PLENITUDE

2017
ANNUAL REPORT

THE MARIN
AT FERRINGHI

BAYU
FERRINGHI

TAMAN
DESA TEBRAU

TAMAN
PUTRA PRIMA

BINTANG MAYA

BINTANG MAYA II
LIFESTYLE RESIDENCE IN SG.PETANI

BUKIT BINTANG
LIFE ENRICHED

THE GURNEY
RESORT HOTEL & RESIDENCES
• PENANG •

GLOW
PENANG

FOUR POINTS
BY SHERATON
Penang

NOVOTEL
HOTELS
KUALA LUMPUR
CITY CENTRE

Oakwood®
Hotel & Residence
KUALA LUMPUR

the nomad
Serviced Residences
BANGSAR

CONTENTS

ABOUT US

Plenitude Berhad is a public-listed company with core interests in property development, property investment and property management. Incorporated 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. Its developments are recognised for their strategic locations, easy accessibility and comprehensive amenities which include Taman Desa Tebrau, Johor Bahru; Taman Putra Prima, Puchong; The Marin at Ferringhi, Penang; and an upcoming development Bukit Bintang, Sg. Petani.

Apart from its property division, Plenitude Group owns Four Points by Sheraton Penang; Novotel Kuala Lumpur City Centre; GLOW Penang; The Gurney Resort Hotel & Residences Penang; Oakwood Hotel & Residence Kuala Lumpur; and The Nomad Serviced Residences Bangsar.

Aquamarine, Puchong Permai


BINTANG MAYA II
LIFESTYLE RESIDENCE IN SG.PETANI

CORPORATE INFORMATION

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

Public Bank Berhad

Bank Pembangunan Malaysia Berhad

STOCK EXCHANGE LISTING

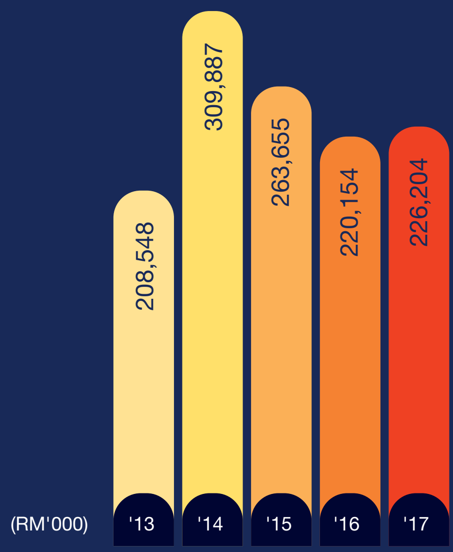
Main Market of Bursa
Malaysia Securities Berhad
Sector : **Property**
Stock Code : **5075**

(Listed since 18 November 2003)

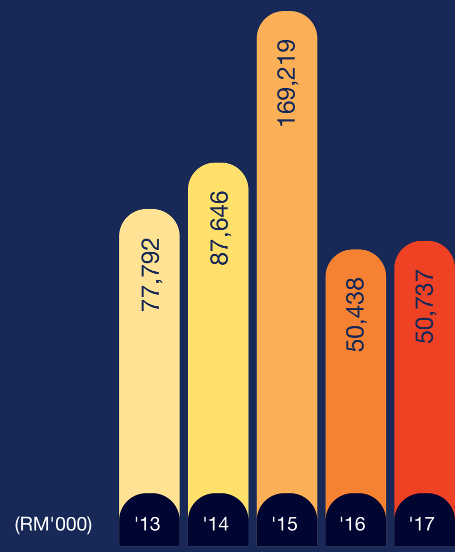
WEBSITE

www.plenitude.com.my

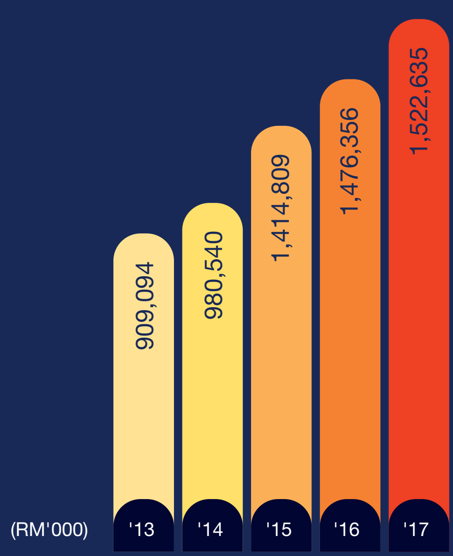
FINANCIAL HIGHLIGHTS



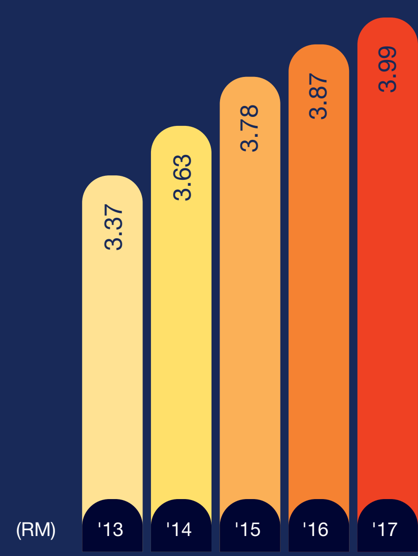
REVENUE



NET PROFIT FOR THE FINANCIAL YEAR



SHAREHOLDERS' EQUITY



NET ASSETS PER SHARE

FINANCIAL YEAR ENDED 30 JUNE

	2013	2014	2015	2016	2017
Revenue (RM'000)	208,548	309,887	263,655	220,154	226,204
Profit Before Tax (RM'000)	102,203	116,916	199,880	69,797	71,414
Net Profit for the Financial Year Attributable to Owners of the Company (RM'000)	77,792	87,646	169,219	50,438	50,737
Total Assets (RM'000)	1,045,398	1,134,561	1,676,733	1,688,758	1,714,295
Cash & Cash Equivalents (RM'000)	389,446	396,356	323,174	356,128	343,484
Total Borrowings (RM'000)	-	-	46,275	39,550	31,138
Issued and Paid Up Capital (RM'000)	270,000	270,000	373,943	381,534	381,534
Shareholders' Equity Attributable to Owners of the Company (RM'000)	909,094	980,540	1,414,809	1,476,356	1,522,635
Basic Earnings per Share (sen)	28.8	32.5	60.9	13.2	13.3
Net Assets per Share (RM)	3.37	3.63	3.78	3.87	3.99
Final Single Tier Dividend per Share (sen)	6.0	6.0	4.5	4.5	4.5

BOARD OF DIRECTORS' PROFILES

CHUA ELSIE
Executive Chairman
Aged 59, 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 59, 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 Universiti 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 and Amanah Raya Berhad.

TAN KAK TECK
Independent Non-Executive Director
Aged 58, 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 63, 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 Works (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 68, 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 63, 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 practicing as an advocate and solicitor in his own law firm.

OTHER INFORMATION

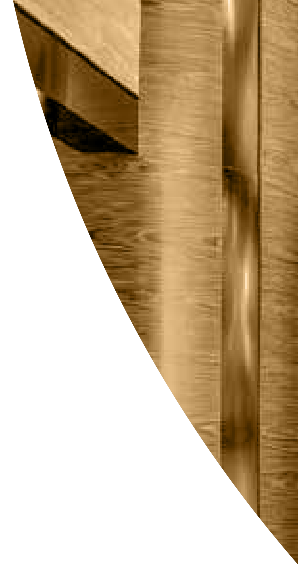
a. Family Relationship
None of the directors have any family relationship with any director and/or major shareholder of Plenitude Berhad.

b. Conflict of Interest
None of the directors have any conflict of interest with Plenitude Berhad.

c. Conviction for Offences
None of the directors have been convicted for any offences within the past 5 years other than traffic offences.

d. 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.

e. Attendance for Board Meetings for the financial year ended 30 June 2017
The directors' attendance for the Board Meetings for the financial year ended 30 June 2017 is presented on page 33 of the Annual Report.



CORPORATE CALENDAR

2016

JULY

- Monthly Management Meeting

AUGUST

- Monthly Management 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 2016

SEPTEMBER

- Monthly Management Meeting
- Audit Committee Meeting
- Board of Directors' Meeting

OCTOBER

- Monthly Management Meeting
- Announcement of Notice of the Sixteenth Annual General Meeting of Plenitude Berhad
- Announcement of the Proposed Final Single Tier Dividend of 4.5 sen per share for the financial year ended 30 June 2016
- Announcement of Final Dividend Entitlement (Notice of Book Closure)

NOVEMBER

- Monthly Management Meeting
- Announcement of the outcome of resolutions passed at the Sixteenth Annual General Meeting of Plenitude Berhad held on 11 November 2016
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the first quarter ended 30 September 2016

DECEMBER

- Monthly Management Meeting

Oakwood Hotel & Residence, Kuala Lumpur

2017

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 2016

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 2017

JUNE

- Monthly Management Meeting

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 2017.

FINANCIAL RESULTS

For the financial year ended 30 June 2017, the Group achieved a commendable net profit of RM50.7 million on the back of RM226.2 million revenue which rose 2.7% or RM6.0 million compared to the last financial year of RM220.2 million while net profit for the year closed RM0.3 million higher than the last financial year at RM50.4 million.

Plenitude's property development segment remains the Group's key contributor at 70% and the hotel segment contributed 30%.

The financial position of the Group remains healthy with low gross debt to equity ratio of 2%. This was achieved despite the cash outflow of RM17.17 million paid out as dividend in November 2016 and the loan repayment of RM32.75 million during the financial year. The Group's cash and cash equivalents at the close of the financial year remained strong at RM343.5 million.

Our shareholders' fund stood at RM1.52 billion compared to the previous financial year of RM1.48 billion and its net assets per share stood at RM3.99 as at 30 June 2017, representing an enhanced value of 3% from the previous year at RM3.87 per share.

DIVIDEND

Based on the financial year's performance, the Board is recommending a first and final Single Tier Dividend of 4.5 sen per share amounting to RM17,169,019 for the financial year ended 30 June 2017 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.

LOOKING AHEAD

During the year under review, the Group continued to market its property development products in both completed developments and developments under construction locally and abroad. The Group also continuously worked towards enhancing the performance of the hospitality division by engaging renowned operators with the objective of achieving higher returns on investments.

The market has much to look forward to in the coming financial year as there will be some exciting property development launches.

For the year ending 30 June 2018, Plenitude will launch properties of gross development value RM317.6 million: Plenitude Heights's Bintang Maya II comprising 179 units double storey terraced houses at Sungei Petani, Kedah; Plenitude Permai's Taman Putra Prima Phase 4E comprising 136 units two/three storey terraced houses at Puchong, Selangor; and Plenitude Tebrau's Taman Desa Tebrau Phase 19 & 20 comprising 100 units of cluster homes at Johor Bahru .

We also look forward to improving the contributions from the hospitality division as substantial upgrading and refurbishment works will be carried out at Novotel KLCC and Bangsar Residences to enhance the façades and facilities of the properties, making them more attractive and competitive.

Historically, the Group has maintained a steady growth momentum thus, though we are cautiously optimistic of sustaining such momentum, the year ahead would be a challenging one both nationally and regionally. Coupled with the uncertainties of the global economies, these would inevitably affect the Group's performance in the immediate year ahead.

Under these circumstances, the Group continues to maintain a prudential management approach with effective cash-flow management, costs cutting measures and low gearing while it continuously focuses on achieving profits and maintained a keen look out for investment opportunities to increase shareholders' value.

ACKNOWLEDGEMENT

I would like to express my sincere appreciation to our valued shareholders for their continuous support and thank all our loyal customers and business partners for their confidence.

I especially thank the management and staff for their dedication, commitment and loyalty.

Finally, my thanks to all my fellow Directors for their unstinting dedication, commitment and valuable contributions and together we will strive.

CHUA ELSIE
Executive Chairman

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.

The development projects are situated in prime locations and spread across Malaysia in Johor, Selangor, Kedah and Penang. Its key property developments are at Taman Desa Tebrau in Johor, Taman Putra Prima in Selangor, Bintang Maya, Bukit Bintang and Lot 88 in Kedah, and The Marin Condominium and a future mixed development at Batu Ferringhi in Penang. Plenitude currently has a total balance land bank of approximately 1,400 acres.

The hotel operations segment are Four Points by Sheraton Penang ("Four Points Penang"), The Gurney Resort Hotel & Residences ("Gurney Penang"), Glow Penang, Novotel Kuala Lumpur City Centre ("Novotel KLCC"), Oakwood Hotel & Residence Kuala Lumpur ("Oakwood KL") and The Nomad Residences Bangsar ("Bangsar Residences"). These properties are situated at prime/strategic locations in Penang and Kuala Lumpur.

Plenitude diversified its business to include hospitality since May 2015; nevertheless, property development and property investment remain the core businesses of Plenitude and will remain the key contributors to the revenues and profits of the Group.

Plenitude will continue to review and implement measures, amongst others, its business plan with a focus on driving revenue and contribution growth, best practices and standard operating policies to enhance risk and internal controls management and areas of the operations that could be shared for productivity and cost savings gains.

FINANCIAL RESULTS AND CONDITION

i) Financial and Non-Financial

The Group registered a revenue of RM226.2 million and a net profit of RM50.7 million for the financial year ended 30 June 2017 ("FYE 30 June 2017" or "FY 2017"). Year-on-Year ("Y-on-Y"), the Group's revenue rose 2.7% or RM6.0 million from last financial year of RM220.2 million while net profit for the year closed RM0.3 million higher than last financial year of RM50.4 million.

The increase in the Group's revenue was mainly contributed by a RM1.9 million surplus from its property development segment. Its hotel operations added a revenue of RM4.1 million due to improved occupancy from Oakwood KL, which had re-opened for business in November 2016.

The Group's operating expenses increased by RM2.0 million to RM78.5 million from the previous financial year of RM76.5 million. The increase was mainly from expenses incurred by Oakwood KL. Overall cost to revenue ratio was maintained at 35%.

FINANCIAL RESULTS AND CONDITION (CONT'D)

i) Financial and Non-Financial (cont'd)

Plenitude's property development segment remains as the Group's key contributor at 70% and 30% from hotel operations segment (Chart 1).

CHART 1 - REVENUE BY SEGMENT

Property Development

The continual depreciation of the Ringgit and the tightening of bank borrowing policies carried forward from 2016 has affected sales in FYE 2017 and revenue performance from property development segment.

Y-on-Y, revenue from property development segment rose 1.2% or RM1.9 million to RM156.9 million from preceding financial year of RM155.0 million. The increase was mainly contributed from Taman Putra Prima, Puchong, Phase 2C two/three storey terraced houses and Bintang Maya Phase 8A double storey terraced houses at Sg. Petani, Kedah. Both projects are in their advanced stages of development with Phase 2C delivering vacant possession in April 2017. Taman Desa Tebrau's Clarinet double storey terraced houses is at its initial stage of construction.

FINANCIAL RESULTS AND CONDITION (CONT'D)

i) Financial and Non-Financial (cont'd)

Property Development (cont'd)

The pricing of the properties in Northern, Central and Southern regions ranges from RM350,000 to RM2 million. Against the odds of a challenging property market and difficulties in obtaining housing loan for property value of more than RM550,000, Plenitude achieved sales of RM180.2 million, 40% or RM73 million of which were from the Southern Region, 30% or RM54 million from Central and 30% or RM53.2 million from Northern (Chart 2).

CHART 2 - FY 2017
PROPERTY SALES BY REGION

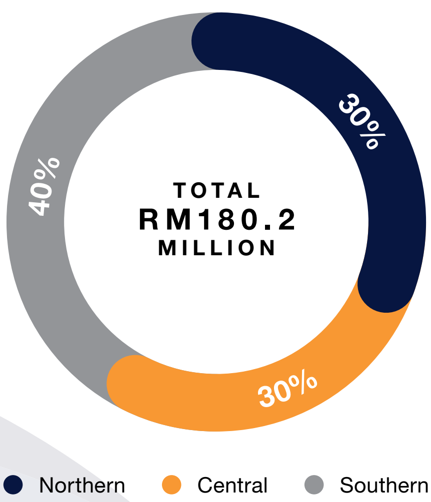
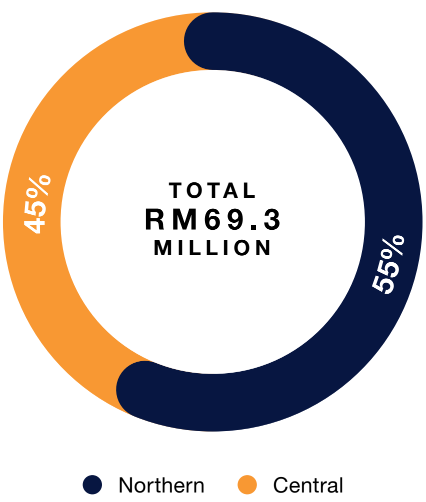


CHART 3 - FY 2017
HOTEL REVENUE BY REGION



Hotel Operations

For the year under review, revenue from hotel operations segment was RM69.3 million of which 45% or RM31.1 million were from Central Region and 55% or RM38.2 million from Northern Region (Chart 3). It was RM4.1 million or 6% higher than the RM65.2 million revenue of the previous financial year. As mentioned earlier, the increase in revenue was mainly from Oakwood KL.

FYE 30 June 2017 was a challenging year for the hospitality industry with the emergence of new hotels/ budget hotels in Kuala Lumpur and Penang. Through assets replacement measures and right pricing strategies, we saw an increase in occupancy of all our hotels. The average occupancy rate of our hotels (excluding Oakwood KL which reopened in November 2016) was approximately 68%.

FINANCIAL RESULTS AND CONDITION (CONT'D)

ii) Significant changes in performance, financial position and liquidity

As at 30 June 2017, borrowings was RM31.1 million, a reduction of RM8.4 million from the RM39.5 million borrowings of the previous financial year. The gross debt-to-equity ratio remained low at 2%.

Despite the cash outflow of RM17.17 million paid out as dividend in November 2016 and the loan repayment of RM32.75 million during the financial year, the Group's cash and cash equivalents at the close of the financial year remained strong at RM343.5 million.

Shareholders' Fund stood at RM1.52 billion compared to previous financial year of RM1.48 billion. Net Assets per Share of RM3.99 as at 30 June 2017, representing an enhanced value of 3% from previous year of RM3.87 per Share.

iii) Capital expenditure requirements, structure and resources

During the financial year, Plenitude Group spent RM20.1 million in capital expenditures/CAPEX. 93% of the CAPEX is for replacement of hotels' retired furniture, fittings and equipment. Of which RM18.7 million was incurred in respect of upgrading and refurbishment work on Oakwood KL. The CAPEX of RM18.7 million was externally financed by a term loan from a financial institution.

On the dividend front, 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 2017, 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 to shareholders' approval in the forthcoming 17th AGM. If it passes shareholders' approval, total dividend payout of RM17,169,019 represents 33.8% of the Group's net profits.

iv) Trends and events that have material effect on performance, financial position and resources

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

CHALLENGES

The increase of minimum wage announced on 1 July 2016 and the weakening Malaysia Ringgit (MYR) by more than 20% against US dollar over the last two years caused fluctuating prices of raw materials which have added to the cost of business.

Amongst other national policies, tightening of bank borrowing policy has weakened the purchasing power of house buyers. The surging high essential/staple goods have caused a wait and see attitude and more cautious spending. These factors had impacted our sales.

CHALLENGES (CONT'D)

Property Development and Property Investment 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. The Management was cautious of the glut supply of condominium apartments in Johor and its subsidiary, Plenitude Tebrau Sdn Bhd had instead, launched 234 units double storey terrace houses during the financial year under review. In preserving cash flow, each launch will be divided into smaller parcels or releases for sale. The Management has also been cautious in sales & marketing spending to cut down the Group's expenditures.

At the close of the financial year ended 30 June 2017, the Group has RM300 million properties for sale with product mix ranges from bread-and-butter housing to niche market condominiums. With this inventory range, the 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 road shows by iProperty and Bankers' Events to maintain brand presence and contacts while gaining new leads.

Hotel/Hospitality Division

The hotel/hospitality division was faced with 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. However, we are confident it should pose minimal threat, especially after having established close rapport and having built 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 operation 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. 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.

RISKS AND MEASURES (CONT'D)

Property Development (cont'd)

(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 outlook 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 Malaysian economy performed better than expected in the first quarter of 2017. Real GDP grew by 5.6%, year-on-year basis. The growth was primarily driven by domestic demand underpinned by strong growth in both consumption and investment. The International Monetary Fund (IMF) has raised Malaysia's GDP growth for 2017 to 4.8% from 4.5%, on the back of savvy economic management and commendable monetary policies. However, the economy is still crowded by global uncertainty from nations in Middle East, Asia and Europe. Despite leading indicators such as Department of Statistics Malaysia's composite leading index, MIER Business Conditions Index and MIER Consumer Sentiment Index, point to continued expansion of the domestic economy, however, the expected and export-oriented indices worsened during the same period. It shows that businesses are still pessimistic about near-term prospects. Businesses are observed to be very cautious about external development and putting more weight on domestic market. Consumers' confidence level continued to improve but consumers remained cautious in spending. We expect the market to remain cautious going into the new financial year ending 30 June 2018. Barring any unforeseen adverse or unfavourable circumstances, new launches with gross development value of RM317.6 million lined up are: Plenitude Heights's Bintang Maya II 179 units double storey terraced houses at Sungei 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&20 100 units of Cluster Homes at Johor Bahru.

We are also look forward to improving the contributions from the Hospitality Division. Substantive upgrading and refurbishment work will be carried out at Novotel KLCC and Bangsar Residences to enhance the façades and facilities of the properties, making them 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 enhanced the properties' value and created a higher return for shareholders. The estimated upgrading package of approximately RM40 million is targeted to commence in FY 2018.

The softening global, regional and national economies, if prolonged, would inevitably affect the Group's performance in the immediate year ahead. We will however, maintain a prudent approach in cash-flow management, cost-cutting measures and low gearing.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CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Plenitude Berhad ("Plenitude") subscribes to the principles of a socially responsible corporate citizenship. We identify the socio-economically sustainable initiatives and translate these into actual contributions of our organization that underpin our commitment to conduct our business in an ethical, responsible and sustainable manner so as to achieve the set goals of our organization which are in alignment with the aspirations of all our stakeholders - the purchasers, the local communities wherein our project developments and hotels are situated, the local government authorities, the regulators, the suppliers, the consultants, the public at large, our staff and our shareholders.

Plenitude's corporate social responsibility philosophy and initiatives are based on our three core values of employees and community welfare, environmental protection and preservation and shareholders value creation. We endeavour to comply with all applicable laws, regulations and rules, and conduct our business in accordance with established best practices. Environmental, ethical and social responsibility issues and standards are taken into consideration in making our business decisions. We aim to be a responsible employer and subscribes to continuous education at the workplace so as to equip our employees with the necessary tools and skills to effectively support the organization. We are also committed to the society, contributing in meaningful ways and aspire to make a difference to their lives.

We are indeed committed to the sustainable undertaking of responsible practices throughout our organization which positively impact the society and the environment.

HUMAN CAPITAL DEVELOPMENT

Plenitude believes that a sustainable organization requires not only skilled but driven, motivated and loyal employees. We give equal emphasis to the professional and personal development of our employees so as to ensure that they would be equipped to continuously contribute towards the growth and development of the organization operating in a fast-changing world of how businesses are done. Thus we actively provide opportunities for our employees to develop and realize their true potential and strength through formal and informal training whether through participation in internal or external continuing education programmes. We are also committed to affording, developing and retaining a talent pool that can be nurtured as the Group's potential future leaders.

Additionally, a competitive reward system, an employee loyalty annual award, social welfare activities that include both the employees and their immediate families are implemented with the aim of fostering better interactions, understandings and team spirit amongst the enlarged Plenitude family.

While talent mobility and new talents have posed challenges whereby the generation of millennials whose vastly different personal and professional aspirations have joined the workplace, our organization continuously strive to transition them smoothly into the organization's so that they find a home in Plenitude.

At Plenitude, we believe in the simple truth that an efficient, effective, knowledgeable and happy workforce forms the core of a successful organization.

ENVIRONMENT

In our continuing commitment to be a responsible developer and achieving sustainable development, Plenitude will continue to integrate and implement environment friendly initiatives in our projects. Among others, sustainable development remains a prime element of our property development projects whereby we strive to provide an environment that is conducive for and contributes to and encourages the wellbeing of our present and future purchasers, healthy lifestyles and communities. The approach starts from our initial planning of a development where aspects of the contours, existing landscape features including water sources and slopes are carefully integrated into the layouts, the designs of the individual, affordable, self-sufficient dwelling units and on through to the construction and implementation processes that are sensitive to the surroundings and to consequentially minimize degradation and impact to the environment.

ENVIRONMENT (CONT'D)

Products and materials are chosen for their green and energy efficiency characteristics, apart from incorporating design elements that encourage energy conservation, natural airflows as well as lowering carbon footprints including other user-friendly features. A key initiative is our efforts to incorporate rain-water harvesting and recycling systems into our dwellings. Open spaces and recreational areas are provided to satisfy the needs of the communities within a balanced development and land use.

A strong focus is on the sustainable environmental and lifestyle features of our various development projects which cater to :

- Safe, inclusive and self-contained havens for communities to live, work and play.
- Seamless networks of green spaces and corridors for families to interact and play.
- Vibrant and attractive interactive opportunities such as eco-friendly projects/theme parks, libraries and learning hubs for the generational – the senior citizens, young parents, children of all ages.

Further, during construction, adequate mitigation measures in accordance with local authority requirements are taken to minimize the impact to the surrounding environment as well as being adapted to feature as key elements of the development. Wherever possible, use of innovative technology and processes are incorporated into urban planning, design development and services and maintenance management.

On a project-focused basis, in the central region, Plenitude Permai Sdn Bhd's 7-acre park in Taman Putra Prima continues to be stringently maintained and upgraded so as to be consistently usable and relevant to the community in situ. The park continues to be a focal point for the residents to congregate, pursue healthy lifestyles and civil society meet, and chit-chat, or exchange concerns and ideas in a neighbourly and harmonious environment.

Plenitude Heights Sdn Bhd's Bintang Maya II forms the second phase of a future neighbourhood of Bukit Bintang Township, whose overall design concept emphasises space, scenic man-made lakes with recreational facilities and guarded neighbourhood security features.

Sited on 15 acres of freehold property, featuring open spaces. A guarded neighbourhood with a landscaped park and attractive amenities, it provides a fine and safe home and investment.
Strategically located, it has the convenience of established amenities:

Village Mall (3.5km), Parkson (3.9km), Giant Supermarket (5km), Central Square Shopping Mall (6.6km), Tesco Selatan Hypermarket (7km), Amanjaya Mall (12.8km), Pantai Hospital (13km), Metro Medical Centre (3.9km), Sungai Petani General Hospital (13km), PTPL College Bakar Arang (5.9km), AIMST University (19.4km) and Regent University (12.9km). Primary and secondary schools are nearby. Located south of Sg. Petani with easy access to the town center via the Eastern Bypass, Seberang Jaya, Butterworth and Penang Island, it is accessible via the North/South Highway. One can also easily reach different parts of Kedah via other major roads thereby facilitating shorter travel time and reduced carbon emissions.

Plenitude Bayu Sdn Bhd's The Marin in Batu Ferringhi, Penang, is targeted for completion in quarter one 2018. This twin-tower set over 4 acres of prime freehold land lush with vegetation, enjoys a spectacular and unobstructed view of the Andaman Sea. Comprising 149 condominium units within two distinct towers its other highlights are the privacy it affords its residents at only four units per floor whereby every unit becomes a corner unit with both sea and forest views. Against such a spectacular backdrop, its residents would enjoy the majesty of Mother Nature.

Much more than outstanding views, the Marin has been carefully designed to provide privacy, serenity, and the restorative qualities that come from a 1-acre meticulously landscaped facilities deck. There is also a nursery, a games room, two multipurpose halls, an event deck, a wading pool, a Jacuzzi, a sauna, a surau and a recycling room.

ENVIRONMENT (CONT'D)

In its construction, the caissons piling methodology was employed so as to ensure that the soil and the building foundation is strong and stable; the foundation works in tandem with the soil to securely support the building and in turn secures the safety and integrity of both the building and it's occupiers.

In order to be able to deliver such qualities to one of our most discerning stakeholders - our purchasers, in all our developments we continuously strive to extract the best of what Mother Nature offers through our architectural design concepts and at the same time preserve and conserve as much of Her as possible for future generations.

The Four Points by the Sheraton, Penang being a beach front hotel is especially committed to a clean beach thus undertakes minimally twice a year beach clean-up activities whereby its employees particularly volunteer their free time to rid it of all debris and clutter.

At Plenitude, we not only support the local authorities initiatives to conserve Planet Earth, but also consistently integrate and implement all possible design elements and construction processes into our projects such that all the possible needs of our purchasers are available within our projects to be enjoyed with easy accessibility, safely and in a seamless fashion so that ultimately our collective carbon footprints are drastically reduced.

Plenitude remains committed to the protection and preservation of our natural heritage for the benefit of the community in situ and our future generations.

INVESTORS RELATIONS DEVELOPMENT AND SHAREHOLDERS VALUE CREATION

As part of our continuous efforts and commitment to be the investment of choice in the marketplace, Plenitude constantly and actively engages our stakeholders - shareholders, analysts, fund managers, customers, suppliers and, government and non-government bodies with a view to fostering better relations and understanding of the Company's vision, aspirations and culture.

We engage with our stakeholders in a number of ways. These include:

- Disseminating regular up-to-date information to investors, shareholders and other parties who are key in the financial stability of the Company's shares.
- Employ a range of media to keep all interested parties informed of financial information.
- Continuously update corporate information and communication initiatives and information on our products and services utilizing all available media.
- Maintain clear, timely and open communication with analysts, business and consumer media and potential investment partners.
- Maintain high standards of corporate governance.
- Monitor and evaluate risks on an on-going basis as part of our commitment to sustainable business.

Plenitude is committed to facilitating shareholders, analysts and fund managers to develop a clear understanding of the Company's strategies, performance and growth potential through timely and open communications.

Plenitude tirelessly explores and pursues strategies that would position it in the cusps of the market thereby adding value to its current assets. A shining example of such a strategy is the partnership with Oakwood Asia Pacific Ltd, which manages an award-winning portfolio of the finest serviced apartments in the world for business and leisure travellers, thereby creating the first Oakwood-branded property in Kuala Lumpur, Malaysia.

INVESTORS RELATIONS DEVELOPMENT AND SHAREHOLDERS VALUE CREATION (CONT'D)

Located in the Malaysian capital's historic Ampang district, Oakwood Hotel & Residence Kuala Lumpur (formerly The Nomad Sucasa) aims to provide spacious living, comfort and security for both business and leisure travellers. Recognising that Kuala Lumpur is an important destination especially with the Malaysian capital emerging as one of Southeast Asia's most alluring metropoles there is seen a rising demand for a dual hotel and residence property in the city and Oakwood Hotel & Residence Kuala Lumpur will be an environment in which guests will feel right at home. As more travellers appreciate the benefits of the Oakwood accommodation offering, Plenitude with already The Nomad Serviced Residences Bangsar, Novotel KLCC, Four Points by Sheraton Penang, Gurney Resort Hotel & Residence Penang and GLOW Hotel Penang will continue to grow its portfolio to meet these demands around the globe and thereby enhance shareholders value.

STATEMENT ON CORPORATE GOVERNANCE

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. The Board supports the principles and best practices laid out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or "the Code"). These principles and practices supported by existing internal controls processes, are regularly audited and reviewed to ensure that transparency, integrity and accountability have been in place for the financial year ended 30 June 2017.

The Board is aware that the Company is to apply the released MCCG ("New Code") by Securities Commission on 26 April 2017 and to report the application of the practices of the New Code for the financial year ending 30 June 2018 ("FY2018"). The Board is reviewing each of the best practices of the New Code and will do its best to implement the best practices or provide suitable alternative approach and may defer some to the following years. In this respect, the Practice Note 4.2 would be deferred.

This Statement is prepared pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and the following describes how the Group has applied the principles and recommendations set out in the MCCG 2012.

PRINCIPLE 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

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, whilst the Management is responsible for the day-to-day operations of the business and effective implementation of Board decisions.

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. 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.

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 delegated day-to-day management of the Group and of the Company to the Executive Chairman and Chief Operating Officer ("the Management Committee"). This delegation is further cascaded by the Management Committee to the Group Functional Heads ("Senior Management") and Operation Management 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") review business strategies and operations and ensure adherence to policies and strategies approved by the Board.

1.2 Board Duties and Responsibilities

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.

PRINCIPLE 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.2 Board Duties and Responsibilities (cont'd)

The Board has the following six (6) specific responsibilities, which facilitate the discharge of the Board's stewardship responsibilities in the best interest of the Group:

i) Review and Adopt a Strategic Plan, Annual Business Plans and Budgets

The Board plays a key and active role in the formulation and development of the Group's business and operational strategies. Annually, key strategies and proposed business plans for the following year are discussed and deliberated in detail by the Board. For example, the 2018 Budget was approved in June 2017. Management conducts continuous reviews to fine tune strategies and plans to promote business sustainability and keep up with changes acting on the advice and guidance of the Board.

ii) Overseeing Conduct of the Group's Business

At each quarterly meeting, the execution of business strategies and concerns are reported by the Management Committee and Senior Management to the Board. Progress is monitored and evaluated against the budget and financial plans previously approved by the Board to assess whether the business is being properly managed. This enables the Board to receive first hand updates from the Management of the respective major subsidiary companies on their performance.

iii) Succession Planning

Talent development and succession planning are key priorities to the Board to ensure a high performing workforce which contributes to the Group's sustainability and competitiveness. The Board through the Nomination Committee and Remuneration Committee with the responsibility of providing guidance and directions on human resource matters such as remuneration, retention strategies, performance management, training and succession planning. It also reviews the organizational structure annually.

Additionally, the Nomination and Remuneration Committees support the Board in reviewing and assessing the appointment of Directors, Board Committee members and key Senior Management officers. It also advises on the size and mix of skills for the Board and Board Committees. The Board then deliberates on the Nomination Committee's recommendations and provides guidance on talent development and succession planning.

In November 2016, NC nominated Mr. Lok Bah Bah @ Loh Yeow Boo as member of AC to fill the vacancy left by the retirement of Mr. Tsang Chee Wah at the 16th AGM on 11 November 2016. The nomination was reviewed and accepted by the Board.

iv) Identifying Principal Risks and Ensuring Implementation of Internal Controls and Mitigation Measures

On a quarterly basis, reports of project quality and financial audits are tabled to the Audit Committee and Board. The Audit Committee and Board review and deliberate the major risks that the Group faces in respect of the business, operations, management controls and processes that are in place. Such procedures involve the Board in a manner that are designed to manage rather than eliminate risks and provide only reasonable assurance against misstatement or loss. Focus areas of these risks are deliberated by the Board as they are raised to the Audit Committee at Board meetings. Key risks deliberated by the Board in 2016/2017 included project quality controls, fixed assets management and inventories controls.

PRINCIPLE 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.2 Board Duties and Responsibilities (cont'd)

v) Overseeing Development and Implementation of Investor Relations Programme and Shareholders' Communications Policy

Plenitude believes in building investor confidence and trust through transparent communication of its objectives and key performance indicators ("KPIs"). The Company has put in place a written Investment Policy and Shareholders' Communication Policy. The Board is kept appraised of Investor Relations activities including press releases and conferences with analysts.

On the 16th AGM 11 November 2016, Plenitude met the press to update the Group's 2017 business plan and the official opening of Oakwood Hotel & Residence Kuala Lumpur (formerly known as Nomad Sucasa Residences) for business in November 2016.

vi) Reviewing Adequacy and Integrity of the Group's Internal Control System and Management Information Systems

The Board has the overall responsibility and accountability for the Group's internal control system and management information system including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board continues to maintain and review the internal control system to ensure its adequacy and integrity and, as far as possible, the protection of the Group's assets. Details pertaining to the Group's internal control system and its effectiveness are available in the Statement on Risk Management and Internal Control of this Annual Report.

1.3 Formalised Ethical Standards through Code of Ethics

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 apply to the Directors and employees of the Group and are 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.

1.4 Strategies Promoting Sustainability

The Board promotes good corporate governance in the application of sustainability practices throughout the Group. Our management and employees are committed to carry out community outreach programmes, environmental, social, governance and sustainability agendas.

The Group practices a system of rewards based on the philosophy of pay for performance. Employees are rewarded for productivity improvements and contribution towards the achievement of the Group's immediate and long-term objectives. The rewards encompass not only compensation and benefits but also performance recognition and professional development and career progression.

PRINCIPLE 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.5 Access to Information and Advice

All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Chairman ensures that all Directors have full and timely access to information, with Board Papers distributed ahead of meetings. The notice for each meeting is accompanied by the minutes of the preceding Board meeting, together with relevant information and documents for matters on the agenda to enable the Directors to consider and deliberate knowledgeably on issues and facilitate informed decision making.

The Directors have access to all information within the Group in furtherance of their duty. They also have access to the advice and services of the Company Secretary and independent professionals as and when required.

1.6 Qualified and Competent Company Secretary

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its functions. The Company Secretary ensures 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 Secretary also keeps abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training and updates the Board timeously.

1.7 Board Charter

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 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.

The Board Charter is made available for reference on the Company's website at www.plenitude.com.my.

PRINCIPLE 2. STRENGTHEN THE BOARD'S COMPOSITION

Composition of the Board

The Board consists of a total of six (6) Directors comprising one (1) Executive Chairman and five (5) Independent Non-Executive Directors. The Board complies with paragraph 15.02 of the Main Market Listing Requirements which requires that at least two Directors or one-third of the Board of the Company, whichever is higher, are 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 6 to 7 of this Annual Report.

PRINCIPLE 2. STRENGTHEN THE BOARD'S COMPOSITION (CONT'D)

The Board is assisted by the following Board Committees:

2.1 Audit Committee

Please refer to the Audit Committee Report for details of its composition and activities.

2.2 Nomination Committee

The Nomination Committee comprises three (3) Independent Non-Executive Directors:-

i) Datuk Mohd Nasir bin Ali – Chairman

ii) Tee Kim Chan

iii) Tan Kak Teck

The responsibilities of the Nomination Committee 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 2017, the Nomination Committee met twice and carried 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 relation to the 9-years tenure limit and reported the outcome to the Board for decision,

iii) Accepted the resignation of Mr. Tsang Chee Wah who expressed his intention not to seek re-election at the 16th AGM of preceeding year,

iv) Nominated Mr. Lok Bah Bah @ Loh Yeow Boo as member of AC to replace the out-going member Mr. Tsang Chee Wah, and

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

2.3 Develop, Maintain, Review Criteria for Recruitment and Annual Assessment

a. Recruitment or Appointment of Directors

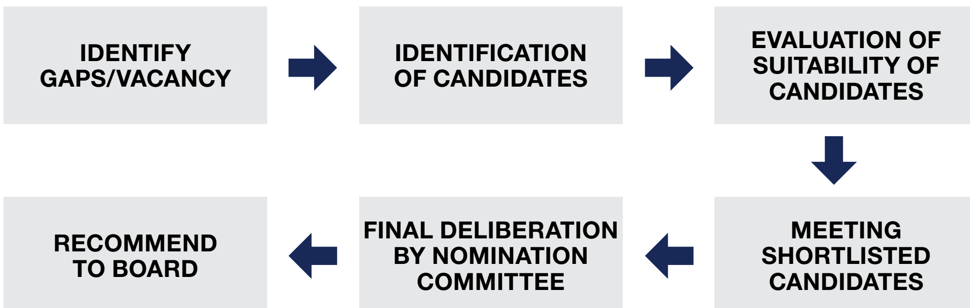
The Nomination Committee's review of the criteria for the appointment process focused largely on creating a good mix of skills, experience and strengths in areas of relevance to enable the Board to discharge its responsibilities in an effective and competent manner. Other factors considered include the directors' ability to commit sufficient time, their character and level of independence in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), integrity and professionalism. The Nomination Committee also focused on having a balanced mix of age and diversity of gender, race, culture and nationality, to facilitate optimal decision making by harnessing different insights and perspectives. Based on the review, the Nomination Committee submit to the Board its recommendation of suitable candidates for appointment as Director of the Company, to replace those who tendered his/their resignation(s) or will be retiring at the forthcoming Annual General Meeting ("AGM").

PRINCIPLE 2. STRENGTHEN THE BOARD'S COMPOSITION (CONT'D)

2.3 Develop, Maintain, Review Criteria for Recruitment and Annual Assessment (cont'd)

a. Recruitment or Appointment of Directors (cont'd)

The process adopted for Board appointment is as follows:-



Re-Appointment and Re-Election of Directors

Procedures relating to the appointment and re-election of Directors are contained in the Company's Articles of Association. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

The Articles of Association 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 17th AGM, the two Directors who will be retiring by rotation are Datuk Mohd Nasir bin Ali and Ir. Teo Boon Keng. Both Datuk Mohd Nasir bin Ali and Ir. Teo Boon Keng, being eligible, will offer themselves for re-election.

b. Annual Assessment

The Nomination Committee reviews on 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.

c. Gender Diversity

The Board has always considered gender and workplace diversity set out under Recommendation 2.2 of the MCCG 2012 emphasising on supporting the representation of women at senior level of the Group and on 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.

PRINCIPLE 2. STRENGTHEN THE BOARD'S COMPOSITION (CONT'D)

2.4 Remuneration Committee

The Remuneration Committee comprises two (2) Independent Non-Executive Directors:-

i) Datuk Mohd Nasir bin Ali – Chairman

ii) Lok Bah Bah @ Loh Yeow Boo

The Remuneration Committee's responsibilities governed by TOR are available on the Company's website www.plenitude.com.my.

During the financial year ended 30 June 2017, the Remuneration Committee met twice and carried out the following activities:-

- Reviewed the revised TOR and presented the TOR for Board's approval and its release for publication on the Company's website, and
- Reviewed the remuneration of Directors to ensure that rewards commensurate with their experience and individual performance.

2.5 Remuneration policies

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 NC on an annual basis prior to making its recommendation to the Board for decision.

The Directors' fees for FY2018 will be increased from RM24,000 per annum to RM30,000 per annum payable on monthly basis for each of the Non-Executive Directors ("NEDs") of Plenitude Berhad. The shareholders' approval will be sought accordingly at the forthcoming 17th AGM.

Meeting allowance 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 to 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 17th AGM on the Directors' remuneration through two separate resolutions as follows:-

- To approve the payment of Directors' fees amounting to RM150,000 in respect of financial year ending 30 June 2018.
- 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 above Directors' fee nor is she entitled to receive any meeting allowance for Board or Board Committee meetings she attended.

PRINCIPLE 2. STRENGTHEN THE BOARD'S COMPOSITION (CONT'D)

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 emoluments	303,229	303,229
Non-Executive Directors		
- Fees	164,000	128,000
- Other emoluments	24,000	24,000
Total	491,229	455,229

The number of 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	-	5	-	6
RM50,001 - RM100,000	-	1	-	-
RM300,001 – RM350,000	1	-	1	-

The disclosure of Directors' remuneration is made in accordance with Appendix 9C, item 11, Main Market Listing Requirements of Bursa Malaysia.

PRINCIPLE 3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board adopted the concept of independence in tandem with the definition of Independent Director in Section 1.01 of the Main Market Listing Requirements of Bursa Malaysia through the assistance of the Nomination Committee. The Board also carries out an annual assessment to ensure the effectiveness of the independence of its Independent Directors.

The Board is satisfied with the level of independence demonstrated by all the Non-Executive Directors, and their ability to act in the best interests of the Company.

PRINCIPLE 3. REINFORCE INDEPENDENCE (CONT'D)

3.2 Tenure of Independent Directors

The Board takes cognisance of the Code's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Notwithstanding the tenure limit, the Board recognises 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 Independent Non-Executive Directors could be re-designated as Non-Independent Non-Executive Director or retained as Independent Non-Executive Director as prescribed under MCCG 2012, on the notion that the Board still 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.

As at the end of the financial year, save for Mr. Tan Kak Teck, all the other Independent Directors have been in service for less than nine (9) years.

3.3 Shareholders' Approval for the re-appointment of Non-Executive Director

Mr. Tan Kak Teck has served more than nine 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 17th AGM.

3.4 Separation of Positions of the Chairman and CEO

The Chairman, who is a Non-Independent Executive Director leads the Board with a keen focus on governance and compliance. The Chairman is primarily responsible for leadership, effective conduct and workings of the Board. The Company has not had a CEO since August 2014. However, the Board delegates the responsibility of running the Group day-to-day business operations to the Management Committee led by Executive Chairman and Chief Operating Officer. The Management Committee is 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.

PRINCIPLE 4. FOSTER COMMITMENT

4.1 Time Commitment

Board meetings are held at quarterly intervals with additional meetings held whenever necessary. Five (5) Board meetings were held during the financial year ended 30 June 2017. All Directors fulfilled the requirements of the Articles of Association with respect to the Board meeting attendance.

PRINCIPLE 4. FOSTER COMMITMENT (CONT'D)

4.1 Time Commitment (cont'd)

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	4/5
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
Tsang Chee Wah (retired on 11 November 2016)	1/2

The Directors are required to submit updates on their other directorships to the Company Secretary whenever there is a change. To facilitate the Directors in their time planning, an annual corporate meeting calendar is prepared and circulated to the Directors before the beginning of each year.

4.2 Training

The Board emphasises the importance of continuing education for its Directors to ensure that they are equipped with the necessary skills and knowledge to meet the challenges of the Board. A training budget of RM6,000 per director is allocated every year for Directors' continuing education. The Company Secretary updates relevant training programmes conducted by Bursa to the attention of the Board members. Training programme focus on topics related to regulatory and governance as well as industry related and current issues. Directors identify their own training needs for boardroom effectiveness. Training fees of RM2,980 were incurred for the financial year ended 30 June 2017.

Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. The Directors will continue to attend other training courses to equip themselves effectively and discharge their duties as Directors on a continuous basis in compliance with Paragraph 15.08 of Main Market Listing Requirements of Bursa Malaysia. All Directors have attended at least one training during the financial year save and except Mr. Tee Kim Chan. Mr. Tee Kim Chan is currently practising as an advocate and solicitor in his own law firm and kept 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.

PRINCIPLE 4. FOSTER COMMITMENT (CONT'D)

4.2 Training (cont'd)

The Company Secretary keeps a complete record of the training received and attended by the Directors. Seminars, conferences and training programmes attended by Directors during the financial year ended 30 June 2017 include the following:-

No.	Directors	Programme
i.	Chua Elsie	New Expectations for Directors, Shareholders, Company Secretaries & Appointment of Auditors under the Companies Act 2016
ii.	Tan Kak Teck	Seminar Akta Syarikat 2016
iii.	Ir. Teo Boon Keng	Amendments To Bursa Malaysia's Listing Requirements – With Latest Cases On Directors Duties
iv.	Lok Bah Bah @ Loh Yeow Boo	Are You Ready for the Companies Act 2016? – Key revamp updates with tax planning elements
v.	Datuk Mohd Nasir bin Ali	New Expectations for Directors, Shareholders, Company Secretaries & Appointment of Auditors under the Companies Act 2016

PRINCIPLE 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board is responsible for ensuring that financial statements prepared for each financial year give a true and fair view of the Group's state of affairs. The Directors took due care and reasonable steps to ensure that the requirements of accounting standards were fully met. The Audit Committee reviews the Audit Review Memorandum prepared by the External Auditors. In this meeting, all audit findings, financial impact and auditors' recommendations are discussed, assessed and considered. After finalisation of the financial statements, External Auditors present the Auditors' Report for acceptance by bringing the Audit Committee through the report, highlighting the relevant accounting standards applicable to the Company and explaining major variances of current year results with comparable results.

For all quarterly financial statements, a detailed analysis of the statements of comprehensive income, the statements of financial position and the statements of cash flow are provided by Management for Audit Committee's reviews.

After due deliberation and consideration, the Audit Committee then recommends the Auditors' Report and quarterly financial statements to the Board of Directors for approval prior to their release to Bursa Malaysia.

PRINCIPLE 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

5.2 Assessment of Suitability and Independence of External Auditors

Annually, External Auditors are invited to present themselves for re-election. In their Audit Plan Memorandum ("APM"), External Auditors highlight the changes in the accounting standards that affect the Group, provide an overview of areas of concerns based on previous year's audit, time schedule of audit and team members. In this APM, the External Auditors also declare their independence in compliance with the requirements under the local professional institutes' rules and International Standards on Auditing. The Audit Committee meets the External Auditors twice without the presence of the management team.

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

PRINCIPLE 6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risks

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 these risks across the Group. Risks such as long-term business strategy, regulatory, substitution risks and technology. As highlighted earlier, Internal Auditors report the weaknesses of internal controls and risks 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 quarterly basis.

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. A significant number of risks faced relate to wider operational and commercial affairs of the Group and of the Company including those in relation to competition and regulatory development.

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

6.2 Internal Audit function

The Group's internal audit function was outsourced to a professional audit firm who reports to the Audit Committee. Additionally, the Staff Internal Auditor - Project also report to the Audit Committee. The internal audit function is prescribed in more detail in the Audit Committee Report of this Annual Report.

Details of the Group's risk management and internal control system frameworks are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board has established the Corporate Disclosure Policy and Procedures which applies to all Directors, management and employees of the Group. It outlines the Group's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained and restrictions on insider trading. It also provides guidelines in order to achieve consistent disclosure practices across the Group.

The Group has also put in place an internal control policy on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately to Bursa Malaysia.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Group maintains the following website that allows all shareholders and investors access to information about the Group: www.plenitude.com.my.

PRINCIPLE 8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

8.1 Encourage Shareholders Participation at General Meeting

The Board acknowledges that general meetings are important avenues in engaging with shareholders and they provide a platform for Board dialogue and interaction 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 is 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.

8.2 Encourage Poll Voting

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

PRINCIPLE 8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS (CONT'D)

8.3 Effective Communication and Proactive Engagement

The Board recognises the importance of effective communication with shareholders and the investment community, and adheres strictly to the disclosure requirements of Bursa Malaysia.

Quarterly reports on the Group's results and announcements can be accessed from the Bursa Malaysia 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 the following persons:-

i. Madam Chua Elsie
Executive Chairman
Tel: +603-6201 0051
Fax: +603-6201 0071
Email: elsie.chua@plenitude.com.my

ii. Ms. Rebecca Lee Ewe Ai
Ms. Wong Yuet Chyn
Company Secretaries
Tel: +603-6201 1120
Fax: +603-6201 3121
Email: rebecca@shareworks.com.my
yuetchyn@shareworks.com.my

COMPLIANCE STATEMENT

The Board considers that the Group has complied substantially with the principles and recommendations as stipulated in the MCCG 2012 throughout the financial year ended 30 June 2017.

ADDITIONAL COMPLIANCE INFORMATION

Audit and Non-Audit Fees

Audit fees payable to the External Auditors by the Group and the Company for the financial year under review amount to RM255,400 and RM38,000 respectively.

Non-audit fees of RM12,200 payable to the External Auditors are for the reviewing of the Statement on Risk Management and Internal Control, Supplementary Information on The Disclosure of Realised & Unrealised Profits or Losses and other information in the Annual Report.

Material Contracts

There was no material contract entered by the Company or its subsidiary companies involving Directors' and major shareholders' interest during the financial year ended 30 June 2017.

This Statement is made in accordance with the resolution of the Board dated 20 September 2017.


THE GURNEY
RESORT HOTEL & RESIDENCES
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HOTEL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made in accordance with Paragraph 15.26(b), Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Principle 6: Recommendation 6.1 (with Commentary) of the Malaysian Code of Corporate Governance 2012 ("MCCG 2012") as contained in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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

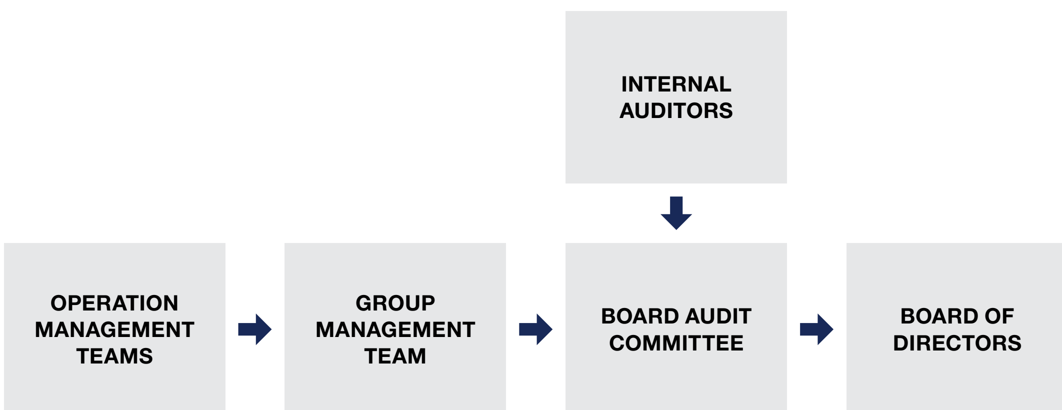
The Group has a risk management framework which provides oversight on risk management strategies, policies and guidelines, risk tolerance and other risk related matters. These crucial elements are embedded in the Group's management systems in respect of corporate culture, processes and organisational 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.

RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk Management Structure

The Group Management Team comprised of Executive Chairman ("EC"), Chief Operating Officer ("COO"), Group Financial Controller and group functional heads 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 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 programmes, 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.

RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk Management Structure (cont'd)

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

- risk 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 – risk 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 encompasses 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:

SYSTEM OF INTERNAL CONTROL (CONT'D)

1. Control Environment (cont'd)

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 the 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.

SYSTEM OF INTERNAL CONTROL (CONT'D)

1. Control Environment (cont'd)

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 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 clearly defined and documented Limits of Authority ("LOA") which is to be used 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.

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 manuals for IT, Finance, Credit Control, Sales and 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.

SYSTEM OF INTERNAL CONTROL (CONT'D)

3. Control Activities (cont'd)

Budgeting process

Annual budgets are prepared by each business unit and deliberated with the Group Management Team. The business units identify the strength 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 Meetings 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 required 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 opened 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 safeguarded.

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, in his absence, the COO or Group Financial Controller of the Company.

SYSTEM OF INTERNAL CONTROL (CONT'D)

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 staff Internal Auditor-Project reports functionally to the Board through the Audit Committee. The outsourced Internal Auditor reports on the operational and financial auditing on quarterly basis, the staff Internal Auditor-Project reports specifically on development project workmanship, site management and work progresses 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 at pages 48 to 51 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 2017 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 aspects, 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.

Recommended Practice Guide 5, Guidance for Auditors on the Engagement 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 Operating 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 20 September 2017.

GLOW, Penang

AUDIT COMMITTEE REPORT

The Board of Plenitude Berhad is pleased to present the Audit Committee ("AC") Report for the financial year ended 30 June 2017.

COMPOSITION AND MEETINGS

Composition

The Audit Committee consists of three (3) Independent Non-Executive Directors and has met five (5) times on 24 August 2016, 22 September 2016, 23 November 2016, 22 February 2017 and 24 May 2017.

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

Name	Directorship	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 (appointed on 11 November 2016)	Independent Non-Executive Director	3/3
Tsang Chee Wah (retired on 11 November 2016)	Independent Non-Executive Director	1/2

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 four (4) years, experienced in project management and project development and is involved in his own business ventures.

Mr. Lok Bah Bah @ Loh Yeow Boo was nominated as member of Audit Committee on 11 November 2016. He 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 of Bursa Malaysia Securities Berhad which requires at least one member of the Committee to be a qualified accountant.

Attendance at Meetings

The Board, Executive Chairman, 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 on 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 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 24 August 2016 and 24 May 2017 without the presence of executive board members and management.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year ended 30 June 2017, 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 2017 Financial Statements.

c) Reviewed and recommended the Audit Committee's Terms of Reference 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 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 draft Audited Financial Statements and draft 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 2017 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 2017 audit plan confirmed that they are in compliance with the requirements of independence under the local professional institutes' rules and International Standards on Auditing.

SUMMARY OF ACTIVITIES OF THE COMMITTEE (CONT'D)

Other Responsibilities

Other recurring tasks included:-

- Reviewed and recommended the Statement on Corporate Governance, 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 2016 to 30 June 2017 on nine (9) foreign subsidiary companies which had a different financial year ending 31 December.

- Reviewed the proposals for non-audit services rendered by the External Auditors in reviewing the Statement on Risk Management and Internal Control, Supplemental Information on Realised and Unrealised Profits or Losses 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.

During the financial year ended 30 June 2017, the internal audit function was outsourced to a professional service firm (Internal Auditor) which focused on business and financial audits. Additionally, the Group also has a full time Internal Auditor, Projects who is tasked with conducting audits on projects' progress, management and workmanship. Both are collectively referred to as Internal Auditors and they report directly to the Audit Committee.

The outsourced Internal Auditor carries out business and financial audits on each operating subsidiary company by rotation on a quarterly basis. The Internal Auditor, Projects carries out audit visits to each project site by rotation on a monthly basis, reporting to the Management Committee on a monthly basis and to the Audit Committee on a quarterly basis.

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 include 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 make 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.

INTERNAL AUDIT FUNCTION (CONT'D)

The internal audit reports are issued to key management for their comments and to agree on action plans with deadlines to complete the necessary preventive and corrective actions. The reports are 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) are invited to the Audit Committee meetings from time to time, especially when major weaknesses are uncovered by Internal Auditors.

During the financial year, the outsourced Internal Auditors had carried out audits on Gurney Resort Hotel & Residences, GLOW Penang, Four Points Sheraton Penang, Plenitude Permai Sdn Bhd and Plenitude Tebrau Sdn Bhd. Whilst the Internal Auditor, Projects had audited and followed up on projects: Phase 19 & 20 2-storey terraced houses and Phase 12A 3-storey semi-detached houses in Taman Desa Tebrau at Johor Bahru; Phase 2C 2 & 3-storey terraced houses and Phase 7A Low Cost Apartments in Taman Putra Prima at Puchong, Selangor; Bintang Maya Phase 8A 2-storey terraced houses at Sungai Petani, Kedah; Lot 285 serviced-apartments and The Marin condominium @ Batu Ferringhi, Penang. Key auditable activities that were completed in 2016/2017 include:-

- Procurement management
- Sales and 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 RM245,392.

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.


FOUR POINTS
BY SHERATON
Penang

NOVOTEL
HOTELS
KUALA LUMPUR CITY CENTRE

CLARINET
TAMAN DESA TEBRAU
JOHOR BAHRU

GLOW
PENANG

PHASE 3E
TAMAN PUTRA PRIMA
SELANGOR

THE MARIN
FERRINGHI
PENANG

AQUAMARINE
TAMAN PUTRA PRIMA
SELANGOR

FOUR POINTS
BY SHERATON
PENANG

PRECINCT 12
TAMAN DESA TEBRAU
JOHOR BAHRU

THE NOMAD
SERVICED RESIDENCES
BANGSAR

FINANCIAL STATEMENTS

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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 2017.

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	50,736,663	64,802,305
Attributable to: Owners of the Company	50,736,663	64,802,305

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 2018.

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 no allowance for doubtful debts was necessary.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts or to make any allowance for doubtful debts in respect of these financial statements.

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
- Tan Kak Teck
- Ir. Teo Boon Keng
- Lok Bah Bah @ Loh Yeow Boo
- Tee Kim Chan
- Tsang Chee Wah (retired on 11 November 2016)

In accordance with Article 86 of the Company's Articles of Association, Datuk Mohd Nasir bin Ali and Ir. Teo Boon Keng retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

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 1.7.2016	**Bought**	**Sold**	**At 30.6.2017**
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 the Directors' Remuneration and 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.

DIRECTORS' REMUNERATION

	Group RM	Company RM
Directors' fees	164,000	128,000
Directors' other emoluments	327,229	327,229

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for, any director, officer or auditor of the Company.

SUBSIDIARIES

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

AUDITORS' REMUNERATION

	Group RM	Company RM
Auditors' remuneration:		
- Malaysian operations	222,400	38,000
- Overseas operations	33,000	-
Non statutory audit fees:		
- Malaysian operations	12,200	12,200

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: 28 September 2017

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Revenue	5	226,203,579	220,153,745	50,604,000	50,604,000
Cost of sales	6	(101,678,682)	(101,656,895)	-	-
Gross profit		124,524,897	118,496,850	50,604,000	50,604,000
Investment revenue	7	14,328,442	16,010,239	8,864,043	10,913,352
Other income		11,083,884	11,775,550	16,091,592	14,844,787
Finance costs	8	(2,197,363)	(2,655,259)	-	-
Other expenses		(76,326,310)	(73,830,407)	(5,442,720)	(5,480,217)
Profit before taxation	9	71,413,550	69,796,973	70,116,915	70,881,922
Taxation	10	(20,676,887)	(19,362,118)	(5,314,610)	(5,605,237)
Net profit for the financial year		50,736,663	50,434,855	64,802,305	65,276,685
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		12,388,365	2,550,546	-	-
Foreign currency translation differences for foreign operations		322,611	(119,191)	-	-
		12,710,976	2,431,355	-	-
Total comprehensive income for the financial year		63,447,639	52,866,210	64,802,305	65,276,685

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2017 (cont'd)

		Group		Company	
	Note	**2017**	**2016**	**2017**	**2016**
		RM	**RM**	**RM**	**RM**
Profit/(Loss) attributable to:					
Owners of the Company		50,736,663	50,437,947	64,802,305	65,276,685
Non-controlling interests		-	(3,092)	-	-
		50,736,663	50,434,855	64,802,305	65,276,685
Total comprehensive income/(loss) attributable to:					
Owners of the Company		63,447,639	52,897,521	64,802,305	65,276,685
Non-controlling interests		-	(31,311)	-	-
		63,447,639	52,866,210	64,802,305	65,276,685
Earnings per ordinary share attributable to					
Owners of the Company (sen)					
- Basic	11	13.3	13.2		
- Diluted	11	13.3	13.2		

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

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	563,931,261	560,497,694	719,134	839,600
Land held for future development	13	193,997,303	193,537,768	-	-
Property development projects - non-current portion	14	160,041,362	147,923,141	-	-
Investment properties	15	63,015,060	63,249,283	-	-
Investment in subsidiary companies	16	-	-	550,067,138	512,167,138
Deferred tax assets	17	18,125,961	25,732,409	-	-
Total Non-Current Assets		999,110,947	990,940,295	550,786,272	513,006,738
Current Assets					
Property development projects - current portion	14	212,257,963	200,040,971	-	-
Inventories	18	30,689,994	30,605,761	-	-
Trade and other receivables	19	52,592,573	51,942,342	67,177	64,630
Accrued billings		5,198,076	2,828,201	-	-
Amount owing by subsidiary companies	16(b)	-	-	389,663,289	414,270,485
Tax recoverable		6,590,756	3,381,288	169,898	-
Short term investments	20	64,370,917	52,890,629	-	-
Fixed income trust fund	21	15,547,522	163,955,897	15,547,522	163,955,897
Fixed deposits with licensed banks	21	247,044,462	116,246,883	150,549,962	47,106,313
Cash and bank balances	21	80,892,187	75,925,599	5,023,790	5,364,121
Total Current Assets		715,184,450	697,817,571	561,021,638	630,761,446
TOTAL ASSETS		1,714,295,397	1,688,757,866	1,111,807,910	1,143,768,184

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2017 (cont'd)

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	22	515,314,609	381,533,758	515,314,609	381,533,758
Reserves	23	1,007,320,011	1,094,822,242	476,831,355	562,978,920
TOTAL EQUITY		1,522,634,620	1,476,356,000	992,145,964	944,512,678
Non-Current Liabilities					
Bank borrowings	24	30,538,376	33,787,500	-	-
Deferred tax liabilities	17	32,199,242	32,552,792	-	-
Total Non-Current Liabilities		62,737,618	66,340,292	-	-
Current Liabilities					
Trade and other payables	25	120,447,398	129,594,207	983,038	957,599
Advance billings		6,950,308	9,145,560	-	-
Amount owing to subsidiary companies	16(c)	-	-	118,678,908	197,406,135
Bank borrowings	24	600,000	5,762,500	-	-
Tax liabilities		925,453	1,559,307	-	891,772
Total Current Liabilities		128,923,159	146,061,574	119,661,946	199,255,506
TOTAL LIABILITIES		191,660,777	212,401,866	119,661,946	199,255,506
TOTAL EQUITY AND LIABILITIES		1,714,295,397	1,688,757,866	1,111,807,910	1,143,768,184

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2017

		Attributable to Owners of the Company							
				Non-distributable		Distributable			
	Note	Share Capital RM	Share Premium RM	Available-For-Sale Reserve RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group									
At 1 July 2015		373,942,589	127,305,252	(1,754,412)	631,651	914,684,171	1,414,809,251	27,192,863	1,442,002,114
Net profit for the year		-	-	-	-	50,437,947	50,437,947	(3,092)	50,434,855
Fair value changes on available-for-sale financial assets	20(a)	-	-	2,575,346	-	-	2,575,346	(24,800)	2,550,546
Foreign currency translation differences for foreign operations		-	-	-	(115,772)	-	(115,772)	(3,419)	(119,191)
Total comprehensive income for the financial year		-	-	2,575,346	(115,772)	50,437,947	52,897,521	(31,311)	52,866,210
Transactions with owners:									
Dividends for the financial year ended 30 June 2015 - final dividend	26	-	-	-	-	(17,169,019)	(17,169,019)	-	(17,169,019)
Shares issuance		7,591,169	7,818,904	-	-	-	15,410,073	-	15,410,073
Shares issuance expenses		-	(1,343,305)	-	-	-	(1,343,305)	-	(1,343,305)
Changes in ownership in subsidiary		-	-	-	-	11,751,479	11,751,479	(27,161,552)	(15,410,073)
Total transactions with owners		7,591,169	6,475,599	-	-	(5,417,540)	8,649,228	(27,161,552)	(18,512,324)
At 30 June 2016		381,533,758	133,780,851	820,934	515,879	959,704,578	1,476,356,000	-	1,476,356,000

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2017 (cont'd)

	Note	Share Capital RM	Share Premium RM	Available-For-Sale Reserve RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
		Attributable to Owners of the Company							
				Non-distributable		Distributable			
Group (cont'd)									
At 1 July 2016		381,533,758	133,780,851	820,934	515,879	959,704,578	1,476,356,000	-	1,476,356,000
Net profit for the year		-	-	-	-	50,736,663	50,736,663	-	50,736,663
Fair value changes on available-for-sale financial assets	20(a)	-	-	12,388,365	-	-	12,388,365	-	12,388,365
Foreign currency translation differences for foreign operations		-	-	-	322,611	-	322,611	-	322,611
Total comprehensive income for the financial year		-	-	12,388,365	322,611	50,736,663	63,447,639	-	63,447,639
Transactions with owners:									
Dividends for the financial year ended 30 June 2016 - final dividend	26	-	-	-	-	(17,169,019)	(17,169,019)	-	(17,169,019)
Total transactions with owners		-	-	-	-	(17,169,019)	(17,169,019)	-	(17,169,019)
Transition to no par value regime	22(b)	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	-	1,522,634,620

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2017 (cont'd)

	Note	Share Capital RM	Share Premium RM	Retained Earnings RM	Total RM
		Attributable to Owners of the Company			
				Distributable	
Company					
At 1 July 2015		373,942,589	127,305,252	381,090,403	882,338,244
Total comprehensive income for the financial year		-	-	65,276,685	65,276,685
Transactions with owners:					
Dividends for the financial year ended 30 June 2015 - final dividend	26	-	-	(17,169,019)	(17,169,019)
Shares issuance		7,591,169	7,818,904	-	15,410,073
Shares issuance expenses		-	(1,343,305)	-	(1,343,305)
Total transactions with owners		7,591,169	6,475,599	(17,169,019)	(3,102,251)
At 30 June 2016		381,533,758	133,780,851	429,198,069	944,512,678
Total comprehensive income 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	22(b)	133,780,851	(133,780,851)	-	-
At 30 June 2017		515,314,609	-	476,831,355	992,145,964

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

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash flows from operating activities					
Profit before taxation		71,413,550	69,796,973	70,116,915	70,881,922
Adjustments for:					
Depreciation of property, plant and equipment	12	16,568,991	18,113,870	259,811	247,323
Depreciation of investment properties	15	585,253	583,499	-	-
Fair value changes in short term investments	20(b)	(23,796)	(416,337)	-	-
Finance costs	8	2,197,363	2,655,259	-	-
Property, plant and equipment written off	12	154,059	113,579	-	1
Interest income		(7,374,733)	(6,933,379)	(21,348,463)	(19,637,592)
Gain on disposal of property, plant and equipment		(23,586)	(67,659)	-	-
Dividend income		(5,671,900)	(8,215,638)	(48,607,172)	(51,120,547)
Unrealised loss on foreign exchange		156,157	143,022	-	-
Profit before working capital changes		77,981,358	75,773,189	421,091	371,107
(Increase)/Decrease in:					
Land held for future development		(459,535)	(291,369)	-	-
Property development projects		(24,335,213)	(42,042,046)	-	-
Inventories		(84,233)	2,458,529	-	-
Trade and other receivables		(650,231)	(7,428,014)	(2,547)	985,964
Accrued billings		(2,369,875)	7,013,794	-	-
Amount owing by subsidiary companies		-	-	24,607,196	(47,431,791)
		50,082,271	35,484,083	25,025,740	(46,074,720)

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2017 (cont'd)

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
(Decrease)/Increase in:					
Trade and other payables		(9,146,809)	(21,073,692)	25,439	32,837
Advance billings		(2,195,252)	6,683,915	-	-
Amount owing to subsidiary companies		-	-	(78,727,227)	78,653,309
Net cash from/(used in) operations		38,740,210	21,094,306	(53,676,048)	32,611,426
Interest income received		1,016,417	1,461,282	16,091,592	14,844,787
Income tax refunded		313,733	47,355	-	-
Income tax paid		(17,581,044)	(25,308,960)	(6,376,280)	(5,514,797)
Net cash from/(used in) operating activities		22,489,316	(2,706,017)	(43,960,736)	41,941,416
Cash flows from investing activities					
Interest income received		6,358,316	5,472,097	5,256,871	4,792,805
Proceeds from disposal of property, plant and equipment		23,586	75,307	-	-
Purchase of investment properties		(351,030)	-	-	-
Purchase of property, plant and equipment	12	(20,156,617)	(28,828,892)	(139,345)	(4,396)
Proceeds from disposal of short term investments	20(b)	931,873	79,199,657	-	-
Purchase of short term investments	20(b)	-	(320,000)	-	-
Dividend income received		5,671,900	8,215,638	48,607,172	51,120,547
Shares issuance expenses		-	(1,343,305)	-	(1,343,305)
Subscription of additional shares issued by a subsidiary company	16(d)	-	-	(37,900,000)	-
Net cash (used in)/from investing activities		(7,521,972)	62,470,502	15,824,698	54,565,651

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2017 (cont'd)

		Group		Company	
	Note	2017	2016	2017	2016
		RM	RM	RM	RM
Cash flows from financing activities					
Dividends paid	26	(17,169,019)	(17,169,019)	(17,169,019)	(17,169,019)
Interest paid		(2,197,363)	(2,655,259)	-	-
Proceeds from bank borrowings		24,338,376	-	-	-
Repayment of bank borrowings		(32,750,000)	(6,725,000)	-	-
Net cash used in financing activities		(27,778,006)	(26,549,278)	(17,169,019)	(17,169,019)
Net (decrease)/increase in cash and cash equivalents		(12,810,662)	33,215,207	(45,305,057)	79,338,048
Effect of exchange rate changes		166,454	(260,376)	-	-
Cash and cash equivalents at beginning of the financial year		356,128,379	323,173,548	216,426,331	137,088,283
Cash and cash equivalents at end of the financial year		343,484,171	356,128,379	171,121,274	216,426,331
Analysis of cash and cash equivalents:					
Fixed income trust fund	21	15,547,522	163,955,897	15,547,522	163,955,897
Fixed deposits with licensed banks	21	247,044,462	116,246,883	150,549,962	47,106,313
Cash and bank balances	21	80,892,187	75,925,599	5,023,790	5,364,121
		343,484,171	356,128,379	171,121,274	216,426,331

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 28 September 2017.

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:

<u>Amendments/Improvements to FRSs</u>

FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
FRS 138	Intangible Assets

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, except those as discussed below.

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

2. BASIS OF PREPARATION (CONT'D)

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

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

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 1	First-time adoption of MFRSs	1 January 2018
FRS 2	Share-based Payment	1 January 2018
FRS 4	Insurance Contracts	1 January 2018
FRS 10	Consolidated Financial Statements	Deferred
FRS 12	Disclosure of Interests in Other Entities	1 January 2017
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 128	Investments in Associates and Joint Ventures	1 January 2018/ Deferred
FRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

A brief discussion on the above significant new FRS, amendments/improvements to FRSs and new IC Int are summarised below. Due to the complexity of these new FRS, amendments/improvements to FRSs and new IC Int, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

Key requirements of FRS 9:

- FRS 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 FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (cont'd)

FRS 9 Financial Instruments (cont'd)

Key requirements of FRS 9 (cont'd):

- FRS 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.

- FRS 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.

Amendments to FRS 2 Share-based Payment

Amendments to FRS 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 FRS 12 Disclosure of Interests in Other Entities

Amendments to FRS 12 clarify that entities classified as held for sale are required to apply all the disclosure requirements of FRS 12 except for the disclosure requirements set out in paragraphs B10-B16.

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.

Amendments to FRS 112 Income Taxes

Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

2. BASIS OF PREPARATION (CONT'D)

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

Amendments to FRS 128 Investments in Associates and Joint Ventures

Amendments to FRS 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.

Amendments to FRS 140 Investment Property

Amendments to FRS 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.

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

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 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 FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

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.

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.

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.

2. BASIS OF PREPARATION (CONT'D)

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

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.

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 Group is currently assessing the impact of the adoption of this standard.

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.

Due to the complexity of this new MFRS, the financial effects of its adoption are currently still being assessed by the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

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

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Revenue recognition (cont'd)

(vi) Rental income

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

(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 is 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Taxation (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 2017.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Basis of consolidation (cont'd)

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.

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%

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 assesses 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Property development activities (cont'd)

(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*.

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% (2016: 2%).

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial assets (cont'd)

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Impairment (cont'd)

(ii) Impairment of non-financial assets (cont'd)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial liabilities (cont'd)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Operating leases

The Group and the Company as Lessee

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

The Group and the Company 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.

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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 ESTIMATES AND JUDGEMENTS

4.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Classification of financial assets

The Group has classified its investments as available-for-sale and fair value through profit or loss financial assets. In applying the accounting policy, the Group assesses its nature and the intention at each reporting date.

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

4.2 Key source of estimation uncertainty

(a) Revenue recognition on property development projects (Note 5)

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.

(b) Taxation (Note 10)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination are made.

(c) 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.

(d) Depreciation and useful lives of property, plant and equipment and investment properties (Note 12 and Note 15)

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and investment properties are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

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

4.2 Key source of estimation uncertainty (cont'd)

(e) Provision for cost to completion (Note 25)

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.

(f) Provision for affordable housing obligations (Note 25)

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 the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for development of premium housing based on the terms and conditions of the approved master and building plans.

In determining the provision for affordable housing, judgements and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience and by relying on the work of specialists.

(g) Allowances for impairment – trade and other receivables (Note 19)

The Group makes allowances for impairment based on an assessment of the recoverability of receivables. Allowances for impairment are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(h) Write down for inventories (Note 18)

Reviews are made periodically by management on slow moving, damaged and obsolete inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(i) Impairment of investment in subsidiary companies and recoverability of amount owing by subsidiary companies (Note 16)

The Company tests investment in subsidiary companies for indication of impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

5. REVENUE

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

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Property development	156,917,091	155,011,912	-	-
Hotel operations	69,286,488	65,141,833	-	-
Dividend income from subsidiary companies (Note 30)	-	-	45,000,000	45,000,000
Management fees (Note 30)	-	-	5,604,000	5,604,000
	226,203,579	220,153,745	50,604,000	50,604,000

6. COST OF SALES

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Property development costs				
- projects (Note 14)	69,661,590	75,937,359	-	-
- inventories	7,370,932	2,855,868	-	-
Hotel operation costs	24,646,160	22,863,668	-	-
	101,678,682	101,656,895	-	-

7. INVESTMENT REVENUE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Lease rental income (Note 15)	2,298,226	2,322,504	-	-
Interest income from fixed deposits	6,358,316	5,472,097	5,256,871	4,792,805
Dividend income from fixed income trust fund	3,607,172	6,120,547	3,607,172	6,120,547
Dividend income from short term investments	2,064,728	2,095,091	-	-
	14,328,442	16,010,239	8,864,043	10,913,352

8. FINANCE COSTS

	Group	
	2017 RM	2016 RM
Bank overdrafts	59,986	55,317
Term loans	2,137,377	2,599,942
	2,197,363	2,655,259

9. PROFIT BEFORE TAXATION

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest income from Housing Development Accounts	1,013,521	1,355,608	-	-
Late interest income from customers	2,896	105,674	-	-
Rental income	7,920,575	8,376,553	-	-
Fair value changes in short term investments (Note 20(b))	23,796	416,337	-	-
Gain on disposal of property, plant and equipment	23,586	67,659	-	-
Interest on unsecured advances to subsidiary companies (Note 30)	-	-	16,091,592	14,844,787
Auditors' remuneration:				
Audit fees	(255,400)	(267,600)	(38,000)	(38,000)
Non audit fees	(12,200)	(8,200)	(12,200)	(8,200)
Employee benefits expense	(28,702,988)	(28,139,836)	(3,544,108)	(3,541,902)
Directors' remuneration:				
Fees	(164,000)	(164,000)	(128,000)	(140,000)
Contribution to EPF	(32,400)	(31,200)	(32,400)	(31,200)
Other emoluments	(294,829)	(289,137)	(294,829)	(289,137)
Depreciation of property, plant and equipment (Note 12)	(16,568,991)	(18,113,870)	(259,811)	(247,323)
Depreciation of investment properties (Note 15)	(585,253)	(583,499)	-	-
Realised gain/(loss) on foreign exchange	19,285	(77,982)	-	-
Unrealised loss on foreign exchange	(156,157)	(143,022)	-	-
Rental of:				
Premises	(413,364)	(473,310)	(158,400)	(158,400)
Equipment	(57,253)	(46,393)	(7,560)	(7,560)
Property, plant and equipment written off (Note 12)	(154,059)	(113,579)	-	(1)

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 RM2,784,212 and RM376,107 (2016: RM2,177,069 and RM374,693) respectively.

10. TAXATION

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Estimated tax payable:				
Current	13,956,242	21,901,727	5,311,604	5,668,273
Prior years	(532,253)	159,870	3,006	(63,036)
	13,423,989	22,061,597	5,314,610	5,605,237
Deferred tax (Note 17):				
Current	5,375,721	(15,219)	-	-
Recognition of previously unrecognised tax credit	-	(2,445,492)	-	-
Prior years	1,877,177	(238,768)	-	-
	7,252,898	(2,699,479)	-	-
	20,676,887	19,362,118	5,314,610	5,605,237

The income tax is calculated at the statutory rate of 24% (2016: 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	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Profit before taxation	71,413,550	69,796,973	70,116,915	70,881,922
Tax at the applicable tax rate of 24% (2016: 24%)	17,139,252	16,751,274	16,828,060	17,011,661
Effect of tax rates in foreign jurisdictions	197,644	(63,832)	-	-
Tax effects of:				
Expenses that are not deductible in determining taxable profit	4,428,236	2,807,921	763,296	905,561
Income not subject to tax	(1,627,496)	(687,312)	(11,495,422)	(12,268,931)
(Utilisation)/Unrecognised of deferred tax assets	(805,673)	3,078,457	111,343	19,982
Recognition of previously unrecognised tax credit	-	(2,445,492)	-	-
Utilisation of group relief	-	-	(895,673)	-
(Over)/Under provision in:				
- current tax	(532,253)	159,870	3,006	(63,036)
- deferred tax	1,877,177	(238,768)	-	-
	20,676,887	19,362,118	5,314,610	5,605,237

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	
	2017	**2016**
Net profit attributable to Owners of the Company (RM)	50,736,663	50,437,947
Weighted average number of ordinary shares in issue	381,533,758	380,932,272
Basic earnings per share (sen)	13.3	13.2

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								
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 amounts								
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

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								
2016								
Cost								
At 1 July 2015	517,864,635	5,434,776	19,663,702	12,725,318	9,307,058	1,132,598	1,334,980	567,463,067
Additions	1,995	128,896	488,396	403,084	385,798	1,000	27,419,723	28,828,892
Disposals	-	(1,137)	-	-	(7,002)	(450,377)	-	(458,516)
Written off	-	(58,387)	(28,663)	(152,732)	(21,081)	-	-	(260,863)
At 30 June 2016	517,866,630	5,504,148	20,123,435	12,975,670	9,664,773	683,221	28,754,703	595,572,580
Accumulated depreciation								
At 1 July 2015	4,053,484	2,518,788	3,833,618	4,824,256	1,396,575	932,447	-	17,559,168
Charge for the financial year	9,091,968	1,584,042	4,179,572	1,389,471	1,820,646	48,171	-	18,113,870
Disposals	-	(77)	-	-	(417)	(450,374)	-	(450,868)
Written off	-	(58,366)	(9,346)	(72,548)	(7,024)	-	-	(147,284)
At 30 June 2016	13,145,452	4,044,387	8,003,844	6,141,179	3,209,780	530,244	-	35,074,886
Carrying amounts								
At 30 June 2016	504,721,178	1,459,761	12,119,591	6,834,491	6,454,993	152,977	28,754,703	560,497,694

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 RM136,531,657 (2016: RM202,767,395).

Work-in-progress represents refurbishment costs incurred on a hotel building.

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

	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Motor vehicles RM	Total RM
Company					
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 amounts					
At 30 June 2017	613,474	1,420	5	104,235	719,134
2016					
Cost					
At 1 July 2015	1,424,156	12,464	199,726	575,038	2,211,384
Additions	3,396	-	-	1,000	4,396
Written off	(10,798)	-	-	-	(10,798)
At 30 June 2016	1,416,754	12,464	199,726	576,038	2,204,982
Accumulated depreciation					
At 1 July 2015	545,798	10,043	193,603	379,412	1,128,856
Charge for the financial year	196,301	501	4,359	46,162	247,323
Written off	(10,797)	-	-	-	(10,797)
At 30 June 2016	731,302	10,544	197,962	425,574	1,365,382
Carrying amounts					
At 30 June 2016	685,452	1,920	1,764	150,464	839,600

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 2015	112,482,936	34,248,845	41,677,729	4,836,889	193,246,399
Additions	-	-	-	291,369	291,369
At 30 June 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

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 2017 RM	Group 2016 RM
At 1 July		
Freehold land, at cost	67,260,664	69,463,696
Freehold land, at valuation	5,473,890	5,807,340
Development expenditure	596,994,171	582,327,677
	669,728,725	657,598,713
Add:		
Cost incurred during the financial year:		
Development expenditure	101,316,730	118,364,349
	101,316,730	118,364,349
Less:		
Completed projects:		
Freehold land, at cost	2,597,843	2,200,521
Freehold land, at valuation	-	327,314
Development expenditure	119,526,694	103,321,558
	122,124,537	105,849,393
Transfer to inventories:		
Freehold land, at cost	155,011	2,511
Freehold land, at valuation	-	6,136
Development expenditure	7,164,916	376,297
	7,319,927	384,944
	(129,444,464)	(106,234,337)
	641,600,991	669,728,725
Less: Cost recognised to date		
Previous years	321,764,613	351,676,647
Current year (Note 6)	69,661,590	75,937,359
Completed projects	(122,124,537)	(105,849,393)
	(269,301,666)	(321,764,613)
At 30 June	372,299,325	347,964,112
Less: Non-current portion	(160,041,362)	(147,923,141)
Current portion	212,257,963	200,040,971

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			
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 amounts			
At 30 June 2017	36,953,367	26,061,693	63,015,060
2016			
Cost			
At 1 July 2015	36,953,367	29,344,924	66,298,291
Accumulated depreciation			
At 1 July 2015	-	2,465,509	2,465,509
Charge for the financial year	-	583,499	583,499
At 30 June 2016	-	3,049,008	3,049,008
Carrying amounts			
At 30 June 2016	36,953,367	26,295,916	63,249,283
Fair value			
At 30 June 2017	151,858,300	43,472,745	195,331,045
At 30 June 2016	149,500,000	42,825,787	192,325,787

15. INVESTMENT PROPERTIES (CONT'D)

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

The rental income earned by the Group from its investment properties amounted to RM2,298,226 (2016: RM2,322,504). Direct operating expenses pertaining to the income generating investment properties during the financial year amounted to RM736,291 (2016: RM492,297).

Fair value information

Fair value of investment properties is categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2017				
Freehold land	-	151,858,300	-	151,858,300
Buildings	-	43,472,745	-	43,472,745
	-	195,331,045	-	195,331,045
2016				
Freehold land	-	149,500,000	-	149,500,000
Buildings	-	42,825,787	-	42,825,787
	-	192,325,787	-	192,325,787

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 2017 RM	Company 2016 RM
Unquoted shares, at cost	550,067,138	512,167,138

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

	Principal Place of Business/ Country of Incorporation	Effective Percentage of Ownership 2017 %	Effective Percentage of Ownership 2016 %	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
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 ("TNGB")	Malaysia	100	100	Operator of serviced offices and investment holding

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 2017 %	2016 %	Principal Activities
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
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

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 2017 %	2016 %	Principal Activities
Indirect Subsidiary Companies (cont'd)				
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
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	100	Leasing of office spaces, inactive
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	100	Operator of serviced offices and investment holding, inactive
The Nomad Offices (Vietnam) Co Ltd #	Vietnam	100	100	Managing of serviced offices and related services, inactive
Central Offices Pte Ltd ^	Singapore	-	100	Operator of serviced offices, dissolved

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 2017 %	2016 %	Principal Activities
Indirect Subsidiary Companies (cont'd)				
Held Through Nomad Space Sdn Bhd				
Nomad Space (Thailand) Co Ltd #	Thailand	100	100	Operator of serviced offices and investment holding, inactive

\# The statutory financial year end of these subsidiary companies is 31 December. As such, the financial statements for the period from 1 July 2016 to 30 June 2017 (2016: 1 July 2015 to 30 June 2016) were prepared for consolidation purpose and were audited by Messrs. Baker Tilly Monteiro Heng.

^ On 30 November 2016, Central Offices Pte Ltd has filled for an application of strike off with the Accounting and Corporate Regulatory Authority ("the Application"). On 9 March 2017, the Application has approved and the subsidiary was dissolved.

(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 RM389,564,009 (2016: RM382,253,921) which bear interest at rates of 4% (2016: 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.

(d) Subscription of interest in a subsidiary

During the financial year, the Company increased its equity interest in Plenitude International Sdn Bhd from RM100,000 to RM38,000,000 by issuance of 37,900,000 ordinary shares.

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	
	2017 RM	**2016 RM**
Deferred tax assets		
At 1 July	25,732,409	22,195,663
Recognised in profit or loss (Note 10)	(7,606,448)	3,536,746
At 30 June	18,125,961	25,732,409
Deferred tax liabilities		
At 1 July	(32,552,792)	(31,715,525)
Recognised in profit or loss (Note 10)	353,550	(837,267)
At 30 June	(32,199,242)	(32,552,792)
Presented after appropriate offsetting as follows:		
Deferred tax assets	18,125,961	25,732,409
Deferred tax liabilities	(32,199,242)	(32,552,792)
At 30 June	(14,073,281)	(6,820,383)

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
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
2016						
At 1 July 2015	13,656,968	3,418,348	1,257,473	-	3,862,874	22,195,663
Recognised in profit or loss	1,113,048	(15,492)	(3,675,521)	6,275,282	(160,571)	3,536,746
At 30 June 2016	14,770,016	3,402,856	(2,418,048)	6,275,282	3,702,303	25,732,409

Deferred tax liabilities

	Property, plant and equipment RM	Land held for future development RM	Total RM
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)
2016			
At 1 July 2015	(26,201,881)	(5,513,644)	(31,715,525)
Recognised in profit or loss	(837,267)	-	(837,267)
At 30 June 2016	(27,039,148)	(5,513,644)	(32,552,792)

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 2017, 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	
	2017	**2016**
	RM	**RM**
Tax effects of unused tax losses	3,132,896	3,224,218
Tax effects of unabsorbed capital allowance	492,157	426,314
Tax effects of unabsorbed investment tax allowance	3,547,975	4,587,846
Tax effects of other deductible differences	468,148	208,471
	7,641,176	8,446,849

18. INVENTORIES

	Group	
	2017	**2016**
	RM	**RM**
At cost:		
Completed houses and shop lots	30,090,320	30,141,325
General supplies of hotel operations	599,674	464,436
	30,689,994	30,605,761

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade				
Trade receivables	40,378,327	42,870,564	-	-
Non-Trade				
Other receivables	2,669,592	2,407,257	3,500	-
Refundable deposits	4,167,215	3,636,613	53,677	36,130
Prepaid expenses	2,733,880	3,025,383	10,000	28,500
GST refundable	2,643,559	2,525	-	-
	12,214,246	9,071,778	67,177	64,630
Total trade and other receivables	52,592,573	51,942,342	67,177	64,630

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 (2016: 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 RM8,761,452 (2016: RM17,193,116).

Trade receivables

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

	Group	
	2017 RM	2016 RM
Neither past due nor impaired	28,600,681	31,192,676
Past due but not impaired		
Past due 1 to 30 days	8,447,468	4,469,022
Past due 31 to 60 days	1,566,046	3,313,777
Past due 61 to 90 days	1,324,500	2,399,986
Past due 91 to 120 days	54,098	910,133
Past due over 120 days	385,534	584,970
	11,777,646	11,677,888
Less: Allowance for impairment	-	-
	40,378,327	42,870,564

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables (cont'd)

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.

20. SHORT TERM INVESTMENTS

	Note	Group 2017 RM	Group 2016 RM
Available-for-sale financial assets	(a)	64,370,917	51,982,552
Financial assets at fair value through profit or loss	(b)	-	908,077
Total short term investments		64,370,917	52,890,629
(a) Available-for-sale financial assets			
- Shares quoted in Malaysia at fair value:			
At 1 July		51,982,552	49,432,006
Fair value changes		12,388,365	2,550,546
At 30 June		64,370,917	51,982,552
(b) Financial assets at fair value through profit or loss:			
- Investment in money market fund:			
At 1 July		908,077	79,371,397
Additions		-	320,000
Disposals		(931,873)	(79,199,657)
Fair value changes		23,796	416,337
At 30 June		-	908,077

21. SHORT TERM DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Fixed income trust fund	15,547,522	163,955,897	15,547,522	163,955,897
Fixed deposits with licensed banks	247,044,462	116,246,883	150,549,962	47,106,313
Cash and bank balances	80,892,187	75,925,599	5,023,790	5,364,121
	343,484,171	356,128,379	171,121,274	216,426,331

Included in cash and bank balances of the Group is an amount of RM52,911,200 (2016: RM52,075,539) 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	
	2017	2016	2017	2016
Fixed deposits with licensed banks	3.30% to 4.10%	3.28% to 4.49%	3.30% to 4.10%	3.28% to 4.49%

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

	Group		Company	
	2017	2016	2017	2016
Fixed deposits with licensed banks	30 to 90 days	30 to 90 days	30 to 90 days	30 to 90 days

22. SHARE CAPITAL

	Note	Group and Company			
		Number of shares		Amounts	
		2017 Units	2016 Units	2017 RM	2016 RM
Ordinary shares					
Issued and fully paid:					
At 1 July	(a)	381,533,758	373,942,589	381,533,758	373,942,589
Shares issuance		-	7,591,169	-	7,591,169
Transition to no par value regime	(b)	-	-	133,780,851	-
At 30 June		381,533,758	381,533,758	515,314,609	381,533,758

(a) 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.

(b) The Companies Act 2016 (the "Act") which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account of RM133,780,851 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM133,780,851 for purposes as set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

23. RESERVES

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Non-distributable					
Share premium	(i)	-	133,780,851	-	133,780,851
Available-for-sale reserve	(ii)	13,209,299	820,934	-	-
Foreign currency translation reserve	(iii)	838,490	515,879	-	-
		14,047,789	135,117,664	-	133,780,851
Distributable					
Retained earnings	(iv)	993,272,222	959,704,578	476,831,355	429,198,069
		1,007,320,011	1,094,822,242	476,831,355	562,978,920

23. RESERVES (CONT'D)

(i) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. Pursuant to Section 618 (2) of the Act, the sum of RM133,780,851 standing to the credit of the Company's share premium account has been transferred and became part of the Company's share capital.

(ii) Available-for-sale reserve

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

(iii) 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.

(iv) Retained earnings

Under the single tier system, all the Company's retained earnings are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

24. BANK BORROWINGS

	Group	
	2017 RM	**2016 RM**
Current		
Term loans (secured)	600,000	5,762,500
Non-current		
Term loans (secured)	30,538,376	33,787,500
Total borrowings	31,138,376	39,550,000
Represented by:		
Current		
Portion due within one year	600,000	5,762,500
Non-current		
- later than one year and not later than five years	15,470,800	26,336,000
- later than five years	15,067,576	7,451,500
	30,538,376	33,787,500
	31,138,376	39,550,000

24. BANK BORROWINGS (CONT'D)

The bank borrowings are in respect of term loan 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 rates ranges from 4.80% to 6.10% (2016: 5.65% to 6.10%) per annum.

Bank overdrafts and other banking facilities

The subsidiary companies have bank overdrafts and bank guarantee facilities of RM15.5 million (2016: 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	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade				
Trade payables	13,094,262	14,495,553	-	-
Retention monies	31,139,926	25,307,847	-	-
Accrued expenses	19,603,394	12,069,632	-	-
	63,837,582	51,873,032	-	-
Non-Trade				
Other payables	14,294,179	7,530,077	-	-
Accrued expenses	8,326,884	12,713,246	913,166	885,544
Deferred income	4,988,083	2,556,300	-	-
GST payable	517,790	99,212	69,872	72,055
Provision for cost to completion	10,687,568	28,129,240	-	-
Provision for affordable housing obligations	17,795,312	26,693,100	-	-
	56,609,816	77,721,175	983,038	957,599
Total trade and other payables	120,447,398	129,594,207	983,038	957,599

25. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables

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 (2016: 30 days to 60 days).

Provision for cost to completion

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	
	2017	**2016**
	RM	**RM**
At 1 July	28,129,240	33,735,294
Additions	22,220,288	21,566,502
Utilised/Write back to profit or loss	(39,661,960)	(27,172,556)
At 30 June	10,687,568	28,129,240

Provision for affordable housing obligations

The provision for affordable housing represents the present obligation for construction of low and low-medium cost houses. 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	
	2017	**2016**
	RM	**RM**
At 1 July	26,693,100	40,669,601
Utilised	(8,897,788)	(13,976,501)
At 30 June	17,795,312	26,693,100

26. DIVIDENDS

Dividends recognised by the Company are as follows:

	Company	
	2017 RM	2016 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
Final single-tier dividend (2016: 4.5 sen; 2015: 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 2018.

27. CORPORATE GUARANTEE

	Company	
	2017 RM	2016 RM
Corporate guarantee given to a bank for credit facilities granted to subsidiary companies	14,278,000	14,278,000

28. CAPITAL COMMITMENT

	Group	
	2017 RM	2016 RM
Property, plant and equipment		
- approved and contracted	-	17,224,206

29. 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.

29. 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
Consolidated Statements 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	13,094,419	19,851,640	139,345	-		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

29. SEGMENT INFORMATION (CONT'D)

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Note	Total RM
Group						
2016						
Revenue						
External customers	155,011,912	65,141,833	-	-		220,153,745
Inter-segment sales	-	-	5,628,000	(5,628,000)	(a)	-
Dividend income	-	-	45,000,000	(45,000,000)	(a)	-
Total revenue	155,011,912	65,141,833	50,628,000	(50,628,000)		220,153,745
Results						
Segment profit/(loss)	58,149,489	17,155,531	60,667,006	(60,832,664)	(b)	75,139,362
Investment revenue						16,010,239
Depreciation						(18,697,369)
Finance costs						(2,655,259)
Profit before taxation						69,796,973
Taxation						(19,362,118)
Net profit for the financial year						50,434,855
Consolidated Statements of Financial Position						
Segment assets	865,917,746	618,507,345	1,672,937,031	(1,497,717,953)	(c)	1,659,644,169
Unallocated assets						29,113,697
Total assets						1,688,757,866
Segment liabilities	329,010,673	252,499,002	225,684,243	(628,904,151)	(c)	178,289,767
Unallocated liabilities						34,112,099
Total liabilities						212,401,866
Other Information						
Additions to non-current assets other than financial instruments and deferred tax assets	9,809,297	28,537,422	4,396	-		38,351,115
Depreciation						
- Property, plant and equipment	122,250	17,728,956	262,664	-		18,113,870
- Investment properties	563,204	-	20,295	-		583,499
Interest income from fixed deposits	581,324	55,100	4,835,673	-		5,472,097

29. 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.

30. 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	
	2017	**2016**
	RM	**RM**
Dividend income received (Note 5)	45,000,000	45,000,000
Interest on unsecured advances to subsidiary companies (Note 9)	16,091,592	14,844,787
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	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits	4,032,903	4,390,798	1,944,929	2,051,045
Contributions to EPF	481,448	453,904	232,896	245,603
	4,514,351	4,844,702	2,177,825	2,296,648

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 RM13,150 and RM2,500 (2016: RM2,500 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.

31. 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 2017 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						
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

31. 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						
2016						
Financial Assets						
Trade and other receivables *	19	48,914,434	-	-	-	48,914,434
Short term investments	20	-	51,982,552	908,077	-	52,890,629
Fixed income trust fund	21	163,955,897	-	-	-	163,955,897
Fixed deposits with licensed banks	21	116,246,883	-	-	-	116,246,883
Cash and bank balances	21	75,925,599	-	-	-	75,925,599
Total Financial Assets		405,042,813	51,982,552	908,077	-	457,933,442
Financial Liabilities						
Trade and other payables ^	25	-	-	-	72,116,355	72,116,355
Bank borrowings	24	-	-	-	39,550,000	39,550,000
Total Financial Liabilities		-	-	-	111,666,355	111,666,355

** Exclude prepayments and GST refundable*
^ Exclude provision, deferred income and GST payable

31. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of Financial Instruments (cont'd)

	Note	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
Company				
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
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
2016				
Financial Assets				
Trade and other receivables *	19	36,130	-	36,130
Amount owing by subsidiary companies	16(b)	414,270,485	-	414,270,485
Fixed income trust fund	21	163,955,897	-	163,955,897
Fixed deposits with licensed banks	21	47,106,313	-	47,106,313
Cash and bank balances	21	5,364,121	-	5,364,121
Total Financial Assets		630,732,946	-	630,732,946

** Exclude prepayments*
^ Exclude GST payable

31. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of Financial Instruments (cont'd)

	Note	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
Company				
2016				
Financial Liabilities				
Trade and other payables ^	25	-	885,544	885,544
Amount owing to subsidiary companies	16(c)	-	197,406,135	197,406,135
Total Financial Liabilities		-	198,291,679	198,291,679

^ *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.

31. 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 statement 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.

(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.

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Liquidity Risk (cont'd)

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					
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
2016					
Financial Liabilities					
Trade and other payables ^	72,116,355	72,116,355	-	-	72,116,355
Bank borrowings	39,550,000	7,485,011	29,385,576	8,139,654	45,010,241
	111,666,355	79,601,366	29,385,576	8,139,654	117,126,596

^ *Exclude provision, deferred income and GST payable*

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Liquidity Risk (cont'd)

Maturity analysis (cont'd)

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.

	Carrying amounts RM	← Contractual cash flows: Within 1 year RM	1 to 5 years RM	More than 5 years RM	Total → RM
Company					
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
2016					
Financial Liabilities					
Trade and other payables ^	885,544	885,544	-	-	885,544
Amount owing to subsidiary companies	197,406,135	197,406,135	-	-	197,406,135
	198,291,679	198,291,679	-	-	198,291,679

^ 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 and Vietnam Dong ("VND"). The foreign currencies in which these transactions are denominated are mainly US Dollar ("USD"), Singapore Dollar ("SGD") and EURO ("EUR").

31. 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 outweigh 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	SGD	EUR
	RM	RM	RM
Group			
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)
2016			
Fixed deposits with licensed banks	975,552	-	-
Cash and bank balances	12,680	-	-
Trade payables	(5,307)	-	(5,973)
Other payables	(345,161)	(213,999)	-
Exposure in the statements of financial position	637,764	(213,999)	(5,973)

Currency risk sensitivity analysis

The exposure of the Group on USD, SGD and EUR are not material and hence, sensitivity analysis is not presented.

31. 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 points 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		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
25 basis points increase				
Floating rate financial assets	656,480	700,507	415,244	527,656
Floating rate financial liabilities	(77,846)	(98,875)	-	-
25 basis points decrease				
Floating rate financial assets	(656,480)	(700,507)	(415,244)	(527,656)
Floating rate financial liabilities	77,846	98,875	-	-

(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 RM4,970,894. A 10 percent weakening in FBMKLCI would have had equal but opposite effect on equity.

31. 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:

	2017 RM	2016 RM
Group		
Financial Assets		
Trade and other receivables *	47,215,134	48,914,434
Fixed income trust fund	15,547,522	163,955,897
Fixed deposits with licensed banks	247,044,462	116,246,883
Cash and bank balances	80,892,187	75,925,599
	390,699,305	405,042,813
Financial Liabilities		
Trade and other payables ^	86,458,645	72,116,355
Bank borrowings	31,138,376	39,550,000
	117,597,021	111,666,355

** Exclude prepayments and GST refundable*
^ Exclude provision, deferred income and GST payable

31. 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):

	2017 RM	2016 RM
Company		
Financial Assets		
Trade and other receivables *	57,177	36,130
Amount owing by subsidiary companies	389,663,289	414,270,485
Fixed income trust fund	15,547,522	163,955,897
Fixed deposits with licensed banks	150,549,962	47,106,313
Cash and bank balances	5,023,790	5,364,121
	560,841,740	630,732,946
Financial Liabilities		
Trade and other payables ^	913,166	885,544
Amount owing to subsidiary companies	118,678,908	197,406,135
	119,592,074	198,291,679

** 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.

31. FINANCIAL INSTRUMENTS (CONT'D)

(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					
2017					
Financial asset					
Short term investments	20	64,370,917	-	-	64,370,917
2016					
Financial asset					
Short term investments	20	52,890,629	-	-	52,890,629

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.

32. 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.

32. CAPITAL MANAGEMENT (CONT'D)

	Group 2017 RM	Group 2016 RM
Borrowings (Note 24)	31,138,376	39,550,000
Less: Short term deposits, cash and bank balances (Note 21)	(343,484,171)	(356,128,379)
Sub-total	(312,345,795)	(316,578,379)
Net debt	-	-
Equity attributable to the Owners of the Company, representing total capital	1,522,634,620	1,476,356,000
Total capital and net debt	1,522,634,620	1,476,356,000
Gearing ratio, net	-	-

SUPPLEMENTARY INFORMATION

on the disclosure of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia Securities Berhad issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia Securities Berhad further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised earnings or losses included in the retained earnings of the Group and of the Company as at 30 June 2017 and 30 June 2016 are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Total retained earnings of the Company and its subsidiaries:				
- Realised	823,007,409	803,897,830	476,831,355	429,198,069
- Unrealised	2,442,661	(13,167,305)	-	-
	825,450,070	790,730,525	476,831,355	429,198,069
Add: Consolidation adjustments	167,822,152	168,974,053	-	-
Total Group retained earnings as per consolidated financial statements	993,272,222	959,704,578	476,831,355	429,198,069

The determination of realised and unrealised profits is based on Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

pursuant to section 251(2) of the Companies Acts 2016

We, **CHUA ELSIE** and **TAN KAK TECK**, being two of the directors of **PLENITUDE BERHAD**, do hereby state that in the opinion of the directors, the financial statements set out on pages 61 to 136 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 2017 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out on page 137 has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors,

CHUA ELSIE

TAN KAK TECK

Kuala Lumpur
Date: 28 September 2017

STATUTORY DECLARATION

pursuant to section 251(1) of the Companies Acts 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 financial statements set out on pages 61 to 136 and the supplementary information set out on page 137 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

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 28 September 2017.

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 2017 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 61 to 136.

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 2017, 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.

Revenue and cost of sales for property development business (Note 4.2(a), 5 and 6 to the financial statements)

We focused on this area because the amounts of revenue and related cost 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.

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 budget 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 previous year;
- discussing the progress of the projects and expected outcome with the respective project general manager, to obtain an understanding of the basis on which the estimates are made;
- assessing the reasonableness of computed stage of completion for identified projects against architect certificates or progress reports on the physical completion; and
- reviewing the mathematical computation of the recognised revenue and expenses during the financial year.

Key Audit Matters (cont'd)

Provisions (Note 4.2(e), 4.2(f) and 25 to the financial statements)

The estimation of amount of provisions made by the directors is subject to inherent uncertainly. We focused on this area because there is significant judgement involved in the assumptions used to estimate the provisions.

Our response:

Our audit procedures included, among others:

- reviewing the mathematical accuracy of the underlying calculations and the input data in the estimation of provision;
- discussing with the Group on the estimation of provision; and
- challenging the Group's major assumptions by comparing to historical data.

Deferred tax assets (Note 4.2(c) and 17 to the financial statements)

Significant judgement of the Group is required over the recoverability of deferred tax assets because the realisation of these deferred tax assets is often dependent on a number of factors including whether there will be sufficient taxable profits in future periods to support the recognition.

We focused on this area because the realisation of these deferred tax assets is often dependent on the 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;
- testing the mathematical accuracy of the profit projection calculation.

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.

INDEPENDENT AUDITORS' REPORT

to the members of Plenitude Berhad (Incorporated in Malaysia)

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.

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.

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 Reporting Responsibilities

The supplementary information set out on page 137 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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
No. AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 02819/10/2018 J
Chartered Accountant

Kuala Lumpur
Date: 28 September 2017

LIST OF PROPERTIES

held as at 30 June 2017

No.	Land title / Location	Existing use / Description	Balance to be developed/ Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2017 (RM)	Date of acquisition/ revaluation
1	Geran 188519, Lot 26979 Geran 238685, Lot 41243 PT 48228 - PT 48339, H.S.(D) 34839 - 34950 PT 36061, H.S.(D) 49955 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)	-	24,803,043	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	13	214,518	30/09/2008
4	PTD 193720-193867, H.S.(D) 570021-570176, PTD 193875-194070, H.S.(D) 570177-570372 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, 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 158181, H.S.(D) 489361 PTD 158191, H.S.(D) 489370 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for mixed development	223.20	Freehold	-	28,367,578	25/10/2000

LIST OF PROPERTIES

held as at 30 June 2017 (cont'd)

No.	Land title / Location	Existing use / Description	Balance to be developed/ Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2017 (RM)	Date of acquisition/ revaluation
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	3	16,761,977	25/10/2000
9	PTD 93426, H.S.(D) 329743 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land together with office building	0.82	Freehold	19	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	260.72	Freehold	-	34,859,119	25/02/2004

LIST OF PROPERTIES

held as at 30 June 2017 (cont'd)

No.	Land title / Location	Existing use / Description	Balance to be developed/ Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2017 (RM)	Date of acquisition/ revaluation
11	Geran 35108, Lot 28 and Geran 35126, Lot 213 Seksyen 2, Bandar Batu Ferringhi 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 Ferringhi, Daerah Timor Laut, Pulau Pinang, and Geran 84387, Lot 904, Seksyen 2, Bandar Batu Ferringhi, Pulau Pinang	Land held for mixed development	32.83	Freehold	-	38,752,211	10/05/2010
13	H.S.(M) 494 - 495, Lot 1368 - 1369 Geran Mukim 116 - 117, Lot 555 - 556 Mukim 17, Tempat Batu Ferringhi, Daerah Timur Laut, Pulau Pinang	Land held for mixed development	1.91	Freehold	-	2,612,567	28/09/2010
14	Geran 116119 -116124, Lot 1038-1043 Seksyen 2, Bandar Batu Ferringhi, Daerah Timur Laut, Pulau Pinang	Land held for commercial development	0.58	Freehold	-	3,285,821	10/07/2006

No.	Land title / Location	Existing use / Description	Balance to be developed/ Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2017 (RM)	Date of acquisition/ revaluation
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	-	41,987,786	27/09/2010
16	Geran 125424, Lot 3407, Seksyen 1 Bandar Tanjung Tokong Daerah Timor Laut, Pulau Pinang	Land held for commercial development	1.13	Freehold	-	17,493,968	10/07/2006
17	PN 2327, Lot 387, Seksyen 17, Bandar George Town, Daerah Timur Laut, Pulau Pinang.	Land held for mixed development	0.58	Leasehold (expiring in Aug'2083)	-	18,157,819	03/02/2012
18	Geran 38944, Lot 201 Geran 38945, Lot 202 Geran 38946, Lot 204 Seksyen 17, Bandar George Town, Daerah Timur Laut, Pulau Pinang	Land held for commercial development	0.51	Freehold	-	16,019,670	03/02/2012
19	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	-	9,657,734	10/11/2000

LIST OF PROPERTIES

held as at 30 June 2017 (cont'd)

No.	Land title / Location	Existing use / Description	Balance to be developed/ Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2017 (RM)	Date of acquisition/ revaluation
20	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 16661-16674 H.S.(D) 9669 - 9682 PT 16682-16691 H.S.(D) 9690 - 9699 PT 16736-16755 H.S.(D) 9744 - 9763 PT 21027-21077 H.S.(D) 6046 - 6096 PT 21103-21232 H.S.(D) 6140 - 6269 PT 21412-21506 H.S.(D) 6431 - 6525 PT 22411-22450 H.S.(D) 32597 - 32636 PT 22724-23061 H.S.(D) 32910 - 33247 PT 23226, H.S.(D) 64797 PT 23227-23350 H.S.(D) 33413-33536	Land held for mixed development	632.80	Freehold	-	35,780,426	10/11/2000

LIST OF PROPERTIES

held as at 30 June 2017 (cont'd)

No.	Land title / Location	Existing use / Description	Balance to be developed/ Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2017 (RM)	Date of acquisition/ revaluation
	PT 23356-23357 H.S.(D) 33442 - 33543 PT 23369, H.S.(D) 33544 PT 94389, H.S.(D) 112006 Mukim of Sungai Pasir District of Kuala Muda Kedah Darul Aman						
21	PT 15190, H.S.(D) 7329/95 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
22	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	9	1,407,073	30/04/2010
23	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	26	7,891,126	16/11/2010 & 01/02/2011
24	Lot 18-32-C Gurney Tower 10250 George Town Pulau Pinang	Commercial lot held for rental income	-	Freehold	10	348,691	24/01/2017

LIST OF PROPERTIES

held as at 30 June 2017 (cont'd)

No.	Land title / Location	Existing use / Description	Balance to be developed/ Lettable area* (Acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2017 (RM)	Date of acquisition/ revaluation
25	The Gurney Resort Hotel & Residences Penang Geran 78874/M1/ B1/1, M1/B1/2, Geran 78874/M1/1/3, M1/1/4,M1/1/5 Geran 78874/M1/2/6, M1/2/195, Geran 78874/M1/3/7, M1/3/6, M1/3/196 Geran 78874/M1/5/11 & M1/8/12 Lot 2255, Bandar George Town, Seksyen 4 Daerah Timur Laut Pulau Pinang	Hotel and commercial building	12.38*	Freehold	17	157,412,089	18/03/2015
26	Four Points Sheraton Penang Geran 27386, Lot 1287 Geran 28209, Lot 625 Geran 66418, Lot 4089 Geran 66420, Lot 4091 Geran 66421, Lot 4092 Geran 66422, Lot 4090 Bandar Tanjong Bungah Daerah Timur Laut Pulau Pinang	Land together with hotel building	1.64	Freehold	35	16,943,396	24/08/2001
27	Oakwood Hotel & Residence No. 222, Jalan Ampang 50450 Kuala Lumpur	Hotel building	2.92*	Freehold	23	105,593,891	22/05/2015
28	The Nomad Bangsar No. 136, Jalan Ara Bangsar 59100 Kuala Lumpur	Land together with serviced residences building	1.94*	Freehold	24	51,053,966	22/05/2015
29	Novotel Kuala Lumpur City Centre No. 2, Jalan Kia Peng 50450 Kuala Lumpur	Land together with hotel building	2.86*	Freehold	13	167,025,553	22/05/2015
30	GLOW Penang No. 101, Jalan Macalister 11400 George Town Pulau Pinang	Land together with hotel building	0.81*	Freehold	not available	30,890,386	22/05/2015

ANALYSIS OF SHAREHOLDINGS

as at 11 September 2017

SHARE CAPITAL

Issued and Fully Paid-up Capital	:	RM381,533,758 divided into 381,533,758 ordinary shares
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	1,758	*
2,464	100 to 1,000	1,863,299	0.49
3,379	1,001 to 10,000	13,139,076	3.44
791	10,001 to 100,000	23,313,880	6.11
110	100,001 to less than 5% of issued shares	126,268,812	33.10
3	5% and above of the issued shares	216,946,933	56.86
6,909	**TOTAL**	**381,533,758**	**100**

** Less than 0.01%*

ANALYSIS OF SHAREHOLDINGS

as at 11 September 2017 (cont'd)

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	73,225,069	19.19
3.	En Primeurs Sdn Bhd	20,897,138	5.48
4.	Focus Asia Strategies Ltd.	17,637,935	4.62
5.	Bus Info Plus Sdn Bhd	16,495,688	4.32
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.	Jara Equities Sdn Bhd	5,525,000	1.45
10.	Tsenying Sdn Bhd	5,118,500	1.34
11.	Yayasan Haji Zainuddin	4,000,000	1.05
12.	Alliancegroup Nominees (Tempatan) Sdn Bhd -Yayasan Pok Rafeah, Berdaftar	4,000,000	1.05
13.	Heveamill Sdn Bhd	3,627,949	0.95
14.	Amsec Nominees (Tempatan) Sdn Bhd -Pledged Securities Account - Ambank (M) Berhad for Ang Beng Poh	3,000,000	0.79
15.	Chan Wan Moi	1,895,400	0.50
16.	Citigroup Nominees (Tempatan) Sdn Bhd -Employees Provident Fund Board	1,655,000	0.43
17.	Lee Ooi Kim	1,399,178	0.37
18.	CIMB Group Nominees (Asing) Sdn Bhd -Exempt An for DBS Bank Ltd (SFS)	1,050,000	0.27
19.	Public Nominees (Tempatan) Sdn Bhd -Pledged Securities Account for Ang Beng Poh (E-BMM)	994,600	0.26
20.	Goh Thong Beng	992,000	0.26
21.	Yeo Khee Huat	904,200	0.24
22.	Ng Swee Sim	882,300	0.23
23.	Public Nominees (Tempatan) Sdn Bhd -Pledged Securities Account for Lee Yock Chem @ Lee York Soo (E-PKG)	824,700	0.22
24.	Lim Khuan Eng	725,000	0.19
25.	Nam Shoon Hong Sdn Bhd	535,000	0.14
26.	Affin Hwang Nominees (Asing) Sdn Bhd -Exempt An for DBS Vickers Securities (Singapore) Pte Ltd (Clients)	501,000	0.13
27.	Cimsec Nominees (Tempatan) Sdn Bhd -CIMB Bank for Chuah Seng Boon (M78029)	484,100	0.13
28.	Tan Hua Choon	481,440	0.13
29.	Cimsec Nominees (Tempatan) Sdn Bhd -Pledged Securities Account for Lim Chen Yik (Penang-CL)	460,000	0.12
30.	Public Nominees (Tempatan) Sdn Bhd -Pledged Securities Account for Lim Yock Chem @ Lee York Soo (E-PKG)	450,600	0.12
	TOTAL	**326,465,345**	**85.57**

ANALYSIS OF SHAREHOLDINGS

as at 11 September 2017 (cont'd)

SUBSTANTIAL SHAREHOLDERS

	NAME OF SHAREHOLDERS	NO. OF SHARES HELD DIRECT	%	INDIRECT	%
1.	Ikatanbina Sdn Bhd	122,824,726	32.19	-	-
2.	Fields Equity Management Ltd	73,225,069	19.19	-	-
3.	En Primeurs Sdn Bhd	20,897,138	5.48	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS

	NAME OF DIRECTORS	NO. OF SHARES HELD 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 Seventeenth (17th) 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 on **Friday, 27 October 2017** 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 2017 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 2017 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 2018 (RM128,000 for the financial year ended 30 June 2017) which represents an increase from the previous financial year. **(Ordinary Resolution 2)**

4. To re-elect the following Directors retiring pursuant to Article 86 of the Company's Articles of Association:-

   i) Datuk Mohd Nasir bin Ali **(Ordinary Resolution 3)**
   ii) Ir. Teo Boon Keng **(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:-

6. **Payment of Meeting Allowance for Non-Executive Directors** **(Ordinary Resolution 6)**

   "**THAT** the meeting allowance payable to Non-Executive Directors of the Company up to a sum of RM42,500 for the period from 31 January 2017 until the next Annual General Meeting of the Company be approved and ratified."

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 transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association 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 17th Annual General Meeting, a Final Single Tier Dividend of 4.5 sen per share will be paid on 10 November 2017 to the shareholders whose names appear in the Record of Depositors at the close of business on 3 November 2017.

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 3 November 2017 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
5 October 2017

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 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 19 October 2017, 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 2017

    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 20 September 2017, 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 10 November 2017 in accordance with the requirements under Sections 132(2) and (3) of the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING

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 2012

    Mr. Tan Kak Teck was appointed as Independent Non-Executive Director of the Company on 15 July 2003 and has served more than nine (9) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements. Therefore, the Board considers him to be independent and believes that he should be retained and remain as Independent Non-Executive Director.

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 17th Annual General Meeting of the Company.

PLENITUDE BERHAD (531086-T)

(Incorporated in Malaysia)

Proxies	Proportion of member's shareholding to be represented by each proxy	No. of Shares
Proxy 1		
Proxy 2		
Total	**100%**	

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 ……………………………………………

…………………………………………… (NRIC No/Passport No: ……………………………………………)

(FULL NAME IN BLOCK LETTERS)

of ………

(FULL ADDRESS)

or failing him…………………………………… (NRIC No/Passport No: ……………………………………………)

(FULL NAME IN BLOCK LETTERS)

of ………

(FULL ADDRESS)

or failing him, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 17th 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 on **Friday, 27 October 2017** 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 2018		
3. Re-election of Datuk Mohd Nasir bin Ali as Director		
4. Re-election of Ir. Teo Boon Keng 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 ………………………….. 2017

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 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.*
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8. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 October 2017, 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)

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www.plenitude.com.my

PLENITUDE BERHAD (531086-T)
2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas,
50480 Kuala Lumpur Wilayah Persekutuan, Malaysia
T +603 6201 0051 **F** +603 6201 0071