

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		6 Months Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	40,954	52,134	106,944	99,328
Cost of sales	(18,941)	(22,618)	(51,301)	(45,785)
Gross profit	22,013	29,516	55,643	53,543
Investment revenue	3,240	3,151	8,697	7,416
Other income	1,978	2,528	4,185	4,803
Finance costs	(239)	(564)	(664)	(1,144)
Other expenses	(19,569)	(19,666)	(39,049)	(37,783)
Profit before taxation	7,423	14,965	28,812	26,835
Taxation	(3,081)	(4,929)	(8,609)	(8,660)
Profit for the period	4,342	10,036	20,203	18,175
Other comprehensive (expense)/ income	329	(128)	(3,404)	1,823
Total comprehensive income for the period	4,671	9,908	16,799	19,998
Profit for the period attributable to:				
Owners of the Company	4,342	10,036	20,203	18,175
Total comprehensive income attributable to:				
Owners of the Company	4,671	9,908	16,799	19,998
Earnings per share (sen)				
- Basic / Diluted	1.1	2.6	5.3	4.8

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 and the Explanatory Notes for the quarter ended 31 December 2017)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2017 (Unaudited) RM'000	As at 30.06.2017 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	557,141	563,931
Land held for future development	192,458	193,998
Property development projects - non current portion	170,039	160,041
Investment properties	62,720	63,015
Deferred tax assets	18,126	18,126
	<u>1,000,484</u>	<u>999,111</u>
CURRENT ASSETS		
Property development projects - current portion	219,231	212,258
Inventories	29,472	30,690
Trade receivables	26,888	40,378
Other receivables, deposits and prepaid expenses	52,254	12,214
Accrued billings	-	5,198
Tax recoverable	7,017	6,591
Short term investments	61,456	64,371
Fixed income trust funds	31,713	15,548
Fixed deposits with licensed banks	286,746	247,044
Cash and bank balances	92,774	80,892
	<u>807,551</u>	<u>715,184</u>
TOTAL ASSETS	<u>1,808,035</u>	<u>1,714,295</u>
EQUITY AND LIABILITIES		
Capital & Reserves		
Share capital	515,315	515,315
Reserves	1,006,950	1,007,320
TOTAL EQUITY	<u>1,522,265</u>	<u>1,522,635</u>
NON-CURRENT LIABILITIES		
Bank borrowings	24,338	30,538
Deferred tax liabilities	32,199	32,199
	<u>56,537</u>	<u>62,737</u>
CURRENT LIABILITIES		
Trade payables	30,937	32,698
Retention monies	26,842	31,140
Other payables, accrued expenses and provisions	159,433	56,610
Advance billings	10,875	6,950
Bank borrowings	-	600
Tax liabilities	1,146	925
	<u>229,233</u>	<u>128,923</u>
TOTAL LIABILITIES	<u>285,770</u>	<u>191,660</u>
TOTAL EQUITY & LIABILITIES	<u>1,808,035</u>	<u>1,714,295</u>
Net assets per share attributable to owners of the Company (RM)	3.99	3.99

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 and the Explanatory Notes for the quarter ended 31 December 2017)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable			Distributable		
	Share Capital	Share Premium	Available For-Sale Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 Months Ended 31 December 2017						
At 1 July 2017	515,315	-	13,209	839	993,272	1,522,635
Net profit for the period	-	-	-	-	20,203	20,203
Fair value changes on available-for-sale financial assets	-	-	(2,915)	-	-	(2,915)
Foreign currency translation difference for foreign operation	-	-	-	(489)	-	(489)
Total comprehensive income for the financial period	-	-	(2,915)	(489)	20,203	16,799
Dividend for the financial year ended 30 June 2017 - final dividend	-	-	-	-	(17,169)	(17,169)
At 31 December 2017	515,315	-	10,294	350	996,306	1,522,265

	Non-distributable			Distributable		
	Share Capital	Share Premium	Available For-Sale Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 Months Ended 31 December 2016						
At 1 July 2016	381,534	133,781	821	516	959,704	1,476,356
Net profit for the period	-	-	-	-	18,175	18,175
Fair value changes on available-for-sale financial assets	-	-	1,761	-	-	1,761
Foreign currency translation difference for foreign operation	-	-	-	62	-	62
Total comprehensive income for the financial period	-	-	1,761	62	18,175	19,998
Dividend for the financial year ended 30 June 2016 - final dividend	-	-	-	-	(17,169)	(17,169)
At 31 December 2016	381,534	133,781	2,582	578	960,710	1,479,185

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,812	26,835
Adjustments for:-		
Depreciation and amortisation	8,893	8,131
Other non-cash items	(7,074)	(5,820)
Profit Before Working Capital Changes	30,631	29,146
Net change in current assets	(35,564)	(11,295)
Net change in current liabilities	100,689	(24,696)
Cash Generated From/(Used In) Operations	95,756	(6,845)
Interest income received	596	687
Income tax refunded	392	250
Income tax paid	(9,206)	(7,620)
Net Cash Generated From/ (Used In) Operating Activities	87,538	(13,528)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	4,436	2,316
Proceeds from disposal of property, plant and equipment	85	23
Purchase of property, plant & equipment	(1,894)	(14,566)
Dividend income received	2,706	3,930
Net Cash Generated From/ (Used In) Investing Activities	5,333	(8,297)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(17,169)	(17,169)
Interest paid	(664)	(1,144)
Proceeds from bank borrowings	-	17,705
Repayment of bank borrowings	(6,800)	(3,450)
Net Cash Used In Financing Activities	(24,633)	(4,058)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	68,238	(25,883)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	343,484	356,128
Effect of exchange rate changes	(489)	62
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	411,233	330,307

Cash and cash equivalents included in the cash flows comprise the following:-

	31.12.2017	31.12.2016
	RM'000	RM'000
Fixed income trust funds	31,713	127,660
Fixed deposits with licensed banks	286,746	138,115
Cash and bank balances	92,774	64,532
	411,233	330,307

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 and the Explanatory Notes for the quarter ended 31 December 2017)

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 30 June 2017. These explanatory notes provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017.

2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2017 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2018 respectively. The Group has not early adopted the standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) which are effective for the accounting periods beginning 1 January 2018. The adoption of the new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the MASB issued a new MASB approved accounting standards, Malaysian Financial Reporting Standards (“MFRSs Framework”). The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities subject to the application of FRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate (“Transitioning Entities”).

The Transitioning Entities are given an option to defer adoption of the MFRSs framework. Accordingly, the Group which is a Transitioning Entity has chosen to defer the adoption of MFRSs framework. The Group will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 30 June 2019.

3. Auditors’ Report on Preceding Annual Financial Statements

The annual audited financial statements for the financial year ended 30 June 2017 were not subject to any qualification.

4. Comments about Seasonal or Cyclical Factors

The Group's business operations are not significantly affected by seasonal or cyclical factors.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and year-to-date other than disclosed in this report.

6. Significant Changes in Estimates

There were no changes in estimates that have any material effect on the current quarter and year-to-date results.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and year-to-date.

8. Dividend Paid

The following dividends were paid during the current and previous corresponding quarter:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Final dividend for the financial year	30 June 2017	30 June 2016
Approved and declared on	27 October 2017	11 November 2016
Date paid	10 November 2017	25 November 2016
Number of ordinary shares on which dividends were paid ('000)	381,534	381,534
Amount per share (single tier)	4.5 sen	4.5 sen
Net dividend paid (RM'000)	17,169	17,169

9. Segmental Information

Segmental information is presented in respect of the Group's business segments which form the primary basis of segmental reporting.

Segment information for the six (6) months ended 31 December 2017 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	67,216	39,728	-	-	106,944
Inter-segment sales	-	-	2,814	(2,814)	-
Total revenue	67,216	39,728	2,814	(2,814)	106,944
Segment profit/(loss)	18,527	9,570	9,359	(7,784)	29,672
Investment revenue					8,697
Depreciation					(8,893)
Finance costs					(664)
Profit before taxation					28,812
Taxation					(8,609)
Profit for the period					20,203

Segment information for the six (6) months ended 31 December 2016 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	64,760	34,568	-	-	99,328
Inter-segment sales	-	-	2,814	(2,814)	-
Total revenue	64,760	34,568	2,814	(2,814)	99,328
Segment profit/(loss)	19,907	8,212	8,366	(7,791)	28,694
Investment revenue					7,416
Depreciation					(8,131)
Finance costs					(1,144)
Profit before taxation					26,835
Taxation					(8,660)
Profit for the period					18,175

10. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment brought forward from the previous financial year.

11. Material Subsequent Events

There were no material events subsequent to the end of the current quarter.

12. Changes in the Composition of the Group

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

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

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities and contingent assets of the Group since the last annual reporting date.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**

1. Performance Review

The Group registered a revenue of RM40.9 million and net profit of RM4.3 million for current quarter ended 31 December 2017 as compared to a revenue of RM52.1 million and net profit of RM10.0 million for the corresponding quarter of the previous year.

For the current quarter ended 31 December 2017, property development remains a key contributor to the Group results. 55% of Group's revenue was from property development and 45% from hotel operations. The performance from property development were principally derived from its property development activities carried out at Taman Desa Tebrau in Johor, Taman Putra Prima in Selangor, Bintang Maya & Lot 88 in Kedah and The Marin Condominium in Penang.

The lower revenue and net profit for the current quarter ended 31 December 2017 compared to previous year's corresponding quarter was mainly due to the lower contribution from property development segment. The completed property development projects resulted to a lower contribution recognised in the current quarter were Phase 12A Three Storey Semi-D at Taman Desa Tebrau, Taman Putra Prima Phase 2C Aquamarine 2&3 Storey Terrace House in Selangor where substantial sales had been recognized in 1Q 2018 and Bintang Maya I 2 Storey Terrace House in Kedah which delivered vacant possession in August 2017.

Hotel operations registered a revenue of RM18.5 million for the current quarter compared to a revenue of RM17.2 million for the corresponding quarter of the previous year due to revenue contributed from Oakwood Hotel & Residence Kuala Lumpur which re-opened for business in November 2017.

For the 6-month financial period ended 31 December 2017, the Group recorded a revenue of RM106.9 million and net profit of RM20.2 million compared to a revenue of RM99.3 million and net profit of RM18.2 million for the previous financial period ended 31 December 2016. The higher revenue and net profit for the current financial period was mainly due to the higher contribution from both the existing and completed property development projects and improved performance from hotels in central region.

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

The Group posted a profit before tax of RM7.4 million for the current quarter ended 31 December 2017 as compared to a profit before tax of RM21.4 million for the immediate preceding quarter. The lower profit in the current quarter was due to the lower sales contribution recognised from completed projects namely Bintang Maya I 2 Storey Terrace House in Kedah and Taman Putra Prima Phase 2C Aquamarine 2&3 Storey Terrace House in Selangor.

3. Current Year Prospects

The property market is expected to experience slower growth amidst global, regional and national economic uncertainties and cautious market sentiments. In spite of this, properties in good locations are expected to continue to draw property buyers. The hotel business is expected to remain challenging.

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

4. Profit Forecast

Not applicable as no profit forecast was issued.

5. Profit Before Taxation

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

	Individual Quarter	Cumulative Quarters
	3 months ended	6 months ended
	31.12.2017	31.12.2017
	RM'000	RM'000
Depreciation of property, plant and equipment	(4,305)	(8,598)
Depreciation of investment properties	(148)	(295)
Interest expense	(239)	(664)
Realised gain on foreign exchange	2	13
Unrealised loss on foreign exchange	(89)	(101)
Dividend income from fixed income trust fund	316	581
Dividend income from short term investments	-	2,125
Interest income from short term deposits	2,134	4,436

Other than the above items, there were no impairment of assets, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives and exceptional items for current quarter and financial period ended 31 December 2017.

6. Taxation

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		6 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Taxation	<u>(3,081)</u>	<u>(4,929)</u>	<u>(8,609)</u>	<u>(8,660)</u>

The Group's effective tax rate for the financial period was higher than the statutory rate as certain expenses were disallowed as deductions for tax purposes. Losses incurred by certain subsidiary companies were also not available for set off against taxable profits in other companies within the Group.

7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the reporting date.

8. Group Borrowings and Debt Securities

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

	31.12.2017
	RM'000
Current	
Term Loan (secured)	-
Non-Current	
Term Loan (secured)	24,338
Total	<u>24,338</u>

9. Changes in Material Litigation

There were no material litigation against the Group as at 2 February 2018, being 7 days prior to the date of this report.

10. Dividend Proposed or Declared

The Board of Directors does not recommend any interim dividend for the current quarter and year-to-date.

11. Realised and Unrealised Profits/Losses Disclosure

The details of the retained earnings as at 31 December 2017 and 31 December 2016 are as follows :

	31.12.2017 RM'000	31.12.2016 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	847,440	814,023
- Unrealised	(13,455)	(16,002)
	833,985	798,021
Add : Consolidation adjustments	162,321	162,689
Total group retained earnings as per consolidated financial statements	996,306	960,710

12. Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	3 months ended		6 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to owners of the Company (RM'000)	4,342	10,036	20,203	18,175
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	381,534
Basic earnings per ordinary share (sen)	1.1	2.6	5.3	4.8

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

13. Auditors' Report on Preceding Annual Financial Statements

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

14. Authorisation for Issue

The interim financial report was authorised for issuance by the Board of Directors in accordance with a resolution of the Directors dated 9 February 2018.

By Order of the Board
PLENITUDE BERHAD

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

9 February 2018