recurring income. Barring any unforeseen circumstances, Tanjung Point is estimated to contribute annual rental income of RM7 million assuming 70% occupancy.

During the financial year, Plenitude Group spent RM6.43 million in CAPEX. 98% of the CAPEX is for replacement of hotels' retired furniture, fittings and equipment. Of which RM2.9 million was incurred in respect of upgrading and refurbishment work on The Nomad Bangsar. Balance CAPEX to be incurred in next financial year is another RM4.5 million.

DIVIDEND

In respect of dividends, stringent financial management has placed Plenitude Group in good stead to be able to continue sharing profits with its shareholders, despite the soft market. For FYE 30 June 2018, a first and final single tier dividend of 4.5 sen per share amounting to RM17,169,019 has been proposed by the Board and will be tabled at the forthcoming 18th AGM for shareholders' approval. If it passes shareholders' approval, total dividend payout of RM17,169,019 represents 33% of the Group's net profits.

Save for matters discussed above, there were no events that had any material effect on the performance, financial position and resources of the Group.

CHALLENGES

After months of speculation and uncertainties over the general election (GE), there is still an issue of oversupply of properties, especially the condominium/service apartments, within the domestic market and it is anticipated will take another one to two years to clear the existing stock. The uncertainties brought on by the trade tensions between the United States and China also pose a risk in undermining consumer and business confidence thus shying away from spending or investments.

Amongst other national policies, tightening of bank borrowing policy has weakened the purchasing power of house buyers. Unless Bank Negara makes a bold step to relax the borrowing policy, it will and continue to be a constraint on sales.

Property Development Division

In the midst of these challenges, Plenitude Group has adopted a prudent strategy in launching its properties spreading across Johor, Kedah, Penang and Selangor. Each launch will be divided into smaller parcels or releases for sale to reduce the constraints on cash flows. Inevitably, profit delivery has also slowed, but to a level which we deem to be satisfactory when measured against the pace of our launches. We continue to believe that this strategy, which we embarked on at the onset of the current market consolidation, is correct. A contrasting strategy of continuing to drive launches would likely have drained our working capital and placed our financial position under stress. Ultimately, Plenitude would have been considerably less well positioned to capitalise on the next market upswing had we adopted a more aggressive development strategy over the past 3 years. To sustain profitability, we are continuously reviewing our sales & marketing spending to cut down the Group's expenditures.

At the close of the financial year ended 30 June 2018, the Group has RM384 million properties for sale with product mix ranges from bread-and-butter housing to niche market condominiums. With this inventory range, Management continues to vigilantly monitor the stock levels to keep them reasonably low to avoid overhang in the market. In terms of promotion, the property development division participated in property exhibitions held by iProperty, Star Property and MAPEX and through digital advertisement and social media such as facebook to maintain brand presence and contacts while gaining new leads.

Hotel/Hospitality Division

The hotel/hospitality division faced competition due to emerging new hotels and boutique hotels. There is also the threat of new hotels and boutique hotels employing price undercutting market tactics which appear as attractive alternatives for tourists and business travellers. However, we are confident it should pose a minimal threat, especially after having established close rapport and having built the brand recognition among our customers and through brand participation programs.

To maintain a healthy gross operating profit, Plenitude mitigates the lower occupancy and average room rate through improvement in operational efficiencies by reducing wastages and delivery turnaround time. A centralised purchasing system was set up to help mitigate rising material costs.

RISKS AND MEASURES

The following risk factors are pertinent to the property development and hotel operations segments.

Property Development

i) Sensitivity to downturn in the property market and the economy

   The performance of the Plenitude Group's property development segment is dependent on the performance of the property market in Malaysia as well as general economic conditions.

RISKS AND MEASURES (CONT'D)

Property Development (cont'd)

i) Sensitivity to downturn in the property market and the economy (cont'd)

Any deterioration in property demand or oversupply in the property market may adversely affect the Plenitude Group's business and financial performance. General economic conditions may be adversely affected by economic and political uncertainties as well as changes in demographic trends, employment and income levels, amongst others. Any changes to government policies or regulations, such as an increase in the rate of real property gains tax, tightening of credit supply and restrictions on foreign ownership of properties in Malaysia, may directly and/or indirectly affect the property market. Although Plenitude has taken and will continue to take various steps to mitigate the business risks described above, there can be no assurance that Plenitude will be shielded from any unfavourable change to the various factors mentioned above which may adversely impact the business and financial performance of the Plenitude Group.

ii) Delays in completion of projects

Property development is typically a project-based business and hence the Plenitude Group is exposed to the risks relating to delays in completion of projects. This may lead to deferred recognition of revenue and profits which may adversely affect the financial performance of the Plenitude Group.

During the construction phase of a property development project, there are various factors beyond the control of Plenitude which may cause the progress to be stifled such as delays in obtaining the relevant regulatory or government approvals, disputes with contractors and/or subcontractors, shortages of construction material, labour disputes, accidents at project sites, bad weather conditions, natural disasters and other unforeseen circumstances. In the event of such delays, the cost incurred to complete the project may substantially increase and this will affect the profit margins of the Plenitude Group. In addition to the above, delays in a project may be caused by the delays by contractors in delivering their work based on the agreed time schedule or to the specifications required. Although Plenitude would be able to claim from its contractors in the event of such delays, the process may take a long time. Nevertheless, Plenitude has a policy of stringent selection and screening of contractors to minimise the occurrence of such delays.

iii) Competition

The property development market in Malaysia is highly competitive with many large and small players serving each niche segment of the market. Competition among property developers may be in respect of availability of land banks at strategic locations, supply of raw materials and labour as well as selling prices of properties. Despite the downward pressure on property prices due to the factors described above, Plenitude has and will continue to implement its business strategy of meticulous planning in terms of timing of launches, marketing as well as product differentiation in design. This has allowed Plenitude to maintain its profit margins and preserve its profitability.

In light of the intense competition, Plenitude has been maintaining a substantial amount of cash reserves which it intends to utilise for the acquisition and expanding the land bank and assets/properties at strategic locations during the softening of the property market. With a strong cash position, the Plenitude Group may be able to acquire suitable land bank and assets/properties at a reasonable cost due to a better negotiating position as it need not resort to borrowings. Moving forward, once the property market has rebounded, the newly acquired land bank at strategic locations will be developed by Plenitude and these will provide an avenue for Plenitude to differentiate itself from its competitors.

iv) Fluctuation in costs

The Plenitude Group's property development segment is and will be continually exposed to the risk of fluctuating costs in the form of labour costs as well as building material costs. In the event that the cost of labour or building materials escalates after the pre-sale of properties to purchasers, Plenitude may not be able to factor in such increase in its selling prices.

Hotel Operations

In terms of the hotel business, various risks exposure would include amongst others, competition, sensitivity to any downturn in the tourism sector, business and operational risks, regulatory changes such as tourism tax and the overall and performance of the retail sector.

The Hotel Operations also faces difficulty in hiring and retaining employees with the necessary and relevant skills due to job trends and high mobility in the employment market.

FORWARD LOOKING

Outlook and Future Prospects

The conclusion of the GE14 is expected to boost domestic and foreign investment into commercial investment properties. It will prompt upgraders to invest in new premises. With the abolition of GST, retail turnover will pick up in areas where GST is lifted from merchandise, and not replaced by a sales tax. Following renewed confidence in the market from the new government's promise of clean and fair governance, there require a period of adjustment and consolidation by the "rakyat" in view of the young government in office. We expect the market to remain cautious and challenging going into the new financial year ending 30 June 2019. Barring any unforeseen adverse or unfavourable circumstances, new launches of gross development value RM326.7 million line up are: Plenitude Heights's Bintang Maya II 98 units double storey terraced house at Sungai Petani, Kedah; Plenitude Permai's Taman Putra Prima Phase 4E 136 units two/three storey terraced houses at Puchong, Selangor; Plenitude Tebrau's Taman Desa Tebrau Phase 19 & 20 112 units of Cluster Homes at Johor Bahru .

We also look forward to improving the contributions from the Hospitality Division. Substantive building enhancement on-going at The Nomad Bangsar and upgrading and refurbishment will be carrying out at Novotel KLCC, would made these properties more attractive and competitive to tourists and guests. It will position these properties to be relevant in the competitive market place for retention and expansion of its customer base. It also enhance the property' value and creation for a higher return for shareholders. The estimated upgrading package for Novotel of approximately RM25 million is targeted to commence in FY 2019.

Above all odds, Plenitude will continue to review and implement measures, amongst others, its business plan with a focus on driving revenue and contribution growth, implement best practices and standard operating policies to enhance risk and internal controls management and execute operations that could be shared for productivity and cost savings gains. In coming new year, we will continue a prudent approach in cash-flow management, costs cutting measures and low gearing.

The Nomad Serviced Residences, Bangsar

the nomad

Serviced Residences

BANGSAR

Studio
360 sq.ft.

1 bedroom
600 & 860 sq.ft.

2 bedrooms
820 sq.ft.

3 bedrooms
1,700 sq.ft.

The Best of
Malaysia Awards
2013

The Best of
Malaysia Awards
2014

The Best of
Malaysia Awards
2015

Swimming
pool

Gym

BBQ
pit

Laundry
services

Bangsar, an affluent
neighbourhood
in KL

FREE
Wi-Fi

SUSTAINABILITY STATEMENT

Sustainability to the Plenitude Group of Companies ("Group") means carrying out our business in a socially responsible and holistic manner with a view to enhancing investor perception and public trust. Our commitment to sustainability is outcome-based, innovative and founded on the belief that we have a responsibility to contribute towards having a lasting impact on the environment around us. Underpinning sustainability in our business includes focus and attention on:-

a) Social awareness and betterments;
b) Environmental preservation; and
c) Sound and effective corporate governance,

all of which are undertaken in a balanced manner between the interests of employees, customers, shareholders and stakeholders. In order to achieve this goal, internal divisions within the Group are tasked to undertake initiatives from time to time in keeping with the policy with the Board of Directors providing leadership on the implementations of such sustainability initiatives.

SUSTAINABILITY GOVERNANCE

With the increased importance and focus placed on economic, environmental and social ("EES") matters by stakeholders, our Group has established a new sustainability governance structure. This ensures accountability, oversight and review in the identification and management of sustainability matters.

For effective sustainability monitoring and execution in the organization, we have established the following structure:

BOARD OF DIRECTORS

↓

CHIEF EXECUTIVE OFFICER

↓

SUSTAINABILITY MANAGEMENT COMMITTEE

↓

SUSTAINABILITY WORKING COMMITTEE

The Board is ultimately accountable for sustainability matters in the organization. The Board is supported by the Sustainability Management Committee, which is led by the Chief Executive Officer (CEO) and comprises the corporate functional heads, which oversees the implementation of sustainability strategies and related matters.

Sustainability Working Committee, which comprises the respective heads of operating subsidiary companies report to the Management Committee, and is responsible for the overall implementation and execution of sustainability matters, such as identifying issues concerning stakeholders, determining the materiality of the issues, proposing necessary action plan to mitigate issues of concern, and formulating strategy to bring improvement in the key areas. The Working Committee communicates with the respective departments periodically via emails, meetings and discussion sessions to incorporate sustainability across the organization.

Scope of Report

The scope of this sustainability report covers the whole of Plenitude Group, which comprises two key divisions - the Property Division and the Hotel Division.

Our key stakeholders are those who are significantly influenced by, or have the ability to influence our business and operations. Through its regular stakeholder engagement, the Group identifies and reviews key issues which are important and relevant to the Group and its stakeholders. These key issues are regularly communicated to the management, thus ensuring stakeholders' concerns are addressed and incorporated into our business activities and reporting. The table below shows the engagement channels in place to reach out to key stakeholders to communicate effectively and understand the issues of concern and respond effectively to them.

Key stakeholders	Engagement channels	Key concerns	Sustainability report
1. Community	Community Events	• Sustainable Developments • Community Engagement • Corporate Social Responsibility	Community
2. Regulators	• Compliance with Legislative Framework • Regular Dialogue with Government Agencies • Real Estate & Housing Developers' Association (REHDA) Membership	• Environmental Friendly Developments • Affordable Housing Compliance • Crime Prevention & Community Safety	Environmental, Community & Customer
3. Employees	• Performance Evaluation • Training Programmes	• Career Progression • Learning & Development • Work-Life Integration • Employee Engagement • Conducive Workplace	Workplace
4. Customer	• Customer Service Channels • Social Media • Marketing events • Customer Satisfaction Survey	• Customer Service Experience • Customer Satisfaction • Product Quality	Customer
5. Supply Chain – Contractors, Suppliers	• Vendor Evaluation & Selection • Safety, Health & Environmental Policy • Tender Meetings • Project Management Meetings	• Health & Safety • Anti-Corruption and Business Integrity • Timely & Quality Delivery • Environmental Friendly Materials & Construction Processes • Pollution & Resources	Workplace and Supply Chain Management

Scope of Report (cont'd)

	Key stakeholders	Engagement channels	Key concerns	Sustainability report
6	Investors, Analysts and Media	• Annual General Meetings • Quarterly Financial Result Announcements • Company Website • Media Releases	• Corporate Governance • Financial Performance	Shareholders

MATERIALITY

Material topics, as defined by Global Reporting Initiative (GRI), refers to topics that have an impact, whether direct or indirect, to an organisation's ability to preserve, enhance or degrade economic, environmental and social values for the organisation itself, its stakeholders and the society. From a list of material sustainability issues identified by the Group, the priortisation of the sustainability issues is performed via two criteria, namely, the importance of an issue to Plenitude and importance to stakeholders based on the following considerations:

1. The company's Enterprise Risk Management framework
2. The company's ongoing Group Wide Improvement initiative
3. The company's medium and long term objectives
4. Stakeholders' feedbacks and expectations
5. Issues that other industry peers consider material
6. Issues that are considered to be societal norms

Key to this assessment and review process is the Group's regular Enterprise Risk Management (ERM) assessment review. The ERM assessment review is carried out to address major risk areas of concern within the Group which includes Environmental, Social and Governance (ESG)-relevant topics such as environmental, health and safety, regulatory and legal, suppliers, governance, and human capital risks. The materiality of these risk areas are determined after considering the likelihood of occurrence of those risk factors and magnitude of their impacts.

During the first phase of the initiative, the Sustainability Working Committee have kicked-off meetings with heads of various departments to establish a current state assessment and subsequently presented to management on the overall findings which included issues on various levels of priority and the improvement initiatives to be implemented.

Based on the mentioned considerations, material issues which are both important to our stakeholders and significant to our business activities are identified in the table below:

Level 1: Key Material Issues	Level 2: Highly Critical Issues	Level 3: Emerging or Moderately Material Issues
• Financial Sustainability • Health & Safety • Compliance	• Green Concepts • Energy Efficiency • Waste Management • Customer Satisfaction • Quality Control • Market Presence • Affordable Housing	• Succession Planning • Training & Development • Equal Opportunities • Employee Diversity • Employment Practices • Employee Engagement • Non-discrimination • Community Investment • Biodiversity

COMMUNITY

To play a major role in community development, providing support to those underprivileged in need of medical, educational and living assistance.

The Group has to-date made contributions in various forms of assistance amounting to RM50,000 to the social and economic development of the community for the financial year under review.

Plenitude believes in sharing its success with the community. Further to providing quality products, building sustainable homes and townships, and being the hospitality destination of choice, Plenitude endeavours in reaching out and giving back to the community, especially the underprivileged group. We have been contributing to the community via Corporate Social Responsibility (CSR) programmes and other initiatives.

Corporate Social Responsibility at Plenitude

Plenitude Group's Corporate Social Responsibility (CSR) has always remain steadfast to its corporate philanthropy philosophy of meeting the needs of the underprivileged and unfortunate members of our society with its long-term and continuous commitment to being a responsible and active participant in building community partnerships.

Plenitude Group believes that a consolidated effort in CSR initiatives will be more effective and impactful in benefiting the needy. It believes in the simple philosophy of donating to those in need according to their needs.

- Financial Assistance and Relief Schemes for the poor and distressed.
- Education Assistance Comprising Subsidies and Donations to needy and deserving students.

Support Education

We strongly advocate the importance of education and believe that the young deserve the best educational opportunities. To that end, the Group continues to support scholarship programmes especially by offering subsidies to needy students especially those with special needs and from the underprivileged segments of society.

Providing Financial Assistance and Relief

We aim to raise the standards of living for both the poor and the distressed. We actively provide financial assistance and contribute towards relief schemes for the poor and distress such as The Malaysian Red Crescent Society and more.

Affordable Housing

In line with government's intention to improve home ownership among Malaysians, Plenitude remains committed to offer products in line with market demand, namely beginner homes for the mass market and also upgrader homes in selected locations.

Since its inception, the Group has delivered 6,180 units of affordable homes price below RM200,000 and will roll out an additional 5,127 units in the near future.

Last year, the Group continued to see encouraging take-up rates for the two-stories terrace houses of Aquamarine in Taman Putra Prima, Puchong and the two-stories terrace houses of Clarinet in Taman Desa Tebrau, Johor as the products offered in these developments were well priced well below RM1 million and strategically located in prime locations .

Phase 7A affordable homes scheme, Taman Putra Prima, Selangor

For 2017, most of the Group's target residential sales are priced below RM1 million. Plenitude Permai Sdn. Bhd. Taman Putra Phase 7A affordable homes scheme, Rumah Selangorku, with each unit priced at RM42,000 was handed over in July and September 2017. In addition, there are new phases of double

COMMUNITY (CONT'D)

Affordable Housing (cont'd)

storey terrace slated to be launched in Taman Putra Prima, Puchong. Further down south, Taman Desa Tebrau, Johor will launch its 2-stories cluster semi-detached homes priced from RM1,100,000 onwards. In view of the continued strong demand for reasonable priced residential properties in prime location, our strategy is to continue focusing on accessible, mass market housing in line with market demand. With a focus on high growth corridors in states like Kedah, Pulau Pinang, Selangor and Johor, and with most of target residential sales priced below RM1 million for 2019, the Group is well positioned and has ready products to ensure sustainable supply of reasonably priced housing to suit market demands.

WORKPLACE

The Group is fully committed to developing our people through effective human resource strategies, open communication and transparency. We promote harmony amongst all employees and respect for individuals.

Developing capable and effective human resources remains a core focus of the Group to recruit and retain employees of high caliber as the Group strives to be an employer of choice. Through effective human resources strategies, we are committed in nurturing a diverse, competent and dedicated talent pool that will drive growth and add value to the Group.

Focused on talent development and succession planning, the Group continues to instill a culture of continuous improvement through various programmes to enable our employees to develop their full potential.

Employee engagement is another important aspect of our people strategy, with various platforms and opportunities for management to engage openly with the employees. These include regular sharing sessions, annual performance review and informal avenues such as get-together events during festive celebrations.

As a responsible company, the Group also emphasizes on the well-being, health and safety of employees in and out of workplace.

Learning and Development

The Group through its human resources department continuously identify suitable training programmes provided by experts of the industry which represents the Group’s commitment to employee development and growth for Plenitude Group. Our aim is to ensure that all employees of Plenitude are given the opportunity for development of skills and improvement of knowledge through the various learning and development opportunities provided throughout the year.

Programmes are subscribed in accordance with the identifiable needs to suit the various levels of employees, from fresh graduates, aspiring leaders to leadership levels within the company, working towards improving and acquiring knowledge that when applied at work will lead to better performance and results. The Group intends to establish a Management Development Skills training programmes which would focus on enhancing leader’s managerial and people skills, such as Coaching for Results, Conflict Resolution, and Situational Leadership, whereas Executive Development Skills training programmes would primarily cater to improvement of employee’s technical skills and work performance, such as Sales Induction Training, Time Management, Communication and Presentation Skills.

The overarching goal of these initiatives is to create a learning culture by creating opportunities for learning by developing an essence of innovation in all the things that we do. By applying these different techniques of learning through experiential and classroom learning it is hoped that knowledge and experience acquired would render the employees better at what we do on a daily basis. In time this will lead to an evolving culture of constant change for the better to create sustainability within the business.

Plenitude Berhad Management Team participate in Sustainability Training Workshop.

Employee Engagement

The Group actively engages its employees through various avenues, including an open door management philosophy for open direct communication with staffs. Latest updates and developments are conducted monthly in the head office and also at the subsidiaries offices in Johor Baru, Sungei Petani, Penang and throughout the Klang Valley. During these communication sessions, various developments within the company such as progress of the ongoing property development projects and hotel initiatives are shared with the employees. These sessions also include a question and answer session, where employees can pose questions or share their opinions and feedback to the senior management.

Workplace Diversity

The Group embraces diversity within its workforce, which comprises a mix of employees from different genders, age group and ethnicity. The Group also believes in practicing non-discrimination regardless of gender, age and ethnicity in its hiring and employment process. The Group's employee's diversity is fairly distributed based on breakdown of employees by gender, age and ethnicity.

Total number of employees

The Company and all its subsidiary companies ("the Group") are committed to gender and workplace diversity.

The Group recognises the benefits arising from employee and board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to gender, age, ethnicity and cultural background.

To the extent practicable, the Group will address the recommendations and guidance provided in the Malaysian Code on Corporate Governance.

Plenitude believes that Malaysia has talents that are suitable and capable for its human resources needs and is committed to employing as many local talent as possible. The Group is committed to gender equality throughout the enterprise and the number of female/ males employees is 201/282.

The Group has a young and nimble workforce the overwhelming majority of which are within the thirty-fifty (30-50) years of age which is eighty-seven percent (87%) which augurs well for its training development and succession plans.

Work-Life Integration

The Group recognizes that a positive work environment is essential to the productivity of its employees. The Group intends to establish a PB Sports Club with the objective of creating a platform to promote interdepartmental relations, health and work-life harmony.

Rewards and Recognition

Employees of the Group enjoy the benefits as stipulated under the Employment Act 1955. The Group also practices a "Pay for Performance" philosophy whereby increments and bonus are awarded based on annual review of employees' performances, relative experience and responsibilities, market movements and the Group's profitability. In addition, employees are offered competitive and comprehensive benefit packages which includes maternity leave, health benefits and coverage under the group's insurance plans.

Imitation games during Plenitude's Annual Dinner 2017

Lucky Draws Presentation by Madam Chua Elsie, Executive Chairman

Rewards and Recognition (cont'd)

The Group understands the importance of providing employees with equal opportunities in rewards and recognition for the retention of high caliber employees. The Group fosters a performance-based reward culture and has a performance management system known as Valuing Performance (VP) in place for goal setting and evaluation of job performance and behavioral competencies. This provides a platform for engagement between the employee and line manager which allows all employees to receive regular performance feedback and career development reviews.

The Group also confers Loyalty Rewards for its long service employee(s) and these are awarded at our Annual Dinner.

Lucky Draws Presentation by Cik Hashimah Ismail, Director

Best Dress for Male & Female

Health and Safety at Workplace

The Group has a Safety, Health And Environment Policy in place to help provide and maintain a safe and healthy working environment for all employees, contractors and the public at large. The Group continues to inculcate a sense of awareness amongst employees to accept responsibilities in occupational safety, health and environmental matters and to maintain a clean, safe and orderly working environment. Management staffs, employees and contractors work together to ensure that all legislative requirements as stipulated under Malaysian Occupational Safety and Health Act 1994, Factory And Machinery Act 1967, Environmental Quality Act 1974, Regulation, Orders and other Codes of Practices are met.

For both the property division and the hotel division, the projects teams will ensure that all contractors adhere to local legislation and contractual requirements. Various standard operating procedures include requiring its contractor to submit Safety, Health and Environmental And Sanitation Plan before any work is started at site. Newly awarded contractors are also briefed on site safety in accordance with the General Site Safety, Health And Environmental Rules during kick off meetings.

Other regular safety initiatives practiced by the Group include:

i) Weekly toolbox talk
ii) Monthly Safety Committee meeting
iii) Fire Drill And Training at least once a year
iv) Quarterly site safety audit by Safety Department
v) Safety training for site staff and contractors

During the year under review, the property division safety department ensures site safety audits for all high rise projects at various construction stages. In addition, the safety department also conducted monthly site inspections with approximately eight contractors while the hotel division places high importance on both food and site safety. The safety department also conducted periodical safety training for all new employees as the situation requires.

Other safety measures in place include 24-hour security guards stationed within the office premises, surveillance equipment at suitable locations and proper lightings installed at frequented areas such as car parks and staircases.

For the year ended 30 June 2018, there is no adverse finding and none of the active construction sites has a stop work order.

ENVIRONMENT

The Group recognizes the importance of environmental protection and preservation in all our business operations.

As a responsible company, Plenitude believes in incorporating environmental-friendly efforts in its daily business operations and project developments. As a developer and owner of hotels, the Group continues to improve its building designs, layouts and incorporate green features and innovation. Internally, the Group continues to inculcate environmental-friendly awareness among its employees and encourages various basic practices to reduce wastage and conserving electricity.

For better energy management and conservation throughout, the developments of our homes and commercial premises are positioned in North/South orientations with screening panels to protect against direct sunlight. Throughout our development, steel formwork for construction is widely used instead of timber formwork as with the latter, that which are deemed no longer fit for use will be discarded, contributing to huge amount of waste. In contrast metal formwork can be recycled. This contributes towards reducing demand for timber besides reducing the amount of waste generated and hence less waste disposal. We have incorporated energy efficient features such as Light-emitting Diode (LED) lighting which emits similar amount of lumens with less amount of energy in all compound areas, common areas and street lightings. For water conservation, rain harvesting tanks and dual flush water cisterns are widely used enabling water consumption to be reduced and conserved when one can choose to have light flushing or heavy flushing, where light flushing uses only half the volume of water compared to full volume of water for heavy flushing.

Plenitude Bayu Sdn. Bhd. *The Marin*, it being a high rise, and for better slope protection, guniting is employed for slope protection whereby a layer of thin cementitious material is applied to cover the slope thereby preventing soil erosion from surface water runoff. It adopts non-mechanical ventilation at its carpark, a design that maximizes the natural air flow thereby requiring no mechanical ventilation system consequently reducing electricity consumption. The on-site detention pond allows for rain water to be retained for some time before channeling out to main storm drain, delaying it from filling up too fast, thus reduce the risk of flash floods. The provision of storage compartment for bicycle encourages more residents to use bicycle, which is environmental friendly and do no emit hydro-carbon material into the air.

Its *Lot 285* has the additional feature of wrapping of rubbish chute with soft material thus noise pollution is reduced tremendously, minimizing the disturbances to surrounding environment of the construction site.

In line with the principle of less reliance on private transportation for getting from point A to B, all the townships developed by Plenitude are strategically located at matured and fast growing economic corridors with high connectivity and accessibility. Bandar Perdana developed by Plenitude Heights Sdn Bhd in Sungai Petani, Kedah is served by the highly utilized Jalan Lencongan Timur, Taman Putra Prima in Puchong, Selangor developed by Plenitude Permai Sdn Bhd is well connected by Lebuhraya Damansara Puchong and Taman Desa Tebrau in Desa Tebrau, Johor developed by Plenitude Tebrau Sdn Bhd is accessible via Tebrau Highway and a few other major roads. With townships which are well connected as such, less travelling are required and dependence on driving reduced, thus carbon footprint generated is minimized. Besides connectivity and accessibility, all townships are well served by existing and future planned public and private amenities such as primary and secondary schools, higher education institutions, wellness and healthcare centers, markets, shopping centers and various government departments. All these have positioned our townships development well for sustainable community living.

Waste Management

Our Group understands the importance of well-planned waste management in our operations to reduce adverse environmental impacts, therefore we ensure that proper Waste Management Plan is in place during construction and hotel refurbishment/ renovations stages throughout our enterprise.

As per the Waste Management And Recycling Plan, the contractor is required to establish their waste management and recycling targets or goals to minimize construction waste and debris, and to reuse, salvage, and recycle where feasible. The Waste Management Plan will also include administrative and procedural requirements for overall waste management and recycling activities.

ENVIRONMENT (CONT'D)

Waste Management (cont'd)

Specific locations for recycling items collection and storage must be stated clearly for the team to organize the waste disposal. The contractor is also required to select a licensed waste contractor, for collection and disposal of the relevant categories of waste. Construction waste can be categorized as earth, and other debris resulting from excavations, marine clay, hard-core/concrete waste, organic waste, steel scrap and, general waste and debris.

The contractor holds responsibility of regular monitoring of the waste management and recycling procedures to ensure proper housekeeping is done on a consistent basis in order to maintain a clean and safe environment.

Go-Green Campaign

As a responsible company, Plenitude supports environmental sustainability within the organization by initiating the Go-Green Campaign to generate environmental-friendly awareness and culture within the Group. Employees are encouraged to develop habits on certain simple green practices such as increase usage of electronic softcopies to reduce paper usage, go digital for meeting and presentations, practice double sided printing, switching off lights and air conditioning during lunch time and after hours as well as reducing the use of plastic items for lunch takeaways. These actions serve as a good starting point to inculcate environmental-friendly values among employees and collectively make a substantial impact in waste reduction and energy conservation.

The Group will collaborate with Community Recycle Charity (CRC) to collect recyclable items from the office premises regularly whereby the proceeds received from recycling will be donated for charitable purposes.

CUSTOMERS

To provide our customers with quality products, prompt delivery and flexible Customer Care in the purchase of a home, hotel accommodation or the lease of our business premises.

We always believe in providing the best customer experience by delivering quality products. In order to constantly improve our services, we have implemented newly revised processes for our contact center and customer care process to improve the customer service experience.

To better understand our customer needs and our areas for improvement, we actively engage in obtaining feedback from purchasers, guests and lessees. In our customers satisfactions survey to customers, there are several criteria for customers to assess their satisfaction, including the service experience provided during purchase/stay, payment, handover and defect rectification, ambience of key collection area, customer service personnel’s knowledge, appearance and etiquette, timeliness of our delivery of vacant possession/rooms, completion of defects rectification, interior and exterior design, workmanship and quality of the finishes and common facilities.

To improve our internal processes, our quality assurance department also conducts analysis on our operational effectiveness, including contractor responsiveness, work quality analysis, and focus on areas of improvement in the upcoming projects’ services through our uncompromising commitment towards total customer/guest satisfaction.

The Group continues to reward its existing customers through its loyalty programme whereby customers get to enjoy priority invitations to property launches, events and promotions.

Our customers also get to participate in Repeat Buyer Purchase and Buyer-Get-Buyer incentives for selected projects.

Plenitude Careline has been set up with centralized feedback system to manage customers’ feedback more efficiently and systematically. To improve the quality of customer service experience, the system is continuously enhanced.

Crime Prevention & Community Safety

To continue ensuring customer satisfaction and safety our security teams have been working diligently to improve the level of security services on all development projects at all three regions across the country (central, northern and southern). The residents associations established have helped improved the security presence, better surveillance and frequent patrols that provides added value to our customers.

Product Quality

As part of the Group's commitment to provide its customers with the highest standards in product delivery processes and systems towards better quality products, both the property and hotel division subscribe to the following Principles of Quality Management System

Customer Focus

- The organisation should understand current and future customer needs.
- The organisation to meet customer requirements and strive to exceed customer expectations.

Involvement of People

- People at all levels are the essence of an organisation.
- Their full involvement enable their abilities to be used for the organisation's benefit.

System approach to management

- Identifying, understanding and managing interrelated processes as a system contributes to the organisation's effectiveness and efficiency in achieving the objectives.

Mutually beneficial supplier relationships

- An organisation and its suppliers are interdependent.
- A mutually beneficial relationship enhances the ability of both to create value.

Leadership

- Leaders establish unity of purpose and direction of the organisation.
- To create a working environment where employees are involved in achieving the organisation's objectives.

Factual Approach to decision making

- Effective decisions are based on the analysis of data and information.

Continual Improvement

- Continual improvement of the organisation's overall performance should be a permanent objective of the organisation.

SUPPLY CHAIN MANAGEMENT

To engage our business partners in creating innovative products and services and promotes efficient implementation throughout the whole value chain.

Plenitude works closely with our contractors and suppliers who are committed to high quality, environmental, health and safety standards. Policies and procedures are in place to manage our supply chain to ensure that quality and responsible vendors and contractors are selected upon meeting the Group's selection criteria to be our business partners.

The Group has in-house procurement function in sourcing for selected key materials and services. To ensure that the Group derives optimal value for the materials or services, the procurement teams indentify and selects contractors and suppliers based on a set of established criteria and conducts periodical assessments on the list of approved contractors/ suppliers.

To ensure that the contractors have a clear and definitive understanding of their roles and responsibilities at the construction sites, the Group incorporates standard terms within its building contracts which are based on standard forms of contracts introduced by the Malaysian Institute of Architects (PAM) and Institute of Engineers Malaysia (IEM) which are widely used in the industry.

Supply Chain Management in Property Development and Hotels

We are meticulous in our selection of contractors. The Group conducts Pre-Qualification of new contractors before inviting them to participate in tender. During the pre-qualification process, evaluation is done in terms of financials, services, and products delivered to minimize risk of late delivery and quality issues. Contractors which meet the requirements will be added to a list of approved contractors. During the tender process, the Group will then invite tenderers from the list of approved contractors to participate.

Supply Chain Management in Property Development and Hotels (cont'd)

The Group also evaluates contractors on a yearly basis based on a set of Contractor criteria score chart, and grade them accordingly to ensure the appointed contractors possesses the continued competency and ability to meet project and quality requirements for future developments. The Group has an annual internal target whereby the performance of more than 75% of contractors appointed on projects must at least meet requirement. In 2017, all of the contractors appointed have met this target.

In the year under review, the Group also has a Non-Conformance Report (NCR) system in place to address non-conforming works by the contractors. Upon detection of such works, the appointed architect may instruct the contractor to rectify the non-conforming works within a stipulated period of time.

Apart from that, we will only work with business partners who are compliant to laws and regulations. This includes fair labour practices, where it is the contractor's duty to ensure the employment of labour is compliant to the Employment Act 1955 and any other relevant legislation. The contractor is also required to ensure the labourers employed must be with valid working permits and are not of forced labour or child labour. There have been no reported incident of forced or child labour.

Besides requiring compliance with existing Occupational Safety and Health Act 1994, Environmental Quality Act 1974 and other regulations, contractors are also briefed on a set of General Site Safety, Health and Environment Rules which encompass our Safety, Health And Environment Policy and various safety standard operating procedures. This also includes requiring the contractor to submit monthly safety and health report and appointing full time safety and health officer and site safety supervisor amongst others. Our quality assurance department and safety department also support the contractors via joint inspection with contractors and also knowledge sharing of best construction practices for safety and quality.

WHISTLEBLOWING POLICY

Plenitude is committed in achieving the highest possible ethical standards in all of its practices and committed to ensuring that the business operations are carried out professionally in accordance with relevant laws, rules, regulations, business ethics and conduct, and recognise that all employees have an important role to play in achieving this goal.

The policy applies to employees of Plenitude. It also applies to external parties providing services to Plenitude such as the suppliers/contractors, advisors, consultants, internal and external auditors, Board members namely Board of Directors, the Audit Committee, the Nomination Committee and the Remuneration Committee, and shareholders.

The Plenitude's Whistle Blowing Policy will:

- Govern the process through which employees and others reporting potential violations or concerns relating to relevant laws, rules, regulations, business ethics and conduct, including any violations or concerns relating to illegal, immoral, embezzlement and fraudulent activities;
- Establish a mechanism for responding to any report from employees and others regarding such potential violations or concerns;
- Prohibit legal sanctions for retaliatory action taken against the whistle blower;
- Ensure that this policy is properly communicated to all employees;
- Establish procedures for the retention of records of reports; and
- Protect confidentiality.

This policy encourages employees' freedom of speech, promote integrity and report any wrongful activities and wrongdoings at the earliest possible stage in the right way to the proper authority so that immediate action can be taken. It also encourages employees to use internal mechanisms for reporting any wrongful activities and wrongdoings by fellow employees or others.

The whistle blower will be protected against victimisation or other adverse treatment. However, any disclosure which is not made in good faith and is found to be deliberately falsified with malicious intent will be subjected to disciplinary action by Plenitude in accordance with the Plenitude Human Resource Policies and Procedures or other appropriate actions.

All employees of Plenitude must follow this Whistle Blowing Policy and cooperate with any review and investigation initiated pursuant to this Whistle Blowing Policy.

No Gift Policy

We always believe in having the best practices in terms of business integrity and anti-corruption. To instill this corporate culture across the Group, we have always practiced No Gift Policy across all divisions in the Group.

While it is impossible to stop the giving of gifts, all Plenitude employees are required to declare to the Executive Director gifts received by them by virtue of their employment with the Group.

This policy is to ensure that all contracts or purchase orders are awarded solely based on determining factors such as price competitiveness, quality of works and services rendered, good track records and after sales services. The policy has been communicated to all employees as well as new and existing suppliers.

SHAREHOLDERS

The Group is fully committed to continuous enhancement of our core businesses and maximizing returns to shareholders.

With the ever changing industry landscape and uncertain economic outlook, financial sustainability in the long term remains a key focus area of Plenitude. Through its prudential management and capable management team, the Group has been able to adapt to the challenging landscape and achieved a Revenue of RM248.709 million for the year ended 30 June 2018 compared to RM226.204 million the previous year.

Profit After Tax for the year was RM52.059 million compared to RM50.737 million the previous year. Earnings per share was 13.6 sen compared to 13.3 sen the previous year.

The Group has unfailingly paid out dividend since its listing on the main board of Bursa Malaysia in 2003 and would do so for the year ended 30 June 2018 subject to shareholders approval.

Investment Community Engagement

We are committed to provide the investing community with timely, adequate and accurate information about the company which may have an impact on the value of their investments. We disseminate such information through our Quarterly and Yearly Announcements. The investing community is also provided a platform to raise their enquiries through our Plenitude's website.

Corporate Governance

Plenitude is committed to ensuring the highest standards of corporate governance in the areas of board effectiveness, relationship with shareholders and investors, accountability and audit.

GLOW
PENANG

Georgetown, a UNESCO World Heritage site

swimming pool, pool bar and pool sunbeds

131 rooms

Superior single room, Superior double room, Family quad superior room Family quad deluxe room

Meeting room

Gym

All day dining

FREE Wi-Fi

Family room

Lobby area

Swimming pool

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Plenitude Berhad recognises the importance of good corporate governance and is committed to ensuring that the highest standards of corporate governance are implemented and maintained throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value.

This Corporate Governance Overview Statement ("CG Overview Statement) is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia.

This CG Overview Statement provides an overview of the corporate governance ("CG") practices of the Company under the leadership of the Board during the financial year ended 30 June 2018. It is to be read in conjunction with the Corporate Governance Report ("CG Report"), which is made available online at *www.plenitude.com.my*. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year 2018.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

1.1 The Board plays a key and active role in the formulation and development of the Group's and the Company's policies and strategies and is responsible for oversight and overall management of the Group and the Company. The Board, in carrying out its stewardship responsibility has delegated certain responsibilities to the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). All committees have clearly defined terms of reference ("TOR"). The Chairman of the various committees report to the Board the outcomes of the committee meetings. The ultimate responsibility for the final decisions on all matters, however, rests with the entire Board.

The Board is charged with, among others, the development of corporate objectives, the review and approval of corporate plans, annual budgets, acquisitions and disposals of properties of substantial value, major investments and financial decisions, and changes to the management and control structure within the Group including key risk management, treasury, financial and operational policies.

In support of the Board and to facilitate expeditious decisions, there is the Limits of Authority ("LOA") document. The LOA serves to optimise operational efficiency and outlines high level duties and responsibilities of the Board and delegation of the day-to-day management of the Group and of the Company to the Executive Chairman, Chief Executive Officer ("CEO") and Chief Operating Officer ("COO") (collectively "the Management Committee"). This delegation is further cascaded by the Management Committee to the Group Functional Heads ("Group Management Team") and Operations

Management ("Operations Management Team) of subsidiary companies. This committee is duly authorised by the Board to approve business, operational and administrative decisions beyond the approved limit granted to Senior Management and Operation Management, (collectively "the Management") to review business strategies and operations and ensure adherence to policies and strategies approved by the Board.

1.2 The Board supports the principle that separate individuals for the Chairman and Chief Executive Officer ("CEO") positions is beneficial to the effective functioning of the Board and facilitates a powerful check and balance mechanism. The segregation of roles and responsibilities of the Chairman and the CEO is set out in the Board Charter.

The positions of the Chairman and CEO are held by different individuals. The Chairman, who is a Non-Independent Executive Director, is primarily responsible for leadership, effective conduct and workings of the Board. The CEO is responsible for the Group's day-to-day business operations and together with the Group Management Team are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.

1.3 The Company has two Company Secretaries. The two Company Secretaries are qualified to act under Section 235(2) of the Companies Act 2016. Both are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), suitably qualified and capable of carrying out the duties required of the position.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the Statutory Register of the Company. The Company Secretaries also keep abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training and updates the Board timeously. The Board has full access to the Company Secretaries.

1.4 The Board has established the Board Charter which provides guidance and clarity for the Board and the Management regarding the role of the Board and the Board Committees, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices. The Board Charter is made available for reference on the Company's website at *www.plenitude.com.my*.

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

In September 2018, the Board has reviewed and approved the amendments to the Board Charter and term of reference to be in line with the practices of the MCCG and the Companies Act 2016.

1.5 The Group has in place codes of ethics for Directors and employees to govern the standard of ethics and good conduct. The code of ethics for Directors described the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.

For employees, the code of ethics covers all aspects of the Group's business operations, such as confidentiality of information, dealings in securities, conflicts of interest, gifts, gratuities or bribes and dishonest conduct.

In addition, the Whistleblowing Policy and Procedures established by the Board applies to the Directors and employees of the Group

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

and is designed to provide them with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct relating to unlawful conduct, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Group and/or compromise the interests of the shareholders, clients and the public without fear of reprisal, victimisation, harassment or subsequent discrimination.

2. Board Composition

2.1 The Board consists of a total of six (6) Directors comprising one (1) Executive Chairman and five (5) Independent Non-Executive Directors. 83% of the Board is independent directors. The Board has complied with paragraph 15.02(1) of the MMLR which requires that at least two Directors or one-third of the Board of the Company, whichever is higher, are Independent Directors. In fact, the Board has stepped up the MCCG recommendation that of at least half of the board comprises independent directors.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness. Ongoing efforts are also taken to maintain an appropriate gender representation on the Board. The profile of each Director is presented on pages 9 to 10 of this Annual Report.

2.2 The Board takes cognisance of Practice 4.2 of the MCCG's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth year, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

The Board opined that Independent Non-Executive Directors would have developed a good understanding of the Group's businesses over time and could lose their valuable contributions simply by phasing out Independent Non-Executive Directors who have reached the limit. The Board believes that term limits do not in any way interfere with an Independent Non-Executive Director's judgement and ability to act in the best interest of the Company. The Board has no policy which limits the tenure of its independent directors to nine (9) years.

Mr Tan Kak Teck has served fifteen years cumulative term as Independent Non-Executive Director. The Board is satisfied that Mr. Tan Kak Teck has satisfactorily demonstrated his independence from management and is free from any business or other relationship which may interfere with the exercise of his independent judgement. The Board recognises the professional skills and contributions by Mr Tan Kak Teck and considers that his continuing position as Independent Non-Executive Director will enable him to be objective and clear in reviewing the Group's business strategies and direction. Therefore, the Board recommends and supports his retention as Independent Non-Executive Director of the Company which is tabled for shareholders' approval at the forthcoming 18th AGM through a single-tier voting as the Company has yet to amend its Constitution.

2.3 The Board recognises the benefits of having a diverse Board to ensure that the mix and profile of the Board members in terms of age, ethinicity and gender, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. In this regard, the Board through its Nomination Committee reviews on an annual basis the effectiveness of the Board, its Committees and the contributions of each individual Director, including the required mix of skills and core competencies necessary for the Board to discharge its duties effectively. The Board has always considered gender and workplace diversity as set out under Recommendation 4.5 of the MCCG which emphasizes the support of women representation at the Group level as well as the Group's respective subsidiary boards. Notwithstanding, the Board is of the view that while it is important to promote gender diversity, the normal selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualifications, experiences and capabilities.

2.4 Procedures relating to the appointment and re-election of Directors are contained in the Company's Constitution. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. The Constitution also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment.

At the forthcoming 18th AGM, the two Directors who will be retiring by rotation are Mr. Lok Bah Bah @ Loh Yeow Boo and Mr. Tee Kim Chan. Both Mr. Lok Bah Bah @ Loh Yeow Boo and Mr. Tee Kim Chan, being eligible, offer themselves for re-election.

2.5 The Nomination Committee ("NC") comprises three (3) Independent Non-Executive Directors. It complies with the MCCG Practice 4.7 that the NC is chaired by an Independent Director.

The responsibilities of the NC are governed by the Terms of Reference ("TOR") approved by the Board. The TOR is available on the Company's website *www.plenitude.com.my*.

During the financial year ended 30 June 2018, the NC met twice in carrying out the following activities:-

i) Assessed the performance of the Board, Board Committees and Individual Directors,

ii) Reviewed the independence of Independent Non-Executive Director, Mr Tan Kak Teck, in respect of his 9-years tenure limit and reported the outcome to the Board for decision,

iii) Reviewed the revised TOR and presented to the Board for approval and its publication on the Company's website.

The NC reviews on an annual basis the effectiveness of the Board, its Committees and the contributions of each individual Director, including the required mix of skills and core competencies necessary for the Board to discharge its duties effectively.

2.6 Five (5) Board meetings were held during the financial year ended 30 June 2018. All Directors fulfilled the requirements of the Constitution with respect to the Board meetings' attendance that every Director must attend at least fifty (50) percent of the Board meetings held in each financial year.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. Details of the attendance of the Directors at the meetings for the financial year are as set out below:-

Name of Directors	**Attendance**
Chua Elsie	5/5
Tan Kak Teck	5/5
Ir. Teo Boon Keng	5/5
Datuk Mohd Nasir Bin Ali	5/5
Lok Bah Bah @ Loh Yeow Boo	5/5
Tee Kim Chan	4/5

2.7 The Board emphasises the importance of continuing education for the Directors to ensure that they are equipped with the necessary skills and knowledge to meet its challenges. All Directors are encouraged to attend appropriate external training programmes to gain insights and keep abreast with the development and issues relevant to the Group's businesses, especially in the areas of corporate governance and regulatory requirements. A training budget of RM6,000 per director is allocated every year for this purpose. During the financial year ended 30 June 2018, RM2,830 training fees were incurred.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (cont'd)

The external training programmes, seminars and conferences attended by Directors during the financial year ended 30 June 2018 included the following:-

No.	Directors	Programme
1.	Datuk Mohd Nasir bin Ali	• National Seminar on Malaysian Code on Corporate Governance (New) "An Overview" III 2017 • Cyber Risk Management for Directors • Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLATFPUAA) 2001 • Ensuring Effective Compliance for Directors • Cyber Risk Management: A Primer for Directors
2.	Tan Kak Teck	• National Tax Conference 2018
3.	Ir. Teo Boon Keng	• Remuneration Committee: Attracting and Retaining the Best Talents • The Annual Report of Tomorrow – Guide to Forward-Looking Information
4.	Lok Bah Bah @ Loh Yeow Boo	• Companies Act 2016 Seminar • Top 10 GST Revised Guides – Updates & Addressing Practical Issues

Madam Chua Elsie and Mr. Tee Kim Chan kept themselves abreast with corporate and regulatory updates through dissemination of updates and notices from Bursa Malaysia and Securities Commission and also by reading corporate affairs material and professional journal.

3. Remuneration

The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company. The remuneration policy is reviewed by the RC on an annual basis prior to making its recommendation to the Board for decision.

The Directors' fees for FY2019 will remain at RM30,000 per annum payable on a monthly basis for each of the Non-Executive Directors ("NEDs") of Plenitude Berhad. The shareholders' approval will be sought accordingly at the forthcoming 18th AGM.

Meeting allowances for the NEDs shall remain the same as set out in the table below:

	Chairman/Member
Board of Plenitude Berhad (per meeting)	RM500
Board Committees (per meeting)	RM500

Having regard in respect of the ambit of benefits payable to Directors as required by the CA 2016, the Board approved the Remuneration Committee's recommendation for Plenitude Berhad to seek the shareholders' approval at the forthcoming 18th AGM on the Directors' remuneration through the two following resolutions:-

- To approve the payment of Directors' fees amounting to RM150,000 in respect of financial year ending 30 June 2019.
- To approve the payment of the NEDs' remuneration other than the directors' fees to the NEDs up to the next AGM.

The Executive Chairman is not entitled to the Director's fee nor is she entitled to receive any meeting allowance for Board or Board Committee meetings she attends.

In addition to the above, the Directors have the benefit of Directors & Officers ("D&O") Insurance in respect of any liabilities arising from acts committed in their capacity as a D&O of Plenitude Berhad. However, the said insurance policy does not indemnify a director or principal officer if he/she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his/ her duty or trust.

The remuneration of the Directors for the financial year under review is as follows:-

	The Group RM	The Company RM
Executive Director		
- Salaries & other emolument	296,434	296,434
Non-Executive Directors		
- Fees	186,000	150,000
- Other emoluments	24,500	24,500
Total	506,934	470,934

The number of the Directors whose total remuneration falls into the respective bands is as follows:-

	The Group Number of Directors		The Company Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**	**Executive**	**Non-Executive**
RM50,000 and below	-	4	-	5
RM50,001 - RM100,000	-	1	-	-
RM250,001 - RM300,000	1	-	1	-

The disclosure of the remuneration of Directors in bands instead of on a named basis is a deviation from the Best Practices set out in the MCCG and Appendix 9C, item 11, MMLR. The Board is of the view that the detailed disclosure of individual Director's remuneration will not have a significant effect on the stakeholder's evaluation of the Group's governance.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Audit Committee ("AC") currently comprises three members, all of whom are Independent Directors. None of the current members of the AC is a former key audit partner involved in auditing the Group.

The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors. Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence. This confirmation would be re-affirmed by the external auditors to the AC upon their completion of annual audit, This confirmation is made pursuant to the Independent Guidelines of the Malaysian Institute of Accountants.

The Audit Committee met the External Auditors twice without the presence of the Management Team. A more detailed report on its composition and activities is presented in the Audit Committee Report of the Annual Report.

The Audit Committee has considered the External Auditors' quality of work and is satisfied with their performance and their independence and had recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2. Risk Management & Internal Control Framework

Plenitude has put in place a systematic risk management framework and processes to identify, evaluate and monitor principal risks and implement appropriate internal control processes to manage risks across the Group. Risks such as long-term business strategies, regulatory and compliance concerns, substitution and technology applications and fraudulent practices. Although many risks are outside the Company's direct control, a range of activities are in place to mitigate the key risks identified as set out in the Statement on Risk Management and Internal Control.

The risk management and internal control system is regularly reviewed and mitigated by Management to ensure that the Group's assets and shareholders' investments are protected and preserved.

The Group's internal audit function was outsourced to a professional audit firm who reports to the Audit Committee. Additionally, two in-house internal auditors overseeing Projects and Hotels also report to the Audit Committee. Internal Auditors report on the weaknesses of internal controls and risks and recommend corrective measures to the Audit Committee for its onward submission to the Board. The Audit Committee, with the assistance of Internal Auditors, ensures continuous review of the key risks of the Group, and monitors the implementation of the mitigation plans on a quarterly basis. The internal audit function is prescribed in detail in the Audit Committee Report of this Annual Report.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Board recognises the importance of effective communication with shareholders, the investment community and other stakeholders, and adheres strictly to the disclosure requirements of Bursa Malaysia. The Group maintains the following website that allows all stakeholders access to information about the Group's businesses and financial status: *www.plenitude.com.my*.

All announcements and quarterly reports on the Group's results can be accessed from Bursa Malaysia's website. In addition, the Group's Annual Report contains a review of its financial performance, supported by facts and standards. The AGM is the principal forum for dialogue with shareholders.

Any queries or concerns relating to the Group may be conveyed to our Investor Relations email: *ir@plenitude.com.my* or to the following persons:-

i. **Madam Chua Elsie**
Executive Chairman
Tel: 03-6201 0051
Fax: 03-6201 0071
Email: *elsie.chua@plenitude.com.my*

ii. **Ms. Rebecca Lee Ewe Ai**
Ms. Wong Yuet Chyn
Company Secretaries
Tel: 03-6201 1120
Fax: 03-6201 3121
Email: *rebecca@shareworks.com.my*
yuetchyn@shareworks.com.my

2. Conduct of General Meetings

2.1 The Board acknowledges that general meetings are important avenues in engaging with shareholders and investors who may seek clarification on the Group's business, performance and prospects. Shareholders are notified of the AGM and provided with a copy of the Company's Annual Report in CD-ROM format at least twenty-one (21) days before the meeting. The printed version of the Annual Report is provided to shareholders upon request. The request for printed copies are provided in the mailer. Our Share Registrar will ensure that printed copies reach shareholders within four (4) market days from receipt of written/verbal request. At the AGM, shareholders are encouraged to ask questions or seek clarifications on the agenda of the meeting. All Directors are available to respond to questions from shareholders during the meeting. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

2.2 At the previous AGM, the resolutions put forth for shareholders' approval were voted by poll as recommended by the Chairman.

COMPLIANCE STATEMENT

The Board considers that the Group has complied substantially with the principles and recommendations as stipulated in the MCCG throughout the financial year ended 30 June 2018.

ADDITIONAL COMPLIANCE INFORMATION

Audit and Non-Audit Fees

Audit fees paid and payable to the External Auditors by the Group and the Company for the financial year ended 30 June 2018 amount to RM250,700 and RM40,000 respectively.

Non-audit fees of RM9,450 paid or payable to the External Auditors is for the reviewing of the Statement on Risk Management and Internal Control, and other information in the Annual Report.

Material Contracts

There were no material contracts entered into by the Company or its subsidiary companies involving Directors' and major shareholders' interest during the financial year ended 30 June 2018.

This Statement is made in accordance with the resolution of the Board dated 13 September 2018.

Novotel Kuala Lumpur City Centre

KUALA LUMPUR
CITY CENTRE

Golden Triangle of Kuala Lumpur

295 rooms with Executive and Superior rooms

Spa with massage & Treatment rooms

Outdoor pool & In house virtual golf club

Surrounded by major shopping malls - Suria KLCC & Pavilion Shopping Mall

Walking distance LRT & MRT Station and Kuala Lumpur Convention Centre

Grand ballroom

All day dining

FREE Wi-Fi

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made in accordance with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Marketing Listing Requirements ("MMLR"), Malaysian Code on Corporate Governance ("MCCG") and as guided by the Bursa Malaysia's guidelines, Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board of Directors ("the Board") of Plenitude Berhad acknowledges its overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and integrity. The system of internal control covers not only financial but organisational, operational, regulatory and compliance as well as risk management. The Board recognises that the system is designed to manage, rather than eliminate, the principal business risks that may impede the Group from achieving its business objectives and safeguarding the assets entrusted under the Board's custody. The system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement or loss.

The Board regularly receives and reviews reports on internal control and is of the view that the system of risk management and internal control that has been instituted throughout the Group is sound and adequate to safeguard the shareholders' investments and the Group's assets.

RISK MANAGEMENT FRAMEWORK

The Group has a risk management framework which provides oversight on risk management strategies, policies and guidelines, risk tolerance and other risk related matters. These crucial elements are embedded in the Group's management systems in respect of corporate culture, processes and organisational structure. Risk Management is an integral part of the Group's businesses objectives and activities and is critical for the Group's overall objective to achieve continued profitability and sustainable growth.

GOVERNANCE

Board of directors and subsidiary boards and audit committee
Group management team
Risk policies and procedures

- Risk strategy and appetite
- Risk strategy - supports business strategy
- Risk appetite - level of accepted risk

IDENTIFY RISKS → **MEASURE AND ANALYSE RISKS** → **MONITOR AND REPORT RISKS** → **OPTIMISE AND CONTROL RISKS**

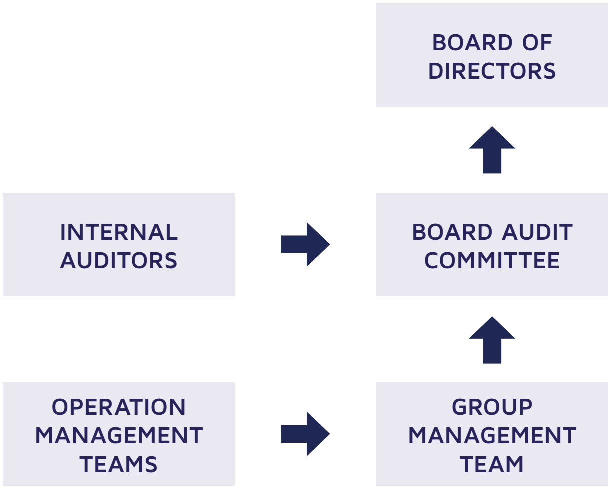
Business system and information management

Employees and culture

Risk Management Structure

The Group Management Team comprised of Executive Chairman ("EC"), Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), Group Financial Controller and Group General Managers are entrusted by the Board, primarily responsible for driving the risk management framework and ensuring systematic implementation of risk management and monitoring of risks across the Group. The effectiveness of risk management policies and processes is reviewed and improved on a periodic basis. The implementation of risk management activities encompasses corporate and subsidiary levels. Events which may materially impact the Group's financial position and reputation will be escalated to the Group Management Team for appropriate action. The adoption of mitigation measures will be presented to the Board Audit Committee and the Board for approval if it is beyond the limits of authority of the Group Management Team.

The Group's risk management structure and their principal risk management roles and responsibilities are set out as below:-



Operation Management Teams

Operation Management Teams are subsidiary management teams of the business units, each of which has their own risk management and internal controls mechanisms. The Operation Management Teams are responsible for managing the risks on a day-to-day basis; promoting risk awareness within their operations and introducing risk management objectives into the business and operations and co-ordinating with the Group Management Team on implementation of risk management policy and practices. They bear responsibility for the identification and mitigation of major risks and each maintains the controls and appropriate procedures of its own business environment.

Group Management Team

The Group Management Team identifies principal risks at Group level, establishes, formulates and recommends frameworks and policies specifically to address enterprise risk inherent in all business operations; monitors compliance to risk management framework, regulatory requirements and status of action plans for both Group and subsidiaries; co-ordinates and promotes risk management program, and manages a culture of sound and best practice to be implemented group-wide. The Group Management Team is accountable for all risks assumed under its respective areas of responsibility as well as for the execution of appropriate risk management discipline in line with risk management approved by the Board, aided by supporting guidelines, procedures and standards.

Board Audit Committee

The Board Audit Committee ("Audit Committee" or "AC"), assisted by the Internal Auditors, assists the Board in evaluating the adequacy of risk management and internal control framework; reviews and endorses the Group's risk profile; receives and reviews reports from the Internal Auditors and recommends them to the Board for approval. AC provides independent assurance of the adequacy and reliability of the risk management processes and system of internal controls as well as compliance with risk-related regulatory requirements.

Board of Directors

The Board of Directors is responsible to maintain a sound system of risk management and internal controls; approves risk management policy and framework, governance structure and sets the risk appetite; receives, deliberates and endorses Audit Committee reports on risk governance and internal controls.

Risks

The Group's financial performance and operations are influenced by a vast range of risk factors. Key risks which may impact the Group's business strategies and prospects for future financial years include:-

Operational risks

- risks from inadequate or failed internal processes, employees and systems;
- risk of not anticipating and responding to operating environment changes or not successfully executing strategy;
- product and insurance risks – risks from inadequate or inappropriate product management.

Financial risks

- risk of loss from movements in financial markets and changes in financial variables. Risks including credit, liquidity, interest rates and exchange rates.

SYSTEM OF INTERNAL CONTROL

A sound internal control system encompassing the Group's policies, processes, tasks, code of behaviour, and proper documentation to facilitate effective and efficient operations. It helps to ensure the quality of internal and external reporting through the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information and reports from within and outside the company. It helps to ensure compliance with applicable laws and regulations and also with internal policies with respect to the conduct of business.

The following key internal control structures are in place to assist the Board to maintain a proper internal control system.

1. Control Environment

The control environment sets the tone for the Group by providing fundamental discipline and structure. Key elements of the Group's internal control environment includes the following areas:-

a) Integrity and ethical values

Code of Ethics

The Board and Group Management Team set the tone of integrity and transparency at the top for corporate behaviour and corporate governance. All employees are to adhere by Code of Ethics which sets out the principles to guide employees in carrying out their duties and responsibilities to the highest standards of integrity when dealing within the Group and with external parties. The Group's Code of Ethics covers areas such as compliance with respect to local laws and regulations, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality, conflict of interest and anti-competition practices.

Guidelines on misconduct and disciplines

Guidelines are in place for handling misconduct and disciplinary matters. These guidelines govern the actions to be taken in managing the misconduct of employees who breach the Code of Ethics.

b) Commitment to competency

The Group appoints employees of the necessary competencies to complement the required skills or profession within the Group. Programmes and initiatives have been established to equip employees and enhance their abilities and skills in driving the Group forward through ongoing emphasis on performance management and employee development.

Training and development

It is the Group's policy to train employees at all levels so that they would be able to perform well in their present jobs and also to develop employees with potential to perform duties with wider responsibilities so that they may be ready to assume them when needed. Programmes are also implemented to ensure that employees receive continuous training in various areas of work such as knowledge, health and safety, technical training, leadership and new product development.

Performance management

The Group has in place a KPI performance measurement process to link performance and rewards to create a high performance work culture. The process also seeks to provide clarity, transparency and consistency in planning, reviewing, evaluating and aligning employees' actions and behaviours with the Group's vision and missions.

Succession planning

Succession planning is crucial for continuity of the Group's business strategies. The Group Management Team and Human Resource identify employees with talents and leadership potential by providing leadership development programmes, mentoring and coaching and regularly assesses on their leadership readiness.

c) Board of Directors and Audit Committees participation

The Board has overall responsibilities over the Group's corporate governance and transparency and the Audit Committee assists the Board in overseeing the adequacy and effectiveness of internal control. The roles, responsibilities and authority of the Board and Audit Committee are governed by a clearly defined term of reference made available on the Company's website.

d) Organisation structure

The Group has an organisational structure led by the Executive Chairman ("EC") and the Group Management Team who have clear roles of responsibility and lines of reporting. Segregation of duties is practiced to promote ownership and accountability for risk taking and define lines of accountability; and delegate authority for planning, executing, controlling and monitoring of business operations. Conflicting tasks are apportioned between different members of staff to reduce the occurrence of error and fraud.

Reviews of the organisational structure are held to address changes in the business environment as well as to keep abreast of the Group's business strategies.

e) Assignment of authority and responsibility

Policies and procedures

Policies and procedures for all major aspects of the Group's business processes are in place and documented into operational manuals and guidelines. The manuals are reviewed and approved by the EC and CEO/COO ("Management Committee") before they are tabled to the Board for adoption and implementation. These manuals are periodically reviewed and updated to ensure that they remain effective and continue to support the Group's business activities at all times as the Group continues to grow.

Limits of authority

The Group has a clearly defined and documented Limits of Authority ("LOA") which is practised consistently throughout the Group. These are regularly updated to reflect changing risks or to resolve operational deficiencies. The LOA established a sound framework of authority and accountability within the Group, including segregation of duties which facilitates timely, effective and quality decision-making at the appropriate levels in the Group's hierarchy.

2. Risk Assessment

The Group's risk management process involves identifying particular events or circumstances relevant to the Group's objectives and risk appetite, assessing them in terms of likelihood and magnitude of impact, evaluation of adequacy of existing controls, determining a response strategy, and monitoring the implementation of the response. This is expected to protect and create value for stakeholders, including shareholders, employees, customers, regulators and the society.

3. Control Activities

Control activities are the policies, procedures and practices put in place to ensure objectives are achieved and risk mitigation strategies are carried out.

3. Control Activities (cont'd)

Standard of operation manuals

Policies and procedures for key business processes are formalised and documented for each of the significant operating units and translated into operational manuals and guidelines. The Group has in place the standard of operation manual for IT, Finance, Credit Control, Sales Marketing, Project and Tender for both the property and hotel divisions. These manuals are reviewed and approved by the Management Committee before they are tabled to the Audit Committee and the Board for approval of adoption and implementation.

Budgeting process

Annual budgets are prepared by each business unit and deliberated with Group Management Team. The business units identify the strengths and threats of the operations and draw up marketing plans to ensure the success of the budget. They are subsequently presented to the Board for approval before the commencement of a new financial year.

Upon approval of the budget, the Group's performance is periodically monitored and measured against the approved budget and ongoing forecast. The Group's performance is also reported to AC and the Board. Reporting systems which highlight significant variances against plan are in place to track and monitor performance. The results are reviewed on quarterly basis by the Board to enable them to gauge the Group's overall performance compared to the approved budget and prior periods, and to take remedial action where necessary. Similar performance reviews at Management Committee Meeting take place on a monthly and quarterly basis.

Tender and selection process

The Group has a stringent tender and selection process in awarding contracts to contractors and suppliers. There is a set number of tenderers requirement for certain values of contracts. A financial and project experience background check will be carry out by the management team at subsidiary level. Tender is open in the presence of the Head of Subsidiary Company and Finance Manager with price recorded and kept private and confidential by the subsidiary Contract Manager. Subsidiary management team conducts tender interviews and negotiations and visits the project sites of shortlisted tenderers to assess the product workmanship quality and site management skills before recommendation to Tender Committee at the corporate office. Corporate Contract Manager carries out independent reviews and verification and proposes three tenderers to the Tender Committee for final interview, negotiation and selection. Two levels of scrutiny to ensure tender transparency, contract prices are competitive and credit-worthy contractors are selected.

Whistleblowing policy and procedures

The Group has a whistleblowing policy which enables employees to raise matters in an adequate and unbiased manner. All reports of wrongful activities on fraud, corruption, dishonest practices and wrongdoings are to be made to the Audit Committee Chairman and/or the Company Secretary via written letter with the name of whistleblower. Any anonymous complaint will not be entertained. The objective is to encourage the reporting of such matters in good faith and for engaging with the whistleblower in investigation. The letter will be treated with utmost confidentiality to protect the whistleblower against any victimization or reprisal.

Insurance and physical safeguard

The Group has an insurance programme in place to ensure that its assets are sufficiently covered against any damages that will result in material losses. The Group also ensures that its major assets are physically safeguard.

4. Information and Communication

The Board recognises the need for dialogue with investors and analysts as well as the media and has put in place the Corporate Disclosure Policy to guide on the disclosure of corporate information. It governs and ensures that the information flow and communications across the Group and to the investors inside or outside of Malaysia are effectively managed and meet the needs of the Group. The primary contact person is the CEO of the Company.

5. Monitoring

Monitoring covers oversight of internal control by management or the application of customised procedures or checklists by employees within a process. Key monitoring within the Group are as follows:-

Performance reporting

- Management Committee Meetings

  Group Management Team meets monthly and as and when required to deliberate on business performance, financial and operating risks and issues which include reviewing, resolving and approving all key business strategic measures and policies. Progress, exceptions and variations are also fully discussed and appropriate action taken. There were twelve (12) meetings held at Group level. Similar meetings were held regularly by Operation Management Teams at subsidiary level.

  Significant matters identified during these meetings are highlighted on a timely basis to the Board. Through this mechanism the Board is informed of all major control issues pertaining to internal control, regulatory compliance and risk taking. This ensures that business objectives stay on course.

- Major Control Issues

  Monthly and quarterly reports on financial, corporate and legal affairs, operational control issues form part of the initiative of the Group.

On-going monitoring

- Financial and operational review

  Quarterly financial statements and the Group's annual performance are reviewed by the Audit Committee, which subsequently recommends them to the Board for its consideration and approval. Monthly management accounts containing key financial results, operational performance indicators and budget comparison are also presented to the Management Committee to enable them to have regular and updated information of the Group's performance.

- Site visits

  The Group Management Team carries out periodic site visits to each business units to discuss and steer the business strategy and plans, ensures remedial actions proposed by Internal Auditors are carried out and that internal controls are implemented.

- Internal audit

  Internal auditing provides an independent assurance on the adequacy of governance of risk management and internal control systems. The outsourced Internal Auditor and the two employed Internal Auditor for property and hospitality divisions report functionally to the Board through the Audit Committee. The outsourced Internal Auditor reports on the operational and financial auditing on quarterly basis. The employed Internal Auditor-Project reports specifically on development project workmanship, site management and work progresses while the Internal Auditor-Hospitality reports on the efficiency of hotels' operation control on a monthly basis to Management Committee and on a quarterly basis to the Audit Committee. A more detailed internal audit function is highlighted within the Audit Committee Report on pages 73 to 75 of this Annual Report.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors had performed limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2018 and reported to the Board that nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control is not prepared in all material aspect, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

In accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and AAPG 3, *Guidance for Auditors on Engagements*

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS (CONT'D)

to Report on the Statement on Risk Management and Internal Control Included in the Annual Report does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Controls covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures including the assessment and opinion by the Board of Directors and management thereon. They are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will in fact remedy the problems.

CONCLUSION

The Board has received assurance from the Executive Chairman, Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal controls framework adopted by the Group.

The Board is of the view that the Group's system of risk management and internal control is in place for the year under review and up to the date of approval of this Statement, is adequate in safeguarding the Shareholders' investments, the interests of customers, regulators, employees and other stakeholders, and the Group's assets. The Board acknowledges that there is an effective ongoing process for identification, evaluation and management of significant risks in the Group and is committed to continue to review the operations and effectiveness of the Group's internal control including financial, operational, compliance and risk management.

The above statement is made in accordance with the resolution of the Board dated 13 September 2018.

The Marin at Ferringhi, Penang

TOPAZ

TAMAN PUTRA PRIMA, PUCHONG

Freehold

Low-density development

2-storey & 3-storey terrace homes

Built-up:
2,305 sq.ft.
2,488 sq.ft.
3,396 sq.ft.

Away from hustle & bustle

Surrounded by lush greenery

Ideal residential neighbourhood

Taman Putra Prima, Puchong

AUDIT COMMITTEE REPORT

The Board of Plenitude Berhad is pleased to present the Audit Committee ("AC") Report for the financial year ended 30 June 2018.

COMPOSITION AND MEETINGS

Composition

The Audit Committee consists of three (3) Independent Non-Executive Directors and has met five (5) times on 23 August 2017, 20 September 2017, 22 November 2017, 9 February 2018 and 28 May 2018.

The composition and the attendance record of the Audit Committee members are listed below.

Name of Director	Attendance
Tan Kak Teck (Chairman) Independent Non-Executive Director	5/5
Ir. Teo Boon Keng Independent Non-Executive Director	5/5
Lok Bah Bah @ Loh Yeow Boo Independent Non-Executive Director	5/5

The Audit Committee is chaired by Mr. Tan Kak Teck, a Chartered Accountant with the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants. He has more than 30 years of audit experience and is currently a partner of an audit firm in Kuala Lumpur. Mr. Tan Kak Teck has been the Audit Committee Chairman since 19 September 2013.

Ir Teo Boon Keng is a member of Audit Committee for more than five (5) years, experienced in project management and project development and is involved in his own business ventures.

Mr. Lok Bah Bah @ Loh Yeow Boo is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow member of CPA, Australia.

All AC members are financially literate. The Company is also in compliance with the requirement of Paragraph 15.09 (1)(c)(i) under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") which requires at least one member of the Committee to be a qualified accountant.

Attendance at Meetings

The Board, Executive Chairman, Chief Executive Officer, Chief Operating Officer, Group Financial Controller, Corporate & Legal Affairs Officer and Internal Auditors are invited to quarterly AC meetings.

Members of the Board are invited to keep the Board fully informed of the matters raised and deliberated by the AC. Group functional heads are present during the reporting by Internal Auditors to explain gaps in audit findings and deliberate remedial actions to be taken to improve the internal monitoring and control.

External Auditors are invited to discuss the annual audit plan, interim and final audit reviews. The AC met the External Auditors twice on 23 August 2017 and 28 May 2018 without the presence of executive board members and management.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year ended 30 June 2018, the Audit Committee discharged its functions and carried out its duties as set out in the Terms of Reference (TOR), made available at the Company's website *www.plenitude.com.my*. Key activities undertaken by the Audit Committee include the following:-

Risks and Controls

a) Reviewed the audit reports which highlighted audit issues, recommendations and Management's response and discussed with Management on the appropriate remedial actions taken to improve the system of internal controls identified by the Internal Auditors.

b) Considered and reviewed the legal matters reported by Corporate & Legal Affairs Officer in relation to challenges, ongoing claims and litigations faced by the business units. There are no material litigations to be disclosed in the 2018 Financial Statements.

c) Reviewed and recommended the Audit Committee's TOR to the Board for approval and for publication on the corporate website.

Financial Reporting

a) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. Chief Executive Officer, Chief Operating Officer and Group Financial Controller are present to brief and explain areas that required clarification.

b) Reviewed audit review memorandum prepared by the External Auditors on year-end financial results, their audit findings and management's responses before recommending quarterly financial results of the Group for the Board's approval.

c) Reviewed the Audited Financial Statements and Annual Report of the Company prior to submission to the Board for its consideration and approval.

d) Reviewed on a quarterly basis the related party transactions including recurrent related party transactions entered into by the Group and any conflict of interest that may arise. All directors confirmed in writing there was no conflict of interest nor related party transactions in each financial quarter.

Internal and External Audit Processes

a) Reviewed and discussed with External Auditors on their 2018 audit plan focusing on changes in implementation of major accounting policies, audit processes, significant events and adjustments and compliance with the applicable financial reporting standards and other legal requirements.

b) Reviewed and discussed with Internal and External Auditors on their audit reviews, evaluation of system of internal controls, problems and reservations arising from the interim and final audits, the management's responses and the adequacy of assistance given by the Group's employees.

c) Assessed the suitability and independence of External Auditors throughout the conduct of audit engagement. The External Auditors, Baker Tilly Monteiro Heng, had in their 2018 audit plan confirmed that they are in compliance with the requirements of independence under the local professional institutes' rules and International Standards on Auditing.

Other Responsibilities

Other recurring tasks included:-

- Reviewed and recommended the Corporate Governance Overview Statement and CG Report, Statement on Risk Management and Internal Control and Audit Committee Report to the Board for approval.

- Considered and recommended to the Board for approval the audit fees payable to the Internal and External Auditors taking into account the independence, objectivity and effectiveness of the services provided. External Auditors, Baker Tilly Monteiro Heng was also engaged to carry out audit for the financial period 1 July 2017 to 30 June 2018 on five (5) foreign subsidiary companies which had a different financial year end 31 December.

- Reviewed the proposals for non-audit services rendered by the External Auditors in reviewing the Statement on Risk Management and Internal Control and other information in the Annual Report.

- Reviewed proposal(s) on fixed assets written off, assessed its profit or loss impact and made recommendations to the Board for approval.

INTERNAL AUDIT FUNCTION

The Internal Auditors' role is to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's Internal Control System.

INTERNAL AUDIT FUNCTION (CONT'D)

During the financial year ended 30 June 2018, the internal audit function was outsourced to a professional service firm (outsourced Internal Auditor) which focused on business and financial audits. Additionally, the Group also has two (2) full time Internal Auditors (employed Internal Auditors). Internal Auditor-Projects is tasked with conducting audits on projects' progress, management and workmanship. Internal Auditor–Hospitality focuses on hotels' operations control and efficient management. Both outsourced and employed internal auditors are collectively referred to as Internal Auditors and they report directly to the Audit Committee.

The outsourced Internal Auditor carried out business and financial audits on each operating subsidiary company by rotation on a quarterly basis. The Internal Auditor-Projects carried out audit visits to each project site by rotation on monthly basis, reporting to Management Committee monthly and to the Audit Committee on a quarterly basis. Likewise the Internal Auditor–Hospitality also carries out audit visits to six hotels by rotation. He reported the audit finding and update on follow up actions taken by hotel operators on a monthly basis to Management Committee and quarterly to the Audit Committee.

The internal audits are carried out in accordance with the internal audit plan approved by the Management Committee and Audit Committee. The audit reports of these assignments provide independent and objective assessment of the following:-

- The adequacy, effectiveness and efficiency of the internal control systems to manage operations and safeguard the Group's assets and shareholders' value, and

- The adequacy, and effectiveness of the risk management operations, governance and compliance functions to identify, manage and address potential risks facing the Group.

The area of audit coverage included finance, sales, marketing, credit control (billings and collections), corporate governance, human resources, customer service and procurement (setting of pricing and selection of suppliers/vendors).

The internal audit reports made recommendations based on best practices that will improve and add value to the Group, in providing standards, guidelines and advice to standardise the internal audit activities

The internal audit reports were issued to key management for their response and to agree on action plans with deadlines to complete the necessary preventive and corrective actions. The reports were tabled at each Audit Committee meeting and the summary of key findings is circulated to the Audit Committee for due deliberation to ensure that key and senior management undertake to carry out the agreed remedial actions. Members of key and senior management (both group and operations) were invited to the Audit Committee meetings from time to time, especially when major weaknesses were uncovered by Internal Auditors.

During the financial year, the outsourced Internal Auditors had carried out audits on The Nomad Residences Bangsar Sdn Bhd, Plenitude Tebrau Sdn Bhd, Plenitude Heights Sdn Bhd and Plenitude Bayu Sdn Bhd. Internal Auditor-Projects had audited the ongoing projects: Phase 19&20 234 units 2-storey terraced houses and 100 units Cluster Homes in Taman Desa Tebrau at Johor Bahru; Bintang Maya Phase 8A & 8B 2-storey terraced houses at Sungai Petani, Kedah; Lot 285 serviced-apartment and The Marin Condominium @ Ferringhi, Penang. He also updated the defects rectification status of recently completed projects: Phase 7A Low Cost Apartment in Taman Putra Prima at Puchong, Selangor and Bintang Maya Phase 8A 2-storey terraced houses at Sungai Petani, Kedah. Internal Auditor–Hospitality had audited Four Points Sheraton Penang; The Gurney Resort Hotel & Residences Penang; Glow Penang; Novotel Kuala Lumpur; The Nomad Serviced Residences Bangsar and Oakwood Hotel & Residence Kuala Lumpur. Key auditable activities that were completed in 2017/2018 included:-

- Sales marketing management
- Customer service management
- Credit control management
- Financial management
- Inventory control and management
- Quality control and management
- Information security management

The total cost incurred for the internal audit function for the financial year under review was RM330,291.

DIRECTORS' RESPONSIBILITY STATEMENT

For the audited financial statements

The Directors are required by the Companies Act 2016 ("CA") to prepare financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards (FRSs), the requirements of the CA in Malaysia, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:-

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA and the applicable approved accounting standards in Malaysia.

The Directors have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

Oakwood®
HOTEL & RESIDENCE
KUALA LUMPUR

251
rooms

Golden Triangle
of Kuala Lumpur

Swimming
pool

Fitness
center

Conference
rooms

Deluxe room
312 to 365 sq.ft.

One bedroom
deluxe apartment
538 to 592 sq.ft.

One bedroom
premier apartment
538 to 592 sq.ft.

Two bedrooms
deluxe apartment
882 sq.ft.

Daily shuttle
service

All day
dining

FREE
Wi-Fi

Lobby area

Living room

Suite room

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors of Plenitude Berhad have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2018.

PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding and the provision of management services.

The principal activities of its subsidiary companies are stated in Note 16 to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiary companies during the financial year.

RESULTS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Net profit for the financial year	52,058,640	59,385,202
Attributable to:		
Owners of the Company	52,058,640	59,385,202

DIVIDENDS

A final 4.5 sen single-tier dividend of RM17,169,019 proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors have proposed a final single-tier dividend of 4.5 sen on 381,533,758 ordinary shares, amounting to RM17,169,019 in respect of current financial year. This dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2019.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year, other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that no known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any shares or debentures.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chua Elsie*
Datuk Mohd Nasir bin Ali*
Ir. Teo Boon Keng
Lok Bah Bah @ Loh Yeow Boo*
Tan Kak Teck
Tee Kim Chan*

* Directors of the Company and certain subsidiaries

Other than as stated above, the directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of the report are:

Aklif bin Amir
Alberto V.Igruby
Cherryl Ami F. Macutay
Hashimah binti Ismail
James Leslie Ponniah
Josephine Premla Sivaretnam
Vinod Kumar
Willie B. Santiago

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.7.2017	**Bought**	**Sold**	**At 30.6.2018**
The Company:				
Direct interest				
Datuk Mohd Nasir bin Ali	5,000	-	-	5,000
Deemed interest				
Chua Elsie *	104,000	-	-	104,000

* Shares held directly by spouse and children. In accordance with Section 59(11)(c) of the Companies Act 2016 in Malaysia, the interests of the spouse/children in the shares of the Company shall be treated as the interests of the director.

None of the other directors in office at the end of the financial year held shares or had any beneficial interest in shares in the Company during or at the beginning and end of the financial year. Under the Company's Articles of Association, the directors are not required to hold shares in the Company.

None of the directors in office at the end of the financial year held shares or had any beneficial interest in shares in the related companies during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 9 to the financial statements) by reason of a contract made by the Company or subsidiary company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM15,000,000 and RM26,080 respectively.

The Company agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016.

SUBSIDIARIES

Details of the Company's subsidiaries are disclosed in Note 16 to the financial statements.

The available auditors' report on the accounts of the subsidiaries did not contain any qualification.

AUDITORS' REMUNERATION

Details of auditors' remuneration are disclosed in Note 9 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

CHUA ELSIE

TAN KAK TECK

Kuala Lumpur
Date: 24 September 2018

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Revenue	5	248,709,101	226,203,579	50,604,000	50,604,000
Cost of sales	6	(119,602,470)	(101,678,682)	-	-
Gross profit		129,106,631	124,524,897	50,604,000	50,604,000
Investment revenue	7	16,232,132	14,328,442	7,786,880	8,864,043
Other income		9,804,782	11,083,884	16,315,074	16,091,592
Finance costs	8	(1,274,928)	(2,197,363)	-	-
Administrative expenses		(77,437,315)	(73,496,124)	(7,858,238)	(5,292,079)
Other expenses		(2,711,316)	(2,830,186)	(106,643)	(150,641)
Profit before taxation	9	73,719,986	71,413,550	66,741,073	70,116,915
Taxation	10	(21,661,346)	(20,676,887)	(7,355,871)	(5,314,610)
Net profit for the financial year		52,058,640	50,736,663	59,385,202	64,802,305
Other comprehensive income/ (expense) for the financial year, net of tax					
Items that are or may be reclassified subsequently to profit or loss:					
Fair value changes on available-for-sale financial assets		2,580,909	12,388,365	-	-
Foreign currency translation differences for foreign operations		(785,644)	322,611	-	-
		1,795,265	12,710,976	-	-
Total comprehensive income for the financial year		53,853,905	63,447,639	59,385,202	64,802,305

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Profit attributable to:					
Owners of the Company		52,058,640	50,736,663	59,385,202	64,802,305
Total comprehensive income attributable to:					
Owners of the Company		53,853,905	63,447,639	59,385,202	64,802,305
Earnings per ordinary share attributable to					
Owners of the Company (sen)					
- Basic	11	13.6	13.3		
- Diluted	11	13.6	13.3		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
ASSETS					
Non-current assets					
Property, plant and equipment	12	619,562,929	563,931,261	478,860	719,134
Land held for future development	13	159,439,386	193,997,303	-	-
Property development projects - non-current portion	14	198,969,742	160,041,362	-	-
Investment properties	15	63,161,493	63,015,060	-	-
Investment in subsidiary companies	16	-	-	938,269,268	550,067,138
Deferred tax assets	17	16,350,038	18,125,961	-	-
Total non-current assets		1,057,483,588	999,110,947	938,748,128	550,786,272
Current assets					
Property development projects - current portion	14	164,259,625	212,257,963	-	-
Inventories	18	28,977,643	30,689,994	-	-
Trade and other receivables	19	33,098,831	52,592,573	1,084,738	67,177
Accrued billings		2,374,700	5,198,076	-	-
Amount owing by subsidiary companies	16(b)	-	-	17,594,682	389,663,289
Tax recoverable		9,843,560	6,590,756	-	169,898
Short term investments	20	99,272,490	64,370,917	32,320,664	-
Fixed income trust fund	21	-	15,547,522	-	15,547,522
Fixed deposits with licensed banks	21	249,267,079	247,044,462	161,095,874	150,549,962
Cash and bank balances	21	80,501,452	80,892,187	4,874,980	5,023,790
Total current assets		667,595,380	715,184,450	216,970,938	561,021,638
TOTAL ASSETS		1,725,078,968	1,714,295,397	1,155,719,066	1,111,807,910

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018 (CONT'D)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	22	515,314,609	515,314,609	515,314,609	515,314,609
Reserves	23	1,044,004,897	1,007,320,011	519,047,538	476,831,355
TOTAL EQUITY		1,559,319,506	1,522,634,620	1,034,362,147	992,145,964
Non-current liabilities					
Bank borrowings	24	23,284,206	30,538,376	-	-
Deferred tax liabilities	17	31,155,187	32,199,242	-	-
Total non-current liabilities		54,439,393	62,737,618	-	-
Current liabilities					
Trade and other payables	25	101,941,906	120,447,398	1,139,408	983,038
Advance billings		7,328,777	6,950,308	-	-
Amount owing to subsidiary companies	16(c)	-	-	119,891,147	118,678,908
Bank borrowings	24	1,054,170	600,000	-	-
Tax liabilities		995,216	925,453	326,364	-
Total current liabilities		111,320,069	128,923,159	121,356,919	119,661,946
TOTAL LIABILITIES		165,759,462	191,660,777	121,356,919	119,661,946
TOTAL EQUITY AND LIABILITIES		1,725,078,968	1,714,295,397	1,155,719,066	1,111,807,910

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Share capital RM	Share premium RM	Available-for-sale reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
		Attributable to owners of the Company					
Group							
At 1 July 2016		381,533,758	133,780,851	820,934	515,879	959,704,578	1,476,356,000
Net profit for the financial year		-	-	-	-	50,736,663	50,736,663
Fair value changes on available-for-sale financial assets	20(a)	-	-	12,388,365	-	-	12,388,365
Foreign currency translation differences for foreign operations		-	-	-	322,611	-	322,611
Total comprehensive income for the financial year		-	-	12,388,365	322,611	50,736,663	63,447,639
Transactions with owners:							
Dividends for the financial year ended 30 June 2016 - final dividend	26	-	-	-	-	(17,169,019)	(17,169,019)
Total transactions with owners		-	-	-	-	(17,169,019)	(17,169,019)
Transition to no par value regime		133,780,851	(133,780,851)	-	-	-	-
At 30 June 2017		515,314,609	-	13,209,299	838,490	993,272,222	1,522,634,620

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

	Note	Attributable to owners of the Company					
	Note	Share capital RM	Share premium RM	Available-for-sale reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
Group (cont'd)							
At 1 July 2017		515,314,609	-	13,209,299	838,490	993,272,222	1,522,634,620
Net profit for the financial year		-	-	-	-	52,058,640	52,058,640
Fair value changes on available-for-sale financial assets	20(a)	-	-	2,580,909	-	-	2,580,909
Foreign currency translation differences for foreign operations		-	-	-	(785,644)	-	(785,644)
Total comprehensive income for the financial year		-	-	2,580,909	(785,644)	52,058,640	53,853,905
Transactions with owners:							
Dividends for the financial year ended 30 June 2017 - final dividend	26	-	-	-	-	(17,169,019)	(17,169,019)
Total transactions with owners		-	-	-	-	(17,169,019)	(17,169,019)
At 30 June 2018		515,314,609	-	15,790,208	52,846	1,028,161,843	1,559,319,506

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

	Note	Share capital RM	Share premium RM	Retained earnings RM	Total equity RM
		Attributable to owners of the Company			
Company					
At 1 July 2016		381,533,758	133,780,851	429,198,069	944,512,678
Net profit for the financial year		-	-	64,802,305	64,802,305
Transactions with owners:					
Dividends for the financial year ended 30 June 2016 - final dividend	26	-	-	(17,169,019)	(17,169,019)
Total transactions with owners		-	-	(17,169,019)	(17,169,019)
Transition to no par value regime		133,780,851	(133,780,851)	-	-
At 30 June 2017		515,314,609	-	476,831,355	992,145,964
Net profit for the financial year		-	-	59,385,202	59,385,202
Transactions with owners:					
Dividends for the financial year ended 30 June 2017 - final dividend	26	-	-	(17,169,019)	(17,169,019)
Total transactions with owners		-	-	(17,169,019)	(17,169,019)
At 30 June 2018		515,314,609	-	519,047,538	1,034,362,147

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash flows from operating activities					
Profit before taxation		73,719,986	71,413,550	66,741,073	70,116,915
Adjustments for:					
Depreciation of property, plant and equipment	12	17,316,381	16,568,991	257,341	259,811
Depreciation of investment properties	15	591,691	585,253	-	-
Impairment on other receivables		142,340	-	-	-
Fair value changes in short term investments	20(b)	-	(23,796)	-	-
Finance costs	8	1,274,928	2,197,363	-	-
Property, plant and equipment written off	12	2,048,921	154,059	-	-
Interest income		(9,863,654)	(7,374,733)	(22,953,574)	(21,348,463)
Loss/(Gain) on disposal of property, plant and equipment		1,336	(23,586)	-	-
Dividend income		(4,397,289)	(5,671,900)	(46,148,380)	(48,607,172)
Unrealised loss on foreign exchange		1,031,177	156,157	1,777,311	-
Profit before working capital changes		81,865,817	77,981,358	(326,229)	421,091
Decrease/(Increase) in:					
Land held for future development		34,133,400	(459,535)	-	-
Property development projects		(59,752,459)	(24,335,213)	-	-
Inventories		1,563,133	(84,233)	-	-
Trade and other receivables		19,351,402	(650,231)	(1,017,561)	(2,547)
Accrued billings		2,823,376	(2,369,875)	-	-
Amount owing by subsidiary companies		-	-	(16,133,523)	24,607,196
		79,984,669	50,082,271	(17,477,313)	25,025,740

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
(Decrease)/Increase in:					
Trade and other payables		(18,505,492)	(9,146,809)	156,370	25,439
Advance billings		378,469	(2,195,252)	-	-
Amount owing to subsidiary companies		-	-	1,212,239	(78,727,227)
Net cash from/(used in) operations		61,857,646	38,740,210	(16,108,704)	(53,676,048)
Interest income received		1,238,133	1,016,417	16,315,074	16,091,592
Income tax refunded		2,606,121	313,733	-	-
Income tax paid		(26,718,640)	(17,581,044)	(6,859,609)	(6,376,280)
Net cash from/(used in) operating activities		38,983,260	22,489,316	(6,653,239)	(43,960,736)
Cash flows from investing activities					
Interest income received		8,625,521	6,358,316	6,638,500	5,256,871
Proceeds from disposal of property, plant and equipment		91,004	23,586	84,388	-
Purchase of investment properties		-	(351,030)	-	-
Purchase of property, plant and equipment	12	(6,431,282)	(20,156,617)	(101,455)	(139,345)
Proceeds from disposal of short term investments	20(b)	-	931,873	-	-
Purchase of short term investments	20(b)	(32,320,664)	-	(32,320,664)	-
Dividend income received		4,397,289	5,671,900	46,148,380	48,607,172
Subscription of additional shares issued by a subsidiary company		-	-	-	(37,900,000)
Net cash (used in)/from investing activities		(25,638,132)	(7,521,972)	20,449,149	15,824,698

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash flows from financing activities					
Dividends paid	26	(17,169,019)	(17,169,019)	(17,169,019)	(17,169,019)
Interest paid		(1,274,928)	(2,197,363)	-	-
Proceeds from bank borrowings		-	24,338,376	-	-
Repayment of bank borrowings	(a)	(6,800,000)	(32,750,000)	-	-
Net cash used in financing activities		(25,243,947)	(27,778,006)	(17,169,019)	(17,169,019)
Net decrease in cash and cash equivalents		(11,898,819)	(12,810,662)	(3,373,109)	(45,305,057)
Effect of exchange rate changes		(1,816,821)	166,454	(1,777,311)	-
Cash and cash equivalents at beginning of the financial year		343,484,171	356,128,379	171,121,274	216,426,331
Cash and cash equivalents at end of the financial year		329,768,531	343,484,171	165,970,854	171,121,274
Analysis of cash and cash equivalents:					
Fixed income trust fund	21	-	15,547,522	-	15,547,522
Fixed deposits with licensed banks	21	249,267,079	247,044,462	161,095,874	150,549,962
Cash and bank balances	21	80,501,452	80,892,187	4,874,980	5,023,790
		329,768,531	343,484,171	165,970,854	171,121,274

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

(a) Reconciliation of liabilities arising from financing activities

	1 July 2017 RM	Cash flows RM	30 June 2018 RM
Term loans (Note 24)	31,138,376	(6,800,000)	24,338,376

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company's principal activities are investment holding and the provision of management services. The principal activities of its subsidiary companies are stated in Note 16 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

The registered office and the principal place of business of the Company is located at 2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia.

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of the directors on 24 September 2018.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to FRSs

The Group and the Company have adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:

Amendments/Improvements to FRSs	
FRS 12	Disclosure of Interest in Other Entities
FRS 107	Statement of Cash Flows
FRS 112	Income Taxes

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies.

Amendments to FRS 107 Statement of Cash Flows

Amendments to FRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The Group and the Company have applied the amendments prospectively and accordingly, have disclosed the reconciliation in statements of cash flows.

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018/ 1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*
MFRS 4	Insurance Contracts	1 January 2018
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 101	Presentation of Financial Statements	1 January 2020*
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ 1 January 2019/ Deferred
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138	Intangible Assets	1 January 2020*
MFRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (cont'd)

The Group and the Company have not adopted the following new MFRS, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective (cont'd):

		Effective for financial periods beginning on or after
Amendments to IC Int		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC 132	Intangible Assets – Web Site Costs	1 January 2020*

* *Amendments to References to the Conceptual Framework in MFRS Standards*

2.3.1 The Group and the Company plan to adopt the above applicable new MFRSs, amendments/ improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below:

MFRS 9 Financial Instruments

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (cont'd)

MFRS 9 Financial Instruments (cont'd)

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;

(ii) identify the performance obligation in the contract;

(iii) determine the transaction price;

(iv) allocate the transaction price to the performance obligations in the contract;

(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (cont'd)

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

Amendments to MFRS 1 First-time Adoption of MFRSs

Amendments to MFRS 1 deleted the short-term exemptions that relate to MFRS 7 *Financial Instruments: Disclosure,* MFRS 119 *Employee Benefits* and MFRS 10 *Consolidated Financial Statements* because they are no longer applicable.

Amendments to MFRS 2 Share-based Payment

Amendments to MFRS 2 provide specific guidance on the accounting for:

(a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;

(b) share-based payment transactions with a net settlement feature for withholding tax obligations; and

(c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 9 allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

The amendments also clarify that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (cont'd)

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 require an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset).

Amendments to MFRS 123 Borrowing Costs

Amendments to MFRS 123 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowing made specifically to obtain that qualifying asset as part of general borrowings.

Amendments to MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 128 clarify that an entity, which is a venture capital organisation, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates or joint ventures at fair value through profit or loss.

The amendments also clarify that companies shall apply MFRS 9, including its impairment requirements, to account for long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint to which the equity method is not applied.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarify that to transfer to, or from, investment properties there must be evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition of investment property. A change in intention, in isolation, does not provide evidence of a change in use.

The amendments also clarify that the list of circumstances that evidence a change in use is not exhaustive.

IC Int 22 Foreign Currency Transactions and Advance Consideration

IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (cont'd)

IC Int 23 Uncertainty over Income Tax Treatments

IC Int clarifies that where there is uncertainty over income tax treatments, an entity shall:

(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

Amendments to References to the Conceptual Framework in MFRS Standards

The Malaysian Accounting Standards Board has issued a *revised Conceptual Framework for Financial Reporting* and amendments to fourteen Standards under the Malaysian Financial Reporting Standards Framework on 30 April 2018.

The revised Conceptual Framework comprises a comprehensive set of concepts of financial reporting. It is built on the previous version of the Conceptual Framework issued in 2011. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wordings to give more prominence to the importance of providing information need to assess management's stewardship of the entity's economic resources.

Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance – in particular the definition of a liability – and clarifications in important areas, such as the role of prudence and measurement uncertainty in financial reporting.

The amendments to the fourteen Standards are to update the references and quotations in these Standards which include MFRS 2, MFRS 3, MFRS 6, MFRS 14, MFRS 101, MFRS 108, MFRS 134, MFRS 137, MFRS 138, IC Int 12, IC Int 19, IC Int 20, IC Int 22 and IC Int 132.

MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 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 the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (cont'd)

MASB Approved Accounting Standards, MFRSs (cont'd)

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ending 30 June 2019.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

2.3.2 The Group is currently performing a detailed analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new MFRSs, amendments/improvements to MFRSs and new IC Int.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of returns and trade discounts after eliminating sales within the Group.

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the amount of the revenue can be measured reliably.

(i) Gross dividend income from subsidiary companies

Dividend income is recognised when the shareholder's right to receive payment is established.

(ii) Management fees

Management fees are recognised on an accrual basis.

(iii) Property development

Revenue and cost of property development project are recognised in profit or loss using the percentage of completion method in respect of sales where agreement has been finalised by the end of the financial year. The percentage of completion is determined based on cost incurred for work performed to date over the total estimated cost of the property development project.

Any expected loss on development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

Revenue relating to sale of completed properties is recognised, net of discount, upon the transfer of significant risks and rewards of ownership to the buyers.

(iv) Hotel operations

Hotel revenue is recognised upon room occupancy while sales of goods and services are recognised upon delivery of products and when the risks and rewards of ownership have passed and when services are rendered, net of goods and services tax.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vi) Rental income

Rental income is recognised on time proportion basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Revenue recognition (cont'd)

(vii) Dividend income from fixed income trust fund and short term money market

Dividend income from fixed income trust fund and short term money market are recognised when the right to receive payment is established.

(b) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(c) Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance costs comprise interest paid and payable on borrowings. Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sales, are capitalised as part of the cost of those assets.

(d) Taxation

Income tax for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or bargain purchase or from the initial recognition of an asset or liability in a transaction which is not a business combination and at time of the transaction, affects neither accounting profit nor taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Taxation (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(e) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximately those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising in monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is transferred to profit or loss of the Group on disposal of the foreign operation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currencies (cont'd)

(ii) Transactions and balances (cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation on non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency that is different from the presentation currency ("RM") of the consolidated financial statements are translated into RM. The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of each reporting period and income and expenses are translated at average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of each reporting period.

(f) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies mentioned in Note 16 to the financial statements made up to 30 June 2018.

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group treats all changes in its ownership interest in a subsidiary company that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted against Group reserves.

Intra-group transactions and balances, and resulting unrealised gains are eliminated on consolidation. Unrealised losses resulting from intra-group transactions are also eliminated on consolidation to the extent of the cost of the asset that can be recovered. The extent of the costs that cannot be recovered is treated as write down or impairment losses as appropriate. Where necessary, adjustments are made to the financial statements of the subsidiary companies to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary company not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the other comprehensive income for the year between non-controlling interests and owners of the Company. Losses applicable to

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Basis of consolidation (cont'd)

the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less

- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(m) to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Basis of consolidation (cont'd)

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the former subsidiary company, any non-controlling interests and the other components of equity related to the former subsidiary company from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary company, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(g) Property, plant and equipment

All property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(m) to the financial statements.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. All other repairs and maintenance are charged to profit or loss as incurred.

Construction work in progress are not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use on straight line basis.

Freehold land are not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line method based on their estimated useful lives.

Buildings	2%
Office equipment and computers	12.5% - 33.3%
Furniture and fittings	12.5%
Renovations	12.5% - 20%
Operating supplies and equipment	12.5%
Motor vehicles	20%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revisions of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. The policy for the recognition and measurement of impairment loss is in accordance with Note 3(m) to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (cont'd)

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

All items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

(h) Investment in subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group:

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

In the Company's separate financial statements, investments in subsidiary companies are stated at costs less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(m) to the financial statements. On disposal of such investments, the difference between the net disposal proceeds and their carrying amount is recognised as a gain or loss on disposal in profit or loss.

(i) Property development activities

(i) Land held for future development/property development projects – non-current portion

Land held for future development/property development projects – non-current portion consists of development costs on which no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(m) to the financial statements.

Land held for future development/property development projects – non-current portion will be reclassified to property development project – current portion when significant development work has been undertaken and is expected to be completed within the normal operating cycle of two to three years.

(ii) Property development projects – current portion

Property development projects – current portion consists of the cost of land and related development expenditure incurred less cost recognised in profit or loss and allowances for foreseeable loss (if any).

Cost comprises the cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at a revalued amount, it continues to retain this amount as its surrogate cost in accordance to FRS 201 *Property Development Activities*.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Property development activities (cont'd)

(ii) Property development projects – current portion (cont'd)

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised on profit or loss by using the percentage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue and expenses are recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in profit or loss.

Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of development, the unsold completed development properties are transferred to inventories.

Interest costs incurred on the development of property development project are capitalised and included as part of development expenditure.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in profit or loss is classified as advance billings.

The Group considers as current assets that portion of property development project on which significant development work has been done and is expected to be completed within the normal operating cycle of two to three years.

(j) Investment properties

Investment properties are investment in land and buildings that are held for long term rental yields and/or for capital appreciation.

Investment in freehold land is stated at cost and is not depreciated as it has indefinite life. Other investment properties are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(m) to the financial statements.

Other investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives at an annual rate of 2% (2017: 2%).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Investment properties (cont'd)

On the disposal of the investment properties, or when it is permanently withdrawn from use and no economic benefits are expected from its disposal, it shall be derecognised *(eliminated)* from the statements of financial position. The difference between the net proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of completed properties is determined on the specific identification method. The cost of food and beverages is determined on a first-in-first-out basis and includes the original purchase cost plus cost incurred in bringing the inventories to its present location. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and all other estimated costs to completion.

(l) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not measured at 'fair value through profit or loss'.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, 'loans and receivables' and 'available-for-sale' financial assets.

(i) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial assets (cont'd)

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial assets (cont'd)

A financial asset is derecognised where the contractual right to receive cash flows from the assets has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

(m) Impairment

(i) Impairment of financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Impairment (cont'd)

(ii) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and investment property that is measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash generating units ("CGU") that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit groups of units on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(n) Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows.

Cash and cash equivalents comprise cash at banks and on hand, deposits in banks and other financial institutions that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Equity instruments

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(p) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resulted gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount as presented in the statements of financial position if there is a currently enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) Financial guarantee contracts

A financial guarantee is a contract that requires the issuer to make specific payments to reimburse the holder for a loss if incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured to the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(s) Operating leases

As lessee

Operating lease payments are recognised as an expense in profit or loss on a time proportion basis over the lease term.

As lessor

Assets leased out under operating leases are presented in the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a time proportion basis over the term of the relevant lease.

(t) Provisions for liabilities

Provision for liabilities are recognised when the Group has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise convertible notes, bonus issue and share options granted to employees.

(v) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain events not wholly within the control of the Group.

As at the reporting date, contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(w) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the management of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(x) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Fair value measurement (cont'd)

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(y) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Property development activities (Note 5, Note 6 and Note 14)

The Group recognises property development projects in the profit or loss by using the percentage of completion method, which is the standard for similar industries.

The percentage of completion is determined by the proportion that property development and contract costs incurred for work performed to date bear to the estimated total property development and contract costs. Estimated losses are recognised in full when determined. Property development revenue and cost estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the percentage of completion, the extent of the property development projects incurred, the estimated total property development revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Adjustments based on the percentage of completion method are reflected in property development revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

Note 3(a)(iii) to the financial statements describes the Group's policy to recognise revenue from sales of properties using the percentage of completion method. Property development revenue is recognised in respect of all development units that have been sold.

Provision for costs identified to be incurred for projects requires judgement in estimating the amount of provision to be made. The Group evaluates the amount of provision required based on past track records and experience.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Deferred tax assets (Note 17)

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5. REVENUE

Analysis of revenue of the Group and of the Company are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property development	176,319,212	156,917,091	-	-
Hotel operations	72,389,889	69,286,488	-	-
Dividend income from subsidiary companies (Note 29)	-	-	45,000,000	45,000,000
Management fees (Note 29)	-	-	5,604,000	5,604,000
	248,709,101	226,203,579	50,604,000	50,604,000

6. COST OF SALES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property development costs				
- land held for future development (Note 13)	34,212,180	-	-	-
- projects (Note 14)	57,351,194	69,661,590	-	-
- inventories	1,602,796	7,370,932	-	-
- trading properties	300,000	-	-	-
Hotel operation costs	26,136,300	24,646,160	-	-
	119,602,470	101,678,682	-	-

7. INVESTMENT REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Lease rental income (Note 15)	3,209,322	2,298,226	-	-
Interest income from fixed deposits	8,625,521	6,358,316	6,638,500	5,256,871
Dividend income from fixed income trust fund	327,716	3,607,172	327,716	3,607,172
Dividend income from short term investments	4,069,573	2,064,728	820,664	-
	16,232,132	14,328,442	7,786,880	8,864,043

8. FINANCE COSTS

	Group	
	2018 RM	2017 RM
Bank overdrafts	61,538	59,986
Term loans	1,213,390	2,137,377
	1,274,928	2,197,363

9. PROFIT BEFORE TAXATION

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest income from Housing Development Accounts	1,164,770	1,013,521	-	-
Late interest income from customers	73,363	2,896	-	-
Rental income	6,986,060	7,920,575	-	-
Fair value changes in short term investments (Note 20(b))	-	23,796	-	-
(Loss)/Gain on disposal of property, plant and equipment	(1,336)	23,586	-	-
Interest on unsecured advances to subsidiary companies (Note 29)	-	-	16,315,074	16,091,592
Auditors' remuneration:				
Audit fees	(250,700)	(255,400)	(40,000)	(38,000)
Non audit fees	(9,450)	(12,200)	(9,450)	(12,200)
Employee benefits expense	(32,120,492)	(28,702,988)	(4,158,535)	(3,544,108)
Directors' remuneration:				
Fees	(186,000)	(164,000)	(150,000)	(128,000)
Contribution to EPF	(31,672)	(32,400)	(31,672)	(32,400)
Other emoluments	(289,262)	(294,829)	(289,262)	(294,829)
Depreciation of property, plant and equipment (Note 12)	(17,316,381)	(16,568,991)	(257,341)	(259,811)
Depreciation of investment properties (Note 15)	(591,691)	(585,253)	-	-
Realised (loss)/gain on foreign exchange	(68,600)	19,285	-	-
Unrealised loss on foreign exchange	(1,031,177)	(156,157)	(1,777,311)	-
Impairment on other receivables (Note 19)	(142,340)	-	-	-
Property, plant and equipment written off (Note 12)	(2,048,921)	(154,059)	-	-
Rental of:				
Premises	(430,054)	(413,364)	(185,400)	(158,400)
Equipment	(59,416)	(57,253)	(7,560)	(7,560)

9. PROFIT BEFORE TAXATION (CONT'D)

Employee benefits expense includes salaries, contribution to EPF and other staff related expenses. Contribution to EPF during the financial year by the Group and the Company amounted to RM3,015,954 and RM430,219 (2017: RM2,784,212 and RM376,107) respectively.

10. TAXATION

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Estimated tax payable:				
Current	19,084,647	13,956,242	6,448,416	5,311,604
Prior years	1,844,831	(532,253)	907,455	3,006
	20,929,478	13,423,989	7,355,871	5,314,610
Deferred tax (Note 17):				
Current	514,456	5,375,721	-	-
Prior years	217,412	1,877,177	-	-
	731,868	7,252,898	-	-
	21,661,346	20,676,887	7,355,871	5,314,610

The income tax is calculated at the statutory rate of 24% (2017: 24%) of the estimated assessable profit for the year.

10. TAXATION (CONT'D)

A numerical reconciliation of current tax expense applicable to profit before taxation at the applicable statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before taxation	73,719,986	71,413,550	66,741,073	70,116,915
Tax at the applicable tax rate of 24% (2017: 24%)	17,692,797	17,139,252	16,017,858	16,828,060
Effect of tax rates in foreign jurisdictions	(193,034)	197,644	-	-
Tax effects of:				
Expenses that are not deductible in determining taxable profit	3,914,524	4,428,236	1,316,504	763,296
Income not subject to tax	(1,073,739)	(1,627,496)	(10,989,096)	(11,495,422)
(Utilisation)/Origination of deferred tax assets not recognised	(99,020)	(805,673)	103,150	111,343
Recognition of previously unrecognised tax credit	(642,425)	-	-	-
Utilisation of group relief	-	-	-	(895,673)
Under/(Over) provision in:				
- current tax	1,844,831	(532,253)	907,455	3,006
- deferred tax	217,412	1,877,177	-	-
	21,661,346	20,676,887	7,355,871	5,314,610

11. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2018	2017
Net profit attributable to Owners of the Company (RM)	52,058,640	50,736,663
Weighted average number of ordinary shares in issue	381,533,758	381,533,758
Basic earnings per share (sen)	13.6	13.3

The basic and diluted earnings per ordinary share are equal as the Company has no dilutive potential ordinary share(s).

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Operating supplies and equipment RM	Motor vehicles RM	Work in progress RM	Total RM
Group								
2018								
Cost								
At 1 July 2017	551,810,436	6,704,658	22,633,325	13,211,795	20,107,290	773,721	114,075	615,355,300
Additions	221,540	383,340	102,873	1,149,378	1,362,156	3	3,211,992	6,431,282
Transfer from property development projects (Note 14)	-	-	-	-	-	-	68,658,028	68,658,028
Disposals	-	(9,148)	(82,203)	-	(48,323)	(235,524)	-	(375,198)
Written off	(2,522,581)	(30,931)	(58,379)	-	(57,800)	(53,591)	-	(2,723,282)
At 30 June 2018	549,509,395	7,047,919	22,595,616	14,361,173	21,363,323	484,609	71,984,095	687,346,130
Accumulated depreciation								
At 1 July 2017	22,676,635	4,823,116	10,532,932	7,430,440	5,399,417	561,499	-	51,424,039
Charge for the financial year	9,495,964	801,744	3,034,712	1,401,469	2,536,813	45,679	-	17,316,381
Disposals	-	(8,562)	(81,950)	-	(41,211)	(151,135)	-	(282,858)
Written off	(514,452)	(30,640)	(52,033)	-	(23,645)	(53,591)	-	(674,361)
At 30 June 2018	31,658,147	5,585,658	13,433,661	8,831,909	7,871,374	402,452	-	67,783,201
Carrying amount								
At 30 June 2018	517,851,248	1,462,261	9,161,955	5,529,264	13,491,949	82,157	71,984,095	619,562,929

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land and buildings RM	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Operating supplies and equipment RM	Motor vehicles RM	Work in progress RM	Total RM
Group								
2017								
Cost								
At 1 July 2016	517,866,630	5,504,148	20,123,435	12,975,670	9,664,773	683,221	28,754,703	595,572,580
Additions	6,784,368	1,283,487	2,564,436	236,125	9,048,625	125,501	114,075	20,156,617
Reclassification	27,275,323	551	82,387	-	1,396,442	-	(28,754,703)	-
Disposals	-	-	-	-	-	(35,001)	-	(35,001)
Written off	(115,885)	(83,528)	(136,933)	-	(2,550)	-	-	(338,896)
At 30 June 2017	551,810,436	6,704,658	22,633,325	13,211,795	20,107,290	773,721	114,075	615,355,300
Accumulated depreciation								
At 1 July 2016	13,145,452	4,044,387	8,003,844	6,141,179	3,209,780	530,244	-	35,074,886
Charge for the financial year	9,568,360	862,187	2,591,424	1,289,261	2,191,503	66,256	-	16,568,991
Disposals	-	-	-	-	-	(35,001)	-	(35,001)
Written off	(37,177)	(83,458)	(62,336)	-	(1,866)	-	-	(184,837)
At 30 June 2017	22,676,635	4,823,116	10,532,932	7,430,440	5,399,417	561,499	-	51,424,039
Carrying amount								
At 30 June 2017	529,133,801	1,881,542	12,100,393	5,781,355	14,707,873	212,222	114,075	563,931,261

Certain property, plant and equipment are pledged as security for banking facilities granted to the Group as disclosed in Note 24 to the financial statements amounting to RM103,422,709 (2017: RM136,531,657).

Work in progress represents refurbishment and construction costs incurred on hotel buildings.

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Motor vehicles RM	Total RM
Company					
2018					
Cost					
At 1 July 2017	1,556,099	12,464	199,726	576,038	2,344,327
Additions	11,899	15,026	74,530	-	101,455
Disposals	-	-	-	(230,144)	(230,144)
At 30 June 2018	1,567,998	27,490	274,256	345,894	2,215,638
Accumulated depreciation					
At 1 July 2017	942,625	11,044	199,721	471,803	1,625,193
Charge for the financial year	221,834	2,305	13,823	19,379	257,341
Disposals	-	-	-	(145,756)	(145,756)
At 30 June 2018	1,164,459	13,349	213,544	345,426	1,736,778
Carrying amount					
At 30 June 2018	403,539	14,141	60,712	468	478,860
2017					
Cost					
At 1 July 2016	1,416,754	12,464	199,726	576,038	2,204,982
Additions	139,345	-	-	-	139,345
At 30 June 2017	1,556,099	12,464	199,726	576,038	2,344,327
Accumulated depreciation					
At 1 July 2016	731,302	10,544	197,962	425,574	1,365,382
Charge for the financial year	211,323	500	1,759	46,229	259,811
At 30 June 2017	942,625	11,044	199,721	471,803	1,625,193
Carrying amount					
At 30 June 2017	613,474	1,420	5	104,235	719,134

13. LAND HELD FOR FUTURE DEVELOPMENT

Land held for future development consists of:

	Freehold land at cost RM	Freehold land at valuation RM	Long term leasehold land at cost RM	Development expenditure RM	Total RM
Group					
At 1 July 2016	112,482,936	34,248,845	41,677,729	5,128,258	193,537,768
Additions	-	-	-	459,535	459,535
At 30 June 2017	112,482,936	34,248,845	41,677,729	5,587,793	193,997,303
Additions	-	-	-	78,780	78,780
Disposal	(15,752,010)	-	(17,853,940)	(606,230)	(34,212,180)
Transfer to property development projects (Note 14)	-	(406,346)	-	(18,171)	(424,517)
At 30 June 2018	96,730,926	33,842,499	23,823,789	5,042,172	159,439,386

The freehold land at valuation held by a subsidiary company was revalued in 1997 based on valuations carried out by an independent professional valuer using the open market value of existing use basis.

14. PROPERTY DEVELOPMENT PROJECTS

	Group	
	2018	2017
	RM	RM
At 1 July		
Freehold land, at cost	64,507,810	67,260,664
Freehold land, at valuation	5,473,890	5,473,890
Development expenditure	571,619,291	596,994,171
	641,600,991	669,728,725
Add:		
Transfer from land held for future development (Note 13):		
Freehold land, at valuation	406,346	-
Development expenditure, at cost	18,171	-
	424,517	-
Cost incurred during the financial year:		
Development expenditure	117,103,653	101,316,730
	117,528,170	101,316,730
Less:		
Completed projects:		
Freehold land, at cost	1,279,307	2,597,843
Development expenditure	66,535,940	119,526,694
	67,815,247	122,124,537
Transfer to property, plant and equipment (Note 12):		
Freehold land, at cost	10,555,195	-
Development expenditure	58,102,833	-
	68,658,028	-
Transfer to inventories (Note 18):		
Freehold land, at cost	12,102	155,011
Development expenditure	576,804	7,164,916
	588,906	7,319,927
	(137,062,181)	(129,444,464)
	622,066,980	641,600,991
Less: Cost recognised to date		
Previous years	269,301,666	321,764,613
Current year (Note 6)	57,351,194	69,661,590
Completed projects	(67,815,247)	(122,124,537)
	(258,837,613)	(269,301,666)
At 30 June	363,229,367	372,299,325
Less: Non-current portion	(198,969,742)	(160,041,362)
Current portion	164,259,625	212,257,963

The freehold land at valuation held by a subsidiary company was revalued in 1997 based on valuations carried out by an independent professional valuer using the open market value of existing use basis.

15. INVESTMENT PROPERTIES

	Freehold land RM	Buildings RM	Total RM
Group			
2018			
Cost			
At 1 July 2017	36,953,367	29,695,954	66,649,321
Transfer from inventories	-	738,124	738,124
At 30 June 2018	36,953,367	30,434,078	67,387,445
Accumulated depreciation			
At 1 July 2017	-	3,634,261	3,634,261
Charge for the financial year	-	591,691	591,691
At 30 June 2018	-	4,225,952	4,225,952
Carrying amount			
At 30 June 2018	36,953,367	26,208,126	63,161,493
2017			
Cost			
At 1 July 2016	36,953,367	29,344,924	66,298,291
Additions	-	351,030	351,030
At 30 June 2017	36,953,367	29,695,954	66,649,321
Accumulated depreciation			
At 1 July 2016	-	3,049,008	3,049,008
Charge for the financial year	-	585,253	585,253
At 30 June 2017	-	3,634,261	3,634,261
Carrying amount			
At 30 June 2017	36,953,367	26,061,693	63,015,060
Fair value			
At 30 June 2018	163,728,400	44,320,400	208,048,800
At 30 June 2017	151,858,300	43,472,745	195,331,045

15. INVESTMENT PROPERTIES (CONT'D)

The investment properties comprise apartment units, commercial land and buildings.

The rental income earned by the Group from its investment properties amounted to RM3,209,322 (2017: RM2,298,226). Direct operating expenses pertaining to the income generating investment properties during the financial year amounted to RM641,511 (2017: RM736,291).

Fair value information

Fair value of investment properties is categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2018				
Freehold land	-	163,728,400	-	163,728,400
Buildings	-	44,320,400	-	44,320,400
	-	208,048,800	-	208,048,800
2017				
Freehold land	-	151,858,300	-	151,858,300
Buildings	-	43,472,745	-	43,472,745
	-	195,331,045	-	195,331,045

Level 2 fair value

The fair value on the investment properties is determined based on sales comparison approach and cost approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot. The most significant input in cost approach is cost per square foot.

16. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2018 RM	Company 2017 RM
At Cost		
Unquoted shares	550,067,138	550,067,138
Loans that are part of the net investments	388,202,130	-
	938,269,268	550,067,138

Loans that are part of net investments represent amount owing by subsidiaries which is non-trade in nature, unsecured and interest bearing at 4% per annum. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

(a) Details of the subsidiary companies are as follows:

	Principal place of business/ Country of incorporation	Effective percentage of ownership 2018 %	2017 %	Principal activities
Subsidiary companies				
Plenitude Tebrau Sdn Bhd	Malaysia	100	100	Property development and investment holding
Plenitude Permai Sdn Bhd	Malaysia	100	100	Property development and investment holding
Plenitude Heights Sdn Bhd	Malaysia	100	100	Property development, hoteling and investment holding
Plenitude Bayu Sdn Bhd	Malaysia	100	100	Property development and investment
Plenitude Estates Sdn Bhd	Malaysia	100	100	Property development and property investment
Plenitude Hills Sdn Bhd	Malaysia	100	100	Investment holding
Plenitude Damansara Sdn Bhd	Malaysia	100	100	Property development, yet to commence operations
Plenitude International Sdn Bhd	Malaysia	100	100	Property development, hoteling and property investment
Plenitude Homes Sdn Bhd	Malaysia	100	100	Property development and property investment, yet to commence operations

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Details of the subsidiary companies are as follows (cont'd):

	Principal place of business/ Country of incorporation	Effective percentage of ownership 2018 %	2017 %	Principal activities
Subsidiary companies (cont'd)				
Plenitude Gateway Sdn Bhd	Malaysia	100	100	General trading, land and property investment and investment holding, yet to commence operations
Cipriani Sdn Bhd	Malaysia	100	100	Investment holding, inactive
The Nomad Group Bhd	Malaysia	100	100	Operator of serviced offices and investment holding
Indirect subsidiary companies				
Held through Plenitude Tebrau Sdn Bhd				
PNT Materials Trading Sdn Bhd *	Malaysia	100	100	Trading of construction materials, inactive
PNT Guards Sdn Bhd	Malaysia	100	100	Property development and property investment
PNT Property Management Services Sdn Bhd	Malaysia	100	100	Provision of management services, inactive
Held through Plenitude Heights Sdn Bhd				
Plenitude Builders Sdn Bhd	Malaysia	100	100	Property development and project management
TBBH Management & Venture Holidays Sdn Bhd	Malaysia	100	100	Provision of management services for hotel industry and travel operations
Held through Plenitude Permai Sdn Bhd				
Intisari Sanjung (M) Sdn Bhd	Malaysia	100	100	Property development, yet to commence operations
Held through The Nomad Group Bhd				
Nomad Properties Sdn Bhd	Malaysia	100	100	Investment holding
Nomad International Sdn Bhd *	Malaysia	100	100	Investment holding
The Nomad Hotel Management Sdn Bhd	Malaysia	100	100	Provision of hotel management and consultancy services

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Details of the subsidiary companies are as follows (cont'd):

	Principal place of business/ Country of incorporation	Effective percentage of ownership 2018 %	2017 %	Principal activities
Indirect subsidiary companies (cont'd)				
Held through The Nomad Group Bhd (cont'd)				
The Nomad Offices Sdn Bhd	Malaysia	100	100	Investment holding
The Nomad Offices Asia Sdn Bhd	Malaysia	100	100	Investment holding and provision of management services
The Nomad Residences Sdn Bhd	Malaysia	100	100	Investment holding
Held through The Nomad Residences Sdn Bhd				
City Centre Hotel Sdn Bhd	Malaysia	100	100	Hotelier and hotel related services
The Nomad Bangsar Sdn Bhd	Malaysia	100	100	Operator of serviced residences
The Nomad Penang Sdn Bhd	Malaysia	100	100	Provision of hotel management and consultancy services
Plenitude Suites Sdn Bhd	Malaysia	100	100	Hotelier and operator of All Suite-Hotel
Held through Nomad Properties Sdn Bhd				
The Nomad Hotel Penang Sdn Bhd	Malaysia	100	100	Hotelier and hotel related services
Held through The Nomad Offices Sdn Bhd				
Nomad Space Sdn Bhd	Malaysia	100	100	Operator of serviced offices, inactive
The Nomad Offices Pte Ltd #	Singapore	100	100	Operator of serviced offices and investment holding, inactive

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Details of the subsidiary companies are as follows (cont'd):

	Principal place of business/ Country of incorporation	Effective percentage of ownership 2018 %	2017 %	Principal activities
Indirect subsidiary companies (cont'd)				
Held through The Nomad Offices Pte Ltd				
Bizcentre Capital Pte Ltd #	Singapore	100	100	Investment holding, inactive
Instant Office Holdings Pte Ltd #	Singapore	100	100	Investment holding, inactive
PT The Nomad Offices Indonesia ^	Indonesia	-	100	Leasing of office spaces, dissolved
PT Concept Kreativ #	Indonesia	100	100	Operator of serviced offices, inactive
The Nomad Offices (Philippines) Inc #	Philippines	100	100	Operator of serviced offices, inactive
The Nomad Offices (Thailand) Co Ltd ^	Thailand	-	100	Operator of serviced offices and investment holding, dissolved
The Nomad Offices (Vietnam) Co Ltd #	Vietnam	100	100	Managing of serviced offices and related services, inactive
Held Through Nomad Space Sdn Bhd				
Nomad Space (Thailand) Co Ltd ^	Thailand	-	100	Operator of serviced offices and investment holding, dissolved

* PNT Materials Trading Sdn Bhd and Nomad International Sdn Bhd have on 19 April 2018 and 3 May 2018 respectively, filed for an application of winding up with the Suruhanjaya Syarikat Malaysia.

\# The statutory financial year end of these subsidiary companies is 31 December. As such, the financial statements for the period from 1 July 2017 to 30 June 2018 (2017: 1 July 2016 to 30 June 2017) were prepared for consolidation purpose and were considered by Messrs. Baker Tilly Monteiro Heng for the purposes of the financial statements of the Group.

^ PT The Nomad Offices Indonesia ("PTTNOI") was struck off with the Register of Company of the Ministry of Law and Human Rights of Republic of Indonesia with effect from 4 September 2017.

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Details of the subsidiary companies are as follows: (cont'd)

The liquidation of The Nomad Offices (Thailand) Co., Ltd ("TNOTH") and Nomad Space (Thailand) Co., Ltd ("NSTH"), were approved and registered with the Department of Business Development, Ministry of Commerce of Thailand on 19 October 2017.

As such, PTTNOI, TNOTH and NSTH have ceased to be the Company's indirect wholly-owned subsidiaries.

(b) Amount owing by subsidiary companies, which arose mainly from management fees and expenses paid on behalf, are unsecured, interest free, repayable on demand and are expected to be settled in cash except for unsecured advances amounting to RM405,679,083 (2017: RM389,564,009) which bear interest at rates of 4% (2017: 4%) per annum.

(c) Amount owing to subsidiary companies, which arose mainly from advances are unsecured, interest-free, repayable on demand and are expected to be settled in cash.

17. DEFERRED TAX ASSETS/(LIABILITIES)

(a) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts of deferred tax assets and liabilities, after appropriate offsetting, are included in the statements of financial position, as follows:

	Group	
	2018	**2017**
	RM	**RM**
Deferred tax assets		
At 1 July	18,125,961	25,732,409
Recognised in profit or loss (Note 10)	(1,775,923)	(7,606,448)
At 30 June	16,350,038	18,125,961
Deferred tax liabilities		
At 1 July	(32,199,242)	(32,552,792)
Recognised in profit or loss (Note 10)	1,044,055	353,550
At 30 June	(31,155,187)	(32,199,242)
Presented after appropriate offsetting as follows:		
Deferred tax assets	16,350,038	18,125,961
Deferred tax liabilities	(31,155,187)	(32,199,242)
At 30 June	(14,805,149)	(14,073,281)

17. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(b) The component and movements of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

Deferred tax assets

	Property development projects RM	Investment property RM	Property, plant and equipment RM	Investment tax allowance RM	Others RM	Total RM
2018						
At 1 July 2017	7,195,398	3,402,856	(3,728,606)	6,579,476	4,676,837	18,125,961
Recognised in profit or loss	(2,534,766)	182,850	1,911,278	(252,611)	(1,082,674)	(1,775,923)
At 30 June 2018	4,660,632	3,585,706	(1,817,328)	6,326,865	3,594,163	16,350,038
2017						
At 1 July 2016	14,770,016	3,402,856	(2,418,048)	6,275,282	3,702,303	25,732,409
Recognised in profit or loss	(7,574,618)	-	(1,310,558)	304,194	974,534	(7,606,448)
At 30 June 2017	7,195,398	3,402,856	(3,728,606)	6,579,476	4,676,837	18,125,961

Deferred tax liabilities

	Property, plant and equipment RM	Land held for future development RM	Total RM
2018			
At 1 July 2017	(26,685,598)	(5,513,644)	(32,199,242)
Recognised in profit or loss	1,044,055	-	1,044,055
At 30 June 2018	(25,641,543)	(5,513,644)	(31,155,187)
2017			
At 1 July 2016	(27,039,148)	(5,513,644)	(32,552,792)
Recognised in profit or loss	353,550	-	353,550
At 30 June 2017	(26,685,598)	(5,513,644)	(32,199,242)

17. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(c) As mentioned in Note 3 to the financial statements, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 June 2018, the estimated amount of deferred tax assets calculated at the applicable tax rate, which is not recognised in the financial statements due to uncertainty of its realisation is as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Tax effects of unused tax losses	4,735,964	4,136,842	-	-
Tax effects of unabsorbed capital allowance	780,459	628,463	-	-
Tax effects of unabsorbed investment tax allowance	10,162,989	11,094,441	-	-
Tax effects of other deductible differences	945,436	864,122	171,164	68,014
	16,624,848	16,723,868	171,164	68,014

18. INVENTORIES

	Group	
	2018	**2017**
	RM	**RM**
At cost:		
Completed properties	28,338,306	30,090,320
General supplies of hotel operations	639,337	599,674
	28,977,643	30,689,994

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade				
Trade receivables	19,925,674	40,378,327	-	-
Less : Allowance for impairment	(142,340)	-	-	-
	19,783,334	40,378,327	-	-
Non-trade				
Other receivables	2,242,657	2,669,592	-	3,500
Refundable deposits	5,840,626	4,167,215	1,055,930	53,677
Prepaid expenses	2,545,798	2,733,880	28,808	10,000
GST refundable	2,686,416	2,643,559	-	-
	13,315,497	12,214,246	1,084,738	67,177
Total trade and other receivables	33,098,831	52,592,573	1,084,738	67,177

Trade receivables comprise amounts receivable for the sales of goods and progress billings to customers. Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 21 days to 30 days (2017: 21 days to 30 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables of the Group is stakeholders' sum of RM5,213,515 (2017: RM8,761,452).

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables (cont'd)

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2018 RM	2017 RM
Neither past due nor impaired	14,038,754	28,600,681
Past due but not impaired		
Past due 1 to 30 days	2,675,922	8,447,468
Past due 31 to 60 days	1,828,078	1,566,046
Past due 61 to 90 days	578,413	1,324,500
Past due 91 to 120 days	120,570	54,098
Past due over 120 days	683,937	385,534
	5,886,920	11,777,646
Less: Allowance for impairment	(142,340)	-
	19,783,334	40,378,327

Receivables that are neither past due nor impaired

Trade receivables comprise substantially of amounts due from house buyers with end financing facilities from end financiers. In respect of house buyers with no end financing, the Group retains the legal titles to all properties sold until the full contracted sales value is settled. Accordingly, under these circumstances, the amount due from house buyers are not impaired.

Receivables that are past due but not impaired

The Group has not made any allowances for impairment for these receivables since there has not been a significant change in the credit quality of these receivables and the amounts owing are still considered as being recoverable.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date the credit was initially granted up to the reporting date. The Group has policies in place to ensure that credit is extended only to customers with acceptable credit history and/or payment track records. Allowances for impairment are made on specific trade receivables when there is objective evidence that the Group will not be able to collect the amounts due.

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Allowance for impairment

The Group's trade receivables that impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group 2018 RM	Group 2017 RM
At 1 July	-	-
Charge for the financial year	142,340	-
At 30 June	142,340	-

20. SHORT TERM INVESTMENTS

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Available-for-sale financial assets	(a)	66,951,826	64,370,917	-	-
Financial assets at fair value through profit or loss	(b)	32,320,664	-	32,320,664	-
Total short term investments		99,272,490	64,370,917	32,320,664	-
(a) **Available-for-sale financial assets**					
- Shares quoted in Malaysia at fair value:					
At 1 July		64,370,917	51,982,552	-	-
Fair value changes		2,580,909	12,388,365	-	-
At 30 June		66,951,826	64,370,917	-	-
(b) **Financial assets at fair value through profit or loss:**					
- Investment in money market fund:					
At 1 July		-	908,077	-	-
Additions		31,500,000	-	31,500,000	-
Disposals		-	(931,873)	-	-
Fair value changes		-	23,796	-	-
Dividend received		820,664	-	820,664	-
At 30 June		32,320,664	-	32,320,664	-

21. SHORT TERM DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Fixed income trust fund	-	15,547,522	-	15,547,522
Fixed deposits with licensed banks	249,267,079	247,044,462	161,095,874	150,549,962
Cash and bank balances	80,501,452	80,892,187	4,874,980	5,023,790
	329,768,531	343,484,171	165,970,854	171,121,274

Included in cash and bank balances of the Group is an amount of RM53,170,455 (2017: RM52,911,200) deposited into Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966, which is not freely available for general use. These accounts, which consist of monies received from purchasers and interest credited thereon, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Group upon the completion of the property development project and after all property development expenditure has been fully settled.

The effective interest rates per annum of deposits with licensed banks are as follows:

	Group		Company	
	2018	2017	2018	2017
Fixed deposits with licensed banks	3.30% to 4.10%	3.30% to 4.10%	3.30% to 4.00%	3.30% to 4.10%

The maturities and repricing of deposits with licensed banks at the end of the financial year are as follows:

	Group		Company	
	2018	2017	2018	2017
Fixed deposits with licensed banks	30 to 90 days	30 to 90 days	30 to 90 days	30 to 90 days

22. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2018 Units	2017 Units	2018 RM	2017 RM
Ordinary shares				
Issued and fully paid:				
At 1 July	381,533,758	381,533,758	515,314,609	381,533,758
Transition to no par value regime	-	-	-	133,780,851
At 30 June	381,533,758	381,533,758	515,314,609	515,314,609

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

23. RESERVES

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Non-distributable					
Available-for-sale reserve	(i)	15,790,208	13,209,299	-	-
Foreign currency translation reserve	(ii)	52,846	838,490	-	-
		15,843,054	14,047,789	-	-
Distributable					
Retained earnings	(iii)	1,028,161,843	993,272,222	519,047,538	476,831,355
		1,044,004,897	1,007,320,011	519,047,538	476,831,355

(i) Available-for-sale reserve

The fair value reserve arising from the fair valuation of short term investments, financial assets categorised as available-for-sale.

(ii) Foreign currency translation reserve

Exchange differences arising from the translation of foreign controlled subsidiaries are taken to the translation reserve as described in the accounting policies.

(iii) Retained earnings

As at 30 June 2018, the Company is able to distribute the retained earnings under the single tier system.

24. BANK BORROWINGS

	Group 2018 RM	Group 2017 RM
Current		
Term loans (secured)	1,054,170	600,000
Non-current		
Term loans (secured)	23,284,206	30,538,376
Total borrowings	24,338,376	31,138,376
Represented by:		
Current		
Portion due within one year	1,054,170	600,000
Non-current		
- later than one year and not later than five years	11,228,654	15,470,800
- later than five years	12,055,552	15,067,576
	23,284,206	30,538,376
	24,338,376	31,138,376

The bank borrowings are in respect of term loans secured by the following:

(i) First party legal charge over freehold land and buildings of the subsidiary companies as disclosed in Note 12 to the financial statements;

(ii) Specific debenture over certain properties including buildings, fixture and fittings on the properties of the subsidiary companies as disclosed in Note 12 to the financial statements; and

(iii) Corporate guarantee by a subsidiary company.

The term loans bear interest rate at 4.80% (2017: 4.80% to 6.10%) per annum.

Bank overdrafts and other banking facilities

The subsidiary companies have bank overdrafts and bank guarantee facilities of RM15.2 million (2017: RM15.5 million) obtained from the financial institutions. These facilities are secured by corporate guarantees issued by the Company and a subsidiary company and negative pledge on assets of the respective subsidiary companies. The bank overdrafts facilities were not utilised as at end of the financial year.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade				
Trade payables	15,080,388	13,094,262	-	-
Retention monies	23,349,390	31,139,926	-	-
Accrued expenses	24,066,175	19,603,394	-	-
	62,495,953	63,837,582	-	-
Non-trade				
Other payables	8,777,257	14,294,179	1,462	-
Accrued expenses	7,246,271	8,326,884	1,095,915	913,166
Deferred income	2,571,909	4,988,083	-	-
GST payable	32,201	517,790	42,031	69,872
Provision for cost to completion	7,714,964	10,687,568	-	-
Provision for affordable housing obligations	13,103,351	17,795,312	-	-
	39,445,953	56,609,816	1,139,408	983,038
Total trade and other payables	101,941,906	120,447,398	1,139,408	983,038

Trade payables are non-interest bearing and the normal credit period granted to the Group for construction costs range from 30 days to 60 days (2017: 30 days to 60 days).

The provision for cost to completion represents development costs identified to be incurred for completed projects. Judgement is required in estimating the amount of provision to be made. The Group evaluates the amount of provision required based on past track records and experience. The movement in the provision for cost to completion are as follows:

	Group	
	2018 RM	2017 RM
At 1 July	10,687,568	28,129,240
Additions	9,148,294	22,220,288
Utilised/Write back to profit or loss	(12,120,898)	(39,661,960)
At 30 June	7,714,964	10,687,568

25. TRADE AND OTHER PAYABLES (CONT'D)

The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing. In establishing the present obligation, judgements and assumptions are made by the Group based on its past experience based on the terms and conditions of the approved master and building plans.

The movement of the provision for affordable housing obligations are as follows:

	Group	
	2018 RM	2017 RM
At 1 July	17,795,312	26,693,100
Utilised/Write back to profit or loss	(4,691,961)	(8,897,788)
At 30 June	13,103,351	17,795,312

26. DIVIDENDS

Dividends recognised by the Company are as follows:

	Company	
	2018 RM	2017 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
Final single-tier dividend (2018: 4.5 sen; 2017: 4.5 sen)	17,169,019	17,169,019

The directors have proposed a final single-tier dividend of 4.5 sen on 381,533,758 ordinary shares, amounting to RM17,169,019 in respect of current financial year. This dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2019.

27. CORPORATE GUARANTEE

	Company	
	2018 RM	2017 RM
Corporate guarantee given to a bank for credit facilities granted to subsidiary companies	14,278,000	14,278,000

28. SEGMENT INFORMATION

The Group prepared the segment information in accordance with FRS 8 *Operating Segments* and on the basis of internal reports on the Group's strategic business units which are regularly reviewed by the Board of Directors in order to allocate resources to the segments and to assess their performances.

There are varying levels of integration among investment holding with the other segments. This integration includes corporate support and provision of financial support. Inter-segment pricing is determined on a negotiated basis.

For management purposes, the Group is organised into the following operating divisions:
- Property development
- Hotel operations
- Investment holding and others

Factors used to identify reportable segment

Property development segment, hotel operations segment, and investment holding segment are organised and identified as separate reportable segments due to the nature of the principal activities in which the business operates.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the directors. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

The total segment liability is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the directors.

Geographical segments

Information on the Group's operations by geographical segments has not been presented as the results from other geographical segments are insignificant.

Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

28. SEGMENT INFORMATION (CONT'D)

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Note	Total RM
Group						
2018						
Revenue						
External customers	176,319,212	72,389,889	-	-		248,709,101
Inter-segment sales	-	-	5,628,000	(5,628,000)	(a)	-
Dividend income	-	-	45,000,000	(45,000,000)	(a)	-
Total revenue	176,319,212	72,389,889	50,628,000	(50,628,000)		248,709,101
Results						
Segment profit/(loss)	54,553,287	16,588,044	61,828,781	(56,299,258)	(b)	76,670,854
Investment revenue						16,232,132
Depreciation						(17,908,072)
Finance costs						(1,274,928)
Profit before taxation						73,719,986
Taxation						(21,661,346)
Net profit for the financial year						52,058,640

28. SEGMENT INFORMATION (CONT'D)

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Note	Total RM
Group						
2018						
Consolidated statement of financial position						
Segment assets	891,516,640	597,258,587	1,711,629,053	(1,501,518,910)	(c)	1,698,885,370
Unallocated assets						26,193,598
Total assets						1,725,078,968
Segment liabilities	352,844,937	299,592,258	149,094,683	(667,922,819)	(c)	133,609,059
Unallocated liabilities						32,150,403
Total liabilities						165,759,462
Other information						
Additions to non-current assets other than financial instruments and deferred tax assets	15,071,213	5,668,423	101,454	(5,315,985)		15,525,105
Depreciation						
- Property, plant and equipment	138,414	16,916,799	261,168	-		17,316,381
- Investment properties	564,376	-	27,315	-		591,691
Interest income from fixed deposits	835,830	15,842	7,773,849	-		8,625,521

28. SEGMENT INFORMATION (CONT'D)

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Note	Total RM
Group						
2017						
Revenue						
External customers	156,917,091	69,286,488	-	-		226,203,579
Inter-segment sales	-	-	5,628,000	(5,628,000)	(a)	-
Dividend income	-	-	45,000,000	(45,000,000)	(a)	-
Total revenue	156,917,091	69,286,488	50,628,000	(50,628,000)		226,203,579
Results						
Segment profit/(loss)	58,319,925	15,286,325	62,167,709	(59,337,244)	(b)	76,436,715
Investment revenue						14,328,442
Depreciation						(17,154,244)
Finance costs						(2,197,363)
Profit before taxation						71,413,550
Taxation						(20,676,887)
Net profit for the financial year						50,736,663

28. SEGMENT INFORMATION (CONT'D)

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Note	Total RM
Group						
2017						
Consolidated statement of financial position						
Segment assets	899,337,187	607,977,533	1,656,544,743	(1,474,280,783)	(c)	1,689,578,680
Unallocated assets						24,716,717
Total assets						1,714,295,397
Segment liabilities	357,110,354	299,858,249	147,780,569	(646,213,090)	(c)	158,536,082
Unallocated liabilities						33,124,695
Total liabilities						191,660,777
Other information						
Additions to non-current assets other than financial instruments and deferred tax assets	18,284,726	19,851,640	139,345	(5,190,307)		33,085,404
Depreciation						
- Property, plant and equipment	130,815	16,166,339	271,837	-		16,568,991
- Investment properties	563,203	-	22,050	-		585,253
Interest income from fixed deposits	1,069,732	17,831	5,270,753	-		6,358,316

28. SEGMENT INFORMATION (CONT'D)

Notes Nature of elimination to arrive at amounts reported in the consolidated financial statements:
(a) Inter-segment revenue are eliminated on consolidation;
(b) Inter-segment revenue and expenses are eliminated on consolidation; and
(c) Inter-segment balances are eliminated on consolidation.

29. SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influences over the other party in making financial and operational decisions, or if one other party controls both.

Related parties also included key management personnel defined as those group of persons having authority and responsibility for planning, directing, and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, directors and other key management personnel.

(a) Significant transactions undertaken on agreed terms and prices by the Company with its subsidiary companies during the financial year are as follows:

	Company	
	2018 RM	2017 RM
Dividend income received (Note 5)	45,000,000	45,000,000
Interest on unsecured advances to subsidiary companies (Note 9)	16,315,074	16,091,592
Management fees received (Note 5)	5,604,000	5,604,000

(b) The compensation of key management personnel during the financial year are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Short-term employee benefits	4,551,201	4,032,903	2,147,408	1,944,929
Contributions to EPF	543,066	481,448	257,057	232,896
	5,094,267	4,514,351	2,404,465	2,177,825

29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) The compensation of key management personnel during the financial year are as follows (cont'd):

The estimated monetary value of benefit-in-kind received by the key management personnel other than in cash from the Group and the Company amounted to RM18,011 and RM600 (2017: RM13,150 and RM2,500) respectively.

Included in the above compensation of key management personnel are directors' remuneration as disclosed in Note 9 to the financial statements.

30. FINANCIAL INSTRUMENTS

(a) **Classification of financial instruments**

The following table analyses the financial assets and liabilities of the Group and the Company in the statements of financial position as at 30 June 2018 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Note	Loans and receivables RM	Available-for-sale RM	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
Group						
2018						
Financial assets						
Trade and other receivables *	19	27,866,617	-	-	-	27,866,617
Short term investments	20	-	66,951,826	32,320,664	-	99,272,490
Fixed deposits with licensed banks	21	249,267,079	-	-	-	249,267,079
Cash and bank balances	21	80,501,452	-	-	-	80,501,452
Total financial assets		357,635,148	66,951,826	32,320,664	-	456,907,638
Financial liabilities						
Trade and other payables ^	25	-	-	-	78,519,481	78,519,481
Bank borrowings	24	-	-	-	24,338,376	24,338,376
Total financial liabilities		-	-	-	102,857,857	102,857,857

** Exclude prepayments and GST refundable*
^ Exclude provision, deferred income and GST payable

30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

	Note	Loans and receivables RM	Available-for-sale RM	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
Group						
2017						
Financial assets						
Trade and other receivables *	19	47,215,134	-	-	-	47,215,134
Short term investments	20	-	64,370,917	-	-	64,370,917
Fixed income trust fund	21	15,547,522	-	-	-	15,547,522
Fixed deposits with licensed banks	21	247,044,462	-	-	-	247,044,462
Cash and bank balances	21	80,892,187	-	-	-	80,892,187
Total financial assets		390,699,305	64,370,917	-	-	455,070,222
Financial liabilities						
Trade and other payables ^	25	-	-	-	86,458,645	86,458,645
Bank borrowings	24	-	-	-	31,138,376	31,138,376
Total financial liabilities		-	-	-	117,597,021	117,597,021

** Exclude prepayments and GST refundable*
^ Exclude provision, deferred income and GST payable

30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

	Note	Loans and receivables RM	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
Company					
2018					
Financial assets					
Trade and other receivables *	19	1,055,930	-	-	1,055,930
Amount owing by subsidiary companies	16(b)	17,594,682	-	-	17,594,682
Short term investments	20	-	32,320,664		32,320,664
Fixed deposits with licensed banks	21	161,095,874	-	-	161,095,874
Cash and bank balances	21	4,874,980	-	-	4,874,980
Total financial assets		184,621,466	32,320,664	-	216,942,130
Financial liabilities					
Trade and other payables ^	25	-	-	1,097,377	1,097,377
Amount owing to subsidiary companies	16(c)	-	-	119,891,147	119,891,147
Total financial liabilities		-	-	120,988,524	120,988,524
2017					
Financial assets					
Trade and other receivables *	19	57,177	-	-	57,177
Amount owing by subsidiary companies	16(b)	389,663,289	-	-	389,663,289
Fixed income trust fund	21	15,547,522	-	-	15,547,522
Fixed deposits with licensed banks	21	150,549,962	-	-	150,549,962
Cash and bank balances	21	5,023,790	-	-	5,023,790
Total financial assets		560,841,740	-	-	560,841,740

** Exclude prepayments*
^ Exclude GST payable

30. FINANCIAL INSTRUMENTS (CONT'D)

(a) **Classification of financial instruments (cont'd)**

	Note	Loans and receivables RM	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
Company					
2017					
Financial liabilities					
Trade and other payables ^	25	-	-	913,166	913,166
Amount owing to subsidiary companies	16(c)	-	-	118,678,908	118,678,908
Total financial liabilities		-	-	119,592,074	119,592,074

^ *Exclude GST payable*

(b) **Financial risk management objectives and policies**

The operations of the Group and of the Company are subject to a variety of financial risks, including credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and deposits with banks and other financial institutions.

Trade and other receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's and the Company's policy to monitor the financial standing of these receivables on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk. For deposits with banks and other financial institutions, the Group and the Company minimise credit risk by dealing with various counter parties with good reputation and high credit ratings only.

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Exposure to credit risk

As at end of financial year, the Group and the Company have no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

Financial assets that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 19 to the financial statements.

Deposits with banks and other financial institutions are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 19 to the financial statements.

Inter-company balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. There is no indication that the unsecured loans and advances to the subsidiaries are not recoverable.

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries as disclosed in Note 27 to the financial statements. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

		← Contractual cash flows →			
	Carrying amounts RM	Within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group					
2018					
Financial liabilities					
Trade and other payables ^	78,519,481	78,519,481	-	-	78,519,481
Bank borrowings	24,338,376	2,117,971	14,678,867	13,145,830	29,942,668
	102,857,857	80,637,452	14,678,867	13,145,830	108,462,149
2017					
Financial liabilities					
Trade and other payables ^	86,458,645	86,458,645	-	-	86,458,645
Bank borrowings	31,138,376	2,124,844	17,730,746	19,663,044	39,518,634
	117,597,021	88,583,489	17,730,746	19,663,044	125,977,279

^ *Exclude provision, deferred income and GST payable*

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amounts RM	Contractual cash flows: Within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Company					
2018					
Financial liabilities					
Trade and other payables ^	1,097,377	1,097,377	-	-	1,097,377
Amount owing to subsidiary companies	119,891,147	119,891,147	-	-	119,891,147
	120,988,524	120,988,524	-	-	120,988,524
2017					
Financial liabilities					
Trade and other payables ^	913,166	913,166	-	-	913,166
Amount owing to subsidiary companies	118,678,908	118,678,908	-	-	118,678,908
	119,592,074	119,592,074	-	-	119,592,074

^ *Exclude GST payable*

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly US Dollar ("USD"), EURO ("EUR") and British Pound ("GBP").

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Foreign currency risk (cont'd)

The Group and the Company ensure that the net exposure to this risk is kept to an acceptable level. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweighs the potential risk of exchange rate fluctuations.

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entitles) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in		
	USD	EUR	GBP
	RM	RM	RM
Group			
2018			
Cash and bank balances	2,904,013	-	39,767,762
Trade payables	(104,549)	(31,168)	-
Other payables	(879,783)	-	-
Exposure in the statements of financial position	1,919,681	(31,168)	39,767,762
2017			
Cash and bank balances	1,050,629	-	-
Trade payables	(74,060)	(17,472)	-
Other payables	(523,608)	-	-
Exposure in the statements of financial position	452,961	(17,472)	-

<u>Currency risk sensitivity analysis</u>
The following table demonstrates the sensitivity to a reasonable possible change in the GBP, with all other variables held constant on the Group's total equity and profit for the financial year.

	Change in rate	Effect on profit or loss for the financial year RM
Group		
2018		
GBP	+10%	3,976,776
	-10%	(3,976,776)

The exposure of the Group on USD and EUR are not material and hence, sensitivity analysis is not presented.

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are exposed to interest rate risk through the deposits in banks and other financial institutions. The Group's and the Company's interest bearing deposits are mainly short term in nature and have been mostly placed in fixed deposits. The term loans of the Group at floating rate expose the Group to cash flow interest rate risk.

The Group reviews its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of asset.

Sensitivity analysis for interest rate risk

A change of 25 basis point in interest rates at the reporting date would result in the profit or loss before tax to be higher/(lower) by the amounts shown below. The analysis assumes that all other variables remain constant.

	Group	
	2018 RM	2017 RM
25 basis points increase		
Floating rate financial liabilities	-	(17,000)
25 basis points decrease		
Floating rate financial liabilities	-	17,000

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on Bursa Securities. These instruments are classified as held for trading or available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 10 percent strengthening in FBMKLCI at the end of the reporting period would have increased equity by RM2,912,056. A 10 percent weakening in FBMKLCI would have had equal but opposite effect on equity.

30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	2018 RM	2017 RM
Group		
Financial assets		
Trade and other receivables *	27,866,617	47,215,134
Fixed income trust fund	-	15,547,522
Fixed deposits with licensed banks	249,267,079	247,044,462
Cash and bank balances	80,501,452	80,892,187
	357,635,148	390,699,305
Financial liabilities		
Trade and other payables ^	78,519,481	86,458,645
Bank borrowings	24,338,376	31,138,376
	102,857,857	117,597,021

** Exclude prepayments and GST refundable*
^ Exclude provision, deferred income and GST payable

30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value (cont'd)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd)

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd):

	2018 RM	2017 RM
Company		
Financial assets		
Trade and other receivables *	1,055,930	57,177
Amount owing by subsidiary companies	17,594,682	389,663,289
Fixed income trust fund	-	15,547,522
Fixed deposits with licensed banks	161,095,874	150,549,962
Cash and bank balances	4,874,980	5,023,790
	184,621,466	560,841,740
Financial liabilities		
Trade and other payables ^	1,097,377	913,166
Amount owing to subsidiary companies	119,891,147	118,678,908
	120,988,524	119,592,074

* *Exclude prepayments*
^ *Exclude GST payable*

The carrying amount of these financial assets and liabilities is reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(d) Fair value hierarchy

The following are classes of financial instruments that are carried at fair value, by valuation method. The different levels have been defined as follows:

	Note	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
2018					
Financial asset					
Short term investments	20	99,272,490	-	-	99,272,490

30. FINANCIAL INSTRUMENTS (CONT'D)

(d) **Fair value hierarchy (cont'd)**

The following are classes of financial instruments that are carried at fair value, by valuation method. The different levels have been defined as follows (cont'd):

	Note	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
2017					
Financial asset					
Short term investments	20	64,370,917	-	-	64,370,917
Company					
2018					
Financial asset					
Short term investments	20	32,320,664	-	-	32,320,664

The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.

Transfer between levels of fair values hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

31. CAPITAL MANAGEMENT

The Group's primary objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain and or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce borrowings.

There were no changes made on the capital management objectives, policies and processes of the Group during the financial year.

The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total interest bearing financial liabilities less cash and cash equivalents. Total capital refers to equity attributable to the owners of the Company.

31. CAPITAL MANAGEMENT (CONT'D)

	Group 2018 RM	Group 2017 RM
Borrowings (Note 24)	24,338,376	31,138,376
Less: Short term deposits, cash and bank balances (Note 21)	(329,768,531)	(343,484,171)
Sub-total	(305,430,155)	(312,345,795)
Net debt	-	-
Equity attributable to the owners of the Company, representing total capital	1,559,319,506	1,522,634,620
Total capital and net debt	1,559,319,506	1,522,634,620
Gearing ratio, net	-	-

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **CHUA ELSIE** and **TAN KAK TEC**K, being two of the directors of **Plenitude Berhad**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 86 to 166 are properly drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors,

CHUA ELSIE

TAN KAK TECK

Kuala Lumpur
Date: 24 September 2018

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **LEE SOOK LEE**, being the officer primarily responsible for the financial management of **Plenitude Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 86 to 166 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

LEE SOOK LEE
(MIA membership no: 27092)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 24 September 2018.

Before me,

TAN KIM CHOOI
W661

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PLENITUDE BERHAD (Incorporated In Malaysia)

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Plenitude Berhad, which comprise the statements of financial position as at 30 June 2018 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 166.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018, and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company of the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters below to be the key audit matters to be communicated in our report.

Group

Property development activities (Note 4(a), 5, 6 and 14 to the financial statements)

We focused on this area because the amounts of revenue and related costs recognised in the property development business require the directors to apply significant judgement. The revenue and corresponding cost of sales are recognised based on the estimated total revenue and costs, the extent of costs incurred to date and the stage of completion method. The stage of completion method is determined by reference to costs incurred for work performed to date compared to the estimated total costs for each project. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PLENITUDE BERHAD (Incorporated In Malaysia)

Key Audit Matters (cont'd)

Group (cont'd)

Our response:

Our audit procedures included, among others:

- evaluating the design and assessing the implementation of controls over the Group's process in recording project costs, preparing project budgets and calculating the stage of completion;
- challenging the Group's major assumptions by comparing to contractual terms, historical margins and our understanding gathered from the analysis of changes in assumptions from the previous year;
- discussing the progress of the projects and the expected outcomes with the respective project general managers, to obtain an understanding of the basis on which the estimates are made;
- assessing the reasonableness of the computed stage of completion for identified projects against architect certificates or progress reports on the physical completion;
- reviewing the mathematical computation of the recognised revenue and expenses during the financial year; and
- discussing with the Group on the estimation of provision and the input data in the estimation of provision.

Deferred tax assets (Note 4(b) and 17 to the financial statements)

As at 30 June 2018, the Group has recognised deferred tax assets for unutilised tax losses and unused tax credits. The recoverability of recognised deferred tax assets is dependent on the Group's ability to generate future taxable profits sufficient to be utilised against the unused tax losses and the unused tax credits.

We focused on this area because the realisation of these deferred tax assets is often dependent on future taxable profits and there are inherent uncertainties involved in projecting the amount.

Our response:

Our audit procedures included, among others:

- comparing the actual results with previous projections to assess the performance of the business and historical accuracy of the projections;
- reviewing the profit projections by assessing the key inputs such as growth rate, inflation rate and profit margin; and
- testing the mathematical accuracy of the profit projection calculation.

Company

We have determine that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PLENITUDE BERHAD (Incorporated In Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PLENITUDE BERHAD (Incorporated In Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PLENITUDE BERHAD (Incorporated In Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng	Dato' Lock Peng Kuan
No. AF 0117	No. 02819/10/2018 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
Date: 24 September 2018

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2018

No.	Land title / Location	Existing use / Description	Land area / Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2018 (RM)	Date of acquisition / revaluation
1	PT 55470 - 55608, H.S.(D) 39972 - 40110 PT 48228 - 48339, H.S.(D) 34839 - 34950 LOT 119982, GERAN 334956 PT 36063, H.S.(D) 49957 PT 36064, H.S.(D) 49958 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Land held for mixed development	72.78	Freehold	-	9,082,973	24/03/1999
2	PT 32818 - 33146, H.S.(D) 24048 - 24374 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Land held for mixed development	32.08	Leasehold (Expiring in 2101)	-	24,820,323	05/06/2009
3	PT 39768, H.S.(D) 28144 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Land together with office building	0.07	Freehold	14	209,306	30/09/2008
4	PTD 193852 - 193867, H.S.(D) 570161 - 570176; PTD 193875 - 193886, H.S.(D) 570177 - 570188; PTD 193907 - 193930, H.S.(D) 570209 - 570232; PTD 193951 - 193974, H.S.(D) 570253 - 570276; PTD 193995 - 194018, H.S.(D) 570297 - 570320; PTD 194059 - 194070, H.S.(D) 570361 - 570372 PTD 193720 - 193761, H.S.(D) 570021 - 570062; PTD 193762 - 193851, H.S.(D) 570071 - 570160 PTD 194084, H.S.(D) 570374 PTD 194079, H.S.(D) 570373 PTD 194085, H.S.(D) 570375 PTD 194089, H.S.(D) 570376 PTD 114154 - 114155, H.S.(D) 368390 - 368391	Land held for mixed developmen	215.16	Freehold	-	25,877,084	25/10/2000

LIST OF PROPERTIES

HELD AS AT 30 JUNE 2018 (CONT'D)

No.	Land title / Location	Existing use / Description	Land area / Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2018 (RM)	Date of acquisition / revaluation
4	PTD 114528 - 114759, H.S.(D) 427430 - 427661 PTD 114760 - 114869, H.S.(D) 380531 - 380640 PTD 114870 - 114969, H.S.(D) 380641 - 380740 PTD 147858 - 147989, H.S.(D) 540538 - 540669 PTD 158069, H.S.(D) 489259 PTD 158176, H.S.(D) 489360 PTD 158191, H.S.(D) 489370 Mukim Tebrau, Johor Bahru Johor Darul Takzim						
5	PTD 162997, H.S.(D) 385544 PTD 162999, H.S.(D) 385546 PTD 128471, H.S.(D) 385547 PTD 128371, H.S.(D) 385447 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for mixed development	4.46	Freehold	-	741,560	25/10/2000
6	PTD 93547 - 93548, H.S.(D) 329862 - 329863 PTD 147338, H.S.(D) 453149 PTD 158193, H.S.(D) 489372 PTD 158181, H.S.(D) 489361 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for commercial development	19.42	Freehold	-	2,843,071	25/10/2000
7	PTD 140212, H.S.(D) 439286 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for investment property	10.90	Freehold	-	1,657,074	25/10/2000
8	PTD 162998, H.S.(D) 509005 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land together with retail lots and car park held for investment property	5.10	Freehold	4	16,420,097	25/10/2000

LIST OF PROPERTIES

HELD AS AT 30 JUNE 2018 (CONT'D)

No.	Land title / Location	Existing use / Description	Land area / Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2018 (RM)	Date of acquisition / revaluation
9	PTD 93426, H.S.(D) 329743 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land together with office building	0.82	Freehold	20	111,393	25/10/2000
10	Geran 96630 Lot 15 Geran 102260 Lot 1585 PTD 31036 H.S.(D) 19885 PTD 31038 H.S.(D) 19887 PTD 31039 H.S.(D) 19888 Mukim and District of Kota Tinggi Johor Darul Takzim	Land held for mixed development	258.48	Freehold	-	34,859,119	25/02/2004
11	Geran 35108, Lot 28 Geran 35126, Lot 213 Seksyen 2 Bandar Batu Feringgi Daerah Timor Laut, Pulau Pinang	Land held for residential development	0.82	Freehold	-	2,108,396	10/07/2006
12	H.S.(D) 16809, Lot 1365 Geran 49405 - 49407, Lot 494 - 496 Geran 49408 - 49414, Lot 508 - 514 Geran 107001, Lot 836 GM 338, Lot 936 GM 346, Lot 959 GM 351, Lot 964 GM 352, Lot 986 GM 354 - 355, Lot 1057 - 1058 GM 458 - 460, Lot 1090 - 1092 GM 468, Lot 1102 H.S.(M) 406 - 407, Lot 1231 - 1232 GM 154, Lot 709 Mukim 17, Batu Ferringgi, Daerah Timor Laut, Pulau Pinang	Land held for mixed development	32.83	Freehold	-	38,752,211	10/05/2010

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2018 (CONT'D)

No.	Land title / Location	Existing use / Description	Land area / Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2018 (RM)	Date of acquisition / revaluation
13	H.S.(M) 494 - 495, Lot 1368 - 1369 Geran Mukim 116 - 117, Lot 555 - 556 Mukim 17, Tempat Batu Feringghi, Daerah Timor Laut, Pulau Pinang	Land held for mixed development	1.91	Freehold	-	2,612,567	28/09/2010
14	Geran No. 116119 -116124, Lot No. 1038-1043 Seksyen 2, Bandar Batu Ferringhi Daerah Timor Laut, Pulau Pinang	Land held for commercial development	0.58	Freehold	-	3,285,821	10/07/2006
15	Lot 140, Geran Mukim 201 Lot 141, Geran Mukim 318 Lot 808, Geran Mukim 492 Lot 693 - 696, Geran Mukim 452 - 455 Lot 697, Geran Mukim 174 Lot 699, Geran Mukim 175 Lot 1218 - 1219, Geran Mukim 1050 - 1051 Lot 1177 - 1181, Geran 45105 - 45109 Lot 1193 - 1195, Geran 45110 - 45112 Mukim 6, Daerah Barat Daya Pulau Pinang, and Lot 532, Geran Mukim 214 Tempat Pondok Upeh, Mukim 6 Daerah Barat Daya, Pulau Pinang	Land held for mixed development	52.63	Freehold	-	42,001,880	27/09/2010

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2018 (CONT'D)

No.	Land title / Location	Existing use / Description	Land area / Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2018 (RM)	Date of acquisition / revaluation
16	Geran No. 125424, Lot 3407 Seksyen 1 Bandar Tanjung Tokong Daerah Timor Laut, Pulau Pinang	Land together with building (Work in progress)	1.13	Freehold	-	68,658,028	10/07/2006
17	PT 23537 H.S.(D) 256/94 Bandar of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land held for mixed development	6.43	Freehold	-	9,657,733	10/11/2000
18	PT 14554 - 14561 H.S.(D) 6793 - 6800 PT 14574 - 14607 H.S.(D) 6813 - 6846 PT 14621 - 14658 H.S.(D) 6860 - 6897 PT 14688 - 14705 H.S.(D) 6927 - 6944 PT 14722 - 14732 H.S.(D) 6961 - 6971 PT 14744 - 14752 H.S.(D) 6983 - 6991 PT 14768 - 14789 H.S.(D) 7007 - 7028 PT 14833 - 15189 H.S.(D) 7072 - 7428 PT 15192 - 15195 H.S.(D) 69091 - 69094 PT 15198 - 15200 H.S.(D) 115747 - 115749 PT 15233 - 15234 H.S.(D) 115750 - 115751 PT 15677 - 15680 H.S.(D) 115752 - 115755 PT 16521 - 16527 H.S.(D) 9529 - 9535 PT 16594 - 16607 H.S.(D) 9602 - 9615 PT 16682 - 16691 H.S.(D) 9690 - 9699 PT 16736 - 16755 H.S.(D) 9744 - 9763 PT 21432 - 21506 H.S.(D) 6451 -6525	Land held for mixed development	626.13	Freehold	-	35,368,624	10/11/2000

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2018 (CONT'D)

No.	Land title / Location	Existing use / Description	Land area / Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2018 (RM)	Date of acquisition / revaluation
18	PT 22411 - 22450 H.S.(D) 32597 - 32636 PT 22724 - 22818 H.S.(D) 32910 - 33004 PT 22886 - 22897 H.S.(D) 33072 - 33083 PT 23226 H.S.(D) 64797 PT 23227 - 23350 H.S.(D) 33413 - 33536 PT 23356 H.S.(D) 33442 PT 23357 H.S.(D) 33543 PT 23369 H.S.(D) 33544 PT 94389 H.S.(D) 112006 Mukim of Sungai Pasir District of Kuala Muda Kedah Darul Aman						
19	PT 15190 H.S.(D) 69089 Mukim of Sungai Pasir District of Kuala Muda Kedah Darul Aman, and PT 15191 H.S.(D) 69090 Bandar Sungai Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land held for commercial development	8.08	Freehold	-	6,226,046	19/02/2009
20	No. 1, Jalan Perdana Heights 1/1 Perdana Heights 08000 Sungai Petani Kedah Darul Aman	Shop Office held for rental income	0.23*	Freehold	8	736,953	28/05/2018
21	A-G-01, A-G-02, B-G-01, B-G-02, B-G-03 B-13-06, C-G-01, C-G-02, C-G-03, C-13-06 D-G-01, D-G-02, D-G-03, D-13-06 Changkat View Condominium No 18, Jalan Dutamas Raya 51200 Kuala Lumpur, Wilayah Persekutuan KL	Apartment held for rental income	0.30*	Freehold	10	1,370,063	30/04/2010

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2018 (CONT'D)

No.	Land title / Location	Existing use / Description	Land area / Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2018 (RM)	Date of acquisition / revaluation
22	G-0-1, G-0-2, G-0-4, 1-1, 1-2, 1-3, 1-4 2-1, 2-2, 2-4 Ampangpuri Condominium Jalan Nipah, Off Jalan Ampang 54000 Kuala Lumpur, Wilayah Persekutuan KL	Apartment held for rental income	0.50*	Freehold	27	7,775,933	16/11/2010 & 01/02/2011
23	18-32-C Gurney Tower, 10250 George Town, Pulau Pinang	Commercial lot held for rental income	0.01*	Freehold	11	342,255	24/01/17
24	The Gurney Resort Hotel & Residences Penang Lot 2255, Bandar Georgetown, Seksyen 4, Daerah Timur Laut Negeri Pulau Pinang	Land together with hotel building	12.38	Freehold	18	154,112,901	18/03/2015
25	Four Points Sheraton Penang Bandar Tanjong Bungah Daerah Timur Laut, Pulau Pinang	Land together with hotel building	1.64	Freehold	36	16,810,152	24/08/2001
26	Oakwood Hotel & Residence No. 222, Jalan Ampang 50450 Kuala Lumpur	Hotel Building	2.92*	Freehold	24	103,422,709	22/05/2015
27	The Nomad Bangsar No. 136, Jalan Ara Bangsar 59100 Kuala Lumpur	Land together with serviced residences building	1.94*	Freehold	25	48,551,992	22/05/2015
28	Novotel Kuala Lumpur City Centre No. 2, Jalan Kia Peng 50450 Kuala Lumpur	Land together with hotel building	2.86*	Freehold	14	164,370,870	22/05/2015
29	GLOW Penang No, 101; Jalan Macalister 10400 Penang	Land together with hotel building	0.81*	Freehold	Not available	30,373,318	22/05/2015

ANALYSIS OF SHAREHOLDINGS
AS AT 4 SEPTEMBER 2018

SHARE CAPITAL

Total Issued Capital	:	381,533,758
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
162	Less than 100	1,949	*
2,389	100 to 1,000	1,806,816	0.47
3,266	1,001 to 10,000	12,791,713	3.35
762	10,001 to 100,000	22,262,275	5.84
112	100,001 to less than 5% of issued shares	123,199,072	32.29
3	5% and above of the issued shares	221,471,933	58.05
6,694	**TOTAL**	**381,533,758**	**100**

** Less than 0.01%*

ANALYSIS OF SHAREHOLDINGS

AS AT 4 SEPTEMBER 2018

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	Ikatanbina Sdn Bhd	122,824,726	32.19
2.	Fields Equity Management Ltd	77,750,069	20.38
3.	En Primeurs Sdn Bhd	20,897,138	5.48
4.	Focus Asia Strategies Ltd.	18,637,935	4.88
5.	Bus Info Plus Sdn Bhd	17,767,888	4.66
6.	Zheijang Properties Sdn Bhd	15,875,704	4.16
7.	Northside Plantations Sdn Bhd	14,270,318	3.74
8.	Brainstorms Sdn Bhd	5,732,800	1.50
9.	Tsenying Sdn Bhd	5,118,500	1.34
10.	Yayasan Haji Zainuddin	4,000,000	1.05
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd *-Yayasan Pok Rafeah, Berdaftar*	4,000,000	1.05
12.	Heveamill Sdn Bhd	3,627,949	0.95
13.	Amsec Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account - Ambank (M) Berhad for Ang Beng Poh*	3,000,000	0.79
14.	Lee Ooi Kim	2,040,878	0.53
15.	CIMB Group Nominees (Asing) Sdn Bhd *-Exempt An for DBS Bank Ltd (SFS)*	1,757,600	0.46
16.	Public Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Ang Beng Poh (E-BMM)*	1,400,900	0.37
17.	Public Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Lim Yock Chem @ Lee York Soo (E-PKG)*	1,142,800	0.30
18.	Goh Thong Beng	992,000	0.26
19.	Yeo Khee Huat	904,200	0.24
20.	Ng Swee Sim	882,300	0.23
21.	Lim Khuan Eng	725,000	0.19
22.	Wong Chee Kuan	648,500	0.17

ANALYSIS OF SHAREHOLDINGS
AS AT 4 SEPTEMBER 2018 (CONT'D)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
23.	Cimsec Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Lim Chen Yik (Penang-CL)*	585,000	0.15
24.	Nam Shoon Hong Sdn Bhd	538,000	0.14
25.	DB (Malaysia) Nominee (Asing) Sdn Bhd *-Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)*	525,000	0.14
26.	Affin Hwang Nominees (Asing) Sdn Bhd *-Exempt an for DBS Vickers Securities (Singapore) Pte Ltd (Clients)*	501,000	0.13
27.	Public Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Lee Yock Chem @ Lee York Soo (E-PKG)*	454,800	0.12
28.	Ng Kim Neo	431,000	0.11
29.	HSBC Nominees (Asing) sdn Bhd *-Exempt An for Credit Suisse (SG BR-TST-Asing)*	430,000	0.11
30.	Cimsec Nominees (Tempatan) Sdn Bhd *-CIMB Bank for Chuah Seng Boon (M78029)*	404,100	0.11
	Total	**327,866,105**	**85.93**

ANALYSIS OF SHAREHOLDINGS
AS AT 4 SEPTEMBER 2018 (CONT'D)

SUBSTANTIAL SHAREHOLDERS

		NO. OF SHARES HELD			
	NAME OF SHAREHOLDERS	DIRECT	%	INDIRECT	%
1.	Ikatanbina Sdn Bhd	122,824,726	32.19	-	-
2.	Fields Equity Management Ltd	77,750,069	20.38	-	-
3.	En Primeurs Sdn Bhd	20,897,138	5.48	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS

		NO. OF SHARES HELD			
	NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
1.	Chua Elsie	-	-	104,000*	0.03
2.	Datuk Mohd Nasir bin Ali	5,000	**	-	-
3.	Tan Kak Teck	-	-	-	-
4.	Ir. Teo Boon Keng	-	-	-	-
5.	Lok Bah Bah @ Loh Yeow Boo	-	-	-	-
6.	Tee Kim Chan	-	-	-	-

*Note:- *Deemed interested by virtue of the shares held by her spouse and children.*
*** Less than 0.01%*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth (18th) Annual General Meeting of **PLENITUDE BERHAD** will be held at Platinum Ballroom, Novotel Kuala Lumpur City Centre, No. 2, Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan (KL) on **Wednesday, 31 October 2018 at 3.00 p.m.** for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2018 and the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 10)**

2. To declare a Final Single Tier Dividend of 4.5 sen per share for the financial year ended 30 June 2018 as recommended by the Directors. **(Ordinary Resolution 1)**

3. To approve the sum of RM150,000 for payment as Directors' fees in respect of the financial year ending 30 June 2019. **(Ordinary Resolution 2)**

4. To re-elect the following Directors retiring pursuant to Article 86 of the Company's Constitution:-

   (a) Mr. Lok Bah Bah @ Loh Yeow Boo **(Ordinary Resolution 3)**
   (b) Mr. Tee Kim Chan **(Ordinary Resolution 4)**

5. To re-appoint Messrs. Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:-

6. **Payment of Meeting Allowance for Non-Executive Directors**

   "**THAT** the meeting allowance payable to Non-Executive Directors of the Company up to an estimated total sum of RM25,000 for the period from 1 November 2018 until the next Annual General Meeting of the Company be approved." **(Ordinary Resolution 6)**

7. **Proposed Retention of Independent Director**

   "**THAT** Mr. Tan Kak Teck who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years be retained and remain as an Independent Non-Executive Director of the Company." **(Ordinary Resolution 7)**

8. To note the retirement of Datuk Mohd Nasir bin Ali as a Director upon the conclusion of the Annual General meeting. **(Please refer to Explanatory Note 14)**

9. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the forthcoming 18th Annual General Meeting, a Final Single Tier Dividend of 4.5 sen per share will be paid on 15 November 2018 to the shareholders whose names appear in the Record of Depositors at the close of business on 8 November 2018.

A depositor shall qualify for entitlement only in respect of:-

(a) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 8 November 2018 in respect of transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board
PLENITUDE BERHAD

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

Kuala Lumpur
9 October 2018

Notes:-

1. Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
3. Where a Member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account') there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
6. If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.
7. To be valid, this form, duly completed must be deposited at the registered office of the Company at 2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. Fax copies of the duly completed Forms of Proxy are not acceptable. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 October 2018, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes on Ordinary Business

10. Audited Financial Statements for the financial year ended 30 June 2018

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

11. Ordinary Resolution 1 - Final Single Tier Dividend

With reference to Section 131 of the Companies Act 2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 13 September 2018, the Board of Directors ("the Board") had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Board is satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 15 November 2018 in accordance with the requirements under Sections 132(2) and (3) of the Companies Act 2016.

Explanatory Notes on Special Business

12. Ordinary Resolution 6 – Meeting allowance for Non-Executive Directors

The meeting allowance of RM500 per meeting is payable to each Non-Executive Director, where applicable, for their attendance of Board and Committee meetings.

13. Ordinary Resolution 7 - Proposed Retention as Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance

Mr. Tan Kak Teck was appointed as Independent Non-Executive Director of the Company on 15 July 2003 and has served for a cumulative term of more than nine (9) years. The Board considers him to be independent and believes that he should be retained and remain as Independent Non-Executive Director based on the following justifications: -

(a) He has met the independence criteria set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements;

(b) He has been with the Group for more than nine (9) years and therefore understands the operations of the Company and is able to participate actively and contribute positively during deliberations/discussions at meetings without compromising his independence and objective judgment;

(c) He has contributed sufficient time and exercised due care during his tenure as Independent Director;

(d) He has discharged his professional duties in good faith and also in the best interest of the Company and shareholders; and

(e) He has the professional skills, qualifications and experiences to review the Group's financial statements, business strategies and direction.

14. Retirement of Datuk Mohd Nasir bin Ali as a Director

Datuk Mohd Nasir bin Ali had by way of a letter dated 13 September 2018 given notice to the Board and Company that he wishes to retire at this Annual General Meeting and will not be seeking re-election as a Director. Datuk Mohd Nasir bin Ali will retire and cease to be a Director of the Company at the conclusion of the Annual General Meeting.

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 8.27 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 18th Annual General Meeting of the Company.

PLENITUDE BERHAD (531086-T)

(Incorporated in Malaysia)

CDS ACCOUNT NO.				-				-								
NO. OF SHARES HELD																

FORM OF PROXY

I/We ....

(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No.: ....)

of ....

(FULL ADDRESS)

.... being a member/members of PLENITUDE BERHAD, hereby appoint

Name of Proxy *(Full Name)*	**NRIC No./Passport No.**	**% of Shareholdings to be Represented** *(Refer to Note 5)*
Address		

and/or failing him

Name of Proxy *(Full Name)*	**NRIC No./Passport No.**	**% of Shareholdings to be Represented** *(Refer to Note 5)*
Address		

or failing him, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held at Platinum Ballroom, Novotel Kuala Lumpur City Centre, No.2, Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan (KL) on **Wednesday, 31 October 2018 at 3.00 p.m.** and at any adjournment thereof.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. Declaration of Final Single Tier Dividend		
2. Payment of Directors' Fees for the financial year ending 30 June 2019		
3. Re-election of Mr. Lok Bah Bah @ Loh Yeow Boo as Director		
4. Re-election of Mr. Tee Kim Chan as Director		
5. Re-appointment of Auditors		
6. Payment of meeting allowance for Non-Executive Directors		
7. Retention of Mr. Tan Kak Teck as Independent Non-Executive Director		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this .... day of .... 2018 Signature(s) of member(s) ....

Notes:-

1. *Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.*
2. *A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.*
3. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account') there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
4. *Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
6. *If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.*
7. *To be valid, this form, duly completed must be deposited at the registered office of the Company at 2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. Fax copies of the duly completed Forms of Proxy are not acceptable. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.*
8. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 October 2018, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*
9. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*

Fold this flap for sealing

Then fold here

AFFIX
60 CENTS
STAMP

THE COMPANY SECRETARIES
PLENITUDE BERHAD **(531086-T)**
2nd Floor, No. 2, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Wilayah Persekutuan (KL)

1st fold here

PLENITUDE BERHAD (531086-T)
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Sri Hartamas, 50480 Kuala Lumpur
Wilayah Persekutuan, Malaysia

T: +603 6201 0051
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