PLENITUDE

ANNUAL REPORT 2019



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ABOUT US



Plenitude Berhad is a listed company on Bursa Malaysia main market with core interest 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 businesses related to property and hospitality has built a reliable track record in the real estate industry. Recognized for their strategic locations, easy accessibility and comprehensive amenities, notable properties include:

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

Plenitude's hospitality assets in Malaysia are:

- Mercure Penang Beach, Penang
- Novotel Kuala Lumpur City Centre, Kuala Lumpur
- Oakwood Hotel & Residence Kuala Lumpur
- Tanjung Point Residences, Penang
- The Gurney Resort Hotel & Residences, Penang
- The Nomad Serviced Residences, Bangsar
- Travelodge Georgetown, Penang
- Travelodge Ipoh, Ipoh

Outside Malaysia:

- Travelodge Myeongdong Euljiro, Seoul, South Korea

Travelodge Ipoh is currently undergoing renovations and is targeted to commence business during first quarter of 2020.

CORPORATE INFORMATION

Board of Directors

Chua Elsie
Non-Independent
Non-Executive Chairman

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

Lok Bah Bah @ Loh Yeow Boo

Remuneration Committee

Lok Bah Bah @ Loh Yeow Boo
(Chairman)

Tee Kim Chan

Nomination Committee

Tee Kim Chan
(Chairman)

Lok Bah Bah @ Loh Yeow Boo

Tan Kak Teck

Registered Office

2nd Floor, No. 2, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Tel : +603-6201 0051
Fax : +603-6201 0071

Website Address

www.plenitude.com.my

Share Registrar

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Tel : +603-6201 1120
Fax : +603-6201 3121

Auditors

Baker Tilly Monteiro Heng PLT
(LLP0019411-LCA) (AF 0117)
Baker Tilly MH Tower, Level 10, Tower1,
Avenue 5 Bangsar South City
59200 Kuala Lumpur

Principal Bankers

Alliance Bank Malaysia Berhad

RHB Bank Berhad

United Overseas Bank Limited,
Seoul Branch

Stock Exchange Listing

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

CORPORATE CALENDAR

ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING	17 October 2019
19TH ANNUAL GENERAL MEETING	8 November 2019

DIVIDENDS

FINAL SINGLE TIER OF 4.5 SEN PER SHARE	Financial Year End	-	30 June 2018
	Announcement	-	13 September 2018
	Approval	-	31 October 2018
	Payment	-	15 November 2018

ANNOUNCEMENTS OF FY2019 CONSOLIDATED RESULTS

1ST QUARTER	23 November 2018
2ND QUARTER	26 February 2019
3RD QUARTER	24 May 2019
4TH QUARTER	20 August 2019

TANJUNG POINT



Infinity Pool



3 Bedroom Apartment Living & Dining Area

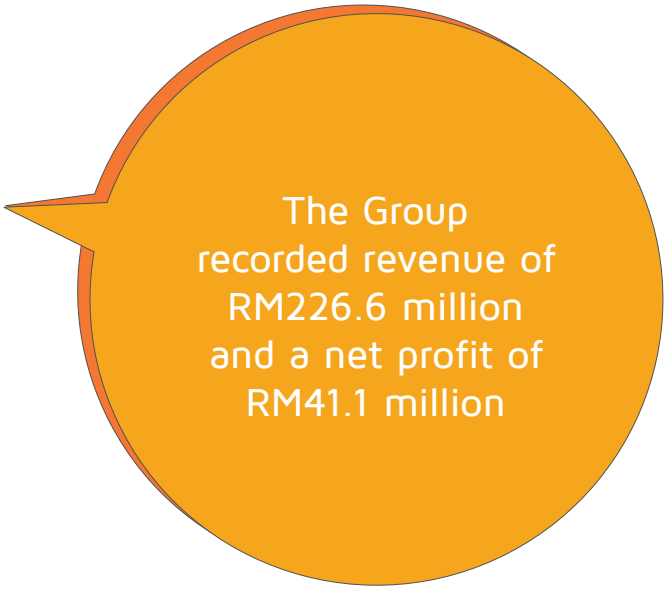


Master Bedroom



Children's Playground at Level 7

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 2019.

For the financial year ended 30 June 2019, the Group recorded revenue of RM226.6 million and a net profit of RM41.1 million compared to revenue of RM234.9 million and net profit of RM46.4 million (restated) for the previous financial year ended 30 June 2018. The revenue for the previous financial year was higher mainly due to previous year's one-off sale of a parcel of land in Penang for cash consideration of RM46.8 million with a net profit of RM11.5 million.

Plenitude's property development segment remains the Group's key contributor at 72% while the hotel's segment contributes 28% and this is consistent with decisions for generating recurring revenue from non-property development.

The financial position of the Group remains healthy with low gross debt to equity ratio of 0.09, achieved despite the cash outflow of RM17.2 million paid out as dividend in November 2018 during the financial year. The Group's cash, fixed deposits and short term placements at the close of the financial year remains strong at RM204.4 million.

The Group completed the acquisition of a 224 room 14-storey midscale hotel in Seoul, South Korea, and the Group expects it to contribute positively to the earnings of the Group for the financial year ending 30 June 2020.

DIVIDEND

Based on the financial year's performance, the Board is recommending a Final Single Tier Dividend of 4.5 sen per share on 381,533,758 ordinary shares, amounting to RM17,169,019 in respect of the financial year ended 30 June 2019 (Proposed Dividend) representing a Net Dividend Yield of 3.3% (4.5sen/RM1.35).

It is noteworthy that Plenitude has been consistent with dividend payments for every financial year since its listing in 2003. The Proposed Dividend will be tabled for shareholders' approval at the forthcoming Nineteenth (19th) Annual General Meeting of the company.

FUTURE PROSPECTS

For the financial year ending 30 June 2020, the Group will continue to adopt a more cautious approach in new property launches and will continue to intensify its marketing and sales initiatives to promote the Group's existing properties.

The hotel business remains challenging in an increasingly competitive market. The ongoing upgrading of some of the hotel rooms should result in improvement of performance as well as better guest experiences.

During the year under review, the Group completed the acquisition of a 224 room 14-storey midscale hotel in Seoul, South Korea, and the Group expects it to contribute positively to the earnings of the Group for the financial year ending 30 June 2020.

ACKNOWLEDGEMENT

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

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

Chua Elsie
Chairman

BUKIT BINTANG
LIFE ENRICHED

Future Launch



Lake View



Jogging Track

BOARD OF DIRECTORS



MDM CHUA ELSIE

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Aged 61 | Female | Malaysian

Madam Chua Elsie was appointed to the Board on 2 September 2002. She was the Executive Chairman of Plenitude Berhad as well as Chairman of the Management Committee. She actively oversaw the entire operations of Plenitude Berhad Group of Companies ("Group") and was also responsible for the formulation and implementation of the Group's business policies and strategies. On 1 November 2018 she was re-designated Non-Independent Non-Executive Chairman of Plenitude Berhad. She holds a directorship in Ikatanbina Sdn Bhd, the substantial shareholder of Plenitude Berhad.

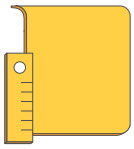


MR TAN KAK TECK

INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 60 | Male | Malaysian

Mr Tan Kak Teck was appointed to the Board on 15 July 2003. He is Chairman of the Audit Committee and also a member of the Nomination 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 65 | 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. He 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.

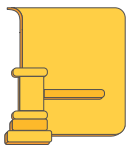


MR LOK BAH BAH @ LOH YEOW BOO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 70 | Male | Malaysian

Mr Lok Bah Bah @ Loh Yeow Boo was appointed to the Board on 9 September 2015. He is Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. He graduated from Nanyang University with a Bachelor of Commerce (Accountancy). Mr Loh is a Chartered Accountant of the Malaysian Institute of Accountants as well as Fellow of CPA, Australia.



MR TEE KIM CHAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 65 | Male | Malaysian

Mr Tee Kim Chan was appointed to the Board on 9 September 2015. He is Chairman of the Nomination Committee and a member of the Remuneration Committee. Mr Tee was admitted to the Honourable Society of Lincoln's Inn in 1978 and enrolled as an advocate and solicitor of the High Court of Malaya in 1979. He is currently practising as an advocate and solicitor in his own law firm.

OTHER INFORMATION

FAMILY RELATIONSHIP - None of the directors have any family relationship with any director and/or major shareholder of Plenitude Berhad.

CONFLICT OF INTEREST - None of the directors have any conflict of interest with Plenitude Berhad.

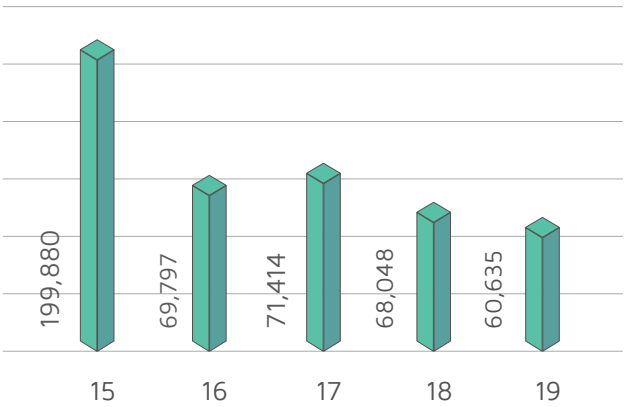
CONVICTION FOR OFFENCES - None of the directors have been convicted for any offences within the past 5 years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year other than traffic offences, if any.

DIRECTORSHIP AT OTHER PUBLIC COMPANIES AND LISTED COMPANIES - Except for Mr Tan Kak Teck, none of the other directors hold any directorship in other public companies and listed companies.

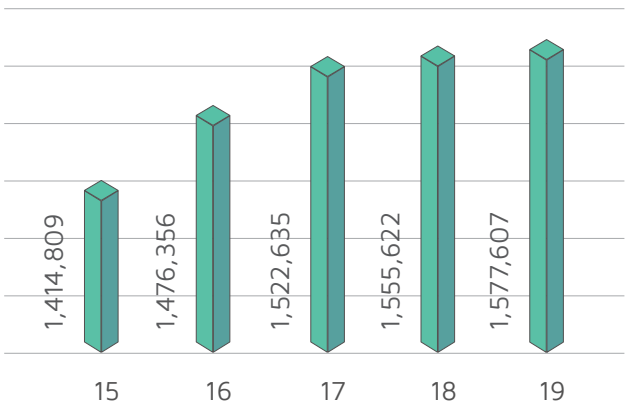
ATTENDANCE FOR BOARD MEETINGS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 - The Directors' attendance at the Board Meetings for the financial year ended 30 June 2019 is presented on page 36 of the Annual Report.

FINANCIAL HIGHLIGHTS

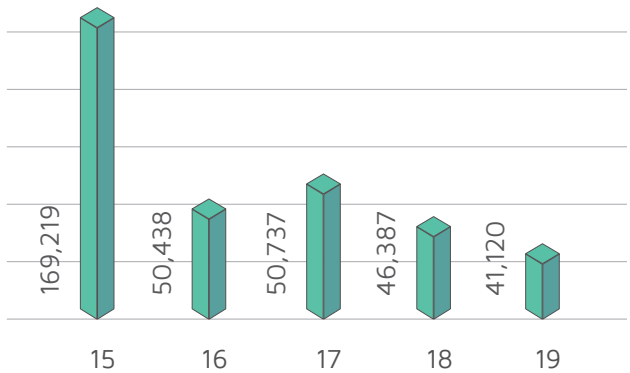
PROFIT BEFORE TAX
(RM'000)



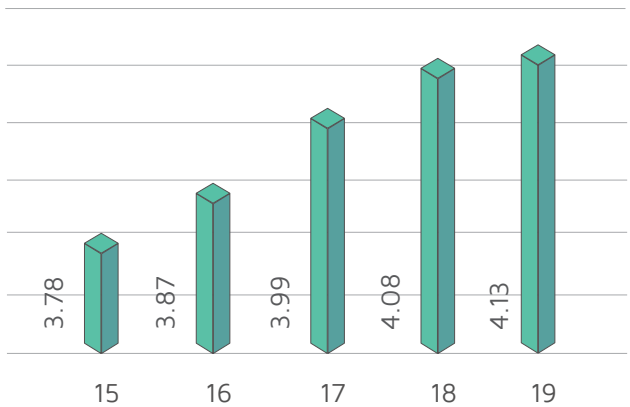
SHAREHOLDERS' EQUITY
(RM'000)



NET PROFIT FOR THE FINANCIAL YEAR
(RM'000)



NET ASSETS PER SHARE
(RM)



FINANCIAL YEAR ENDED 30 JUNE

RM`000	2015^	2016^	2017^	2018*	2019*
Revenue	263,655	220,154	226,204	234,919	226,570
Profit Before Tax	199,880	69,797	71,414	68,048	60,635
Net Profit for the Financial Year Attributable to Owners of the Company	169,219	50,438	50,737	46,387	41,120
Total Assets	1,676,733	1,688,758	1,714,295	1,724,005	1,904,897
Cash & Cash Equivalents	323,174	356,128	343,484	329,768	167,858
Total Borrowings	46,275	39,550	31,138	24,338	139,208
Shareholders Equity Attributable to Owners of the Company	1,414,809	1,476,356	1,522,635	1,555,622	1,577,607
Issued and Paid Up Capital (Unit'000)	373,943	381,534	381,534	381,534	381,534
Net Assets per Share (RM)	3.78	3.87	3.99	4.08	4.13
Basic Earnings per Share (sen)	60.9	13.2	13.3	12.2	11.1
Final Single Tier Dividend per Share (sen)	4.5	4.5	4.5	4.5	4.5

^ *Figures reported based on FRS Framework*

* *Figures reported based on MFRS Framework*

TAMAN PUTRA PRIMA, PUCHONG

TOPAZ

FREEHOLD

RESIDENTIAL
LANDED

3 STOREY
TERRACE HOUSE

LAND AREA
22' X 75'

BUILT UP
3,396 SQ.FT



Family Area



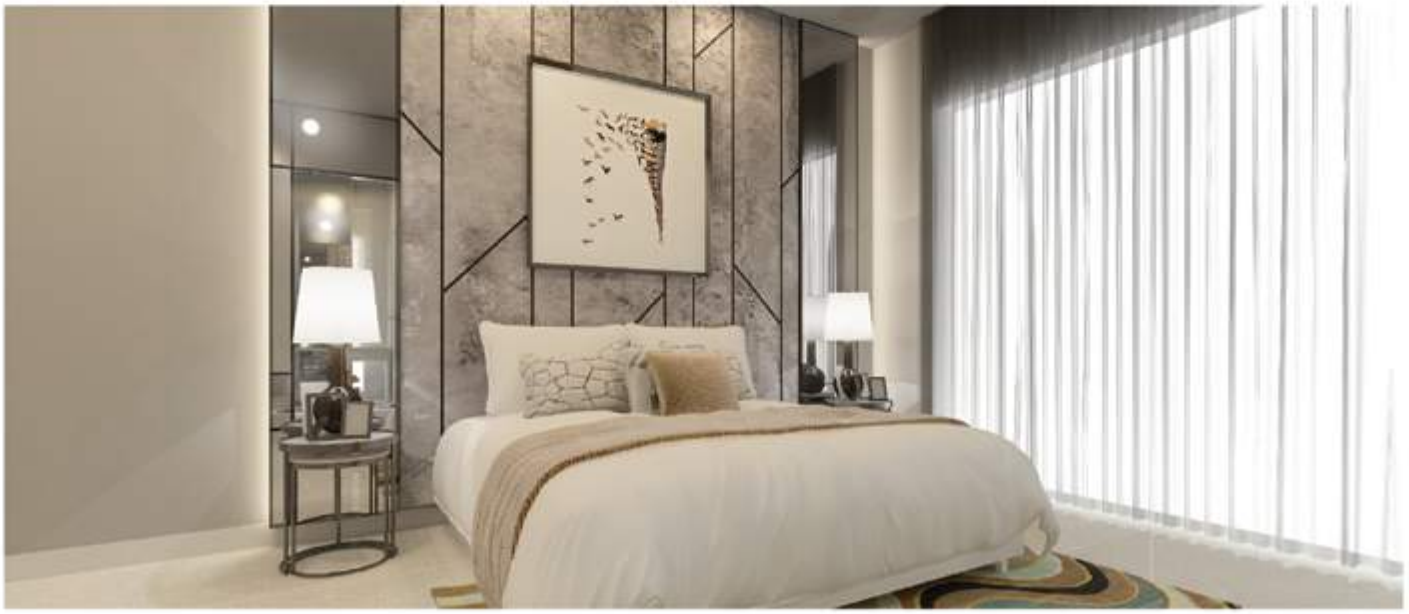
Dining Area



Living Area



3 Storey Terrace House



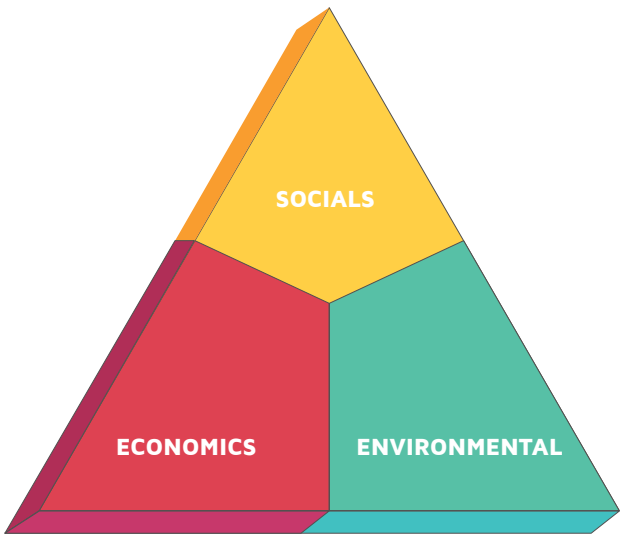
Master Bedroom

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Our Sustainability Reporting journey continues into its second year as the Group strives to embed sustainability into the Group with full support from the Board of Directors and Management team.

This report details our sustainability performance focusing on three main pillars:



Adopting a holistic and balanced approach, the report covers all entities under the Group, which comprises two key divisions – Property and Hotel for the financial period 1 July 2018 to 30 June 2019 ("FY2019"). The report includes information and data from specific projects and our value chain activities.

Thorough materiality analysis was embarked upon to ensure information provided is relevant and significant to the Group. Nine main groups of material matters were identified and presented on page 17 .

The Report has been prepared in accordance with Bursa Malaysia Main Market Listing Requirements and with reference to the Sustainability Guide 2nd Edition, which incorporates the United Nation's Sustainable Financial Disclosures and recommendations from the Task Force on Climate-related Financial Disclosures. We have not sought any external assurance for the current statement and will consider seeking assurance for our key sustainability indicators as our reporting matures.

We welcome your feedback. Please direct any request for further information and any query that you may have to:

Chief Executive Officer
Plenitude Berhad
2nd Floor, No.2, Jalan Sri Hartamas 8,
Sri Hartamas,
50480, Kuala Lumpur

Tel: 03-6201 0051
Email: ir@plenitude.com.my
Website: http://www.plenitude.com.my

SUSTAINABILITY GOVERNANCE

The Board firmly believes and is committed to strong sustainability governance. Therefore, the Board undertakes the Group' sustainability agenda while the Sustainability Management Committee works closely with the Board to ensure the success of overall implementation and execution of all sustainability strategies. The Sustainability Management Committee is supported by the Sustainability Working Committee who executes the sustainability strategies.

Governance Structure	
Board of Directors	▪ Fully accountable for sustainability matters in the Group ▪ Ensures business strategies consider sustainability matters
Chief Executive Officer & Sustainability Management Committee	▪ Leads the overall implementation of sustainability agenda ▪ Develops sustainability strategies and report to the Board ▪ Sustainability Management Committee comprises corporate functional heads
Sustainability Working Committee	▪ Comprises respective heads of operating subsidiaries ▪ Executes and implements all sustainability strategies ▪ Determines the materiality of the issues and propose necessary actions plans to mitigate issues of concern.

GOVERNANCE POLICIES

Upholding our belief that a high standard of corporate governance is crucial in ensuring the success of implementing sustainability strategies and as such the Group has formulated the following policies and best practices:

A Whistle Blowing Policies

- To govern the process through which employees and others report potential violations or concerns related to relevant laws, rules, regulations, business ethics and conduct.
- To establish a mechanism for responding to any report from employees and others regarding such potential violations and concerns.
- To prohibit legal sanctions for retaliatory actions taken against the whistle blower.

B No Gift Policy

- To ensure that employees declare any gift received and that all contracts or purchase orders are awarded solely based on determining factors such as competitiveness, quality of works, track records and after sales services.

C Code of Conduct

- To establish standards of ethical behaviour based on trustworthiness and acceptable values.

D Corporate Disclosure Policy

- To raise awareness about and provide guidance on disclosure requirements and practices.
- To ensure quality and timeliness of disclosure of material information.
- To build good investor relations that inspires trust and confidence with the investing public.

ENGAGEMENTS WITH STAKEHOLDERS

We define stakeholders as those who are significantly influenced by, or have the ability to influence our business and operations. Continuous engagement with our stakeholders is crucial to understand their expectations as well as to strengthen the relationship. Key issues are regularly communicated to the Management, thus ensuring stakeholders concerns are addressed and incorporated into our business activities and reporting.

The table below shows the engagement channels put in place to reach out to key stakeholders.

Stakeholder Group	Areas of Interest	Methods of Communications
Customers	▪ Company and Development updates ▪ Customer Satisfaction ▪ Product Quality ▪ Future Launches ▪ Market Outlook	▪ Customer Service Channels ▪ Social Media ▪ Marketing Events ▪ Customer Satisfaction Surveys
Regulators	▪ Environmental Friendly Development ▪ Affordable Housing Compliance ▪ Crime Prevention & Community Safety	▪ Compliance with Legislative Framework ▪ Regular Dialogue with Government Agencies ▪ Real Estate & Housing Developers' Association (REHDA) Membership
Employees	▪ Career Progression ▪ Learning & Development ▪ Work-Life Integration ▪ Employee Engagement ▪ Conducive Workplaces	▪ Performance Evaluation ▪ Training Programmes
Community	▪ Sustainable Development ▪ Community Engagement ▪ Corporate Social Responsibility	▪ Community Events ▪ Public Dialogues ▪ Social Gatherings ▪ Residents' Association ▪ Volunteerism
Contractors & Suppliers	▪ Health & Safety ▪ Anti-corruption and Business Integrity ▪ Timely & Quality Delivery ▪ Environmental Friendly Materials & Construction Processes ▪ Pollution Controls & Resources ▪ Payments ▪ Fair Procurement	▪ Vendor Evaluation & Selection ▪ Safety, Health & Environmental Policy ▪ Tender Meetings ▪ Project Management Meetings ▪ Client-Consultant Meeting
Investors, Analysts and Media	▪ Corporate Governance ▪ Financial Performance	▪ Annual General Meetings ▪ Quarterly Financial Results Announcements ▪ Company Website ▪ Media Releases

MATERIALITY

Through fruitful engagements with stakeholders, the Group elicits better understanding on sustainability matters which are material to the stakeholders and its impact on the Group as a whole.

All relevant sustainability matters are reviewed and updated in the materiality matrix and presented to the Board of Directors' for endorsement.

MATERIALITY MATRIX



OUR MATERIALITY SUSTAINABILITY MATTERS

Sustainability matters that fall under the shaded area are identified key sustainability issues for FY2019. The Group's sustainability statement as discussed in page 18 to 25 focus on these key issues. Further, the Group is committed to continuously review the concerns and probe and address other sustainability matters should the need arise.

Sustainability Matters	Material Matters	Importance to Stakeholders
Economics	Financial Performance	To ensure sustainable business through creating values to shareholders and other stakeholders.
	Procurement Practices	To ensure a transparent and responsible procurement process.
	Product & Services Responsibility	To ensure high quality products and services provided to customers.
	Community Investment	To grow a stable and united environment in the community.
Environment	Energy Efficient	To adopt energy efficient technologies which leads to reduction of energy consumption.
	Waste Management	To manage and reduce wastage in plastic & food to preserve the local environment.
Social	Diversity	To build multi-disciplined manpower resource which leads to greater growth of the group.
	Talent Development	To upskill and upgrade the potential and knowledge of the Group's manpower.
	Health & Safety	To ensure safety and healthy environment for the employees to carry out their duties.

ECONOMIC

FINANCIAL PERFORMANCE

Our thriving businesses contribute positively to the nation's economy through corporate tax, indirect tax, employees' tax and statutory contributions. The Group's stable of 4 property developments and 9 hotels constantly undergo evolvement and expansion to be better in respect of cost efficiency and quality and to improve financial performance and therefore contribute to the growth of the property and hospitality sectors and consequentially improve the standard of living of Malaysians.

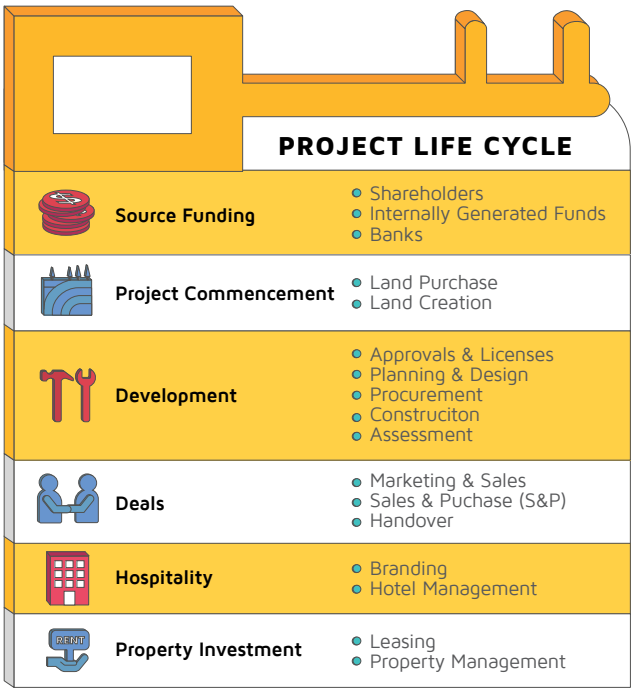
The Group also responsibly strives to create long-term value for shareholders. It is worthwhile noting that the Group has shown tireless efforts to successfully navigate the current challenging economic landscape and outlook. The property development division remains the main contributor to the Group revenue at 72% while hotel division contributes the balance of 28%. Excluding one-off sale of parcel land in Penang in Financial Year 2018 ("FY2018"), the Group registered a 20% higher revenue while profit before tax increased by 9%.

Despite the above, the Group holds firm to its commitment to shareholders by paying out dividend at 4.5 sen per ordinary share. Key financial indicators are as follow:

RM'000	FY2019	FY2018 (Restated)
Revenue	226,570	234,919
Gross Profit	120,521	119,733
Profit Before Tax	60,635	68,048
Net Profit	41,120	46,387
Earnings per share (Basic / Diluted) (sen)	11.1	12.2
Dividend per share paid (sen)	4.5	4.5

PROCUREMENT PRACTICE

In line with the Group's vision to build sustainable communities of the future, we manage our value chain across the entire life cycle of the project



The Group supports the motto "Made in Malaysia" and always strives to procure from local suppliers. In 2019, more than 90% of the Group's procurement are sourced from local suppliers as we continue to promote growth within the Malaysia economy. Through supporting local suppliers, we build strong relationships with them and help to upskill the talents and improve their products. This will subsequently translate to better revenue and portfolio to all parties in the supply chain and simultaneously stimulate growth within the Malaysia economy.

While product and service quality are the main considerations in selecting our suppliers including main contractors and hotel operators, we, too, hold them to the highest standard of ethical conduct, social and environmental responsibility. The Group strives to align and work hand-in-hand with its suppliers to support sustainability efforts by the Group or suppliers. The Group also has an option to terminate the contract or suspend and blacklist the suppliers for any breach of agreed terms.

Within the hotel division, our business partners, Accor Hotels, AAPC Singapore Pte. Ltd (Novotel Kuala Lumpur City Centre and Mercure Penang Beach), Travelodge Hotels (Asia) Pte. Ltd (Travelodge Georgetown, Travelodge Ipoh and Travelodge Myeogdong Euljiro), Oakwood Asia Pacific Ltd (Oakwood Hotel & Residence, Kuala Lumpur) and Qlik Tanjung Point Sdn Bhd (Tanjung Point Residences) have respectively carried out great sustainability efforts which includes Children Sexual Abuse Program (WATCH), adoption of energy efficient technologies & renewable energy, and human rights program. The Group upholds all the initiatives and provides necessary supports to the operators whenever needed.

On top of that, the Group manages its procurement using the 3Es model – ***Engage, Evaluate, Examine.***

Engage

- ONLY work with contractors and suppliers who are committed to high quality, environmental, health and safety standards.
- Continuously SOURCE for better contractors and suppliers in the market.
- PROVIDE clear and definitive set of roles and responsibilities for the contractors at the construction sites based on standard forms of contracts introduced by Malaysia Institute of Architects (PAM) and Institute of Engineers Malaysia (IEM).

Evaluate

- CONDUCT Pre-Qualifications on new contractors before inviting them to participate in tender.
- ONLY qualified contractors and suppliers are added to the approved contractors list.
- EVALUATE based on sets of criteria on financial, services and product delivered.
- ENSURE contractors and suppliers meet the Social and Environmental obligations such as compensation package that complies with Employment Act 1955, safety, valid permits, Occupational Safety and Health Act 1994, Environmental Quality Act 1974 and other relevant regulations.

Examine

- CONDUCT yearly review of contractors and suppliers based on a set of score chart.
- ADDRESS non-conforming works by the contractors and suppliers through Non-Conformance Report (NCR).
- REMOVE contractors and suppliers from approved list who fail the minimum score or repetitive non-conforming works.

PRODUCT AND SERVICES RESPONSIBILITY

As a prestigious property developer and investor in Malaysia, we distinguish ourselves by delivering quality properties for both accommodation and commercial purposes and hotel services to customers. Consistent with the Group's core mission - "To Make Better Lives", the Group constantly innovates and enhances its products and services to create a sustainable living environment to all Malaysians.

PROPERTY DEVELOPMENT

The Group creates sustainable communities through its mixed-use developments which consist of landed houses, high-rises, retails, community parks, shopping malls together with facilities. The Group takes a holistic approach to create self-sustaining townships with lifestyle elements and a variety of offerings that ensure vibrant living for the communities.

The Group's 3 township projects are as follows:

Taman Desa Tebrau, Johor



Taman Desa Tebrau, spanning 965.7 acres along the Tebrau Corridor and located within the larger Iskandar Region, developed since 1997 is a mixed-use development which creates a sustainable community. It consists of landed terrace houses, cluster houses, semi-detached houses, shop offices and medium cost apartments. Residents have access to choice homes, facilities and amenities conducive for living-working-playing lifestyles throughout.

For FY2019, we timely delivered 234 units of Clarinet's double storey terraced houses.

Taman Putra Prima, Puchong



A freehold 452 acres mixed development, which comprises terrace house, super links and commercial units, is a well-planned township which features a "Linear Garden" that offers a linear green lung surrounded by amenities. Established amenities such as AEON Big Puchong, Columbia Asia Hospital, KPMC Puchong Specialist, Putrajaya Hospital, public schools and Puchong Putra Prima Station are within easy access of Taman Putra Prima.

Bintang Maya, Sungai Petani



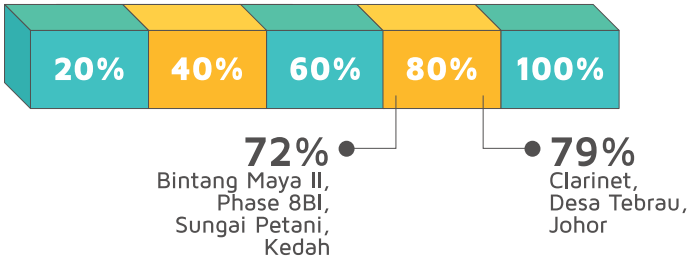
Strategically located along the Eastern Bypass of Sungai Petani, Kedah, the 93 acres township houses residential properties such as double storey terraced, double storey Semi-D, low cost apartment and townhouses.

Bintang Maya 2 has delivered 81 units of double storey terraced houses on time in FY2019.

QUALITY ASSESSMENTS

To ensure consistent quality in our products, our developments are recognised and assessed under Quality Assessment System in Construction ("QLASSIC") as advocated by Malaysia's Construction Industry Development Board ("CIDB"). QLASSIC is a system which benchmarks the quality of the Group's workmanship against other developments and ensures quality control in construction works. The developments have to undergo stringent assessment processes and to be rated against criteria set by CIDB.

QLASSIC Scores in FY2019:



HOTEL

Consistent with the Group's efforts, the hotel divisions and the operators strive to provide top-notch services to all customers who set foot in our premises. All employees in the hotels, from front office to housekeeping, are well-trained to serve the customers whole-heartedly. Our hospitality philosophy is to treat our customers as we would like to be treated.

In recognition of our efforts, The Gurney Resort Hotel & Residences was announced the winner of 2019 Traveloka's Prestige Award. It scored 8.3 for Best Guest Experience in Service. Besides, Travelodge Georgetown, Penang also won Premium Award by Traveloka with a score of 7.9 for Best Guest Experience in Food.

2019 Traveloka's Award



COMMUNITY INVESTMENT

The Group 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.

The Group 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 subscribe 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.

The Group continues to steadfastly hold on to our corporate social responsibility philosophy of donating to the underprivileged and unfortunate members of our society. It strengthens the Group as an organisation as it creates ripple effects among the beneficiaries and leads to a stronger community. A business is only sustainable if the external communities are stable and united.

By integrating ourselves in the community, the Group has reached out to various local communities as follows:

Pillar	Initiative
Community Endowment	▪ Free Bubur Lambuk distribution to authorities and mosque, passing motorists ▪ Buka puasa with authorities, staff, orphanage ▪ Donation to those underprivileged in need of medical and living assistance ▪ Donation to Malaysian Red Crescent Society Community Services JB ▪ Solidarity, Diversity & Inclusion week ▪ Christmas lunch with children in Oakwood Hotel & Residence Kuala Lumpur ▪ Operation Smile Thailand Donation ▪ Donation to SPCA Penang
Education	▪ Financial Assistance to Taraana school, an establishment by Vijayaratnam Foundation, dedicated to helping children with development delays and learning disabilities

AFFORDABLE HOUSING

In the Mid-term review of 11th Malaysia Plan, the Malaysia Government has committed to build 200,000 affordable houses in the remaining plan period from 2018 to 2020. A National Affordable Housing Council will be established to oversee the implementation of affordable houses nationwide. Such intensified efforts from the federal and state governments are aimed at improving the wellbeing of the *rakyat* by providing quality and affordable housing and increasing home ownership.

The Group is always supportive of these policies and initiatives with more than 6,000 units of affordable houses delivered since its inception. All the affordable houses are priced below RM200,000 which is lower than the ceiling price capped by the National Housing Policy of RM300,000.

In the pipeline, the Group estimates to roll out more than 1,600 units affordable houses in both northern and southern region. This is to support the respective state's plan such as Perumahan Komunity (Johor), Rumah Mampu Milik (Johor), Rumah Kasih Rakyat (Kedah), Rumah Aman (Kedah), and Rumah Makmur (Kedah).





CORPORATE CALENDAR



AUG 2018

Flag-giving event at Novotel KL in conjunction with the country's 61st Independence Day. 1,000 flags were handed out.



NOV 2018

Plenitude Annual Dinner 2018 Denim Nite



DEC 2018

Novotel celebrated Solidarity, Diversity & Inclusion week to acknowledge and show appreciation to people with physical disability & the less fortunate.



DEC 2018

In conjunction to the year of dog, Travelodge Georgetown (previously known as GLOW Penang) has donated to SPCA Penang to support prevention of cruelty to animal.



MAY 2019

Distribution of bubur lambuk to authorities and mosque in Plenitude Heights, Sungai Petani, Kedah.



OCT 2018

Signing ceremony between Plenitude Ipoh Sdn Bhd (formerly known as The Nomad Asia Offices Sdn Bhd) & Ipoh Heritage Sdn Bhd.



DEC 2018

Christmas lunch with 30 children in Ozanam House at Oakwood Hotel & Residence.



DEC 2018

Donation to Operation Smile Thailand Donation Box in support for children with cleft lips by Travelodge Georgetown (previously known as GLOW Penang).



MAY 2019

Distribution of 200 bubur lambuk to passing motorist by Oakwood Hotel & Residence.



JUN 2019

Buka Puasa with Rumah Amal Limpahan Kasih at TrEat Resturant & Bar at Oakwood Hotel & Residence.

ENVIRONMENT

The Group strives to incorporate environmental-friendly efforts into all projects as it is of paramount importance to protect and preserve Mother Earth. As a developer and hotel owner, the Group tailors its building design by integrating green features and innovation. At head office, all employees too are instilled with the mind-set to conserve energy as much as they can.

ENERGY EFFICIENT

Based on one of our hotel operator's study, non-renewable (NR) energy consumption and CO_2 emission come mainly from hotels directly, with respective shares of 84% and 77%. Other modes of NR energy consumption and CO_2 emission derived from infrastructure, water consumption, laundry and food and beverages. This indicates that hotel operations need to consistently monitor its consumptions of both energy and CO_2 emission and find solutions to reduce its consumption.

Recognising the fact that energy consumptions have been on a rising trend in past decades, all our hotels have adopted energy efficient technologies such as high-yield boilers and LED lightings. All compounds areas and common areas have installed such energy efficient features which emit similar amount of lumens with less amount of energy consumed.

All our property developments comply with local authority requirements which allocate 15% as green area and 48% for community services. Our property development consistently review and monitor the development to ensure that it complies with the requirements of Environmental Quality Act 1974.





WASTE MANAGEMENT

Plastic

Malaysia has recently announced that it would send 3,000 metric tons of plastic waste (or 6.6 million pounds) back to exporting countries. Such move is due to the fact that plastic waste poses significant risk to the environment, especially our oceans and wildlife health, if not managed properly. Our Novotel Kuala Lumpur City Centre has taken efforts to reduce plastic wastage by implementing paper drinking straws in all the hotel's food and beverages outlets.





Food

According to Food and Agriculture Organisation (FAO) of the United Nation 2018 report, "Food Loss and Waste and the Right to Adequate Food: Making the Connection", approximately 30% of world food production is lost or wasted and ¼ of such wasted food is enough to feed all the people who are malnourished. More so, both hotel and restaurant industries contribute significantly to the statistics as it is estimated that 25% of food purchases are thrown away.

To mitigate food wastage, our Novotel Kuala Lumpur City Centre has implemented more live stations in our buffet section. Dishes are served in ala minute style as it is cooked based on guest request. On top of that, any excess food is also placed at the staff canteen.

We are cognizant that buffet inevitably will lead to higher food wastage, therefore, we are continuously making efforts to reduce the wastage as much as possible. In line with the aspiration of our hotel operator, Accor Hotels, for the financial year ending 30 June 2020, we target to reduce food wastage by 30%.

On the other hand, our hotels have removed any endangered marine species from menus and do not serve shark's fins in the Chinese restaurant.



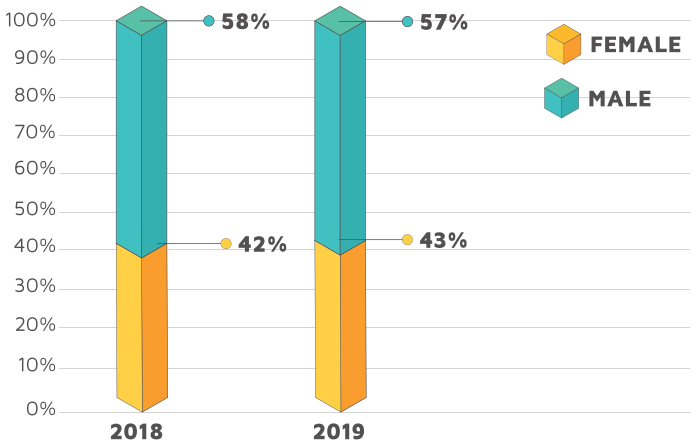
SOCIAL

DIVERSITY

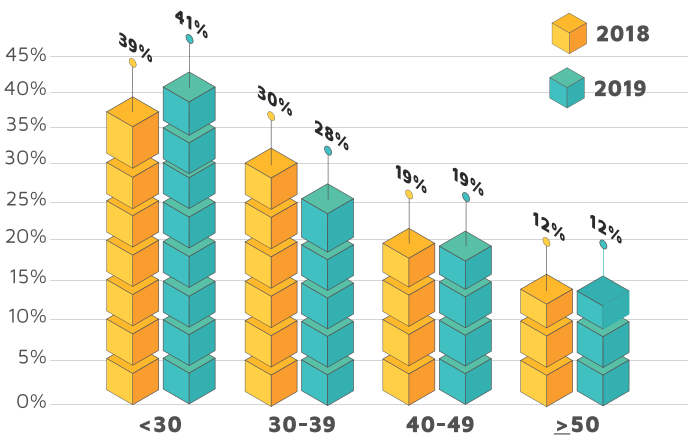
The Group values diversity within its workforce as the combination of talents, experience and cultures yields different perspectives and ideas. The employees, being the most valuable asset, have been the core reason the Group overcomes various challenges and progresses to new growth.

In general, the Group is largely balanced in terms of its gender ratio at 57:43 male and female ratio. With a young group aged 20 to 39 making up almost 70% of total employees, the Group is vibrant and creative when it comes to problem-solving as new ideas are always available.

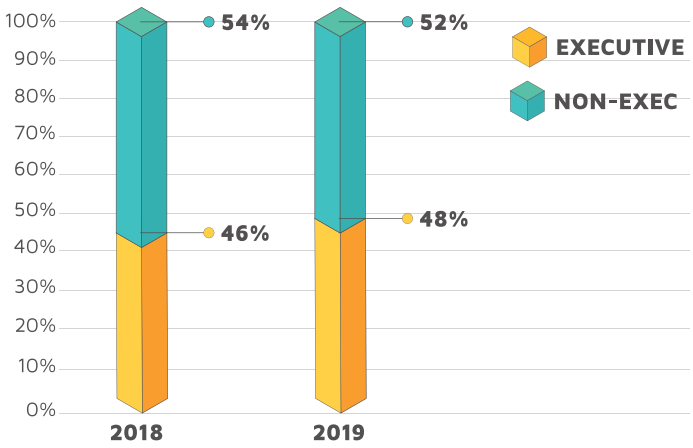
The Group always believes that Malaysians are equally capable in performance and strives to promote local employment. Therefore, all 499 staff hired by the Group are Malaysians. The Group adopts zero tolerance policy on any form of discrimination against any employees due to race, age, and ethnicity.



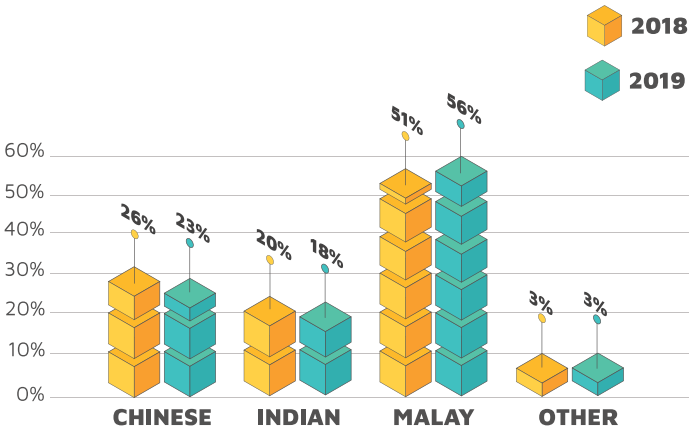
WORKFORCE BY GENDER



WORKFORCE BY AGE



WORKFORCE BY EMPLOYMENT TYPE

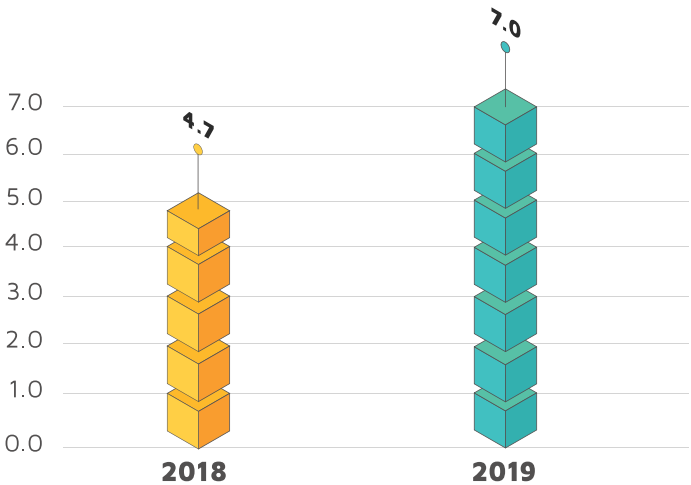


WORKFORCE BY RACE

TALENT DEVELOPMENT

The Group emphasizes on talent development and continuously provides a powerful and knowledgeable platform for the employees to continue building their capabilities and learning experience. We unremittingly invest in our employees and grow them via a multitude of flexible and customisable learning and development programmes.

This is to ensure that the Group remains relevant and is able to keep growing sustainably.



AVERAGE TRAINING HOURS

EMPLOYEE BENEFITS

All employees of the Group enjoy competitive package and comprehensive benefits as stipulated under the Employment Act 1955. Such benefits include maternity leave, health benefits, and coverage under the Group's insurance plans.

The Group adopts meritocracy philosophy which all employees are rewarded based on annual review of employees performances. Such performance-based reward culture provides motivation to the employees to strive for excellence and put the Group's interest as top priority.

The Group champions a performance management system known as Valuing Performance (VP) to set goal and evaluate job performance and behavioural performance. As such, there are consistent engagement between the employees and the line managers which allow all employees to receive regular performance feedbacks and career development reviews. On top of the above, the Group recognises employees who have been loyal and remain with the Group through thick and thin. Long service employees are awarded a Loyalty Rewards at our Annual Dinner.

EMPLOYEE ENGAGEMENT

Continuous engagement with employees is important to keep everyone in the Group abreast of the latest development. The open-door management culture allows direct communication among the staff. The Head of Subsidiaries are to join the monthly management meeting at head office to update on their project developments, financial matter and any operational issues. Some sessions are also conducted in subsidiaries offices such as Johor Bahru, Sungai Petani, Penang and throughout the Klang Valley.

HEALTH AND SAFETY

As presented in the Materiality Matrix, employees' safety and health is imperative to the Group. Top management sets up Safety, Health and Environment policy to establish a safe and healthy working environment for all employees, contractors and the public at large. This policy will be reviewed and updated to ensure that it is practical and strictly adhered to. At the ground level, various safety initiatives are organised regularly to create a safety culture and inculcate a sense of awareness amongst employees to accept the responsibilities in occupational safety, health and environmental matters.

Regular safety initiatives practised by the Group include:

I. Weekly toolbox talk
II. Monthly safety committee meeting
III. Fire Drill and Training at least once a year
IV. Quarterly site safety audit by Safety Department
V. Safety training for site staff and contractors

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

For FY 2019, there is no adverse finding and none of the active construction sites has major injuries nor accidents.

CHILDREN SEXUAL ABUSE

According to UNICEF 2017 report - A Familiar Face: Violence in the Lives of Children and Adolescents, more than 9 million girls aged 15 to 19 were forced into sexual intercourse or other sexual acts in 2017. It is an astonishing figure that everyone in the community should make an effort to combat against child exploitation, even more in the hospitality industry as it may happen in our premise.

Novotel Kuala Lumpur City Centre pioneered in the fight against sexual exploitation of children under the "We Act Together for Children (WATCH)" program. Under the program, a Code of Conduct is established which requires all people in the hotel to take a variety of measures to fight against the sexual exploitation of children. For examples, employees are trained to be alert at all time and report immediately to the police if there is any dubious situations. Travellers are also informed during check-in to alert any of the employees should any suspicions arise. Such life-changing efforts will persist and step-up, if needed, until child sexual exploitation is eradicated entirely.

MANAGEMENT DISCUSSION AND ANALYSIS

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

For Financial Year ended 30 June 2019 ("FY2019"), the Group continued to drive its property development activities in Taman Desa Tebrau, Johor Bahru, Taman Putra Prima, Puchong and Bintang Maya 2, Sungai Petani which have contributed positively to the Group's revenue and Profit Before Tax ("PBT").

During the financial year, the Group has successfully completed the development of The Marin @ Ferringhi; Tanjung Point Residences, Penang; Bintang Maya 2, 81 units of double storey terrace houses in Sungai Petani and 234 units of double/ three storey terrace houses at Phase 19/20 - Clarinet, Taman Desa Tebrau, Johor Bahru.

To ensure sustainable business income, the Group completed the acquisition of Heritage Hotel Ipoh on 31 December 2018 and another hotel asset known as Holiday Inn Express Seoul Euljiro in Seoul, South Korea on 21 June 2019.

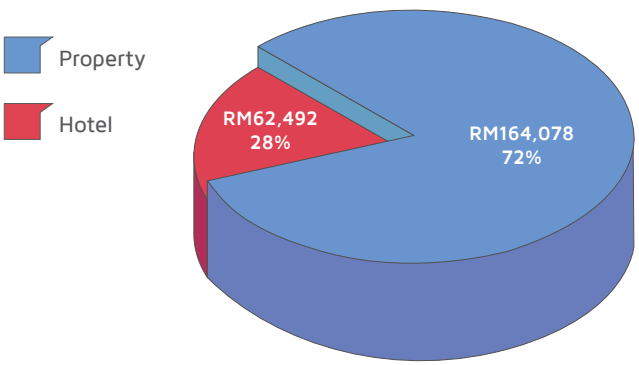
REVIEW OF FINANCIAL RESULTS

The Group recorded a revenue of **RM226.6 million** and PBT of **RM60.6 million** FY2019 as compared to RM234.9 million and PBT of RM68.0 million respectively in the preceding financial year ended 30 June 2018 ("FY2018"). The property development division remained as the key driver and contributed a revenue of RM164.1 million which accounted for 72% of the Group's total revenue, while the revenue from Hospitality division of RM62.5 million accounted for the remaining 28%.

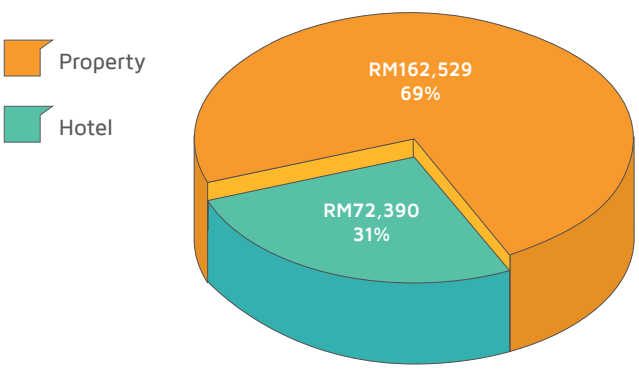
Financial Performance FY2019 & FY2018

RM'000	Property	Hotel	Total
FY 2019			
Revenue	164,078	62,492	**226,570**
PBT	77,533	(16,898)	**60,635**
FY 2018			
Revenue	162,529	72,390	**234,919**
PBT	66,688	1,360	**68,048**

FY 2019 Revenue by Division



FY 2018 Revenue by Division



The revenue for FY2018 was higher mainly due to a one-off sale of a parcel of land in Penang for cash consideration of RM46.8 million with a PBT of RM12.5 million. Excluding last year land disposal, the Group's FY2019 core revenue is RM38.5 million higher, an increase of 20% Year-on-Year. Core PBT also increased by RM5.1 million, an increase of 9%.

The higher core revenue and PBT for FY2019 was mainly driven by higher property sales from new launches and delivery of vacant possessions of properties in both Southern and Central region.

PROPERTY DEVELOPMENT

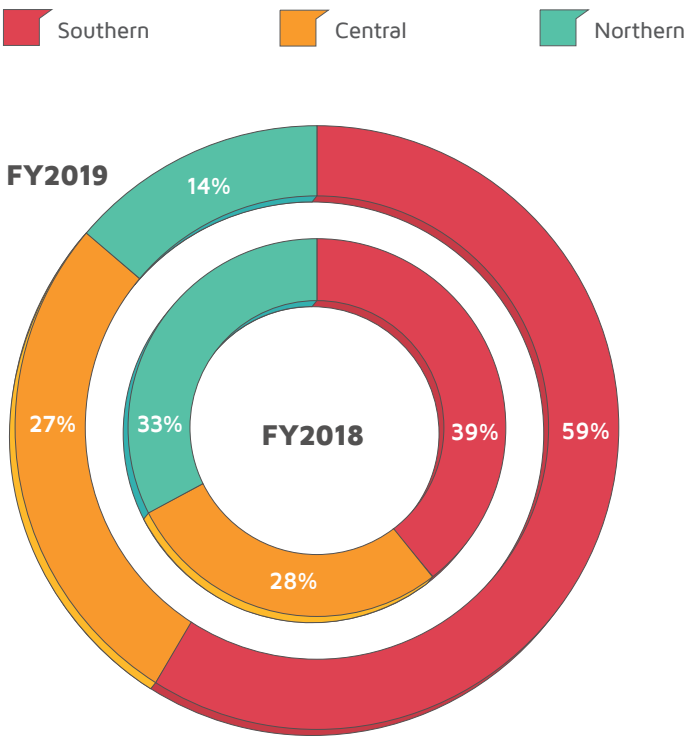
The Group's property development division posted a revenue of RM164.1 million and PBT of RM77.5 million in FY2019 compared to RM162.5 million and RM66.7 million respectively in the preceding financial year.

Excluding the disposal of the land in Penang for RM46.8 million in FY2018, the revenue and PBT for property development segment was RM48.4 million and RM23.4 million higher than last year's revenue and PBT, an increase of revenue by 42% and PBT by 43%.

This positive contribution came following the successful delivery of vacant possession after the completion of Phase 19 & 20 - Clarinet, double storey terrace House at Desa Tebrau in Johor. In addition, the increase in revenue was also attributed to sales from new launches: Phase 19&20 - Harp, double storey cluster homes at Desa Tebrau in Johor and Phase 4E – Topaz, 2&3 storey terrace houses at Taman Putra Prima in Selangor.

FY2019 revenue contribution by region was quite diverse which demonstrated the success of our strategy to reduce single region concentration in our development activities. Central Region accounted for 27% of property development segment revenue while projects in Southern and Northern Region accounted for 59% and 14% respectively.

Property Division Revenue By Region



HOTEL OPERATIONS

The Hotel division registered a revenue of RM62.5 million and loss before tax of RM16.9 million in FY2019 compared to revenue of RM72.4 million and PBT of RM1.4 million respectively in the preceding financial year.

The decline in Hotel revenue and PBT for the current financial year was mainly due to lower occupancy rate and downward pressure on the average selling rates. Revenue is also affected by the following events:

- Novotel Kuala Lumpur City Centre's business dropped by 33% due to closure of 120 rooms per phase for renovation. Renovation is carried out by closing floors in phases, and is expected to complete by August 2020.
- The Four Points Sheraton Penang was officially rebranded as Mercure Penang Beach Hotel, on 1 October 2018, and
- GLOW Penang was officially rebranded as Travelodge Georgetown on 1 January 2019.

The Group's hospitality assets registered a fall in occupancy rates from 62% in FY2018 to 54% in FY2019. The reduction was mainly attributed to the dilution of rates offered by other hotels and increased supply of new hotel rooms in the region.

PROPERTY INVESTMENT

Lease rental income were reported as part of investment revenue in the Statement of Comprehensive Income. The Group recognised rental income of RM3.6 million and operating profit of RM2.6 million in FY2019 as compared to RM3.2 million and RM2.6 million respectively in FY2018.

COSTS AND EXPENSES

Total costs and expenses before finance costs of the Group in FY2019 stood at RM85.4 million as compared with RM76.4 million in FY2018, an increase of RM9.0 million. The higher costs and expenses were mainly due to a one-time costs in relation to acquisition of the hotel in Seoul, Korea amounting to RM2.9 million, additional occupancy costs for Tanjung Point Residences, Penang and Heritage Ipoh Hotel which started their operations during the Financial Year.

FINANCIAL POSITION

The Group's financial position remains healthy. Our total assets amounted to RM1.9 billion while total equity attributable to owners of the Company stood at RM1.58 billion compared to previous year's RM1.7 billion and RM1.56 billion respectively. Net Assets per Share was RM4.13 as at 30 June 2019, representing an enhanced value of 5.0 sen from previous year's RM4.08 per Share.

Cash, fixed deposits and short-term placements totalled RM204.4 million as at 30 June 2019 compared to previous years RM362.1 million. Our net operating cash flow declined by RM157.7 million during the financial year due to payments to contractors and suppliers in relation to our property development projects, capital expenditure incurred for refurbishment of The Nomad Serviced Residences Bangsar, Kuala Lumpur, Mercure Penang Beach and Novotel Kuala Lumpur City Centre coupled with acquisition of two hotel assets in Ipoh, Perak and in Seoul, South Korea.

On 31 December 2018, the Group acquired a 266 rooms hotel known as Heritage Hotel Ipoh located at Jalan Raja Dhilir, Ipoh, Perak which is a premier business class hotel ideally located in the heart of Ipoh City with a panoramic view of the adjacent Ipoh Turf Club for a total cash consideration of RM38 million. Subsequently on 21 June 2019, the Group purchased another hotel in Seoul, South Korea at RM207.2 million (KRW59 billion). This is a freehold without restriction on foreign ownership 224 rooms 14 storey midscale hotel built in 2015. This hotel building was accorded with a local sustainable building certification named G-SEED in 2015. The hotel was rebranded as Travelodge Myeongdong Euljiro on completion date.

The Group's total borrowings amounted to RM139.2 million as at 30 June 2019 compared to previous year's RM24.3 million. Of the total borrowings, approximately 3.0% is due within 12 months. The Group has adequate bank balances and deposits to service its debt obligations as and when they become due and payable.

On a net basis, our gearing stood at 0.09x shareholders' funds as at 30 June 2019 indicating that the Group has sufficient capacity to undertake additional borrowings for future expansion when necessary. The gearing has risen from 0.02x a year ago arising from a new borrowing of RM116.1 million (KRW32.45 billion) incurred for the acquisition of the hotel in Seoul, South Korea.

Our financial position remains robust and we expect that the Group will be able to fund its planned development activities comfortably in the coming year. At the same time, when suitable land becomes available in the market, we are in a position to leverage further to capitalise on such opportunities.

DIVIDENDS

For the FY2019, the Company has proposed a final single tier dividend of 4.5 sen per share. This dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company. In respect of the FY2018, a final single tier dividend of 4.5 sen per share was paid on 15 November 2018.

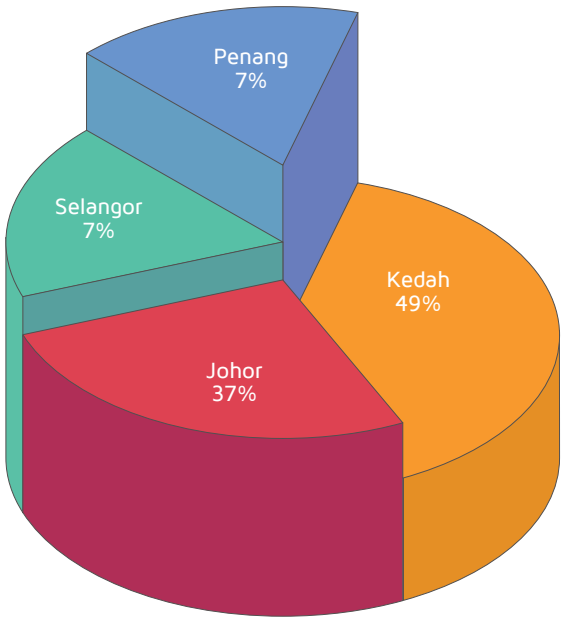
REVIEW OF OPERATING ACTIVITIES

PROPERTY DEVELOPMENT

The Group's current landbank stood at approximately 1,288 acres. Property development remains the mainstay of the Group which contributed 72% of revenue for FY2019 and 69% for FY2018.

Total sales secured in FY2019 was RM181.2 million, RM47.8 million higher than FY2018 at RM133.4 million. FY2019 sales were led by the Group's properties in Johor Bahru, Phase 19/20 – Harp, Taman Desa Tebrau.

Group Land Bank by Location



Location	Land Area
Kedah	635
Johor	482
Penang	88
Selangor	83
Total	**1,288**

Management Meeting @ Bukit Bintang Sales Gallery, Sg Petani

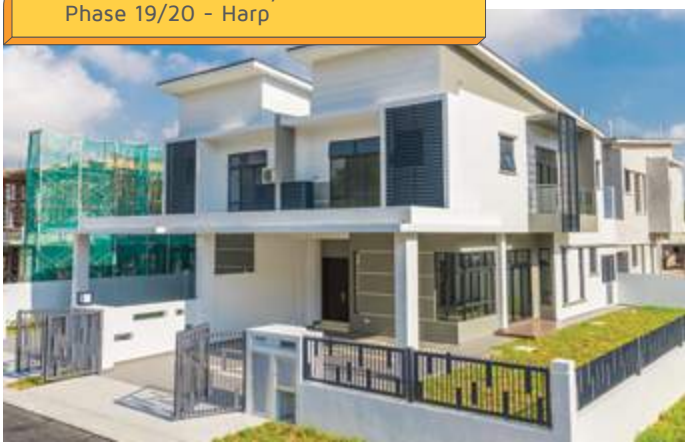


Southern Region
Taman Desa Tebrau, Johor Bahru

Taman Desa Tebrau is situated within the Iskandar Development Region of Johor. Spanning 965 acres, this township features niched contemporary homes in a mixed development. It is one of the major developments in Tebrau, Johor and is setting trends, as well as dictating market conditions and pricing in the state of Johor.

Current development Phase 19/20 - Harp, 212 units cluster homes is 55% sold. Target completion date for first 100 units of Phase 19/20 - Harp, is by January 2020 and balance 112 units are expected to be completed by first quarter of 2021.

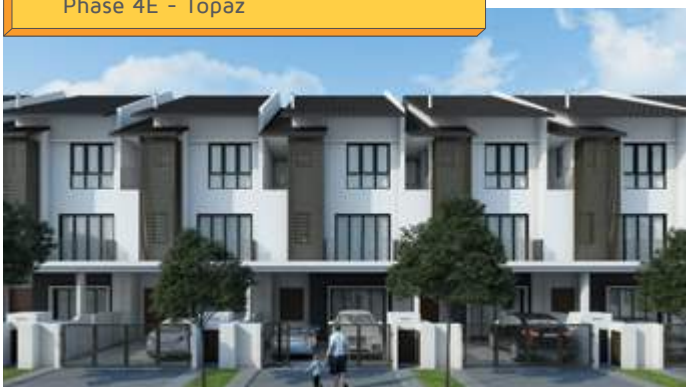
Taman Desa Tebrau,
Phase 19/20 - Harp



Central Region
Taman Putra Prima, Puchong

Taman Putra Prima is a freehold mixed development township that enjoys an unparalleled location within the Multimedia Super Corridor, Kuala Lumpur, Puchong and Cyberjaya. This 451.6 acres development is a well planned township featuring 'Green' concept with stylish and spacious homes within a green lung and surrounding amenities. Phase 4E – Topaz, 136 units 2 & 3 storey terrace houses was launched in August 2018 and 20% was sold to-date. The target completion date for Phase 4E is by first quarter of 2020.

Taman Putra Prima,
Phase 4E - Topaz



Northern Region
Bintang Maya, Sungai Petani

Bintang Maya is located in Sungai Petani, Kedah, with a land area of approximately 30.5 acres. It consists of 343 units of double storey terrace houses. The total gross development value ("GDV") is expected to be RM145.9 million. The first phase of the project commenced in 2015 and since then 164 units had been fully sold and completed with a total GDV of RM67.1 million. Bintang Maya 2 development is ongoing and expected to be completed in the first quarter of 2020.

Bintang Maya 2, Sungai Petani



The Marin @ Ferringhi

The Marin sits on an over 4 acres of prime freehold land lust with greenery and enjoys spectacular and unobstructed views of the Andaman Sea, located in the tourism hotspot, which has been gifted with wonderful beaches and resorts, Batu Ferringhi of Penang.

As of FY2019, 45% of units in Tower A were sold. Overall the slow take up in sales is due to the continued consolidating property market and weak business sentiments.

The Marin @ Ferringhi show unit



Infinity Pool @ The Marin



HOTEL OPERATIONS

As at 30 June 2019, the Group has the following 7 hospitality properties:

- A Novotel Kuala Lumpur City Centre, Kuala Lumpur
- B Oakwood Hotel & Residence Kuala Lumpur
- C Mercure Penang Beach, Penang
- D The Gurney Resort Hotel and Residences, Penang
- E Travelodge Georgetown, Penang
- F Travelodge Ipoh, Ipoh
- G Travelodge Myeongdong Euljiro, Seoul

The Group also invested in two residences assets namely Nomad Bangsar Serviced Residences, Kuala Lumpur and Tanjung Point Residences, Penang.

During FY2019, the Group refurbished Block B of Nomad Serviced Residences Bangsar in September 2018 and started renovation for Novotel Kuala Lumpur City Centre in November 2018. Novotel Kuala Lumpur City Centre's renovation is carried out by closing floors in phases. To date, refurbishment works for 107 rooms have completed and the balance rooms and public areas such as restaurants & lobby lounge are targeted to complete by August 2020.

In addition, the Group has rebranded The Four Points by Sheraton Penang to Mercure Penang Beach on 1 October 2018. Mercure is part of the Accor Hotels Group. Besides, The GLOW Penang was rebranded to Travelodge Georgetown on 1 January 2019.

Mercure Penang Beach



Travelodge Myeongdong Euljiro, Seoul



Heritage Ipoh Hotel acquired in December 2018 was closed on 30 June 2019 for comprehensive and full renovations. It is targeted to open on 1 January 2020 and to be rebranded as Travelodge Ipoh.

Our first overseas venture, Travelodge Myeongdong Euljiro has been performing well so far with an average daily occupancy rate of around 80%.

FORWARD-LOOKING STATEMENT

The Malaysian economy is likely to be weighed down by slower global growth and trade tensions, hence the Group foresees that the remainder of the financial year ending 30 June 2020 ("FY2020") to be challenging.

For FY2020, the property division will focus on development of landed residential houses at strategic locations which will contribute positively to the Group's earnings. The Group will continue to adopt a more cautious approach in new property launches and will continue to intensify its marketing and sales initiatives to promote the Group's existing properties.

For the coming financial year, following the success of earlier launches, and barring any unforeseen circumstances, the Group plans to launch Phase 3 of Bintang Maya 2 double storey terrace houses, Phase 5 of Taman Putra Permai 2 & 3 storey terrace houses and Phase 3A of Taman Desa Tebrau double storey terrace houses with estimated total gross development value of RM288.3 million. The division is confident that these projects will generate strong interest from would-be homeowners due to their value-added propositions and excellent locations.

The hotel business remains challenging in an increasingly competitive market. To remain relevant and competitive in the hospitality industry, we continue to strategically refurbish the older properties. When completed, the respective hotels will continue to offer improved products and upgraded facilities thereby positioning the Hotels to better compete in the marketplace and provide an excellent platform to drive future growth.

Faced with a challenging operating environment domestically, the Group is expected to maintain its performance in the coming financial year. For the coming years, the Group will continue to pursue its long-term strategies of strengthening its regional footprint, growing its recurring income base, pursuing its domestic business agenda, and continue reviewing its asset portfolio. The Group is also on the lookout for prime and strategic development lands that may become available under the current market situation to ensure sustainable business growth.

the nomad
Serviced Residences
BANGSAR



Living & Dining Area



Living Room



Kitchen Area



Outdoor Pool & BBQ Station



Main Lobby

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

This CG Overview Statement provides an overview of the corporate governance ("CG") practices of the Company under the leadership of the Board during the financial year ended 30 June 2019. It is to be read in conjunction with the Corporate Governance Report ("CG Report"), which is made available online at www.plenitude.com.my. The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during the financial year 2019.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

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

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

In support of the Board and to facilitate expeditious decisions, there is the Limits of Authority ("LOA") document. The LOA serves to optimise operational efficiency and outlines high level duties and responsibilities of the Board and delegation of the day-to-day management of the Group and the Company to the Executive Director, Chief Executive Officer ("CEO"), Chief Operating Officer ("COO") and Chief Financial Officer ("CFO") (collectively "the Management Committee"). This delegation is further cascaded by the Management Committee to the Group Functional Heads ("Group Management Team") and Operations Management ("Operations Management Team") of subsidiary companies.This committee is duly authorised by the Board to approve business, operational and administrative decisions beyond the approved limits granted to Senior Management and Operation Management (collectively "the Management"), to review business strategies and operations and ensure adherence to policies and strategies approved by the Board.

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

The positions of the Chairman and CEO are held by different individuals. The Chairman, who is a Non-Independent Non-Executive Director, is primarily responsible for leadership, effective conduct and workings of the Board. The CEO is responsible for the Group's day-to-day business operations and together with the Group Management

Team are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.

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

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the Statutory Register of the Company. The Company 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. The Board has full access to the Company Secretaries.

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

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

In September 2019, the Board has reviewed and approved the amendments to the Board Charter, the Code of Conduct and Ethics for Directors and terms of reference of Audit Committee, Nomination Committee and Remuneration Committee to be in line with the practices of the MCCG and the Companies Act 2016.

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

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

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

2. BOARD COMPOSITION

2.1 The Board consists of a total of five (5) Directors comprising one (1) Non-independent Non-Executive Chairman and four (4) Independent Non-Executive Directors. 80% of the Board is independent directors. The Board has complied with paragraph 15.02(1) of the MMLR which requires that at least two Directors or one-third of the Board of the Company, whichever is higher, are Independent Directors; and conformed to the MCCG recommendation that of at least half of the board comprises independent directors.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness. Ongoing efforts are also taken to maintain an appropriate gender representation on the Board. The profile of each Director is presented on page 8 of this Annual Report.

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

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

Mr Tan Kak Teck has served sixteen 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 19th AGM through a two-tier voting process.

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

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

At the forthcoming 19th AGM, the two Directors who will be retiring by rotation are Madam Chua Elsie and Mr Tan Kak Teck. Both Madam Chua Elsie and Mr Tan Kak Teck, being eligible, offer themselves for re-election.

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

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

During the financial year ended 30 June 2019, the Nomination Committee met twice in carrying out the following activities:-

I Assessed the performance of the Board, Board Committees and individual Directors,

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

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

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

2.6 Five (5) Board meetings were held during the financial year ended 30 June 2019. All Directors fulfilled the requirements of the Constitution with respect to the Board meetings attendance that every Director must attend at least fifty (50) percent of the Board meetings held each financial year.

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

Name	Attendence
Chua Elsie	5/5
Tan Kak Teck	5/5
Ir. Teo Boon Keng	5/5
Lok Bah Bah @ Loh Yeow Boo	5/5
Tee Kim Chan	4/5
Datuk Mohd Nasir Bin Ali (retired on 31 October 2018)	2/2

2.7 The Board emphasises the importance of continuing education for the Directors to ensure that they are equipped with the necessary skills and knowledge to meet its challenges. All Directors are encouraged to attend appropriate external training programmes to gain insights and keep abreast with the development and issues relevant to the Group's businesses, especially in the areas of corporate governance and regulatory requirements. A training budget of RM6,000 per director is allocated every year for this purpose. During the financial year ended 30 June 2019, RM6,841 training fees were incurred.

The external training programmes, seminars and conferences attended by Directors during the financial year ended 30 June 2019 included the following:-

No.	Director	Programme
1	Chua Elsie Tan Kak Teck Ir. Teo Boon Keng	▪ Sustainability Reporting Workshop for the Implementation Committee
2	Tan Kak Teck	▪ Independent Director's Programme – The Essence of Independence
3	Lok Bah Bah @ Loh Yeow Boo	▪ GST to SST Process Compliance Costing Accounting Treatment ▪ Property Development & Construction Contract Activities ▪ Income Tax on Property Development Activities
4	Ir. Teo Boon Keng	▪ Practical Approach and Guideline for Risk Management and Internal Control ▪ Financial Crime and Terrorism Financing ▪ MFRS Made Simple for Directors and Senior Management

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

3. REMUNERATION

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

The proposed Directors' Fees for the Non-Executive Directors ("NEDs") of RM270,000 for the financial year ending 2020, which represents an increase of RM140,000 from the previous financial year of RM130,000, will be recommended to the shareholders for approval at the forthcoming 19th AGM.

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

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

Having regard in respect of the ambit of benefits payable to Directors as required by the Companies Act 2016, the Board approved the RC's recommendation for Plenitude Berhad to seek shareholders approval at the forthcoming 19th AGM on the Directors remuneration through the two following resolutions:

- To approve the payment of Directors' fees amounting to RM270,000 in respect of financial year ending 30 June 2020.
- To approve the payment of the NEDs remuneration other than the Directors' fees to the NEDs up to the next AGM.

In addition to the above, the Directors have the benefit of Directors & Officers Liability Insurance ("D&O") in respect of any liabilities arising from acts committed in their respective capacity as the directors and officers of Plenitude Berhad and of the Group. 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 on named basis for the financial year under review is as follows:-

Name of Director	Paid by The Company (RM)					Total (RM)
	Salary	Other Remuneration	Gratuity	Director's Fee	Meeting Allowance	
Executive Chairman Chua Elsie *(re-designated Non-Independent Non-Executive Chairman on 1 November 20118)*	80,000	11,668	880,000	-	-	971,668
Non-Executive Directors Chua Elsie (Chairman)				-	-	-
Datuk Mohd Nasir Bin Ali *(retired on 31 October 2018)*				10,000	3,000	13,000
Tan Kak Teck				30,000	6,000	36,000
Ir Teo Boon Keng				30,000	5,000	35,000
Lok Bah Bah @ Loh Yeow Boo				30,000	7,000	37,000
Tee Kim Chan				30,000	4,000	34,000
Total	**80,000**	**11,668**	**880,000**	**130,000**	**25,000**	**1,126,668**

The disclosure of Directors remuneration is made in accordance with Appendix 9C, item 11, MMLR of Bursa Malaysia.

The Board has decided that the remuneration of Key Senior Management personnel is not being disclosed on a named basis in order to allay valid concerns on invasion of staff confidentiality and that such disclosure may be detrimental to its business interest given the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the industry.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE

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

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

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

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

2. RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK

Plenitude Berhad has put in place a systematic risk management framework and processes to identify, evaluate and monitor principal risks and implement appropriate internal control processes to manage risks across the Group. Risks such as long-term business strategies, regulatory and compliance concerns, substitution and technology applications and

fraudulent practices. Although many risks are outside the Company's direct control, a range of activities are in place to mitigate the key risks identified as set out in the Statement on Risk Management and Internal Control.

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

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

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

1. COMMUNICATION WITH STAKEHOLDERS

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

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

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

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

2. CONDUCT OF GENERAL MEETINGS

2.1 The Board acknowledges that general meetings are important avenues in engaging with shareholders and 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 are provided in the mailer. Our Share Registrar will ensure that printed copies reach shareholders within four (4) market days from receipt of written/verbal request. At the AGM, shareholders are encouraged to ask questions or seek clarifications on the agenda of the meeting. All Directors are available to respond to questions from shareholders during the meeting. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

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

COMPLIANCE STATEMENT

The Board considers that the Group has complied substantially with the principles and recommendations as stipulated in the MCCG throughout the financial year ended 30 June 2019.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

Audit fees paid and payable to the External Auditors by the Group and the Company for the financial year ended 30 June 2019 amount to RM294,690 and RM45,000 respectively.

Non-audit fees paid or payable to the External Auditors of RM50,000 is for the review of the effect of first-time adoption of MFRS Framework and RM9,000 is for the review of the Statement on Risk Management and Internal Control and other information in the Annual Report.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiary companies involving Directors' and major shareholders' interest during the financial year ended 30 June 2019.

This Statement is made in accordance with the resolution of the Board dated 18 September 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

BOARD RESPONSIBILITY

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

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

RISK MANAGEMENT FRAMEWORK

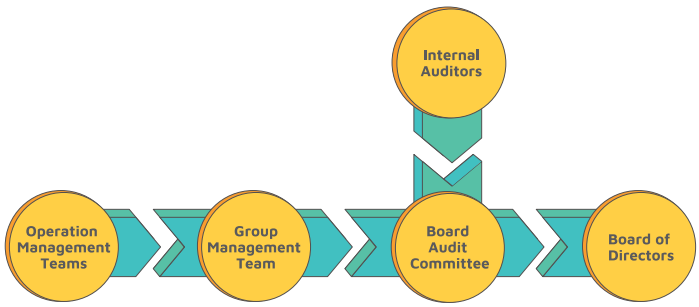
The Group has a risk management framework which provides oversight on risk management strategies, policies and guidelines, risk tolerance and other risk related matters. These crucial elements are embedded in the Group's management systems in respect of corporate culture, processes and organisational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



RISK MANAGEMENT STRUCTURE

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

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



Operation Management Teams

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

Group Management Team

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

Board Audit Committee

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

Board of Directors

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

RISKS

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

Operational Risks

- 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:

A Integrity and ethical values

Code of Ethics

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

Guidelines on misconduct and disciplines

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

B Commitment to competency

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

Training and development

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

Performance management

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

Succession Planning

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

C Board of Directors and Audit Committees participation

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

D Organisation structure

The Group has an organisational structure led by Chief Executive Officer ("CEO") 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 CEO/COO ("Management Committee") before they are tabled to the Board for adoption and implementation. These manuals are periodically reviewed and updated to ensure that they remain effective and continue to support the Group's business activities at all times as the Group continues to grow.

Limits of authority

The Group has a clearly defined and documented Limits of Authority ("LOA") which is 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.

A Standard of operation manuals

Policies and procedures for key business processes are formalised and documented for each of the significant operating units and translated into operational manuals and guidelines. The Group has in place the standard of operation manual for IT, Finance, Credit Control, Sales 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.

B Budgeting process

Annual budgets are prepared by each business unit and deliberated with Group Management Team. The business units identified 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 Meeting take place on a monthly and quarterly basis.

C Tender and selection process

The Group has a stringent tender and selection process in awarding contracts to contractors and suppliers. There is a set number of tenderers requirement for certain values of contracts. A pre-qualification exercise of which financial capability and project experience background check will be carried out by the management team at subsidiary level. Tenders are opened in the presence of the Head of Subsidiary Company, Finance Manager and consultant concerned with tender sums recorded and kept private and confidential. 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. Group Contract Manager carries out independent reviews 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.

D 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.

E Insurance and physical safeguard

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

4. INFORMATION AND COMMUNICATION

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

5. MONITORING

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

Performance reporting

Management Committee Meetings

Group Management Team meets monthly and as and when required to deliberate on business performance, financial and operating risks and issues which include reviewing, resolving and approving all key business strategic measures and policies. Progress, exceptions and variations are also fully discussed and appropriate action taken. Similar monthly meetings were held 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 employed Internal Auditor for property division report functionally to the Board through the Audit Committee. The outsourced Internal Auditor reports on the operational and financial auditing on quarterly basis. The employed Internal Auditor-Projects 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 on pages 45 to 47 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 2019 and reported to the Board that nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control is not prepared in all material aspect, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

In accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Review of Historical Financial Information and AAPG3, Guidance for Auditors on Engagements 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 Chief Executive Officer and Chief Financial Officer 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 18 September 2019.

AUDIT COMMITTEE REPORT

The Board of Plenitude Berhad is pleased to present the Audit Committee ("AC") Report for the financial year ended 30 June 2019.

COMPOSITION AND MEETINGS

COMPOSITION

The AC consists of three (3) Independent Non-Executive Directors and has met five (5) times on 27 August 2018, 13 September 2018, 23 November 2018, 26 February 2019 and 24 May 2019.

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

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

The AC 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 AC for more than six (6) years, experienced in project management and project development and is involved in his own business ventures.

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

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

ATTENDANCE AT MEETINGS

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

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

External Auditors are invited to discuss the annual audit plan, interim and final audit reviews. The AC met the External Auditors twice on 27 August 2018 and 24 May 2019 without the presence of executive board members and management.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year ended 30 June 2019, the Audit Committee discharged its functions and carried out its duties as set out in the Terms of Reference ("TOR"), which made available at the Company's website www.plenitude.com.my. Key activities undertaken by the AC include the following:-

RISKS AND CONTROLS

A. Reviewed the internal audit internal 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 2019 Financial Statements.

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

FINANCIAL REPORTING

A. Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. Chief Executive Officer, Chief Financial 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 to the audit findings for the financial year.

C. Reviewed the Audited Financial Statements and Annual Report of the Group for the financial year prior to submission to the Board for consideration and approval.

D. Reviewed on quarterly basis related party transactions including recurrent related party transactions entered into by the Group and any conflict of interest that may arise.

INTERNAL AND EXTERNAL AUDIT PROCESSES

A. Reviewed and discussed with External Auditors on their 2019 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 PLT, had in their 2019 audit plan confirmed that they are in compliance with the requirements of independence under the local professional institutes' rules and International Standards on Auditing.

OTHER RESPONSIBILITIES

Other recurring tasks included:-

- Reviewed and recommended the 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.
- Reviewed the proposals for non-audit services rendered by the External Auditors in reviewing the Statement on Risk Management and Internal Control and other information in the Annual Report.
- Reviewed proposal(s) on fixed assets written off, assessed its profit or loss impact and made recommendations to the Board for approval.

INTERNAL AUDIT FUNCTION

The Internal Auditor's 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 2019, the internal audit function was outsourced to a professional service firm (outsourced Internal Auditor) which focused on business and financial audits. In addition, the Group has a full time Internal Auditor-Projects (employed Internal Auditor). Internal Auditor-Projects is tasked with conducting audits on projects' progress, management and workmanship. Both outsourced and employed internal auditors are collectively referred to as Internal Auditors and they report directly to the Audit Committee. All internal auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The outsourced Internal Auditor carries out business and financial audits on operating subsidiary companies by rotation on a quarterly basis. The Internal Auditor-Projects carries out audit visits to project sites by rotation, reporting to Management Committee monthly 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, quality in construction 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

The internal audit reports are issued to key management for their response and to agree on action plans with deadlines to complete the necessary preventive and corrective actions. The reports are tabled at Audit Committee meeting and the summary of key findings is circulated to the Audit Committee for due deliberation to ensure that key management undertake to carry out the agreed remedial actions. Members of key management (both group management and operation management) 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 Plenitude Permai Sdn Bhd, Oakwood Hotel & Residence Kuala Lumpur, Mercure Penang Beach and The Gurney Resort Hotel and Residences. Internal Auditor-Projects had audited the ongoing projects: Taman Putra Prima, Puchong Phase 4E, 136 units 2&3 storey terrace house and Phase 19&20 234 units 2 storey terrace house and 212 units cluster home in Taman Desa Tebrau at Johor Bahru. He also updated the defects rectification status of recently completed projects: Phase 7A Low Cost Apartment and Phase 2C 2&3 storey terrace house in Taman Putra Prima at Puchong, Selangor. In addition, Internal Auditor-Projects also carried out physical asset audit for hotel buildings of Plenitude Berhad Group.

Key auditable activities that were completed in 2018/2019 include:-

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

The total cost incurred for the internal audit function for the financial year under review was RM263,480.

HARP

TAMAN DESA TEBRAU
JOHOR BAHRU

FREEHOLD

SURROUNDED BY LUSH GREENERY

RESIDENTIAL, LANDED, DOUBLE STOREY CLUSTER HOMES

4 BEDROOMS + 1 UTILITY ROOM AND 5 BATHROOMS

LAND AREA
34′ X 80′

49.34 ACRES

BUILT UP
2,677 SQ.FT

IDEAL RESEDENTIAL NEIGHBOURHOOD



TYPE C4



DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE ANNUAL 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:-



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.

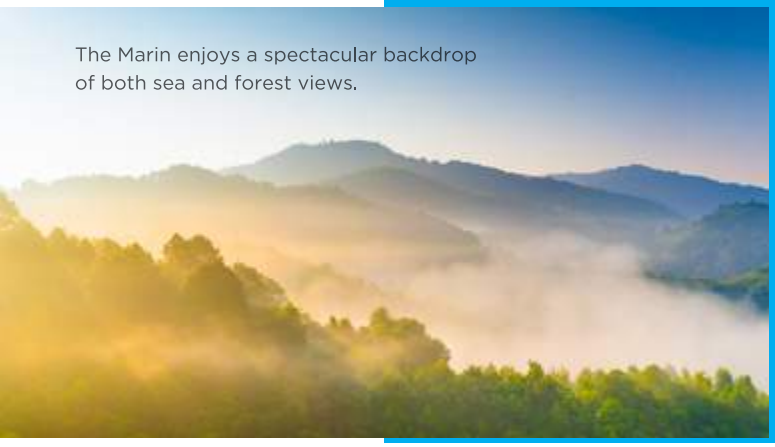
The Directors have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

THE MARIN
AT FERRINGHI

KOHLER presents
PropertyGuru ASIA PROPERTY AWARDS MALAYSIA
HIGHLY COMMENDED
BEST CONDO DEVELOPMENT (PENANG)
The Marin at Ferringhi by Plenitude Berhad
2018



A GRANDSTAND VIEW OF THE ANDAMAN SEA



The Marin enjoys a spectacular backdrop of both sea and forest views.

Luxury freehold condominium at Batu Ferringhi, Penang.

Low density development with 149 units only.

Only 4 units per floor. The Marin offers generous space, privacy & exclusivity.

Spacious layout. 3+1 bedrooms and 4 bathrooms.

Panoramic sea view with a rainforest backdrop.

Partially furnished units with **Smart Home system.**

Multi-level security system with 24-hr CCTV surveillance.

1 acre of your own **private resort gardens.**

PLENITUDE

Plenitude Bayu Sdn. Bhd.
(799140-W)
A wholly-owned subsidiary of Plenitude Berhad

508, Ground Floor, Jalan Tanjung Tokong
10470 Tanjung Tokong, Pulau Pinang
Malaysia. **www.themarinpenang.com**

+604.2910888
+6012.2910051

NOVOTEL HOTELS

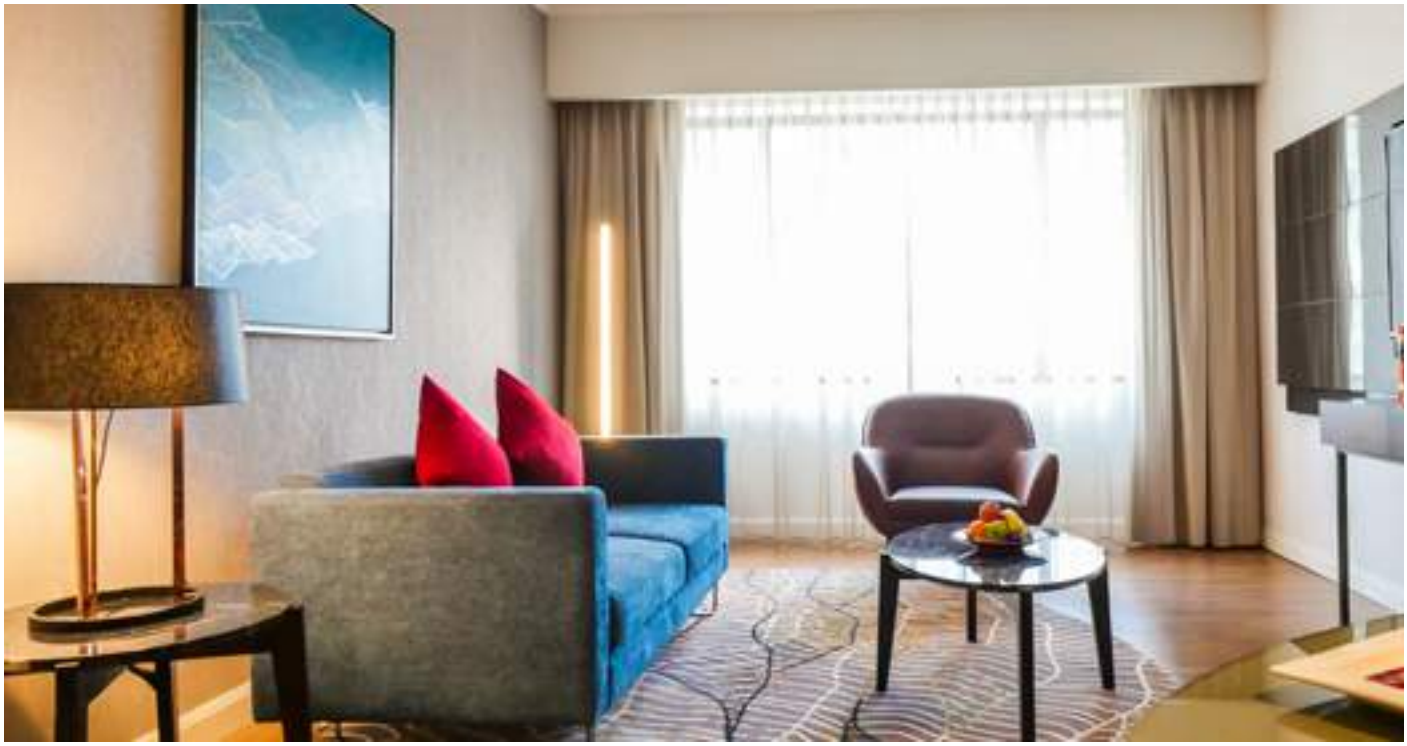
KUALA LUMPUR
CITY CENTRE



Novotel Kuala Lumpur City Centre Meeting Room



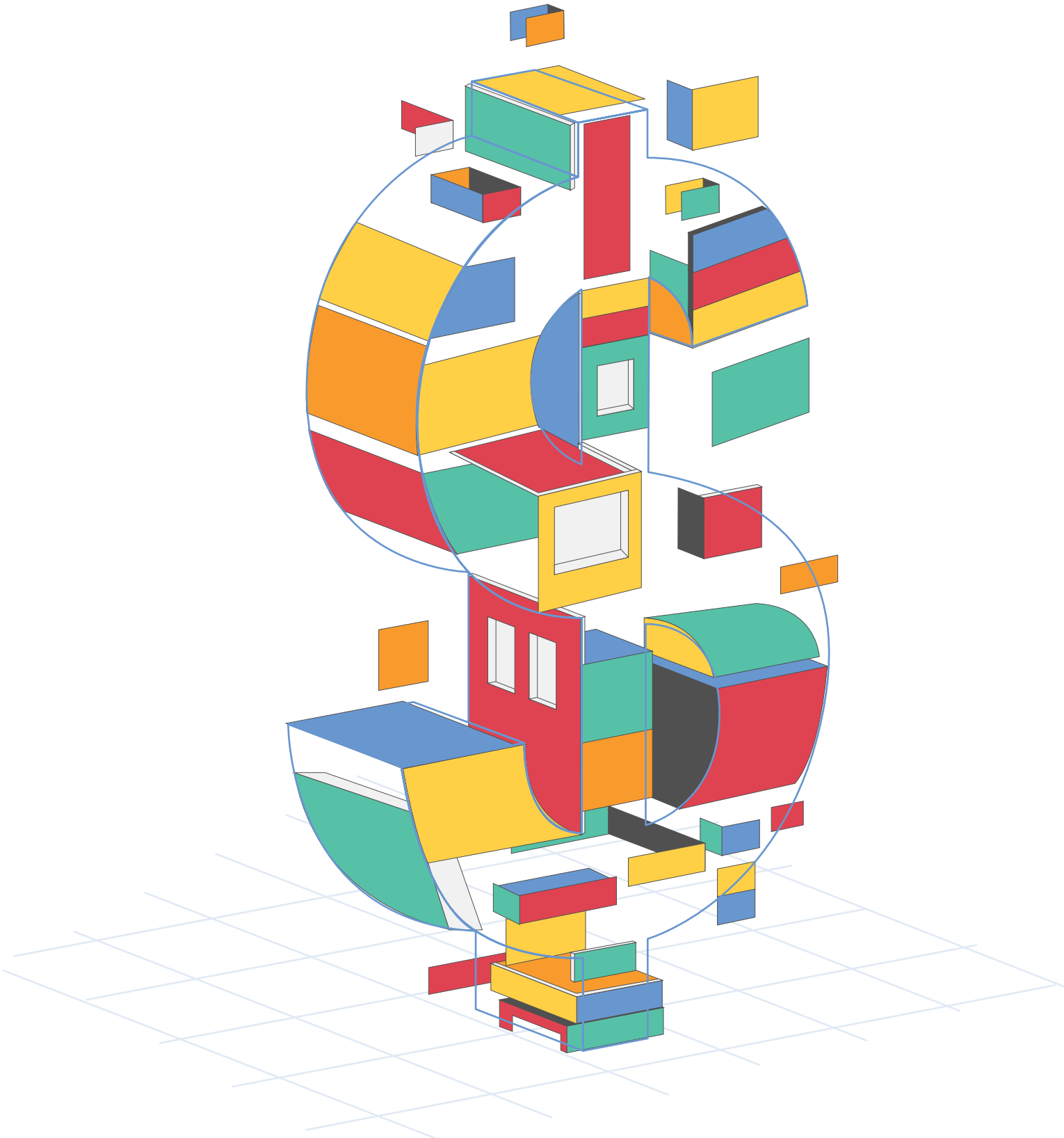
Outdoor Swimming Pool



Executive Suite - Living Hall



Deluxe Twin Room



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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 2019.

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 15 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year, net of tax	41,120	46,562
Attributable to:		
Owners of the Company	42,248	46,562
Non-Controlling Interests	(1,128)	-
	41,120	46,562

DIVIDENDS

A final 4.5 sen single-tier dividend of RM17,169,019 on 381,533,758 ordinary shares proposed in respect of 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 2020.

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 other than those disclosed in the financial statements, no bad debts to be written off and no allowance for doubtful debts was necessary.

At the date of this report, the directors are not aware of any circumstances which would require it necessary to write off any bad debts or to make any allowance for doubtful debts in the 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*
(Retired on 31.10.2018)
Ir. Teo Boon Keng
Lok Bah Bah @ Loh Yeow Boo*
Tan Kak Teck
Tee Kim Chan*

** Directors of the Company and certain subsidiaries*

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

1. Aklif bin Amir
2. Alberto V. Igruby
3. Alvin Christian
4. Ani Dinasan Dinasan
5. Benny Yap Yuwen
6. Cherryl Ami F. Macutay
7. Chua Kian Chong
8. Hashimah binti Ismail
9. James Leslie Ponniah
10. Josephine Premla Sivaretnam
11. Willie B. Santiago

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
The Company	**At 01.07.2018**	**Bought**	**Sold**	**At 30.06.2019**
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.*

Other than as disclosed above, 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 or during the financial year.

DIRECTORS' BENEFITS

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

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

INDEMNITY TO DIRECTORS AND OFFICERS

The Company maintained a Directors' and Officers' Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the Directors and officers of the Company and of the Group, the total amount of D&O Insurance affected was RM15,000,000 and the total amount of premium paid for the D&O Insurance was RM26,080.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 15 to the financial statements.

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year is disclosed in Note 28 to the financial statements.

AUDITORS' REMUNERATION

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

INDEMNITY TO AUDITORS

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

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT (converted from a conventional partnership, Baker Tilly Monteiro Heng on 5 March 2019), 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: 26 September 2019

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000
Revenue	5	226,570	234,919	32,802	50,604
Cost of sales	6	(106,049)	(115,186)	-	-
Gross profit		120,521	119,733	32,802	50,604
Investment income	7	14,599	16,232	5,741	7,787
Other income		12,158	9,805	17,481	16,315
Finance costs	8	(1,206)	(1,275)	-	-
Administrative expenses		(83,487)	(73,736)	(4,480)	(7,858)
Other expenses		(1,950)	(2,711)	(26)	(107)
Profit before taxation	9	60,635	68,048	51,518	66,741
Taxation	10	(19,515)	(21,661)	(4,956)	(7,356)
Net profit for the financial year		41,120	46,387	46,562	59,385
Other comprehensive (expense)/ income, net of tax					
Item that will not be reclassified subsequently to profit or loss:					
Fair value loss on equity instruments designated at fair value through other comprehensive income	19(a)	(3,188)	-	-	-
		(3,188)	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Fair value changes on available for-sale financial assets	19(a)	-	2,581	-	-
Foreign currency translation differences for foreign operations		330	(786)	-	-
		330	1,795	-	-
Other comprehensive (loss)/income for the financial year		(2,858)	1,795	-	-
Total comprehensive income for the financial year		38,262	48,182	46,562	59,385

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)

	Note	Group		Company	
		2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000
Profit/(Loss) attributable to:					
Owners of the Company		42,248	46,387	46,562	59,385
Non-controlling interests		(1,128)	-	-	-
		41,120	46,387	46,562	59,385
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		39,154	48,182	46,562	59,385
Non-controlling interests		(892)	-	-	-
		38,262	48,182	46,562	59,385
Earnings per ordinary share attributable to					
Owners of the Company (sen)					
- Basic	11	11.1	12.2		
- Diluted	11	11.1	12.2		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Group 30.06.2019 RM'000	30.06.2018 RM'000 Restated	01.07.2017 RM'000 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	12	891,721	619,563	563,931
Investment properties	13	62,315	63,161	63,015
Inventories	14	331,456	358,409	354,039
Goodwill	15(b)	3,703	-	-
Deferred tax assets	16	19,811	16,350	18,126
Total non-current assets		1,309,006	1,057,483	999,111
Current assets				
Inventories	14	267,005	191,290	226,924
Trade and other receivables	17	44,373	33,244	52,592
Contract assets	18	6,167	3,104	8,679
Tax recoverable		10,145	9,844	6,591
Short term investments	19	100,343	99,272	64,371
Fixed income trust fund	20	-	-	15,548
Fixed deposits with licensed banks	20	79,333	249,267	247,044
Cash and bank balances	20	88,525	80,501	80,892
Total current assets		595,891	666,522	702,641
TOTAL ASSETS		1,904,897	1,724,005	1,701,752

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019 (CONT'D)

	Note	Group 30.06.2019 RM'000	30.06.2018 RM'000 Restated	01.07.2017 RM'000 Restated
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	21	515,315	515,315	515,315
Reserves	22	1,062,292	1,040,307	1,009,294
		1,577,607	1,555,622	1,524,609
Non-controlling interests		39,950	-	-
TOTAL EQUITY		1,617,557	1,555,622	1,524,609
Non-current liabilities				
Bank borrowings	23	135,007	23,284	30,538
Trade and other payables	24	826	-	-
Deferred tax liabilities	16	30,631	31,155	32,199
Total non-current liabilities		166,464	54,439	62,737
Current liabilities				
Bank borrowings	23	4,201	1,054	600
Trade and other payables	24	102,868	93,917	106,103
Contract liabilities	18	12,488	17,978	6,778
Tax liabilities		1,319	995	925
Total current liabilities		120,876	113,944	114,406
TOTAL LIABILITIES		287,340	168,383	177,143
TOTAL EQUITY AND LIABILITIES		1,904,897	1,724,005	1,701,752

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019 (CONT'D)

	Note	Company 30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	12	78	479	719
Investment in subsidiary companies	15	1,010,576	938,269	550,067
Amount owing by subsidiary companies	15(g)	91,924	-	-
Total non-current assets		1,102,578	938,748	550,786
Current assets				
Trade and other receivables	17	118	1,085	67
Amount owing by subsidiary companies	15(g)	13,408	17,595	389,663
Tax recoverable		-	-	170
Short term investments	19	36,580	32,320	-
Fixed income trust fund	20	-	-	15,548
Fixed deposits with licensed banks	20	52,228	161,096	150,550
Cash and bank balances	20	2,724	4,875	5,024
Total current assets		105,058	216,971	561,022
TOTAL ASSETS		1,207,636	1,155,719	1,111,808

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019 (CONT'D)

	Note	Company 30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	21	515,315	515,315	515,315
Reserves	22	548,440	519,047	476,831
TOTAL EQUITY		1,063,755	1,034,362	992,146
Current liabilities				
Trade and other payables	24	120	1,140	983
Amount owing to subsidiary companies	15(h)	143,615	119,891	118,679
Tax liabilities		146	326	-
Total current liabilities		143,881	121,357	119,662
TOTAL LIABILITIES		143,881	121,357	119,662
TOTAL EQUITY AND LIABILITIES		1,207,636	1,155,719	1,111,808

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Attributable to owners of the Company				
	Note	Share capital RM'000	Available-for-sale reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group						
At 30 June 2017 - As previously reported		515,315	13,209	839	993,272	1,522,635
Effect of transition to MFRSs - MFRS 15		-	-	-	1,974	1,974
Restated balance as at 1 July 2017		515,315	13,209	839	995,246	1,524,609
Net profit for the financial year		-	-	-	46,387	46,387
Fair value changes on available-for-sale financial assets	19(a)	-	2,581	-	-	2,581
Foreign currency translation differences for foreign operations		-	-	(786)	-	(786)
Total comprehensive income for the financial year		-	2,581	(786)	46,387	48,182
Transaction with owners:						
Dividends for the financial year ended 30 June 2017 -Final dividend	25	-	-	-	(17,169)	(17,169)
Total transaction with owners		-	-	-	(17,169)	(17,169)
At 30 June 2018		515,315	15,790	53	1,024,464	1,555,622

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)

		Attributable to owners of the Company							
	Note	Share capital RM'000	Available-for-sale reserve RM'000	Fair value reserve of financial assets at FVOCI RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group (Cont'd)									
At 1 July 2018 - As previously reported		515,315	15,790	-	53	1,028,162	1,559,320	-	1,559,320
Effects of transition to MFRSs - MFRS 9		-	(15,790)	15,790	-	-	-	-	-
- MFRS 15		-	-	-	-	(3,698)	(3,698)	-	(3,698)
Restated balances as at 1 July 2018		515,315	-	15,790	53	1,024,464	1,555,622	-	1,555,622
Net profit/(loss) for the financial year		-	-	-	-	42,248	42,248	(1,128)	41,120
Fair value changes on equity instruments designated at fair value through other comprehensive income	19(a)	-	-	(3,188)	-	-	(3,188)	-	(3,188)
Foreign currency translation differences for foreign operations		-	-	-	94	-	94	236	330
Total comprehensive income for the financial year		-	-	(3,188)	94	42,248	39,154	(892)	38,262

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)

		Attributable to owners of the Company							
	Note	Share capital RM'000	Available-for-sale reserve RM'000	Fair value reserve of financial assets at FVOCI RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group (Cont'd)									
Transaction with owners									
Dividends for the financial year ended 30 June 2018 - Final dividend	25	-	-	-	-	(17,169)	(17,169)	-	(17,169)
Non-controlling interests arising from acquisition of a new subsidiary		-	-	-	-	-	-	40,842	40,842
Total transactions with owners		-	-	-	-	(17,169)	(17,169)	40,842	23,673
At 30 June 2019		515,315	-	12,602	147	1,049,543	1,577,607	39,950	1,617,557

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)

		Attributable to owners of the Company		
	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Company				
At 1 July 2017		515,315	476,831	992,146
Net profit for the financial year		-	59,385	59,385
Transaction with owners:				
Dividends for the financial year ended 30 June 2017 - Final dividend	25	-	(17,169)	(17,169)
Total transactions with owners		-	(17,169)	(17,169)
At 30 June 2018		515,315	519,047	1,034,362
Net profit for the financial year		-	46,562	46,562
Transaction with owners:				
Dividends for the financial year ended 30 June 2018 -Final dividend	25	-	(17,169)	(17,169)
Total transaction with owners		-	(17,169)	(17,169)
At 30 June 2019		515,315	548,440	1,063,755

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000
Cash flows from operating activities					
Profit before taxation		60,635	68,048	51,518	66,741
Adjustments for:					
Depreciation of property, plant and equipment		20,026	17,316	221	257
Depreciation of investment properties		601	592	-	-
Impairment loss on other receivables		-	142	-	-
Finance costs		1,206	1,275	-	-
Inventories written down - Freehold land		1,358	-	-	-
Property, plant and equipment written off		405	2,049	-	-
Interest income		(6,416)	(9,863)	(21,140)	(22,954)
(Gain)/loss on disposal of property, plant and equipment		-	1	-	-
Gain on disposal of investment properties		(664)	-	-	-
Dividend income		(5,144)	(4,398)	(32,083)	(46,148)
Unrealised loss on foreign exchange		987	1,031	(108)	1,778
Profit/(Loss) before working capital changes		72,994	76,193	(1,592)	(326)
Decrease/(Increase) in:					
Inventories					
- Land held for future development		(1,061)	34,133	-	-
- Property development projects		(50,861)	(57,625)	-	-
- Completed properties		11,606	1,133	-	-
- General supplies of hotel operations		160	(39)	-	-
Trade and other receivables		(10,542)	19,207	967	(1,018)
Contract assets		(3,063)	5,575	-	-
Amount owing by subsidiary companies		-	-	(62,991)	(16,133)
		19,233	78,577	(63,616)	(17,477)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)

	Note	Group		Company	
		2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000
(Decrease)/Increase in:					
Trade and other payables		(7,282)	(27,920)	(1,020)	156
Contract liabilities		(5,490)	11,200	-	-
Amount owing to subsidiary companies		-	-	23,724	1,212
Net cash from/(used in) operations		6,461	61,857	(40,912)	(16,109)
Interest income received		1,241	1,238	17,481	16,315
Income tax refunded		204	2,606	-	-
Income tax paid		(23,684)	(26,718)	(5,137)	(6,859)
Net cash (used in)/from operating activities		(15,778)	38,983	(28,568)	(6,653)
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	15(b)	(72,704)	-	-	-
Interest income received		5,176	8,625	3,659	6,639
Proceeds from disposal of property, plant and equipment		-	91	187	84
Proceed from disposal of investment properties		960	-	-	-
Capital expenditure for investment properties		(51)	-	-	-
Purchase of property, plant and equipment		(86,989)	(6,431)	(7)	(101)
Purchase of short term investments		(4,260)	(32,321)	(4,259)	(32,321)
Dividend income received		5,144	4,398	32,083	46,148
Subscription of additional shares issued by a subsidiary company		-	-	(97,053)	-
Net cash (used in)/from investing activities		(152,724)	(25,638)	(65,390)	20,449

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated	Company 2019 RM'000	Company 2018 RM'000
Cash flows from financing activities					
Dividends paid		(17,169)	(17,169)	(17,169)	(17,169)
Interest paid		(1,206)	(1,275)	-	-
Subscription of additional equity interest by non-controlling interests		27,082	-	-	-
Repayment of bank borrowings	(a)	(1,268)	(6,800)	-	-
Net cash from/(used in) financing activities		7,439	(25,244)	(17,169)	(17,169)
Net decrease in cash and cash equivalents		(161,063)	(11,899)	(111,127)	(3,373)
Effect of exchange rate changes		(847)	(1,817)	108	(1,777)
Cash and cash equivalents at beginning of the financial year		329,768	343,484	165,971	171,121
Cash and cash equivalents at end of the financial year		167,858	329,768	54,952	165,971
Analysis of cash and cash equivalents:					
Fixed deposits with licensed banks	20	79,333	249,267	52,228	161,096
Cash and bank balances	20	88,525	80,501	2,724	4,875
		167,858	329,768	54,952	165,971

(A) Reconciliation of liabilities arising from financing activities

	Note	1 July 2018 RM'000	Cash flows RM'000	Acquisition RM'000	Exchange differences RM'000	30 June 2019 RM'000
Term loans	23	24,338	(1,268)	115,863	276	139,209

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 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 Company's principal activities are investment holding and the provision of management services. The principal activities of its subsidiary companies are stated in Note 15 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 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 26 September 2019.

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 the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Explanation of transition to MFRSs and change in accounting policy

A Transition to MFRSs

The financial statements of the Group and of the Company for the financial year ended 30 June 2019 are the first set of financial statements prepared in accordance with the MFRSs, including MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards.* For periods up to and including the financial year ended 30 June 2018, the Group and the Company prepared their financial statements in accordance with the Financial Reporting Standards ("FRSs") in Malaysia.

In preparing these financial statements, the Group's and the Company's opening MFRSs statements of financial position were prepared as at 1 July 2017 (the date of transition to MFRSs).

The Group and the Company have opted to adopt the short-term exemption from the requirement to restate the comparative information for MFRS 9 where the comparative information in the Group's and the Company's

2 BASIS OF PREPARATION (CONT'D)

2.2 Explanation of transition to MFRSs and change in accounting policy (Cont'd)

A Transition to MFRSs (Cont'd)

first MFRS financial statements need not comply with MFRS 7 Financial Instruments: Disclosure or the completed version of MFRS 9, to the extent that the disclosures required by MFRS 7 relate to items within the scope of MFRS9. The date of transition to MFRS 7 and MFRS 9 is the beginning of the first MFRS reporting period (1 July 2018).

The Group and the Company have consistently applied the same accounting policies in the preparation of the financial statements of the Group and of the Company for the financial year ended 30 June 2019, the comparative financial statements for the financial year ended 30 June 2018, and the opening MFRSs statements of financial position as at 1 July 2017, other than those as discussed below. The transition to the MFRSs framework does not have any significant effect on the financial statements of the Group and of the Company except for those discussed below.

I MFRS 15 revenue from contracts with customers

The Group has applied MFRS 15 in accordance with the full retrospective transitional approach without using the practical expedients for completed contracts in MFRS 15.C5(a), and (b), or for modified contracts in MFRS 15. C5(c) but using the expedient in MFRS 15. C5(d) allowing both non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the first MFRS reporting period, i.e. 1 July 2018.

The adoption of MFRS 15 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to contracts with customers, which the Group has complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Group, except for those as discussed below.

A Presentation of contract assets and contract liabilities

The Group has changed the presentation of certain amounts in the statements of financial position to reflect the terminology of MFRS 15:

- **I** Contract assets/liabilities recognised in relation to property development contracts which were previously presented as accrued/advance billings.

B Presentation of land held for property development and property development projects

The Group has reclassified the land held for property development and property development projects to inventories with separate disclosure of these balances have been made in the notes to the financial statements.

2 BASIS OF PREPARATION

2.2 Explanation of transition to MFRSs and change in accounting policy (Cont'd)

A Transition to MFRSs (Cont'd)

I MFRS 15 revenue from contracts with customers (Cont'd)

C Capitalisation of costs of obtaining contracts

The Group incurred incremental commission fees paid to intermediaries in connection with obtaining residential property sales contracts. When the Group expects that these incremental costs will be recovered, it capitalise these costs and amortise them over the period during which the residential property is transferred to the customer. These amounts were previously expensed as incurred.

D Timing of revenue recognition

The adoption of MFRS 15 means that revenue from property development contracts will be recognised on the basis of performance obligations. On the adoption of MFRS 15, revenue is adjusted to reflect the effect of changes to the timing of revenue recognition for property development activities.

II MFRS 9 financial instruments

A Classification and measurement

The following are the changes in the classification of the Group's and of the Company's financial assets:

I **Investments in quoted equity instruments classified as available-for-sale assets**

Investments in quoted equity instruments previously classified as available-for-sale financial assets as at 30 June 2018 are classified and measured as equity instruments designated at fair value through other comprehensive income ("DFVOCI") beginning 1 July 2018. The Group elected to classify irrevocably its investments in quoted equity instruments under this category because these investments are not held for trading. As a result, assets of the Group with a fair value of RM66,952,000 were reclassified from available-for-sale financial assets to DFVOCI. The fair value reserve of RM15,790,000 was reclassified from the available-for-sale reserve to fair value reserve of financial assets at FVOCI on 1 July 2018.

II **Loans and receivables classified as amortised cost**

Trade and other receivables, and other financial assets, including refundable deposits previously classified as Loans and Receivables under FRS 139 as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Accordingly, these financial assets are classified and measured as debt instruments at amortised cost beginning 1 July 2018.

2 BASIS OF PREPARATION

2.2 Explanation of transition to MFRSs and change in accounting policy (Cont'd)

A Transition to MFRSs (Cont'd)

II MFRS 9 Financial instruments (Cont'd)

A Classification and measurement (Cont'd)

In summary, the Group and the Company had the following required or elected reclassifications as at 1 July 2018:

		MFRS 9 measurement category	
FRS 139 measurement category	**RM'000**	**Fair value through other comprehensive income RM'000**	**Amortised cost RM'000**
Financial assets			
Groups			
Loans and receivables			
Trade and other receivables*	27,867	-	27,867
Cash and bank balances	80,501	-	80,501
Fixed deposits with licensed banks	249,267	-	249,267
Available-for-sale			
Short term investments	66,952	66,952	-
	424,587	66,952	357,635
Company			
Loans and receivables			
Trade and other receivables*	1,056	-	1,056
Amount owing by subsidiary companies	17,595	-	17,595
Cash and bank balances	4,875	-	4,875
Fixed deposits with licensed banks	161,096	-	161,096
	184,622	-	184,622

* Exclude prepayments and GST refundable

2 BASIS OF PREPARATION (CONT'D)

2.2 Explanation of transition to MFRSs and change in accounting policy (Cont'd)

A Transition to MFRSs (Cont'd)

II MFRS 9 financial instruments (Cont'd)

B Impairment

In previous financial years, trade and other receivables are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the receivables (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the receivables ("incurred loss model"). Upon adoption of MFRS 9, the Group and the Company are recording expected credit losses on all its trade and other receivables, either on a 12-month or lifetime basis. However, there is no material impact arising from application of simplified approach to record the lifetime expected credit losses.

The effect of adopting MFRS 9 as at 1 July 2018 was as follows:

		Group
	Adjustments note	**At 1 July 2018 RM'000**
Total adjustment on equity		
Available-for-sale reserve	2.2(a)(ii)(a)(i)	(15,790)
Fair value reserve of financial assets at FVOCI	2.2(a)(ii)(a)(i)	15,790
		-

B I Statements of financial position

	Note	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Group				
At 1 July 2017				
Land held for future developement	2.2(a)(i)(b)(d)	193,997	(193,997)	-
Property development projects	2.2(a)(i)(b)(d)	372,299	(372,299)	-
Inventories				
- Property held for development	2.2(a)(i)(b)(d)	-	550,273	550,273
Accrued billings	2.2(a)(i)(a)	5,198	(5,198)	-
Contract assets	2.2(a)(i)(a)	-	8,679	8,679
Trade and other payables		(120,447)	14,344	(106,103)
Advance billings	2.2(a)(i)(a)	(6,950)	6,950	-
Contract liabilities	2.2(a)(i)(a)	-	(6,778)	(6,778)

2 BASIS OF PREPARATION (CONT'D)

2.2 Explanation of transition to MFRSs and change in accounting policy (Cont'd)

B I Statements of financial position (Cont'd)

	Note	As previously reported RM'000	Adjustments RM'000	As restated RM'000
At 30 June 2018				
Land held for future developement	2.2(a)(i)(b)(d)	159,439	(159,439)	-
Property development projects	2.2(a)(i)(b)(d)	363,229	(363,229)	-
Inventories				
- Property held for development	2.2(a)(i)(b)(d)	-	519,463	519,463
- Completed properties	2.2(a)(i)(b)	28,978	619	29,597
Accrued billings	2.2(a)(i)(a)	2,375	(2,375)	-
Contract assets	2.2(a)(i)(a)	-	3,104	3,104
Trade and other payables	2.2(a)(i)(a)	(101,942)	8,025	(93,917)
Advance billings	2.2(a)(i)(a)	(7,329)	7,329	-
Contract liabilities	2.2(a)(i)(a)	-	(17,978)	(17,978)

II Reconciliation of equity

	Group	
	1 July 2017 RM'000	30 June 2018 RM'000
Equity as reported under FRSs	1,522,635	1,559,320
Add/(Less):		
Effects of transition of MFRSs		
Inventories:		
- Completed properties	-	618
- Property development projects	(290)	(2,566)
Trade and other receivables	-	145
Contract assets	3,480	729
Trade and other payables	(1,389)	8,025
Contract liabilities	173	(10,649)
	1,524,609	1,555,622

III Reconciliation of statements of cash flows

There is no difference between the restated statements of cash flows presented and the statements of cash flows presented under the FRSs.

2 BASIS OF PREPARATION (CONT'D)

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

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

New MFRS		Effective for financial periods beginning on or after
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time adoption of Malaysian Financial Reporting Standards	1 January 2021#
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*/ 1 January 2021#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021#
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021#
MFRS 9	Financial Instruments	1 January 2019/ 1 January 2021#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021#
MFRS 101	Presentation of Financial Statements	1 January 2020*/ 1 January 2021#
MFRS 107	Statements of Cash Flows	1 January 2021#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021#
MFRS 119	Employee Benefits	1 January 2019/ 1 January 2021#
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred/ 1 January 2021#
MFRS 132	Financial Instruments: Presentation	1 January 2021#
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*/ 1 January 2021#
MFRS 138	Intangible Assets	1 January 2020*/ 1 January 2021#
MFRS 140	Investment Property	1 January 2021#

2 BASIS OF PREPARATION (CONT'D)

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

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

New IC Int		Effective for financial periods beginning on or after
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IC Int		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

** Amendments to References to the Conceptual Framework in MFRS Standards*
 # Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

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

MFRS 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.

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Group as a lessee currently accounts for as operating leases. On adoption of this standard, the Group will be required to capitalise its rented premises and equipment on the statements of financial position by recognising them as "rights-of-use" assets and their corresponding lease liabilities for the present value of future lease payments.

The Group and the Company plan to adopt this standard when it becomes effective in the financial year beginning 1 July 2019 by applying the transitional provisions and include the required additional disclosures in their financial statements of that year. The Group is likely electing the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, existing lease contracts that are still effective on 1 July 2019 will be accounted for as lease contracts under MFRS 16.

2 BASIS OF PREPARATION (CONT'D)

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

Amendments to MFRS 9 Financial Instruments

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

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

Amendments to MFRS 112 Income Taxes

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

Amendments to MFRS 119 Employee Benefits

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

Amendments to MFRS 123 Borrowing Costs

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

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall:

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

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

Amendments to References to the Conceptual Framework in MFRS Standards

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

2 BASIS OF PREPARATION (CONT'D)

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

Amendments to References to the Conceptual Framework in MFRS Standards (Cont'd)

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

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

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

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

2.4 IFRS Interpretations Committee ("IFRIC")'s Agenda Decision on IAS 23 *Borrowing Costs*

In March 2019, the IFRIC has concluded that receivable, contract asset and inventory (work-in-progress) for unsold units under construction are not qualifying assets.

The Malaysian Accounting Standards Board ("MASB") announced that non-private entities in the real estate industry might need to change their accounting policy as a result of the IFRIC Agenda Decision. In ensuring consistent application of the MFRS, which are word-for-word the IFRS Standards, the MASB decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020 ("Mandatory Date").

The adoption of the change in accounting policy on borrowing costs did not have a material impact on the financial statements of the Group.

2.5 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 BASIS OF PREPARATION (CONT'D)

2.6 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.

2.7 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs 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 and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the standalone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A Revenue and other income (Cont'd)

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

I Property development

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collect deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Based on the Group's customary business practice, the customers' legal fees are borned by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A Revenue and other income (Cont'd)

I Property development (Cont'd)

The Group uses its experience in estimating the legal fees to be incurred The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision.

II Hotel operations

Rental of rooms

Revenue is measured based on the consideration specified in a contract with a guest upon actual occupancy by guest.

Sale of food and beverages and other related services

Revenue is measured based on the consideration specified in a contract with a customer upon rendering of services.

III Gross dividend income from subsidiary companies

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

IV Management fees

Management fees are recognised on an accrual basis.

V Interest income

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

VI Rental income

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A Revenue and other income (Cont'd)

VII Dividend income from fixed income trust fund and short term money market

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

B Employee benefits

I Short term employee benefits

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

II Defined contribution plans

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

C Borrowing costs

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

D Taxation

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D Taxation (Cont'd)

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

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

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

E Foreign currencies

I Functional and presentation currency

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

II Transactions and balances

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E Foreign currencies (Cont'd)

II Transactions and balances (Cont'd)

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

III Foreign operations

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

F Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies mentioned in Note 15 to the financial statements made up to 30 June 2019.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F Basis of consolidation (Cont'd)

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(L) to the financial statements.

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F Basis of consolidation (Cont'd)

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.

Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially 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(L) to the financial statements.

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(L) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G Property, plant and equipments (Cont'd)

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H Investment in subsidiary companies (Cont'd)

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

I 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.

Property under development

Cost includes:

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, statutory contributions, professional fees, property transfer taxes, construction overheads and other related costs
- all related costs incurred on activities necessary to prepare the land for its intended use

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

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.

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% (2018: 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.

K Financial instruments

Financial instruments 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K Financial instruments (Cont'd)

Accounting policies applied from 1 July 2018

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

A Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

I Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K Financial instruments (Cont'd)

Accounting policies applied from 1 July 2018 (Cont'd)

A Subsequent measurement (Cont'd)

I Financial assets (Cont'd)

Debt instruments
Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classifies their debt instruments:

- ***Amortised cost***

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- ***Fair value through other comprehensive income ("FVOCI")***

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(L) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss. The Group and the Company have not designated any financial assets as financial assets at FVOCI.

- ***Fair value through profit or loss ("FVPL")***

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K Financial instruments (Cont'd)

Accounting policies applied from 1 July 2018 (Cont'd)

A Subsequent measurement (Cont'd)

I Financial assets (Cont'd)

Debt instruments (Cont'd)

Fair value through profit or loss ("FVPL") (Cont'd)

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

The Group and the Company subsequently measures all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

II Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as financial liabilities at fair value through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K Financial instruments (Cont'd)

Accounting policies applied from 1 July 2018 (Cont'd)

A Subsequent measurement (Cont'd)

II Financial liabilities (Cont'd)

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

B Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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 at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

C Derecognition

A financial asset or a part of it is derecognised when, and only when:

- the contractual rights to receive cash flows from the financial asset expire, or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K Financial instruments (Cont'd)

Accounting policies applied from 1 July 2018 (Cont'd)

C Derecognition (Cont'd)

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

D Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal 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.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

Accounting policies applied until 30 June 2018

A 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K Financial instruments (Cont'd)

Accounting policies applied until 30 June 2018 (Cont'd)

A Financial assets (Cont'd)

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.

III Held-to-maturity investments

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

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

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

The Group and the Company have not designated any financial assets as held-to-maturity investments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K Financial instruments (Cont'd)

Accounting policies applied until 30 June 2018 (Cont'd)

A Financial assets (Cont'd)

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.

L Impairment of financial assets

A Impairment of financial assets and contract assets

Accounting policies applied from 1 July 2018

Financial assets measured at amortised cost and lease receivables will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L Impairment of financial assets (Cont'd)

A Impairment of financial assets and contract assets (Cont'd)

Accounting policies applied from 1 July 2018 (Cont'd)

Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L Impairment of financial assets (Cont'd)

A Impairment of financial assets and contract assets (Cont'd)

Accounting policies applied from 1 July 2018 (Cont'd)

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L Impairment of financial assets (Cont'd)

A Impairment of financial assets and contract assets (Cont'd)

Accounting policies applied until 30 June 2018

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L Impairment of financial assets (Cont'd)

B Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

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 non-financial assets or cash-generating units ("CGUs"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use. 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 or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

M 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.

N 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.

O Operating leases

As lessee

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

As lessor

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

P Provisions for liabilities

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q 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.

R Contingencies

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

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

S 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.

T 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

T Fair value measurement (Cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is 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.

U Goods and services tax

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

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

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

A Property development revenue and expenses (Note 5, 6 and 14)

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend of the outcome of future events.

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

B Business combination (Note 15)

When the Group acquired Korea Investment Private Placement Business Hotel Real Estate Investment Trust, a judgement was made as to whether the transaction should be accounted for as a business combination or as a separate purchase of assets. In making this judgement, the Group assessed the assets, liabilities, operations and processes that were the subject of the transaction against the definition of a business in MFRS 3 *Business Combinations*. The Group assessed that the acquisition of Korea Investment Private Placement Business Hotel Real Estate Investment Trust qualifies as a business combination by applying the definition in MFRS 3.

Significant judgement is required in determining the accounting transaction of this acquisition and the Group has to apply judgement on purchase price allocation.

C Deferred tax assets (Note 16)

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 deductible temporary differences and unused tax credits can be utilised. Significant directors' 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.

5 REVENUE

		Group		Company	
	Note	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000
Revenue from contract customers:					
Property development		164,078	162,529	-	-
Hotel operations		62,492	72,390	-	-
		226,570	234,919	-	-
Revenue from other source:					
Dividend income from subsidiaries	30	-	-	30,000	45,000
Management fees	30	-	-	2,802	5,604
		226,570	234,919	32,802	50,604

A Disaggregation of revenue

The Group reports the following major segments: property development, hotel operations and investment holding in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into major goods or services and timing of revenue recognition.

5 REVENUE (CONT'D)

A Disaggregation of revenue (Cont'd)

	Property development RM'000	Hotel operations RM'000	Total RM'000
Group			
2019			
Major goods or services			
Residential units	164,078	-	164,078
Room revenue and related services	-	62,492	62,492
	164,078	62,492	226,570
Timing of revenue recognition:			
At a point in time	12,846	62,492	75,338
Over time	151,232	-	151,232
	164,078	62,492	226,570
2018			
Major goods or services			
Residential units	162,529	-	162,529
Room revenue and related services	-	72,390	72,390
	162,529	72,390	234,919
Timing of revenue recognition:			
At a point in time	46,757	72,390	119,147
Over time	115,772	-	115,772
	162,529	72,390	234,919

5 REVENUE (CONT'D)

A Disaggregation of revenue (Cont'd)

	Investment holding RM'000	Total RM'000
Company		
2019		
Major goods or services		
Dividend income from subsidiaries	30,000	30,000
Management fees	2,802	2,802
	32,802	32,802
Timing of revenue recognition:		
At a point in time	32,802	32,802
2018		
Major goods or services		
Dividend income from subsidiaries	45,000	45,000
Management fees	5,604	5,604
	50,604	50,604
Timing of revenue recognition:		
At a point in time	50,604	50,604

B Transaction price allocated to the remaining performance obligations

As of 30 June 2019, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM56,159,000 and the entity will recognise this revenue as the building is completed, which is expected to occur over the next 12 to 18 months.

In accordance with the transitional provisions in paragraph D34 of MFRS 1, the Group has applied the practical expedient in paragraph C5(d) of MFRS 15 and, for all reporting periods presented before the beginning of the first MFRS reporting period, do not disclose the amount of the transaction price allocated to the remaining performance obligations.

The Group apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

6 COST OF SALES

	Group	
	2019 RM'000	2018 RM'000 Restated
Property development costs		
- land held for future development	-	34,212
- property development	73,510	52,935
- inventories	7,090	1,603
- trading properties	-	300
Hotel operation costs	25,449	26,136
	106,049	115,186

7 INVESTMENT INCOME

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Lease rental income	13	3,616	3,209	-	-
Gain of disposal of investment properties		663	-	-	-
Interest income from fixed deposits		5,176	8,625	3,658	6,638
Dividend income from fixed income trust fund		-	328	-	328
Dividend income from short term investments		5,144	4,070	2,083	821
		14,599	16,232	5,741	7,787

8 FINANCE COSTS

	Group	
	2019 RM'000	2018 RM'000
Bank overdrafts	50	62
Term loans	1,156	1,213
	1,206	1,275

9 PROFIT BEFORE TAXATION

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

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Interest income from Housing Development Accounts		1,199	1,165	-	-
Late interest income from customers		41	73	-	-
Rental income		6,614	6,986	-	-
Gain/(Loss) on disposal of property, plant and equipment		-	(1)	-	-
Interest on unsecured advances to subsidiary companies	30	-	-	17,481	16,315
Auditor's remuneration:					
Audit fees		(295)	(296)	(45)	(40)
Non audit fees		(59)	(9)	(9)	(9)
Employee benefits expenses		(31,808)	(32,120)	(2,432)	(4,159)
Directors' remuneration:					
Fees		(130)	(186)	(130)	(150)
Contribution to EPF		(10)	(32)	(10)	(32)
Other emoluments		(987)	(289)	(987)	(289)
Depreciation of property, plant and equipment	12	(20,026)	(17,316)	(220)	(257)
Depreciation of investment properties	13	(601)	(592)	-	-
Realised loss on foreign exchange		(243)	(69)	(122)	-
Unrealised loss/(gain) on foreign exchange		(987)	(1,031)	108	(1,777)
Impairment loss on other receivables	17	-	(142)	-	-
Inventories written down - freehold land		(1,358)	-	-	-
Property, plant and equipment written off	12	(405)	(2,049)	(1)	-
Rental of:					
Premises		(443)	(430)	(217)	(185)
Equipment		(42)	(59)	(5)	(8)

Employee benefits expenses 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 RM2,872,000 and RM157,000 (2018: RM3,016,000 and RM430,000) respectively.

10 TAXATION

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Estimated tax payable:					
Current		23,681	19,084	5,283	6,448
Prior years		(179)	1,845	(327)	908
		23,502	20,929	4,956	7,356
Deferred tax:	16				
Current		(2,773)	515	-	-
Prior years		(1,214)	217	-	-
		(3,987)	732	-	-
		19,515	21,661	4,956	7,356

The income tax is calculated at the statutory rate of 24% (2018: 24%) of the estimated assessable profit for the year.

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 are as follows:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Profit before taxation	60,635	68,048	51,518	66,741
Tax at the applicable tax rate of 24% (2018:24%)	14,552	16,331	12,364	16,018
Effect of tax rates in foreign jurisdictions	195	(193)	-	-
Tax effects of:				
Expenses that are not deductible in determining taxable profit	4,956	3,560	755	1,316
Income not subject to tax	(1,027)	-	(7,669)	(10,989)
Origination/(Utilisation) of deferred tax assets not recognised	2,135	(99)	(167)	103
Derecognition of previously recognised tax credit of investment properties	97	-	-	-
(Over)/Under provision in:				
- current tax	(179)	1,845	(327)	908
- deferred tax	(1,214)	217	-	-
	19,515	21,661	4,956	7,356

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	
	2019	**2018 (Restated)**
Net profit attributable to Owners of the Company (RM'000)	42,248	46,387
Weighted average number of ordinary shares in issue ('000)	381,534	381,534
Basic earnings per share (sen)	11.1	12.2

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

	Note	Freehold land and buildings RM'000	Office equipment and computers RM'000	Furniture and fittings RM'000	Renovations RM'000	Operating supplies and equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Group									
2019									
Cost									
At 1 July 2018		549,509	7,048	22,596	14,361	21,363	485	71,984	687,346
Acquisition of a subsidiary		203,155	169	1,198	-	611	-	-	205,133
Additions		40,616	359	950	794	2,174	-	42,096	86,989
Reclassification		93,173	102	4,634	7,237	1,989	-	(107,135)	-
Disposals		-	-	-	-	-	(7)	-	(7)
Written off		-	(311)	(611)	-	(836)	-	-	(1,758)
Exchange differences		468	-	-	-	-	-	-	468
At 30 June 2019		886,921	7,367	28,767	22,392	25,301	478	6,945	978,171
Accumulated depreciation									
At 1 July 2018		31,658	5,586	13,434	8,832	7,871	402	-	67,783
Charge for the financial year		11,124	1,578	2,399	2,286	2,614	25	-	20,026
Disposals		-	-	-	-	-	(6)	-	(6)
Written off		-	(325)	(458)	-	(570)	-	-	(1,353)
At 30 June 2019		42,782	6,839	15,375	11,118	9,915	421	-	86,450
Carrying amount									
At 30 June 2019		844,139	528	13,392	11,274	15,386	57	6,945	891,721

12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Freehold land and buildings RM'000	Office equipment and computers RM'000	Furniture and fittings RM'000	Renovations RM'000	Operating supplies and equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Group (Cont'd)									
2018									
Cost									
At 1 July 2017		551,810	6,705	22,633	13,212	20,107	774	114	615,355
Additions		222	383	103	1,149	1,362	-	3,212	6,431
Transfer from inventories	14(c)	-	-	-	-	-	-	68,658	68,658
Disposals		-	(9)	(82)	-	(48)	(236)	-	(375)
Written off		(2,523)	(31)	(58)	-	(58)	(53)	-	(2,723)
At 30 June 2018		549,509	7,048	22,596	14,361	21,363	485	71,984	687,346
Accumulated depreciation									
At 1 July 2017		22,676	4,823	10,533	7,431	5,399	562	-	51,424
Charge for the financial year		9,496	802	3,035	1,401	2,537	45	-	17,316
Disposals		-	(9)	(82)	-	(41)	(151)	-	(283)
Written off		(514)	(30)	(52)	-	(24)	(54)	-	(674)
At 30 June 2018		31,658	5,586	13,434	8,832	7,871	402	-	67,783
Carrying amount									
At 1 July 2017		529,134	1,882	12,100	5,781	14,708	212	114	563,931
At 30 June 2018		517,851	1,462	9,162	5,529	13,492	83	71,984	619,563

12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

Certain property, plant and equipment are pledged as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements amounting to RM298,425,000 (30.06.2018: RM103,423,000; 01.07.2017: RM136,532,000).

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

Company

	Office equipment and computers RM'000	Furniture and fittings RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
2019					
Cost					
At 1 July 2018	1,568	27	274	346	2,215
Additions	7	-	-	-	7
Disposals	(1,267)	-	-	(1)	(1,268)
Written off	(57)	-	-	-	(57)
At 30 June 2019	251	27	274	345	897
Accumulated depreciation					
At 1 July 2018	1,164	13	214	345	1,736
Charge for the financial year	204	2	14	-	220
Disposals	(1,081)	-	-	-	(1,081)
Written Off	(56)	-	-	-	(56)
At 30 June 2019	231	15	228	345	819
Carrying amount					
At 30 June 2019	20	12	46	-	78

12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company (Cont'd)

	Office equipment and computers RM'000	Furniture and fittings RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
2018					
Cost					
At 1 July 2017	1,556	12	200	576	2,344
Additions	12	15	74	-	101
Disposals	-	-	-	(230)	(230)
At 30 June 2018	1,568	27	274	346	2,215
Accumulated depreciation					
At 1 July 2017	942	11	200	472	1,625
Charge for the financial year	222	2	14	19	257
Disposals	-	-	-	(146)	(146)
At 30 June 2018	1,164	13	214	345	1,736
Carrying amount					
At 1 July 2017	614	1	-	104	719
At 30 June 2018	404	14	60	1	479

13 INVESTMENT PROPERTIES

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
2019			
Cost			
At 1 July 2018	36,953	30,434	67,387
Additions	-	51	51
Disposals	-	(441)	(441)
At 30 June 2019	36,953	30,044	66,997
Accumulated depreciation			
At 1 July 2018	-	4,226	4,226
Charge for the financial year	-	601	601
Disposals	-	(145)	(145)
At 30 June 2019	-	4,682	4,682
Carrying amount			
At 30 June 2019	36,953	25,362	62,315
2018			
Cost			
At 1 July 2017	36,953	29,696	66,649
Additions	-	738	738
At 30 June 2018	36,953	30,434	67,387
Accumulated depreciation			
At 1 July 2017	-	3,634	3,634
Charge for the financial year	-	592	592
At 30 June 2018	-	4,226	4,226
Carrying amount			
At 1 July 2017	36,953	26,062	63,015
At 30 June 2018	36,953	26,208	63,161
Fair value			
At 30 June 2019	163,728	42,775	206,503
At 30 June 2018	163,728	44,321	208,049
At 1 July 2017	151,858	43,473	195,331

13 INVESTMENT PROPERTIES (CONT'D)

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

The rental income earned by the Group from its investment properties amounted to RM3,616,000 (2018: RM3,209,000). Direct operating expenses pertaining to the income generating investment properties during the financial year amounted to RM968,000 (2018: RM642,000).

Fair value information

Fair value of investment properties is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
30.06.2019				
Freehold Land	-	163,728	-	163,728
Buildings	-	42,775	-	42,775
	-	206,503	-	206,503
Group				
30.06.2018				
Freehold land	-	163,728	-	163,728
Buildings	-	44,321	-	44,321
	-	208,049	-	208,049
Group				
01.07.2017				
Freehold land	-	151,858	-	151,858
Buildings	-	43,473	-	43,473
	-	195,331	-	195,331

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.

14 INVENTORIES

	Group		
	30.06.2019 RM'000	30.06.2018 RM'000 Restated	01.07.2017 RM'000 Restated
Non-current:			
At lower of cost and net realisable value:			
Property held for development			
- Freehold land at cost	130,205	130,573	146,732
- Leasehold land at cost	23,824	23,824	41,678
- Development costs	177,427	204,012	165,629
	331,456	358,409	354,039
Current:			
At lower of cost and net realisable value:			
Property held for development			
- Development costs	91,077	161,054	196,234
Completed properties	175,449	29,597	30,090
General supplies of hotel operations	479	639	600
	267,005	191,290	226,924
	598,461	549,699	580,963

A The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of continuing operations was RM80,600,000 (2018: RM88,750,000).

B The cost of inventories of the Group recognised as an expense in administrative expenses during the financial year in respect of inventories written down to net realisable value was RM1,358,000 (2018: Nil).

C The cost of inventories of the Group was reclassified to property, plant and equipment during the financial year was Nil (2018: RM68,658,000).

15 INVESTMENT IN SUBSIDIARY COMPANIES

	Company		
	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
At cost			
Unquoted shares	647,120	550,067	550,067
Loans that are part of the net investments	363,456	388,202	-
	1,010,576	938,269	550,067

Loans that are part of net investments represent amount owing by subsidiaries which is non-trade in nature, unsecured and interest bearing ranging from 3.75% to 4% (30.06.2018: 4%; 01.07.2017: 4%) per annum. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

A **Details of the subsidiary companies are as follows:**

	Principal place of business/ Country of incorporation	Effective percentage of ownership			Principal activities
		30.06.2019 %	30.06.2018 %	01.07.2017 %	
Subsidiary companies					
Plenitude Tebrau Sdn Bhd	Malaysia	100	100	100	Property development and investment holding
Plenitude Permai Sdn Bhd	Malaysia	100	100	100	Property development and investment holding
Plenitude Heights Sdn Bhd	Malaysia	100	100	100	Property development, hoteling and investment holding
Plenitude Bayu Sdn Bhd	Malaysia	100	100	100	Property development and investment
Plenitude Estates Sdn Bhd	Malaysia	100	100	100	Property development and property investment
Plenitude Hills Sdn Bhd	Malaysia	100	100	100	Investment holding
Plenitude Damansara Sdn Bhd	Malaysia	100	100	100	Property development, yet to commence operations
Plenitude International Sdn Bhd	Malaysia	100	100	100	Property development, hoteling and property investment
Plenitude Homes Sdn Bhd	Malaysia	100	100	100	Property development and property investment, yet to commence operations
Plenitude Gateway Sdn Bhd	Malaysia	100	100	100	General trading, land and property investment and investment holding, yet to commence operations

15 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 30.06.2019 %	30.06.2018 %	01.07.2017 %	Principal activities
Subsidiary companies (Cont'd)					
Cipriani Sdn Bhd	Malaysia	100	100	100	Investment holding, inactive
The Nomad Group Bhd	Malaysia	100	100	100	Operator of serviced offices and investment holding
Plenitude Management Services Sdn Bhd (Formerly known as The Nomad Hotel Management Sdn Bhd)	Malaysia	100	-	-	Provision of management and consultancy services
Indirect subsidiary companies					
Held through Plenitude Tebrau Sdn Bhd					
PNT Materials Trading Sdn Bhd^	Malaysia	-	100	100	Trading of construction materials, dissolved
PNT Guards Sdn Bhd	Malaysia	100	100	100	Property development and property investment
PNT Property Management Services Sdn Bhd	Malaysia	100	100	100	Provision of management services, inactive
Held through Plenitude Heights Sdn Bhd					
Plenitude Builders Sdn Bhd	Malaysia	100	100	100	Property development and project management
TBBH Management & Venture Holidays Sdn Bhd	Malaysia	100	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	100	Property development, yet to commence operations
Held through The Nomad Group Bhd					
Bizcentre Capital Pte Ltd **	Singapore	71	-	-	Investment holding
Nomad Properties Sdn Bhd	Malaysia	100	100	100	Investment holding
Nomad International Sdn Bhd ^	Malaysia	-	100	100	Investment holding, dissolved
Plenitude Management Services Sdn Bhd (Formerly known as The Nomad Hotel Management Sdn Bhd)	Malaysia	-	100	100	Provision of management and consultancy services
Plenitude Ipoh Sdn Bhd (Formerly known as The Nomad Offices Asia Sdn Bhd)	Malaysia	100	100	100	Hotelier and hotel related services

15 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 30.06.2019 %	30.06.2018 %	01.07.2017 %	Principal activities
Indirect subsidiary companies (Cont'd)					
Held through The Nomad Group Bhd (Cont'd)					
The Nomad Offices Sdn Bhd	Malaysia	100	100	100	Investment holding
The Nomad Residences Sdn Bhd	Malaysia	100	100	100	Investment holding
Held through The Nomad Residences Sdn Bhd					
Plenitude City Hotel Sdn Bhd (Formerly known as City Centre Hotel Sdn Bhd)	Malaysia	100	100	100	Hotelier and hotel related services
Plenitude Bangsar Residence Sdn Bhd (Formerly known as the Nomad Bangsar Sdn Bhd)	Malaysia	100	100	100	Operator of serviced residences
The Nomad Penang Sdn Bhd	Malaysia	100	100	100	Provision of hotel management and consultancy services
Plenitude Suites Sdn Bhd	Malaysia	100	100	100	Hotelier and operator of All Suite-Hotel
Held through Nomad Properties Sdn Bhd					
Plenitude Georgetown Sdn Bhd (Formerly known as the Nomad Hotel Penang Sdn Bhd)	Malaysia	100	100	100	Hotelier and hotel related services
Held through The Nomad Offices Sdn Bhd					
Nomad Space Sdn Bhd	Malaysia	100	100	100	Operator of serviced offices, inactive
The Nomad Offices Pte Ltd #	Singapore	100	100	100	Operator of serviced offices and investment holding, inactive
Held through Nomad Offices Pte Ltd					
Bizcentre Capital Pte Ltd**	Singapore	-	100	100	Investment holding
Instant Office Holdings Pte Ltd#	Singapore	100	100	100	Investment holding, inactive
PT The Nomad Offices Indonesia^	Indonesia	-	-	100	Leasing of office spaces, dissolved
PT Concept Kreativ *#	Indonesia	100	100	100	Operator of serviced offices, inactive
The Nomad Offices (Philippines) Inc#	Philippines	100	100	100	Operator of serviced offices, inactive
The Nomad Offices (Thailand) Co Ltd^	Thailand	-	-	100	Operator of serviced offices and investment holding, dissolved

15 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 30.06.2019 %	30.06.2018 %	01.07.2017 %	Principal activities
Indirect subsidiary companies (Cont'd)					
Held through Nomad Offices Pte Ltd					
The Nomad Offices (Vietnam) Co Ltd#^	Vietnam	-	100	100	Managing of serviced offices and related services, dissolved
Held through Nomad Space Sdn Bhd					
Nomad Space (Thailand) Co Ltd^	Thailand	-	-	100	Operator of serviced offices and investment holding, dissolved
Held through Bizcentre Capital Pte Ltd					
Korea Investment Private Placement Business Hotel Real Estate Investment Trust##	Korea	60	-	-	Investment holding
Pinetree Hotel LLC##	Korea	60	-	-	Hotelier and hotel related services

\# The financial year end of these subsidiary companies is 31 December which do not coincide with the financial year end of the Group. These subsidiary companies are in the midst of changing their financial year end to coincide with the Group. As such, the financial statements for the period from 1 July 2018 to 30 June 2019 (2018: 1 July 2017 to 30 June 2018) were prepared for consolidation purpose and were considered by Messrs. Baker Tilly Monteiro Heng PLT for the purposes of the financial statements of the Group.

These subsidiary companies are not required to be audited in their country of incorporation. As such, the financial statements for the period from 21 June 2019 (date of acquisition) to 30 June 2019 were prepared for consolidation purpose and were considered by Messrs. Baker Tilly Monteiro Heng PLT for the purposes of the financial statements of the Group.

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

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

The Nomad Offices (Vietnam) Company Limited ("TNOV") was dissolved with the Business Registration Office of the Department of Planning and Investment of Ho Chi Minh City on 7 March 2019.

PNT Materials Trading Sdn Bhd ("PNT") and Nomad International Sdn Bhd ("NISB") were dissolved with the Companies Commission of Malaysia under Members' Voluntary Winding Up with effect from 30 April 2019.

As such, PTTNOI, TNOTH, NSTH, TNOV, PNT and NISB have ceased to be the Company's subsidiaries.

15 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

A Details of the subsidiary companies are as follows (Cont'd):

* The shareholders of PT Concept Kreativ, have on 19 February 2019 passed a circular resolution of shareholders in lieu of extraordinary general meeting of shareholders resolved the dissolution and liquidation of the Company to be effective as of 1 November 2018 and approved the appointment of liquidator.

** Audited by auditors other than Baker Tilly Monteiro Heng PLT.

B I Acquisition of subsidiary

The Company's indirect subsidiary, Bizcentre Capital Pte Ltd ("Bizcentre"), incorporated in Singapore, had on 23 April 2019, entered into the following agreements (collectively, the "Definitive Agreements"):

I a conditional Beneficiary Certificate Sale and Purchase Agreement ("BCA") between Military Mutual Aid Association ("MMAA") as vendor and Bizcentre and KPH Top Pte. Ltd. ("KPH"), incorporated in Singapore, for Bizcentre and KPH to respectively purchase 85% and 15% of the total issued and outstanding beneficiary certificates ("Beneficiary Certificates") of Korea Investment Private Placement Business Hotel Real Estate Investment Trust (the "REF Trust"), a real estate investment trust which was established under the Capital Markets and Financial Investment Business Act of South Korea and invested in a 14-storey hotel in Seoul, South Korea ("Hotel");

II a conditional Business Transfer Agreement ("BTA") between Glad Hotels & Resorts Co., Ltd. ("BTA Transferor") and Bizcentre and KPH as transferees who will subsequently assign their rights under the BTA to Pinetree Hotel LLC ("BTA Transferee") (being a limited liability company to be incorporated in South Korea and owned by Bizcentre and KPH and with a shareholding proportion of 85:15 respectively) in relation to the assets, licences, contracts and employees of the Hotel ("BTA Assets"); and

III a conditional joint venture agreement ("JVA") between Bizcentre and KPH to govern the relationship between Bizcentre and KPH as holders of the Beneficiary Certificates in the REF Trust and as shareholders in the BTA Transferee (collectively, the "Joint Venture").

The purchase consideration of KRW27,248,587,000 (approximately RM96,092,000, an exchange rate of RM1.00 to KRW283.57). Under the BCA, Bizcentre's portion being KRW23,161,299,000 (approximately RM81,679,000).

Acquisition-related costs of the business combination amounted to RM2,926,000 was recognised in profit or loss as administrative expenses.

15 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

B I Acquisition of subsidiary (Cont'd)

On 21 June 2019, the Company announced that the acquisition was completed. The Group completed its purchase price allocation process to value the assets acquired and liabilities assumed and the consideration transferred at the acquisition date. The following summarises the consideration transferred and recognised amount of assets acquired and liabilities assumed at the acquisition date.

	RM'000
Property, plant and equipment	205,133
Trade and other receivables	588
Fixed deposits with licensed banks	3,221
Cash and bank balances	5,753
Bank borrowings	(115,863)
Trade and other payables	(7,096)
Fair value of identifiable net assets	91,736
Non-controlling interests, at the proportionate share of the acquiree's identifiable net assets	(13,760)
Total consideration transferred	(81,679)
Goodwill	(3,703)

Effects of acquisition on cash flows:

	RM'000
Consideration paid in cash	81,678
Less: Cash and cash equivalents of the subsidiary acquired	(8,974)
Net cash outflows on acquisition	72,704

II Impairment of goodwill

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash generating unit ("CGU") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the CGU are as follows:

	Group		
	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Hotel	3,703	-	-

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGU.

15 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

B II Impairment of goodwill (Cont'd)

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering a three-year period. The key assumptions used for value-in-use calculation are:

I The weighted average growth rate using an estimated growth rate of 6.6%; and

II The discount rate of 8.77% was applied to the cash flows projection are pre-tax and reflect management's estimate of the risk specific to the CGU at the date of assessment

Based on the sensitivity analysis performed , the Group is of the opinion that there are no reasonable possible changes in key assumptions which would cause the carrying values of the CGU to exceed its recoverable amounts.

C Acquisition of additional interest in Bizcentre Capital Pte Ltd ("Bizcentre")

During the financial year, Bizcentre increased its share capital from SGD 1 (approximately to RM3.04) to SGD30,230,000 (approximately RM91,894,000) by way of issuance of 100,000 ordinary shares and 30,129,710 preference shares at a price of SGD 1 (approximately to RM3.04) per shares. The Group then subscribed for 70,590 ordinary shares and 21,268,030 preference shares in Bizcentre. As a result, the Group's effective ownership in Bizcentre decreased from 100% to 71%.

Effect of the decrease in the Group's ownership interest is as follows:

	RM'000
Increase in net assets	(91,894)
Fair value of consideration transferred	64,866
Non-controlling interest	(27,028)

D Acquisition of interest in Pinetree Hotel LLC ("Pinetree")

During the financial year, the Group incorporated Pinetree in Korea with share capital of KRW100,000,000 (approximately RM357,000). The Group acquired 85% of the share capital in Pinetree. As a result, the Group's effective ownership interest in Pinetree is 60%.

Effect of the Group's ownership interest is as follows:

	RM'000
Increase in net assets	(357)
Fair value of consideration transferred	303
Non-controlling interest	(54)

15 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

E During the financial year, the Company increased its equity interest in Plenitude International Sdn Bhd, Plenitude Estates Sdn Bhd, Plenitude Bayu Sdn Bhd and PNT Guards Sdn Bhd from RM38,000,000, RM3,000,000, RM3,000,000, RM200,000 respectively to RM85,486,000, RM16,867,000, RM36,151,000, RM622,000 respectively by issuance of 47,486,000, 13,867,000, 33,151,000, 422,000 preference shares of RM1 each respectively.

In addition, the Company's subsidiary, The Nomad Group Bhd also increase its equity interest in Plenitude Ipoh Sdn Bhd (formerly known as The Nomad Offices Asia Sdn Bhd) from RM2 to RM15,000,000 by issuance of 2,999,998 ordinary shares and 12,000,000 preference shares of RM1 each respectively.

F **Non-controlling interests in subsidiaries**

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Principal place of business/ Country of incorporation	Ownership Interest 30.06.2019 %	30.06.2018 %	01.07.2017 %
Bizcentre Capital Pte Ltd	Singapore	29	-	-
Korea Investment Private Placement Business Hotel Real Estate Investment Trust	Korea	40	-	-
Pinetree Hotel LLC	Korea	40	-	-

Carrying amount of material non-controlling interests:

Name of company	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Bizcentre Capital Pte Ltd	26,093	-	-
Korea Investment Private Placement Business Hotel Real Estate Investment Trust	13,791	-	-
Pinetree Hotel LLC	66	-	-

Profit or loss allocated to material non-controlling interests:

Name of company	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Bizcentre Capital Pte Ltd	(1,140)	-	-
Korea Investment Private Placement Business Hotel Real Estate Investment Trust	-	-	-
Pinetree Hotel LLC	12	-	-

15 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

F Non-controlling interests in subsidiaries (Cont'd)

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interest are as follows:

	Bizcentre Capital Pte Ltd RM'000	Korea Investment Private Placement Business Hotel Real Estate Investment Trust RM'000	Pinetree Hotel LLC RM'000
Summarised statements of financial position As at 30 June 2019			
Current assets	12,806	9,585	6,033
Non-current assets	82,980	197,174	293
Current liabilities	(7,070)	(6,245)	(5,060)
Non-current liabilities	-	(114,555)	(826)
Net assets	88,716	85,959	440
Summarised statements of comprehensive income Financial year/period ended 30 June 2019			
Revenue	-	239	433
Loss for the financial year/period	(3,562)	-	82
	(3,562)	239	515
Summarised cash flow information Financial year ended 30 June 2019			
Cash flows used in operating activities	(2,086)	(9,805)	(4,171)
Cash flows used in investing activities	(81,972)	-	(293)
Cash flows from financing activities	91,894	11,565	5,866
Net increase in cash and cash equivalents	7,836	1,760	1,402

15 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

G Amount owing by subsidiary companies, which arose mainly from advances and interest charges, are unsecured, interest bearing ranging from 3.75% to 4% (30.06.2018: 4% and 01.07.2017: 4%) per annum, repayable on demand except for amounts of RM91,924,000 (30.06.2018: Nil; 01.07.2017: Nil) are to be repaid in 2024 and are expected to be settled in cash.

H 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.

16 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	
	Note	2019 RM'000	2018 RM'000
Deferred tax assets			
At 1 July		16,350	18,126
Recognised in profit or loss	10	3,461	(1,776)
At 30 June		19,811	16,350
Deferred tax liabilities			
At 1 July		(31,155)	(32,199)
Recognised in profit or loss	10	525	1,044
Exchange differences		(1)	-
At 30 June		(30,631)	(31,155)
Presented after appropriate offsetting as follows:			
Deferred tax assets		19,811	16,350
Deferred tax liabilities		(30,631)	(31,155)
At 30 June		(10,820)	(14,805)

16 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'000	Investment property RM'000	Property, plant and equipment RM'000	Investment tax allowance RM'000	Others RM'000	Total RM'000
2019						
At 1 July 2018	4,660	3,586	(1,817)	6,327	3,594	16,350
Recognised in profit or loss	2,697	(94)	1,086	-	(228)	3,461
At 30 June 2019	7,357	3,492	(731)	6,327	3,366	19,811
2018						
At 1 July 2017	7,195	3,403	(3,728)	6,579	4,677	18,126
Recognised in profit or loss	(2,535)	183	1,911	(252)	(1,083)	(1,776)
At 30 June 2018	4,660	3,586	(1,817)	6,327	3,594	16,350

Deferred tax liabilities

	Property, plant and equipment RM'000	Land held for future development RM'000	Total RM'000
2019			
At 1 July 2018	(25,641)	(5,514)	(31,155)
Recognised in profit or loss	525	-	525
Exchange differences	(1)	-	(1)
At 30 June 2019	(25,117)	(5,514)	(30,631)
2018			
At 1 July 2017	(26,685)	(5,514)	(32,199)
Recognised in profit or loss	1,044	-	1,044
At 30 June 2018	(25,641)	(5,514)	(31,155)

16 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

C 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 mentioned in Note 3(d). As of 30 June 2019, the estimated amount of deferred tax assets calculated at the applicable tax rate, which is not recognised in the financial statements due to uncertainty of its realisation is as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Temporary differences arising from property, plant and equipment	1,601	94	-	-
Tax effects of unused tax losses	7,071	6,363	-	-
Tax effects of unabsorbed investment tax allowance	16,791	16,791	-	-
Tax effects of other deductible differences	245	326	-	167
	25,708	23,574	-	167

17 TRADE AND OTHER RECEIVABLES

	30.06.2019 RM'000	30.06.2018 RM'000 Restated	01.07.2017 RM'000
Group			
Trade			
Trade receivables	28,910	19,925	40,378
Less : Allowance for impairment	(142)	(142)	-
	28,768	19,783	40,378
Non-trade			
Other receivables	3,068	2,243	2,670
Refundable deposits	5,156	5,841	4,167
Prepaid expenses	4,329	2,691	2,734
GST refundable	3,052	2,686	2,643
	15,605	13,461	12,214
Total trade and other receivables	44,373	33,244	52,592
Company			
Non-trade			
Other receivables	-	-	3
Refundable deposits	116	1,056	54
Prepaid expenses	-	29	10
GST refundable	2	-	-
Total other receivables	118	1,085	67

17 TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables

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 (30.06.2018: 21 days to 30 days and 01.07.2017: 21 days to 30 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables of the Group is stakeholders' sum of RM12,118,000 (30.06.2018: RM5,214,000 and 01.07.2017: RM8,761,000).

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

	Group		
	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Neither past due nor impaired	20,892	14,038	28,601
Past due but not impaired			
Past due 1 to 30 days	5,527	2,676	8,447
Past due 31 to 60 days	397	1,828	1,566
Past due 61 to 90 days	1,233	578	1,325
Past due 91 to 120 days	160	121	54
Past due over 120 days	701	684	385
	8,018	5,887	11,777
Less: Allowance for impairment	(142)	(142)	-
	28,768	19,783	40,378

Receivables that are impaired

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

		Group		
	Note	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
At 1 July		142	-	-
Charge for the financial year				
- Individually assessed	9	-	142	-
At 30 June		142	142	-

17 TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables that are impaired (Cont'd)

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 31(b) to the financial statements.

18 CONTRACT ASSETS/(LIABILITIES)

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities relating to the sale of properties as of each reporting period are summarised as follows:

	Group		
	30.06.2019 RM'000	30.06.2018 RM'000 Restated	01.07.2017 RM'000 Restated
Contract assets relating to property development contracts	6,167	3,104	8,679
Contract liabilities relating to property development contracts	(12,488)	(17,978)	(6,778)
Total	(6,321)	(14,874)	1,901

Changes in contract balances are as follows:

	Group	
	30.06.2019 RM'000	30.06.2018 RM'000
At 1 July	(14,874)	1,901
Revenue recognised during the year	164,078	162,529
Progress billing issued during the year	(155,525)	(179,304)
	(6,321)	(14,874)

The contract assets and contract liabilities at the end of the reporting period are expected to be recognised within one year.

19 SHORT TERM INVESTMENTS

	Note	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Group				
Financial assets designated as fair value through other comprehensive income (from 1 July 2018)/ Available-for-sale financial assets (until 30 June 2018)	(a)	63,764	66,952	64,371
Financial assets at fair value through profit or loss	(b)	36,579	32,320	-
Total short term investments		100,343	99,272	64,371
Company				
Financial assets at fair value through profit or loss	(b)	36,580	32,320	-
Total short term investments		36,580	32,320	-

A **Financial assets designated as fair value through other comprehensive income (from 1 July 2018)/Available-for-sale (until 30 June 2018)**

- Shares quoted in Malaysia at fair value:

Group			
At 1 July	66,952	64,371	51,983
Fair value changes	(3,188)	2,581	12,388
At 30 June	63,764	66,952	64,371

The Group hold non-controlling interests in equity securities designated at fair value through other comprehensive income. These investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments as strategic long-term investments and the volatility of market prices of these investments would not affect profit or loss.

19 SHORT TERM INVESTMENTS (CONT'D)

	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
B Financial assets at fair value through profit or loss:			
- Investment in money market fund			
Group			
At 1 July	32,320	-	908
Additions	2,368	31,500	-
Disposals	-	-	(932)
Fair value changes	-	-	24
Dividend received	1,892	820	-
At 30 June	36,580	32,320	-
Company			
At 1 July	32,320	-	-
Additions	2,368	31,500	-
Dividend received	1,892	820	-
At 30 June	36,580	32,320	-

20 SHORT TERM DEPOSITS, CASH AND BANK BALANCES

	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Group			
Fixed income trust fund	-	-	15,548
Fixed deposits with licensed banks	79,333	249,267	247,044
Cash and bank balances	88,525	80,501	80,892
	167,858	329,768	343,484
Company			
Fixed income trust fund	-	-	15,548
Fixed deposits with licensed banks	52,228	161,096	150,550
Cash and bank balances	2,724	4,875	5,024
	54,952	165,971	171,122

20 SHORT TERM DEPOSITS, CASH AND BANK BALANCES (CONT'D)

Included in cash and bank balances of the Group is an amount of RM53,932,000 (30.06.2018: RM53,170,000 and 01.07.2017: RM52,911,000) deposited into Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers and interest credited thereon, are restricted for the payment of property development expenditure incurred and fulfilment of all relevant obligations to the purchasers. The surplus monies, if any, will be released to the Group upon the completion of the particular property development projects.

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

	30.06.2019	30.06.2018	01.07.2017
Group			
Fixed deposits with licensed banks	2.60% to 3.95%	3.30% to 4.10%	3.30% to 4.10%
Company			
Fixed deposits with licensed banks	2.60% to 3.65%	3.30% to 4.00%	3.30% to 4.10%

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

	30.06.2019	30.06.2018	01.07.2017
Group			
Fixed deposits with licensed banks	30 days	30 to 90 days	30 to 90 days
Company			
Fixed deposits with licensed banks	30 to 90 days	30 to 90 days	30 to 90 days

21 SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2019 Units ('000)	2018 Units ('000)	2019 RM'000	2018 RM'000
Ordinary shares				
Issued and fully paid:				
At 1 July/30 June	381,534	381,534	515,315	515,315

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.

22 RESERVES

	Note	30.06.2019 RM'000	30.06.2018 Restated RM'000	01.07.2017 Restated RM'000
Group				
Fair value reserve of financial assets at fair value through other comprehensive income	(i)	12,602	-	-
Available-for-sale reserve	(ii)	-	15,790	13,209
Foreign currency translation reserve	(iii)	147	53	839
Retained earnings	(iv)	1,049,543	1,024,464	995,246
		1,062,292	1,040,307	1,009,294
Company				
Retained earnings	(iv)	548,440	519,047	476,831

I Fair value reserve of financial assets at FVOCI

This reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) until the investments are derecognised or impaired.

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income, as explained in Note 19. These changes are accumulated within the fair value reserve of financial assets at FVOCI. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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.

22 RESERVES (CONT'D)

IV Retained earnings

As at 30 June 2019, the Company is able to distribute the retained earnings under the single tier system.

23 BANK BORROWINGS

	Group		
	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Current			
Term loans (secured)	4,201	1,054	600
Non-Current			
Term loans (secured)	135,007	23,284	30,538
Total borrowings	139,208	24,338	31,138
Represented by:			
Current			
Portion due within one year	4,201	1,054	600
Non-Current			
- Later than one year and not later than five years	126,382	11,229	15,471
- Later than five years	8,625	12,055	15,067
	135,007	23,284	30,538
	139,208	24,338	31,138

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

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

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

III Corporate guarantee by the Company and a subsidiary company.

23 BANK BORROWINGS (CONT'D)

The term loans bear interest rates ranging at 3.45 - 4.80% (30.06.2018: 4.80%; 01.07.2017: 4.80% to 6.10%) per annum.

Interest rate swap with total notional amount of RM116,139,000 (30.06.2018: Nil; 01.07.2017: Nil) is used to manage the Group's exposure to interest rate risk arising from the group's floating rate term loan.

Bank overdrafts and other banking facilities

The subsidiary companies have bank overdrafts Nil (2018: RM6 million; 2017: RM6 million) and bank guarantee facilities of RM10.7 million (30.06.2018: RM9.2 million; 01.07.2017: RM9.5 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 previous financial years.

24 TRADE AND OTHER PAYABLES

	Group		
	30.06.2019 RM'000	30.06.2018 RM'000 Restated	01.07.2017 RM'000 Restated
Non-current			
Non-trade			
Other payable	826	-	-
Current trade			
Trade payables	15,985	15,081	13,094
Retention monies	17,298	23,349	31,140
Accrued expenses	28,383	24,066	19,604
	61,666	62,496	63,838
Non-trade			
Other payables	11,157	8,777	14,294
Accrued expenses	12,579	7,246	8,327
Deferred income	2,737	2,572	4,988
GST payable	121	32	517
Provision for cost to completion	11,950	7,715	10,688
Provision for affordable housing obligations	2,658	5,079	3,451
	41,202	31,421	42,265
Total trade and other payables (Current)	102,868	93,917	106,103
Total trade and other payables (Current and non-current)	103,694	93,917	106,103

24 TRADE AND OTHER PAYABLES (CONT'D)

	Company		
	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Non-trade			
Other payable	14	2	-
Accrued expenses	106	1,096	913
GST payable	-	42	70
	120	1,140	983

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 (30.06.2018: 30 days to 60 days; 01.07.2017: 30 days to 60 days).

Included in other payables is an amount of RM826,000 (30.06.2018: Nil; 01.07.2017: Nil) which represents advances from a non-controlling interest, is unsecured, subject to interest rate of 3.85% (30.06.2018: Nil; 01.07.2017: Nil) per annum, repayable in 2029 and is expected to be settled in cash.

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	
	2019 RM'000	2018 RM'000 Restated
At 1 July	7,715	10,688
Additions	4,246	9,148
Utilised to profit or loss	(11)	(12,121)
At 30 June	11,950	7,715

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

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

	Group	
	2019 RM'000	2018 RM'000 Restated
At 1 July	5,079	3,451
Utilised to profit or loss	(2,421)	1,628
At 30 June	2,658	5,079

25 DIVIDENDS

Dividends recognised by the Company are as follows:

	Group	
	2019 RM'000	2018 RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
Final single-tier dividend (2019: 4.5 Sen; 2018: 4.5 Sen)	17,169	17,169

The directors have proposed a final single-tier dividend of 4.5 sen on 381,533,758 ordinary shares, amounting to RM17,169,000 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 2020.

26 CORPORATE GUARANTEE

	Company		
	30.06.2019 RM'000	30.06.2018 RM'000	01.01.2017 RM'000
Corporate guarantee given to banks for credit facilities granted to subsidiary companies	108,496	14,278	14,278

27 CAPITAL COMMITMENT

	Group		
	30.06.2019 RM'000	30.06.2018 RM'000	01.01.2017 RM'000
Property, plant and equipment - Approved and contracted	69,977	-	17,224

28 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

A On 31 December 2018, the Company's indirect subsidiary, Plenitude Ipoh Sdn Bhd (formerly known as The Nomad Offices Asia Sdn Bhd), acquired a 226 rooms hotel known as Hotel Ipoh located at Jalan Raja Dihilir, Ipoh, Perak, for a purchase consideration of RM38,000,000.

B On 23 April 2019, the Company's indirect subsidiary, Bizcentre Capital Pte Ltd entered into Agreements as disclosed in Note 15(b), (c) & (d) to the financial statements.

29 SEGMENT INFORMATION

The Group prepared the segment information in accordance with MFRS 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'000	Hotel operations RM'000	Investment holding and others RM'000	Eliminations RM'000	Note	Total RM'000
Group 2019						
Revenue						
External customers	164,078	62,492	-	-		226,570
Inter-segment sales	-	-	8,560	(8,560)	(a)	-
Dividend income	-	-	30,000	(30,000)	(a)	-
Total revenue	164,078	62,492	38,560	(38,560)		226,570
Results						
Segment profit/(loss)	69,892	(73)	48,752	(50,702)	(b)	67,869
Investment revenue						14,599
Depreciation						(20,627)
Finance costs						(1,206)
Profit before taxation						60,635
Taxation						(19,515)
Net profit for the financial year						41,120

29 SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Eliminations RM'000	Note	Total RM'000
Group 2019						
Consolidated statement of financial position						
Segment assets	962,990	940,922	1,765,003	(1,793,974)	(c)	1,874,941
Unallocated assets						29,956
Total assets						1,904,897
Segment liabilities	363,947	427,930	172,883	(709,369)	(c)	255,391
Unallocated liabilities						31,949
Total liabilities						287,340
Other information						
Additions to non-current assets other than financial instruments and deferred tax assets	37,408	55,083	18	(4,095)		88,414
Depreciation						
- Property, plant and equipment	134	19,651	241	-		20,026
- Investment properties	574	-	27	-		601
Interest income from fixed deposits	661	145	4,370	-		5,176

29 SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Eliminations RM'000	Note	Total RM'000
Group 2018						
Revenue						
External customers	162,529	72,390	-	-		234,919
Inter-segment sales	-	-	5,628	(5,628)	(a)	-
Dividend income	-	-	45,000	(45,000)	(a)	-
Total revenue	162,529	72,390	50,628	(50,628)		234,919
Results						
Segment profit	48,881	16,588	61,829	(56,299)	(b)	70,999
Investment revenue						16,232
Depreciation						(17,908)
Finance costs						(1,275)
Profit before taxation						68,048
Taxation						(21,661)
Net profit for the financial year						46,387

29 SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Eliminations RM'000	Note	Total RM'000
Group 2018						
Consolidated statement of financial position						
Segment assets	890,443	597,258	1,711,629	(1,501,519)	(c)	1,697,811
Unallocated assets						26,194
Total assets						1,724,005
Segment liabilities	355,469	299,592	149,095	(667,923)	(c)	136,233
Unallocated liabilities						32,150
Total liabilities						168,383
Other information						
Additions to non-current assets other than financial instruments and deferred tax assets	15,071	5,668	101	(5,316)		15,524
Depreciation						
- Property, plant and equipment	138	16,917	261	-		17,316
- Investment properties	565	-	27	-		592
Interest income from fixed deposits	836	16	7,773	-		8,625

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	
	Note	2019 RM'000	2018 RM'000
Dividend income received	5	30,000	45,000
Interest on unsecured advances to subsidiary companies	9	17,481	16,315
Management fees received	5	2,802	5,604

B The compensation of key management personnel during the financial year are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Short-term employee benefits	4,665	4,551	1,462	2,147
Contributions to EPF	532	543	174	257
	5,197	5,094	1,636	2,404

30 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

B The compensation of key management personnel during the financial year are as follows (Cont'd):

The estimated monetary value of benefit-in-kind received by the key management personnel other than in cash from the Group and the Company amounted to RM5,000 and RM300 (2018: RM18,011 and RM600) 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 instruments in the statements of financial position by classes of financial instruments to which they are assigned:

From 1 July 2018

I Fair value through profit or loss ("FVPL");

II Amortised cost; and

III Designated fair value through other comprehensive income ("DFVOCI").

Until 30 June 2018

I Loans and receivables ("L&R");

II Available-for-sale financial assets ("AFS");

III Other financial liabilities ("FL"); and

IV Fair value through profit or loss ("FVPL").

	Note	Amortised cost RM'000	FVPL RM'000	DFVOCI RM'000	Total RM'000
Group					
30.06.2019					
Financial assets					
Trade and other receivables*	17	36,992	-	-	36,992
Short term investments	19	-	36,579	63,764	100,343
Fixed deposits with licensed banks	20	79,333	-	-	79,333
Cash and bank balances	20	88,525	-	-	88,525
Total financial assets		204,850	36,579	63,764	305,193
Financial liabilities					
Bank borrowings	23	139,208	-	-	139,208
Trade and other payables^	24	86,228	-	-	86,228
Total financial liabilities		225,436	-	-	225,436

** 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	L&R RM'000	AFS RM'000	FVPL RM'000	FL RM'000	Total RM'000
Group 30.06.2018						
Financial assets						
Trade and other receivables*	17	27,867	-	-	-	27,867
Short term investments	19	-	66,952	32,320	-	99,272
Fixed deposits with licensed banks	20	249,267	-	-	-	249,267
Cash and bank balances	20	80,501	-	-	-	80,501
Total financial assets		357,635	66,952	32,320	-	456,907
Financial liabilities						
Bank borrowings	23	-	-	-	24,338	24,338
Trade and other payables^	24	-	-	-	78,519	78,519
Total financial liabilities		-	-	-	102,857	102,857

	Note	L&R RM'000	AFS RM'000	FVPL RM'000	FL RM'000	Total RM'000
Group 01.07.2017						
Financial assets						
Trade and other receivables*	17	47,215	-	-	-	47,215
Short term investments	19	-	64,371	-	-	64,371
Fixed income trust fund	20	15,548	-	-	-	15,548
Fixed deposits with licensed banks	20	247,044	-	-	-	247,044
Cash and bank balances	20	80,892	-	-	-	80,892
Total financial assets		390,699	64,371	-	-	455,070
Financial liabilities						
Bank borrowings	23	-	-	-	31,138	31,138
Trade and other payables^	24	-	-	-	86,459	86,459
Total financial liabilities		-	-	-	117,597	117,597

** 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	Amortised cost RM'000	L&R RM'000	FVPL RM'000	FL RM'000	Total RM'000
Company						
30.06.2019						
Financial assets						
Trade and other receivables*	17	116	-	-	-	116
Amount owing by subsidiary companies	15(g)	13,408	-	-	-	13,408
Short term investments	19	-	-	36,580	-	36,580
Fixed deposits with licensed banks	20	52,228	-	-	-	52,228
Cash and bank balances	20	2,724	-	-	-	2,724
Total financial assets		68,476	-	36,580	-	105,056
Financial liabilities						
Trade and other payables^	24	120	-	-	-	120
Amount owing to subsidiary companies	15(h)	143,615	-	-	-	143,615
Total financial liabilities		143,735	-	-	-	143,735
30.06.2018						
Financial assets						
Trade and other receivables*	17	-	1,056	-	-	1,056
Amount owing by subsidiary companies	15(g)	-	17,595	-	-	17,595
Short term investments	19	-	-	32,320	-	32,320
Fixed deposits with licensed banks	20	-	161,096	-	-	161,096
Cash and bank balances	20	-	4,875	-	-	4,875
Total financial assets		-	184,622	32,320	-	216,942

** Exclude prepayments and GST refundable*
^ Exclude GST payable

31 FINANCIAL INSTRUMENTS (CONT'D)

A Classification of financial instruments (Cont'd)

	Note	L&R RM'000	FVPL RM'000	FL RM'000	Total RM'000
Company 30.06.2018					
Financial liabilities					
Trade and other payables^	24	-	-	1,098	1,098
Amount owing to subsidiary companies	15(h)	-	-	119,891	119,891
Total financial liabilities		-	-	120,989	120,989
Company 01.07.2017					
Financial assets					
Trade and other receivables*	17	57	-	-	57
Amount owing by subsidiary companies	15(g)	389,663	-	-	389,663
Fixed income trust fund	20	15,548	-	-	15,548
Fixed deposits with licensed banks	20	150,550	-	-	150,550
Cash and bank balances	20	5,024	-	-	5,024
Total financial assets		560,842	-	-	560,842
Financial liabilities					
Trade and other payables^	24	-	-	913	913
Amount owing to subsidiary companies	15(h)	-	-	118,679	118,679
Total financial liabilities		-	-	119,592	119,592

** Exclude prepayments and GST refundable*
^ Exclude GST payable

B Financial risk management objectives and policies

The Group's and the Company's activities are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholder.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

31 FINANCIAL INSTRUMENTS (CONT'D)

B Financial risk management objectives and policies (Cont'd)

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

I Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

31 FINANCIAL INSTRUMENTS (CONT'D)

B Financial risk management objectives and policies (Cont'd)

I Credit risk

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group					
	30.06.2019		30.06.2018		01.01.2017	
	RM'000	% of total	RM'000	% of total	RM'000	% of total
By country:						
Malaysia	28,487	99%	19,783	100%	40,378	100%
Korea	281	1%	-	-	-	-
	28,768	100%	19,783	100%	40,378	100%
By industry sectors:						
Property development	27,067	94%	17,753	90%	38,471	95%
Hotel operations	1,701	6%	2,030	10%	1,907	5%
	28,768	100%	19,783	100%	40,378	100%

At the reporting date, there is no concentration of credit risk by individual debtors.

Other receivables and financial assets

For other receivables and other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

31 FINANCIAL INSTRUMENTS (CONT'D)

B Financial risk management objectives and policies (Cont'd)

I Credit risk (Cont'd)

Other receivables and financial assets (Cont'd)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3(L) for the Group's and the Company's other accounting policies for impairment of financial assets.

31 FINANCIAL INSTRUMENTS (CONT'D)

B Financial risk management objectives and policies (Cont'd)

I Credit risk (Cont'd)

Financial guarantees

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM108,496,000 (30.06.2018: RM14,278,000; 01.07.2017: RM14,278,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 26 to the financial statements. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

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 or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

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			
Group	**Carrying amounts RM'000**	**Within 1 year RM'000**	**1 to 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**
30.06.2019					
Bank borrowings	139,208	9,267	137,033	9,476	155,776
Trade and other payables ^	86,228	85,402	-	826	86,228
Total undiscounted financial liabilities	225,436	94,669	137,033	10,302	242,004
30.06.2018					
Bank borrowings	24,338	2,118	14,679	13,146	29,943
Trade and other payables ^	78,519	78,519	-	-	78,519
Total undiscounted financial liabilities	102,857	80,637	14,679	13,146	108,462
01.07.2017					
Bank borrowings	31,138	2,125	17,731	19,663	39,519
Trade and other payables ^	86,459	86,458	-	-	86,458
Total undiscounted financial liabilities	117,597	88,583	17,731	19,663	125,977

^ 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)

		Contractual cash flows			
Company	**Carrying amounts RM'000**	**Within 1 year RM'000**	**1 To 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**
30.06.2019					
Trade and other payables ^	120	120	-	-	120
Amount owing to subsidiary companies	143,615	143,615	-	-	143,615
Total undiscounted financial liabilities	143,735	143,735	-	-	143,735
30.06.2018					
Trade and other payables ^	1,098	1,098	-	-	1,098
Amount owing to subsidiary companies	119,891	119,891	-	-	119,891
Total undiscounted financial liabilities	120,989	120,989	-	-	120,989
01.07.2017					
Trade and other payables ^	913	913	-	-	913
Amount owing to subsidiary companies	118,679	118,679	-	-	118,679
Total undiscounted financial liabilities	119,592	119,592	-	-	119,592

^ Exclude GST payable

III Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly US Dollar ("USD"), EURO ("EUR"), British Pound ("GBP"), Singapore dollar ("SGD") and Korean Won ("KRW").

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 outweighs the potential risk of exchange rate fluctuations.

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entitles) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in				
	USD RM'000	SGD RM'000	GBP RM'000	EUR RM'000	KRW RM'000
Group					
30.06.2019					
Cash and bank balances	-	6,261	10	-	7,171
Trade payables	(555)	(249)	-	(30)	-
Other payables	(27)	-	-	-	-
Exposure in the statements of financial position	(582)	6,012	10	(30)	7,171
30.06.2018					
Cash and bank balances	2,904	-	39,768	-	-
Trade payables	(104)	-	-	(31)	-
Other payables	(880)	-	-	-	-
Exposure in the statements of financial position	1,920	-	39,768	(31)	-
01.07.2017					
Cash and bank balances	1,051	-	-	-	-
Trade payables	(74)	-	-	(17)	-
Other payables	(524)	-	-	-	-
Exposure in the statements of financial position	453	-	-	(17)	-

31 FINANCIAL INSTRUMENTS (CONT'D)

B Financial risk management objectives and policies (Cont'd)

III Foreign currency risk (Cont'd)

Currency risk sensitivity analysis

The following table demonstrates the sensitivity to a reasonable possible change in the SGD, KRW and GBP, with all other variables held constant on the Group's total equity and profit for the financial year.

	Change in rate %	Effect on profit or (loss) for the financial year RM'000
Group		
2019		
SGD	+ 10%	601
	- 10%	(601)
KRW	+ 10%	717
	- 10%	(717)
2018		
GBP	+ 10%	3,977
	- 10%	(3,977)

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

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.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the reporting date, after taking into account the effect of the interest rate swaps, 100% of the Group's borrowings are at fixed rates of the interest.

31 FINANCIAL INSTRUMENTS (CONT'D)

B Financial risk management objectives and policies (Cont'd)

IV Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The Group does not account for any floating rate financial assets and financial liabilities at fair value through profit or loss. Therefore, sensitivity analysis for interest rate risk is not presented.

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 RM4,511,000. 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:

	30.06.2019 RM'000	30.06.2018 RM'000	01.07.2017 RM'000
Group			
Financial assets			
Trade and other receivables *	36,992	27,867	47,215
Fixed income trust fund	-	-	15,548
Fixed deposits with licensed banks	79,333	249,267	247,044
Cash and bank balances	88,525	80,501	80,892
	204,850	357,635	390,699
Financial liabilities			
Trade and other payables ^	86,228	78,519	86,459
Bank borrowings	139,208	24,338	31,138
	225,436	102,857	117,597
Company			
Financial assets			
Trade and other receivables *	116	1,056	57
Amount owing by subsidiary companies	13,408	17,595	389,663
Fixed income trust fund	-	-	15,548
Fixed deposits with licensed banks	52,228	161,096	150,550
Cash and bank balances	2,724	4,875	5,024
	68,476	184,622	560,842
Financial liabilities			
Trade and other payables ^	120	1,098	913
Amount owing to subsidiary companies	143,615	119,891	118,679
	143,735	120,989	119,592

** 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 carrying amount of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

D Fair value hierarchy

The following are classes of financial instruments that are carried at fair value, by valuation method. The different levels have been defined as follows:

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
30.06.2019					
Financial asset					
Short term investments	19	100,343	-	-	100,343
30.06.2018					
Financial asset					
Short term investments	19	99,272	-	-	99,272
01.07.2017					
Financial asset					
Short term investments	19	64,371	-	-	64,371
Company					
30.06.2019					
Financial asset					
Short term investments	19	36,580	-	-	36,580
30.06.2018					
Financial asset					
Short term investments	19	32,320	-	-	32,320

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.

		Group		
	Note	30.06.2019 RM'000	30.06.2018 RM'000 Restated	01.07.2017 RM'000 Restated
Borrowings	23	139,208	24,338	31,138
Less: Short term deposits, cash and bank balances	20	(167,858)	(329,768)	(343,484)
Sub-Total		(28,650)	(305,430)	(312,346)
Net Debt		-	-	-
Equity attributable to the owners of the Company, representing total capital		1,577,607	1,555,622	1,524,609
Total capital and net debt		1,577,607	1,555,622	1,524,609
Gearing ratio, net		-	-	-

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 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 accompanying financial statements are properly drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2019 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

CHUA ELSIE

TAN KAK TECK

Kuala Lumpur
Date: 26 September 2019

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **ANG KOOI YONG**, being the officer primarily responsible for the financial management of Plenitude Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements 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.

ANG KOOI YONG
(MIA membership no: 8884)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 26 September 2019.

Before me,

TAN KIM CHOOI (W661)
Commissioner for Oaths

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 2019 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 165.

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 2019, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International 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.

Key Audit Matters (Cont'd)

We have determined the matters below to be the key audit matters to be communicated in our report.

Group

Property development activities (Note 4(a), 5, 6 and 14 to the financial statements)

Risk

We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend of the outcome of future events.

Our response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers on sample of projects;
- understanding the design and implementation of controls over the Group's process in recording project costs, preparing project budgets and calculating the stage of completion;
- discussing the progress of the projects and the expected outcomes with the respective project managers, to obtain an understanding of the basis on which the estimates are made;
- checking the mathematical computation of the recognised revenue and expenses during the financial year; and
- discussing with the Group on the estimation of provision and the input data in the estimation of provision.

Business combination (Note 4(b) and 15(b)(i) to the financial statements)

Risk

During the financial year ended 30 June 2019, the Group made a significant acquisition. We focused on this area because judgement is required in determining the accounting transaction of this acquisition and the Group has to apply judgement on purchase price allocation.

Our response:

Our audit procedures included, among others:

- reading the assessment by the Group in identifying the assets acquired and the liabilities assumed at the acquisition date;
- discussing and understanding the work performed by the Group on the fair value of the assets;
- reading the assumptions used by the Group in determining the valuation of assets and liabilities assumed as well as consideration transferred;
- checking the computations in the allocation of the purchase price to the different assets and liabilities; and
- reading the valuation and discuss with the third party consultant engaged by the Group for the purchase price allocation.

Key Audit Matters (Cont'd)

Group (Cont'd)

Deferred tax assets (Note4(c) and 16 to the financial statements)

Risk

As at 30 June 2019, the Group has recognised deferred tax assets. We focused on this area because significant directors' 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.

Our response:

Our audit procedures included, among others:

- comparing the actual results with previous projections to understand the performance of the business and historical accuracy of the projections;
- reading the profit projections and the key inputs in the profit projections such as growth rate, inflation rate and profit margin; and
- testing the mathematical accuracy of the profit projections calculation.

Company

We have determined that there are no key audit matters in audit of the financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

Other Matters

1. As stated in Note 2.2(a) to the financial statements, Plenitude Berhad adopted the Malaysian Financial Reporting Standards on 1 July 2018 with a transition date of 1 July 2017. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 30 June 2018 and 1 July 2017, 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 ended 30 June 2018 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibility as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 June 2019 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2018 do not contain misstatements that materially affect the financial position as at 30 June 2019 and the financial performance and cash flows for the financial year then ended.

2. 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 PLT
LLP0019411-LCA & AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 02819/10/2020 J
Chartered Accountant

Kuala Lumpur
Date: 26 September 2019

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	Date of Acquisition/ Revaluation
1	PT 64721 - PT 64891, H.S.(D) 51230 - H.S.(D) 51400 LOT 119982, GERAN 334956 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Land held for mixed development	51.02	Freehold	-	6,368	24/03/1999
2	PT32818 - 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)	-	24,838	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	15	204	30/09/2008
4	PTD193720 - 193761, HSD570021 - 570062; PTD194084 H.S.(D)570374, PTD194079, H.S (D) 570373, PTD194085 H.S.(D) 570375, PTD194089 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 158191, H.S.(D) 489370 PTD 194090, H.S.(D) 570377 PTD 194092, H.S.(D) 570379 PTD 194091, H.S.(D) 570378 PTD 194093, H.S.(D) 570380 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for mixed development	188.51	Freehold	-	24,282	25/10/2000

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019 (CONT'D)

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	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	-	742	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	25/10/2000
7	PTD 140212, H.S.(D) 439286 Mukim Tebrau, Johor Bahru	Land held for investment property	10.90	Freehold	-	1,657	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	5	16,129	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	21	111	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 investment property	258.48	Freehold	-	34,859	25/02/2004

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019 (CONT'D)

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	Date of Acquisition/ Revaluation
11	Geran 35108, Lot 28 Geran 35126, Lot 213 Seksyen 2 Bandar Batu Feringgi Daerah Timor Laut, Pulau Pinang	Land held for development	0.82	Freehold	-	750	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 HS(M) 406 - 407, Lot 1231 - 1232 GM 154, Lot 709 Mukim 17, Batu Ferringgi, Daerah Timor Laut, Pulau Pinang	Land held for mixed development	32.83	Freehold	-	38,821	10/05/2010
13	H.S.(M) 494 - 495, Lot 1368 - 1369 Geran Mukim 116 - 117, Lot 555 - 556 Mukim 17, Tempat Batu Feringghi, Daerah Timor Laut, Pulau Pinang	Land held for mixed development	1.91	Freehold	-	2,613	28/09/2010
14	Geran No. 116119 - 116124, Lot No. 1038 - 1043 Seksyen 2, Bandar Batu Ferringhi Daerah Timor Laut, Pulau Pinang	Land held for commercial development	0.58	Freehold	-	3,286	10/07/2006

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019 (CONT'D)

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	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	-	42,002	27/09/2010
16	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	-	9,658	10/11/2000
17	PT 14554 - 14561 HS(D) 6793 - 6800 PT 14574 - 14601 HS(D) 6813 - 6840 PT 14602 - 14607 HS(D) 6841 - 6846 PT 14621 - 14658 HS(D) 6860 - 6897 PT 14688 - 14705 HS(D) 6927 - 6944 PT 14722 - 14732 HS(D) 6961 - 6971 PT 14744 - 14752 HS(D) 6983 - 6991 PT 14768 - 14789 HS(D) 7007 - 7028 PT 14833 - 15023 HS(D) 7072 - 7362 PT 15024 - 15189 HS(D) 7363 - 7428 PT 15192 - 15195 HS(D) 69091 - 69094	Land held for mixed development	620.29	Freehold	-	34,984	10/11/2000

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019 (CONT'D)

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	Date of Acquisition/ Revaluation
17	PT 15198-15200 HS (D) 115747 - 115749 PT 15233-15234 HS (D) 115782 - 115783 PT 15677-15680 HS (D) 116194 - 116197 PT 16682-16691 HS (D) 9690 - 9699 PT 16736-16755 HS (D) 9744 - 9763 PT 21432-21451 HS (D) 6451 - 6470 PT 21452-21506 HS (D) 6471 -6525 PT 22411-22435 HS (D) 32597 - 32621 PT 22436-22450 HS (D) 32622 - 32636 PT 22724-22783 HS (D) 32910 - 32969 PT 22886-22897 HS (D) 33072 - 33083 PT 23226 HS (D) 64797 PT 23227-23344 HS (D) 33413 - 33530 PT 23345-23346 HS (D) 33531 - 33532 PT 23347 HS (D) 33533 PT 23348-23349 HS (D) 33534 - 33535 PT 23350 HS (D) 33536 PT 23356 HS (D) 33542 PT 23357 HS (D) 33543 PT 23369 HS (D) 33544 PT 94389 HS (D) 112006 Mukim of Sungai Pasir District of Kuala Muda Kedah Darul Aman						

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019 (CONT'D)

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	Date of Acquisition/ Revaluation
18	PT 15190 H.S.(D) 69089 Mukim of Sungai Pasir District of Kuala Muda Kedah Darul Aman, and PT 15191 H.S.(D) 69090 Bandar Sungai Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land held for commercial development	8.08	Freehold	-	6,226	19/02/2009
19	No. 1, Jalan Perdana Heights 1/1 Perdana Heights 08000 Sungai Petani Kedah Darul Aman	Shop Office held for rental income	0.23*	Freehold	9	723	28/05/2018
20	Lot 4777 Seksyen 47 GRN 202321 Bandar Sungai Petani District of Kuala Muda Kedah Darul Aman	Land held for commercial development	1.00	Freehold	-	115	18/03/2013
21	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 Changkat View Condominium No 18, Jalan Dutamas Raya 51200 Kuala Lumpur, Wilayah Persekutuan KL	Apartment held for rental income	0.22*	Freehold	11	1,041	30/04/2010
22	G-0-1, G-0-2, G-0-4, 1-1, 1-2, 1-3, 1-4, 2-1, 2-2, 2-4 Ampangpuri Condominium Jalan Nipah, Off Jalan Ampang 54000 Kuala Lumpur, Wilayah Persekutuan KL	Apartment held for rental income	0.50*	Freehold	28	7,604	16/11/2010 & 01/02/2011

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019 (CONT'D)

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	Date of Acquisition/ Revaluation
23	18-32-C Gurney Tower, 10250 George Town, Pulau Pinang	Commercial lot held for rental income	-	Freehold	12	335	24/01/2017
24	The Gurney Resort Hotel & Residences Penang Lot 2255, Bandar Georgetown, Seksyen 4, Daerah Timur Laut Negeri Pulau Pinang	Hotel building	12.38*	Freehold	19	150,814	18/03/2015
25	Tanjung Point Residences Penang Lot 3407 Seksyen 1 Bandar Tanjung Tokong Daerah Timor Laut, Pulau Pinang	Land together with residences building	1.13	Freehold	1	93,231	10/07/2006
26	Mercure Penang Beach Bandar Tanjong Bungah Daerah Timur Laut, Pulau Pinang	Land together with hotel building	1.64	Freehold	37	16,756	24/08/2001
27	Oakwood Hotel & Residence Kuala Lumpur No. 222, Jalan Ampang 50450 Kuala Lumpur	Hotel building	2.92*	Freehold	25	101,252	22/05/2015
28	The Nomad Serviced Residences Bangsar No. 136, Jalan Ara Bangsar 59100 Kuala Lumpur	Land together with serviced residences building	1.94*	Freehold	26	48,119	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	15	161,276	22/05/2015

LIST OF PROPERTIES
HELD AS AT 30 JUNE 2019 (CONT'D)

No.	Land Title/ Location	Existing Use/ Description	Land Area/ Lettable Area* (Acres)	Tenure	Approx. Age of Buildings (Years)	Net Book Value as of 30/06/2019 (RM '000)	Date of Acquisition/ Revaluation
30	Travelodge Georgetown No. 101, Jalan Macalister 10400 Penang	Land together with hotel building	0.81*	Freehold	Not Available	29,537	22/05/2015
31	Travelodge Ipoh Jalan Raja Dihilir 30350 Ipoh Perak	Land together with hotel building	1.55	Freehold	22	39,408	31/12/2018
32	Travelodge Myeongdong Euljiro 61 Supyo-Ro Myeongdong Jung-gu Seoul 04542 South Korea	Land together with hotel building	0.27	Freehold	5	203,623	21/06/2019

ANALYSIS OF SHAREHOLDINGS
AS AT 12 SEPTEMBER 2019

SHARE CAPITAL

Total Issued Capital : 381,533,758

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
164	Less than 100	2,029	*
2,319	100 to 1,000	1,740,266	0.46
3,133	1,001 to 10,000	12,264,083	3.21
720	10,001 to 100,000	21,282,675	5.58
107	100,001 to less than 5% of issued shares	121,144,823	31.75
3	5% and above of the issued shares	225,099,882	59.00
6,446	**TOTAL**	**381,533,758**	**100**

** Less than 0.01%*

ANALYSIS OF SHAREHOLDINGS
AS AT 12 SEPTEMBER 2019

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	81,378,018	21.33
3.	En Primeurs Sdn Bhd	20,897,138	5.48
4.	Focus Asia Strategies Ltd	18,637,935	4.89
5.	Bus Info Plus Sdn Bhd	18,267,888	4.79
6.	Northside Plantations Sdn Bhd	17,988,818	4.71
7.	Zheijang Properties Sdn Bhd	16,775,704	4.40
8.	Brainstorms Sdn Bhd	5,732,800	1.50
9.	Yayasan Haji Zainuddin	4,000,000	1.05
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd *-Yayasan Pok Rafeah, Berdaftar*	4,000,000	1.05
11.	Lee Ooi Kim	3,636,278	0.95
12.	Amsec Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account - Ambank (M) Berhad for Ang Beng Poh*	3,000,000	0.79
13.	CIMB Group Nominees (Asing) Sdn Bhd *-Exempt An for DBS Bank Ltd (SFS)*	2,275,000	0.60
14.	Public Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Ang Beng Poh (E-BMM)*	1,400,900	0.37
15.	Public Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Lee Yock Chem @ Lee York Soo (E-PKG)*	1,241,300	0.32
16.	Goh Thong Beng	992,000	0.26
17.	Yeo Khee Huat	904,200	0.24
18.	Ng Swee Sim	882,300	0.23
19.	DB (Malaysia) Nominee (Asing) Sdn Bhd *-Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)*	750,000	0.20
20.	Lim Khuan Eng	695,000	0.18
21.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Lim Chen Yik (Penang-CL)*	578,000	0.15
22.	Nam Shoon Hong Sdn Bhd	538,000	0.14
23.	Public Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Lee Yock Chem @ Lee York Soo (E-PKG)*	454,800	0.12
24.	Hwang Yung Aun & Sons Sdn Bhd	447,000	0.12

ANALYSIS OF SHAREHOLDINGS
AS AT 12 SEPTEMBER 2019

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
25.	Ng Kim Neo	431,000	0.11
26.	HSBC Nominees (Asing) Sdn Bhd *-Exempt An for Credit Suisse (SG BR-TST-Asing)*	430,000	0.11
27.	Maybank Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Natco Capital Sdn Bhd*	417,800	0.11
28.	HLB Nominees (Tempatan) Sdn Bhd *-Pledged Securities Account for Chuah Seng Boon*	404,100	0.10
29.	Toh Ying Choo	400,000	0.10
30.	Lim Boo Thiam	370,000	0.10
	Total	**330,750,705**	**86.69**

ANALYSIS OF SHAREHOLDINGS
AS AT 12 SEPTEMBER 2019

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	81,378,018	21.33	-	-
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. Tan Kak Teck	-	-	-	-
3. Ir. Teo Boon Keng	-	-	-	-
4. Lok Bah Bah @ Loh Yeow Boo	-	-	-	-
5. Tee Kim Chan	-	-	-	-

*Note:- *Deemed interested by virtue of the shares held by her spouse and children.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth ("19th") Annual General Meeting of **PLENITUDE BERHAD** will be held at Oak 1 & Oak 2 Meeting Room, Oakwood Hotel & Residence Kuala Lumpur, 222, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan (KL) on **Friday, 8 November 2019** 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 2019 ("FY2019") 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 FY2019 as recommended by the Directors. **(Ordinary Resolution 1)**

3. To approve the sum of RM270,000.00 (FY2019: RM130,000.00) for payment as Directors' fees in respect of the financial year ending 30 June 2020. **(Ordinary Resolution 2)**

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

   I Madam Chua Elsie **(Ordinary Resolution 3)**

   II Mr Tan Kak Teck **(Ordinary Resolution 4)**

5. To re-appoint Messrs Baker Tilly Monteiro Heng PLT 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. **Ordinary Resolution**
   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 an estimated total sum of RM25,000.00 for the period commencing after the date of this Annual General Meeting to the date of the next Annual General Meeting of the Company be approved."

7 **Special Resolution**
Proposed Adoption of the New Constitution of the Company **(Special Resolution 1)**

"**THAT** approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix 1 accompanying the Company's Annual Report for the FY2019, be and is hereby adopted as the Constitution of the Company, **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

8 **Ordinary Resolution**
Proposed Retention of Independent Director **(Ordinary Resolution 7)**

"**THAT** subject to the passing of Ordinary Resolution 4, Mr Tan Kak Teck, who has served as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years be retained and remain as an Independent Non-Executive Director of the Company."

9 To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the forthcoming 19th Annual General Meeting, a Final Single Tier Dividend of 4.5 sen per share will be paid on 22 November 2019 to the shareholders whose names appear in the Record of Depositors at the close of business on 15 November 2019.

A depositor shall qualify for entitlement only in respect of:-

A shares transferred to the Depositor's Securities Account before 4.30 p.m. on 15 November 2019 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
17 October 2019

Notes :

1. Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.

2. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.

3. Where a Member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account') there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

4. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

6. If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.

7. To be valid, this form, duly completed must be deposited at the registered office of the Company at 2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. Fax copies of the duly completed Forms of Proxy are not acceptable. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.

8 In respect of deposited securities, only members whose names appear on the Record of Depositors on 1 November 2019, 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 FY2019

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 18 September 2019, 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 22 November 2019 in accordance with the requirements under Sections 132(2) and (3) of the Companies Act 2016.

Explanatory Notes on Special Business

12 Ordinary Resolution 6 – Meeting allowance for Non-Executive Directors

The meeting allowance of RM500.00 per meeting is payable to each Non-Executive Director, where applicable, for their attendance of Board and Committee meetings.

13 Proposed Adoption of the New Constitution of the Company

The Special Resolution 1, if passed, will bring the Company's Constitution in line with the Companies Act 2016 which came into force on 31 January 2017, the updated provisions of the Main Market Listing Requirements and the prevailing statutory and regulatory requirements, details of which are set out in Appendix 1 accompanying the Company's Annual Report for the FY2019. Pursuant to Section 36 of the Companies Act 2016, the proposed adoption of the new Constitution of the Company, if passed as a Special Resolution by a majority of not less that 75% of the members who are entitled to vote, and do vote in person or by proxy, shall take immediate effect and it shall bind the Company and the members accordingly.

14 Ordinary Resolution 7 - Proposed Retention of Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance

Mr Tan Kak Teck was appointed as Independent Non-Executive Director of the Company on 15 July 2003 and has served for a cumulative term of more than twelve (12) years. The Board considers him to be independent and believes that he should be retained and remain as Independent Non-Executive Director based on the following justification:-

A He has met the independence criteria set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements;

B He has been with the Group for sixteen (16) years and therefore understands the operations of the Company and is able to participate actively and contribute positively during deliberations/discussions at meetings without compromising his independence and objective judgment;

C He has contributed sufficient time and exercised due care during his tenure as Independent Director;

D He has discharged his professional duties in good faith and also in the best interest of the Company and shareholders; and

E He has the professional skills, qualifications and experiences to review the Group's financial statements, business strategies and direction.

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PLENITUDE BERHAD (531086-T)

(Incorporated in Malaysia)

CDS ACCOUNT NO.	- -
NO. OF SHARES HELD	

FORM OF PROXY

I/We _____

(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No.: _____)

of _____

(FULL ADDRESS)

_____ being a member/members of PLENITUDE BERHAD, hereby appoint

Name of Proxy *(Full Name)*	**NRIC No./Passport No.**	**% of Shareholdings to be Represented** *(Refer to Note 5)*
Address		

and/or failing him

Name of Proxy *(Full Name)*	**NRIC No./Passport No.**	**% of Shareholdings to be Represented** *(Refer to Note 5)*
Address		

or failing him, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held at Oak 1 & Oak 2 Meeting Room, Oakwood Hotel & Residence Kuala Lumpur, 222, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan (KL) on **Friday**, **8 November 2019** at **3.00 p.m**. and at any adjournment thereof.

ORDINARY BUSINESS		**FOR**	**AGAINST**
Ordinary Resolution 1	Declaration of Final Single Tier Dividend		
Ordinary Resolution 2	Payment of Directors' Fees for the financial year ending 30 June 2020		
Ordinary Resolution 3	Re-election of Madam Chua Elsie as Director		
Ordinary Resolution 4	Re-election of Mr Tan Kak Teck as Director		
Ordinary Resolution 5	Re-appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 6	Payment of Meeting Allowance for Non-Executive Directors		
Special Resolution 1	Adoption of the New Constitution of the Company		
Ordinary Resolution 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 ..... 2019 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 to 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.*
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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 1 November 2019, 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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Plenitude Berhad
(531086-T)

Web : plenitude.com.my
Tel : 603 6201 0051
Fax : 603 6201 0071

2nd Floor, No. 2,
Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.