

INTERIM FINANCIAL REPORT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended		3 Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	47,194	44,377	47,194	44,377
Cost of sales	(23,167)	(17,586)	(23,167)	(17,586)
Gross profit	24,027	26,791	24,027	26,791
Investment revenue	4,265	2,993	4,265	2,993
Other income	2,275	3,303	2,275	3,303
Finance costs	(580)	(709)	(580)	(709)
Other expenses	(18,117)	(20,079)	(18,117)	(20,079)
Profit before taxation	11,870	12,299	11,870	12,299
Taxation	(3,731)	(4,191)	(3,731)	(4,191)
Profit for the period	8,139	8,108	8,139	8,108
Other comprehensive income	1,951	1,204	1,951	1,204
Total comprehensive income for the period	10,090	9,312	10,090	9,312
Profit for the period attributable to:				
Owners of the Company	8,139	8,111	8,139	8,111
Non-controlling interests	-	(3)	-	(3)
	8,139	8,108	8,139	8,108
Total comprehensive income attributable to:				
Owners of the Company	10,090	9,343	10,090	9,343
Non-controlling interests	-	(31)	-	(31)
	10,090	9,312	10,090	9,312
Earnings per share (sen)				
- Basic / Diluted	2.1	2.1	2.1	2.1

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2016 (Unaudited)	As at 30.06.2016 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	567,424	560,498
Land held for future development	192,950	193,538
Property development projects - non current portion	155,390	147,923
Investment properties	63,103	63,249
Deferred tax assets	25,732	25,732
	<u>1,004,599</u>	<u>990,940</u>
CURRENT ASSETS		
Property development projects - current portion	190,999	200,041
Inventories	28,687	30,606
Trade receivables	44,852	42,871
Other receivables, deposits and prepaid expenses	10,493	9,072
Accrued billings	1,678	2,828
Tax recoverable	3,559	3,381
Short term investments	54,476	52,891
Fixed income trust funds	165,437	163,956
Fixed deposits with licensed banks	102,633	116,247
Cash and bank balances	73,391	75,925
	<u>676,205</u>	<u>697,818</u>
TOTAL ASSETS	<u>1,680,804</u>	<u>1,688,758</u>
EQUITY AND LIABILITIES		
Capital & Reserves		
Share capital	381,534	381,534
Share premium	133,781	133,781
Reserves	971,131	961,041
TOTAL EQUITY	<u>1,486,446</u>	<u>1,476,356</u>
NON-CURRENT LIABILITIES		
Bank borrowings	32,026	33,787
Deferred tax liabilities	32,553	32,553
	<u>64,579</u>	<u>66,340</u>
CURRENT LIABILITIES		
Trade payables	22,588	19,652
Retention monies	21,188	20,152
Other payables, accrued expenses and provisions	73,473	89,791
Advance billings	5,253	9,145
Bank borrowings	5,799	5,763
Tax liabilities	1,478	1,559
	<u>129,779</u>	<u>146,062</u>
TOTAL LIABILITIES	<u>194,358</u>	<u>212,402</u>
TOTAL EQUITY & LIABILITIES	<u>1,680,804</u>	<u>1,688,758</u>
Net assets per share attributable to owners of the Company (RM)	3.90	3.87

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the Explanatory Notes for the quarter ended 30 September 2016)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable			Distributable →		Total	Non-controlling interest	Total Equity
	Share Capital	Share Premium	Available For-Sale Reserve	Foreign Currency Translation Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 30 September 2016								
At 1 July 2016	381,534	133,781	821	516	959,704	1,476,356	-	1,476,356
Net profit for the period	-	-	-	-	8,139	8,139	-	8,139
Fair value changes on available-for-sale financial assets	-	-	1,579	-	-	1,579	-	1,579
Foreign currency translation difference for foreign operation	-	-	-	372	-	372	-	372
Total comprehensive income for the financial period	-	-	1,579	372	8,139	10,090	-	10,090
At 30 September 2016	381,534	133,781	2,400	888	967,843	1,486,446	-	1,486,446

	← Non-distributable			Distributable →		Total	Non-controlling interest	Total Equity
	Share Capital	Share Premium	Available For-Sale Reserve	Foreign Currency Translation Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 30 September 2015								
At 1 July 2015	373,943	155,914	(1,755)	632	887,963	1,416,697	27,331	1,444,028
Net profit for the period	-	-	-	-	8,111	8,111	(3)	8,108
Fair value changes on available-for-sale financial assets	-	-	(522)	-	-	(522)	(25)	(547)
Foreign currency translation difference for foreign operation	-	-	-	1,754	-	1,754	(3)	1,751
Total comprehensive income for the financial period	-	-	(522)	1,754	8,111	9,343	(31)	9,312
Shares issuance	7,591	11,387	-	-	-	18,978	-	18,978
Changes in ownership in subsidiaries	-	-	-	-	8,322	8,322	(27,300)	(18,978)
At 30 September 2015	381,534	167,301	(2,277)	2,386	904,396	1,453,340	-	1,453,340

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the Explanatory Notes for the quarter ended 30 September 2016)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,870	12,299
Adjustments for:-		
Depreciation and amortisation	3,931	4,551
Other non-cash items	(3,447)	(2,436)
Profit Before Working Capital Changes	<u>12,354</u>	<u>14,414</u>
Net change in current assets	1,830	9,669
Net change in current liabilities	<u>(16,247)</u>	<u>(26,432)</u>
Cash Used In Operations	(2,063)	(2,349)
Interest income received	356	361
Income tax refunded	295	-
Income tax paid	<u>(4,277)</u>	<u>(6,610)</u>
Net Cash Used In Operating Activities	<u>(5,689)</u>	<u>(8,598)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	1,171	1,303
Proceeds from disposal of property, plant and equipment	(19)	-
Purchase of property, plant & equipment	(10,712)	(407)
Proceeds from disposal of short term investments	-	79,200
Purchase of short term investments	-	(320)
Dividend income received	2,514	1,087
Net Cash (Used in)/ Generated From Investing Activities	<u>(7,046)</u>	<u>80,863</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(580)	(709)
Repayment of bank borrowings	<u>(1,725)</u>	<u>(1,675)</u>
Net Cash Used In Financing Activities	<u>(2,305)</u>	<u>(2,384)</u>
NET (DECREASE)/ INCREASE IN CASH & CASH EQUIVALENTS	(15,040)	69,881
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	356,128	323,174
Effect of exchange rate changes	373	1,751
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>341,461</u></u>	<u><u>394,806</u></u>

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

	30.09.2016	30.09.2015
	RM'000	RM'000
Fixed income trust funds	165,437	171,319
Fixed deposits with licensed banks	102,633	150,478
Cash and bank balances	<u>73,391</u>	<u>73,009</u>
	<u><u>341,461</u></u>	<u><u>394,806</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the Explanatory Notes for the quarter ended 30 September 2016)

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 2016. 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 2016.

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 2016 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 2017 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 2016 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

There were no dividend paid for the current quarter and year-to-date.

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 three (3) months ended 30 September 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	29,819	17,375	-	-	47,194
Inter-segment sales	-	-	1,407	(1,407)	-
Total revenue	29,819	17,375	1,407	(1,407)	47,194
Segment profit/(loss)	7,178	4,781	4,026	(3,869)	12,116
Depreciation					(3,931)
Investment revenue					4,265
Finance costs					(580)
Profit before taxation					11,870
Taxation					(3,731)
Profit for the period					8,139

9. Segmental Information (continued)

Segment information for the three (3) months ended 30 September 2015 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	26,850	17,527	-	-	44,377
Inter-segment sales	-	-	1,407	(1,407)	-
Total revenue	26,850	17,527	1,407	(1,407)	44,377
Segment profit/(loss)	10,325	4,275	3,569	(3,603)	14,566
Depreciation					(4,551)
Investment revenue					2,993
Finance costs					(709)
Profit before taxation					12,299
Taxation					(4,191)
Profit for the period					<u>8,108</u>

10. Valuation of Property, Plant and Equipment

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

11. Material Subsequent Events

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

12. Changes in the Composition of the Group

There were no changes to the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiary, long term investments and restructuring.

13. Changes in Contingent Liabilities and Contingent Assets

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

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**1. Performance Review**

The Group registered a revenue of RM47.2 million and net profit of RM8.1 million for current quarter ended 30 September 2016 as compared to a revenue of RM44.4 million and net profit of RM8.1 million for the corresponding quarter of the previous year.

For the current quarter ended 30 September 2016, property development remains a key contributor with 63% of total Group revenue whereas hotel operations contributed 37%. The Group's key revenue and profit were principally derived from its property development activities carried out at Taman Desa Tebrau in Johor, Taman Putra Prima in Selangor and Bandar Perdana & Lot 88 in Kedah and in Penang.

The higher revenue generated by the property development division for the current quarter compared against previous year was mainly due to the higher contribution from the previous year launched projects Phase 2C Aquamarine 2&3 Storey Terrace House in Taman Putra Prima, Selangor and Phase 8A Bintang Maya Two Storey Terrace House in Kedah which are in advanced stage of development.

Hotel operations' revenue was slightly lower for the current quarter compared to the corresponding quarter of the previous year. Hotel operations are mainly in Kuala Lumpur and in Penang.

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

The Group posted a profit before tax of RM11.9 million for the current quarter ended 30 September 2016 as compared to a profit before tax of RM19.0 million for the immediate preceding quarter. The lower profit in the current quarter is mainly due to the lower contribution recognised from the completion project of Taman Desa Tebrau Phase 12A Three Storey Semi-D and on-going project Phase 2C Aquamarine 2&3 Storey Terrace House in Taman Putra Prima, 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 as well.

In view of the above, the Board of Directors expects a challenging performance for the financial year ending 30 June 2017.

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 Quarter
	3 months ended	3 months ended
	30.09.2016	30.09.2016
	RM'000	RM'000
Depreciation of property, plant and equipment	(3,785)	(3,785)
Depreciation of investment properties	(146)	(146)
Interest expense	(580)	(580)
Gain on disposal of property, plant and equipment	19	19
Realised gain on foreign exchange	1	1
Unrealised loss on foreign exchange	(10)	(10)
Fair value changes in short term investments	6	6
Dividend income received	2,514	2,514
Interest income from short term deposits	1,171	1,171

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 30 September 2016.

6. Taxation

Taxation for the current quarter and year-to-date comprised the following:

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Taxation	<u>(3,731)</u>	<u>(4,191)</u>	<u>(3,731)</u>	<u>(4,191)</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:-

	<u>30.09.2016</u> RM'000
Current	
Term Loan (secured)	5,799
Non-Current	
Term Loan (secured)	32,026
Total	<u>37,825</u>

9. Changes in Material Litigation

There were no material litigation against the Group as at 16 November 2016, being 7 days prior to the date of this report.

10. Dividend Proposed or Declared

Details of the final dividend approved by the shareholders at the Company's Annual General Meeting is as below :

	<u>30.9.2016</u>	<u>30.09.2015</u>
Final dividend for the financial year	30 June 2016	30 June 2015
Amount per share	4.5 sen	4.5 sen
Approved and declared on	11 November 2016	4 November 2015
Entitlement to dividends based on Record of Depositors as at	15 November 2016	6 November 2015
Date payable	25 November 2016	18 November 2015

11. Realised and Unrealised Profits/Losses Disclosure

The details of the retained earnings as at 30 September 2016 and 30 September 2015 are as follows :

	<u>30.09.2016</u>	<u>30.09.2015</u>
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	815,190	815,031
- Unrealised	<u>(19,200)</u>	<u>(35,750)</u>
	795,990	779,281
Add : Consolidation adjustments	<u>171,853</u>	<u>125,115</u>
Total group retained earnings as per consolidated financial statements	<u>967,843</u>	<u>904,396</u>

12. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		3 months ended	
	<u>30.09.2016</u>	<u>30.09.2015</u>	<u>30.09.2016</u>	<u>30.09.2015</u>
Profit attributable to owners of the Company (RM'000)	8,139	8,111	8,139	8,111
Weighted average number of ordinary shares in issue ('000)	381,534	379,141	381,534	379,141
Basic earnings per ordinary share (sen)	2.1	2.1	2.1	2.1

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 2016 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 23 November 2016.

**By Order of the Board
PLENITUDE BERHAD**

JENNY WONG CHEW BOEY (MAICSA 7006120)
Company Secretary
Kuala Lumpur

23 November 2016