PLENITUDE

PLENITUDE BERHAD
Company No. 200001028479 (531086-T)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		9 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	76,729	36,949	176,690	136,564
Cost of sales	(44,539)	(17,015)	(93,603)	(62,571)
Gross profit	32,190	19,934	83,087	73,993
Investment revenue	2,891	4,142	7,937	12,355
Other income	2,249	4,550	6,885	9,130
Finance costs	(1,265)	(302)	(3,905)	(923)
Administrative expenses	(23,930)	(17,524)	(68,207)	(57,305)
Other expenses	(556)	(398)	(1,642)	(1,375)
Profit before taxation	11,579	10,402	24,155	35,875
Taxation	(8,139)	(3,971)	(15,707)	(12,866)
Profit for the period	3,440	6,431	8,448	23,009
Other comprehensive expense	(8,927)	151	(16,125)	(4,123)
Total comprehensive income/ (loss) for the period	(5,487)	6,582	(7,677)	18,886
Profit/ (loss) for the period attributable to:				
Owners of the Company	4,427	6,431	10,031	23,009
Non-controlling interests	(987)	-	(1,583)	-
	3,440	6,431	8,448	23,009
Total comprehensive (loss)/ income for the period attributable to:				
Owners of the Company	(4,776)	6,582	(6,788)	18,886
Non-controlling interests	(711)	-	(889)	-
	(5,487)	6,582	(7,677)	18,886
Earnings per share attributable to Owners of the Company (sen)				
- Basic / Diluted	1.2	1.7	2.6	6.0

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the Explanatory Notes for the quarter ended 31 March 2020)

PLENITUDE BERHAD
Company No. 200001028479 (531086-T)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2020 (Unaudited)	As at 30.06.2019 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	943,289	891,721
Investment properties	62,460	62,315
Inventories- Property development projects	344,171	331,456
Rights of use assets	490	-
Goodwill	3,703	3,703
Deferred tax assets	19,811	19,811
	1,373,924	1,309,006
CURRENT ASSETS		
Inventories	277,787	267,005
Trade and other receivables	71,527	44,373
Contracts assets	52	6,167
Tax recoverable	9,111	10,145
Short term investments	58,950	100,343
Fixed deposits with licensed banks	30,618	79,333
Cash and bank balances	80,657	88,525
	528,702	595,891
TOTAL ASSETS	1,902,626	1,904,897
EQUITY AND LIABILITIES		
Capital & Reserves		
Share capital	515,315	515,315
Reserves	1,038,335	1,062,292
Total Equity Attributable to Owners of the Company	1,553,650	1,577,607
Non-controlling interests	39,061	39,950
TOTAL EQUITY	1,592,711	1,617,557
NON-CURRENT LIABILITIES		
Other payable	1,620	826
Lease liabilities	73	-
Bank borrowings	129,576	135,007
Deferred tax liabilities	30,632	30,631
	161,901	166,464
CURRENT LIABILITIES		
Trade and other payables	118,306	102,868
Contract liabilities	23,859	12,488
Lease liabilities	416	-
Bank borrowings	4,795	4,201
Tax liabilities	638	1,319
	148,014	120,876
TOTAL LIABILITIES	309,915	287,340
TOTAL EQUITY & LIABILITIES	1,902,626	1,904,897
Net assets per share attributable to owners of the Company (RM)	4.07	4.13

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the Explanatory Notes for the quarter ended 31 March 2020)

PLENITUDE BERHAD
Company No. 200001028479 (531086-T)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

			Non-distributable		Distributable			
	Share Capital	Available For-Sale Reserve	Fair value Reserve of Financial Assets at FVOCI	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 Months Ended 31 March 2020								
At 1 July 2019	515,315	-	12,602	147	1,049,543	1,577,607	39,950	1,617,557
Net profit for the period	-	-	-	-	10,031	10,031	(1,583)	8,448
Fair value changes on equity instruments designated at fair value through other comprehensive income" (FVOCI)	-	-	(17,763)	-	-	(17,763)	-	(17,763)
Foreign currency translation difference for foreign operation	-	-	-	944	-	944	694	1,638
Total comprehensive (expense)/ income for the financial period	-	-	(17,763)	944	10,031	(6,788)	(889)	(7,677)
Dividend for the financial year ended 30 June 2019 - final dividend	-	-	-	-	(17,169)	(17,169)	-	(17,169)
At 31 March 2020	515,315	-	(5,161)	1,091	1,042,405	1,553,650	39,061	1,592,711

			Non-distributable		Distributable			
	Share Capital	Available For-Sale Reserve	Fair value Reserve of Financial Assets at FVOCI	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 Months Ended 31 March 2019								
At 1 July 2018 (as perviously reported)	515,315	15,790	-	53	1,028,162	1,559,320	-	1,559,320
Effect of transition to MFRS 9	-	(15,790)	15,790	-	-	-	-	-
Effect of transition to MFRS 15	-	-	-	-	(3,698)	(3,698)	-	(3,698)
Restated balance at 1 July 2018	515,315	-	15,790	53	1,024,464	1,555,622	-	1,555,622
Net profit for the period	-	-	-	-	23,009	23,009	-	23,009
Fair value changes on available-for-sale financial assets	-	-	(4,372)	-	-	(4,372)	-	(4,372)
Foreign currency translation difference for foreign operation	-	-	-	249	-	249	-	249
Total comprehensive income for the financial period	-	-	(4,372)	249	23,009	18,886	-	18,886
Dividend for the financial year ended 30 June 2018 - final dividend	-	-	-	-	(17,169)	(17,169)	-	(17,169)
At 31 March 2019	515,315	-	11,418	302	1,030,304	1,557,339	-	1,557,339

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the Explanatory Notes for the quarter ended 31 March 2020)

PLENITUDE

PLENITUDE BERHAD

Company No. 200001028479 (531086-T)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	9 Months Ended	
	31.03.2020	**31.03.2019**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,155	35,875
Adjustments for:-		
Depreciation and amortisation	19,370	15,138
Other non-cash items	241	(9,243)
Profit Before Working Capital Changes	43,766	41,770
Net change in current assets	(46,122)	(49,189)
Net change in current liabilities	27,602	11,376
Cash Generated From Operations	25,246	3,957
Interest income received	571	952
Income tax refunded	3,588	57
Income tax paid	(18,941)	(13,936)
Net Cash Generated From / (Used in) Operating Activities	10,464	(8,970)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	1,699	4,387
Proceeds from disposal of property, plant and equipment	40	-
Proceeds from disposal of investment property	838	960
Purchase of property, plant & equipment	(70,253)	(80,018)
Purchase of short term investment	(670)	(1,420)
Proceeds from disposal of short term investments	24,300	200
Dividend income received	1,617	4,481
Net Cash Used In Investing Activities	(42,429)	(71,410)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(17,169)	(17,169)
Interest paid	(3,905)	(923)
Repayment of lease liabilities	(326)	-
Repayment of bank borrowings	(2,991)	(632)
Net Cash Used In Financing Activities	(24,391)	(18,724)
NET DECREASE IN CASH & CASH EQUIVALENTS	(56,356)	(99,104)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	167,858	329,769
Effect of exchange rate changes	(227)	310
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	111,275	230,975

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

	31.03.2020	**31.03.2019**
	RM'000	**RM'000**
Fixed deposits with licensed banks	30,618	144,391
Cash and bank balances	80,657	86,584
	111,275	230,975

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the Explanatory Notes for the quarter ended 31 March 2020)

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Malaysian Financial Reporting Standards ("MFRSs"), MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the financial year ended 30 June 2019. These explanatory notes provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2019.

2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2019 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2019. The adoption of the new MFRSs, amendments to MFRSs and IC Interpretations does not have any material impact on the financial position and results of the Group, except for the following :

MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lease accounting model and 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 the initial adoption of MFRS 16, there was impact on the accounting treatment for leases, which the Group as a lessee, accounts for as operating leases in previous financial years. On the adoption of this standard, the Group capitalises its rented premises and equipment on the statements of financial position by recognizing them as "rights-of-use" assets and its corresponding lease liabilities for the present value of future lease payments.

The following assets and liabilities were recognized on the consolidated statement of financial position at 1 July 2019 on the adoption of MFRS 16 :

	Audited 1.7.2019	Effect of adoption of MFRS 16	After adoption of MFRS 16
	RM'000	RM'000	RM'000
Statement of financial position			
Right of use assets	-	815	815
Lease liabilities	-	(815)	(815)

3. Comments about Seasonal or Cyclical Factors

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

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

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

5. Changes in Estimates

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

6. Debt and Equity Securities

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

7. Segmental Information

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

Segment information for the nine (9) months ended 31 March 2020 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	122,597	54,093	-	-	176,690
Inter-segment sales	-	-	9,797	(9,797)	-
Total revenue	122,597	54,093	9,797	(9,797)	176,690
Segment profit/(loss)	38,372	505	14,957	(14,351)	39,483
Investment revenue					7,947
Depreciation					(19,370)
Finance costs					(3,905)
Profit before taxation					24,155
Taxation					(15,707)
Profit for the period					8,448

7. Segmental Information (continued)

Segment information for the nine (9) months ended 31 March 2019 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	88,653	47,911	-	-	136,564
Inter-segment sales	-	-	5,246	(5,246)	-
Total revenue	88,653	47,911	5,246	(5,246)	136,564
Segment profit/(loss)	35,650	5,301	14,134	(15,504)	39,581
Investment revenue					12,355
Depreciation					(15,138)
Finance costs					(923)
Profit before taxation					35,875
Taxation					(12,866)
Profit for the period					23,009

8. Valuation of Property, Plant and Equipment

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

9. Material Subsequent Events

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

10. Changes in the Composition of the Group

The Company has on 6 November 2019 incorporated a new indirect wholly-owned subsidiary, Plenitude Ferringhi Sdn Bhd with an issued and paid up capital of RM2.

Save for the above, there was no changes in the composition of the Group during the quarter under review including business combination, acquisition or disposal of subsidiary, long term investments and restructuring.

11. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities and contingent assets of the Group since the date of the latest audited financial statements.

12. Capital Commitments

Capital expenditure not provided for in the interim financial report is as follows :-

	As at 31.03.2020 RM'000	As at 31.03.2019 RM'000
Property, plant and equipment		
- Approved and contracted	15,234	-

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

1. Performance Review

The Group registered revenue of RM76.7 million and a net profit of RM3.4 million for the current quarter ended 31 March 2020 as compared to revenue of RM36.9 million and a net profit of RM6.4 million for the corresponding quarter of the previous year.

The property development division contributed revenue of RM64.9 million for the current quarter compared to RM23.6 million for the previous year's corresponding quarter. The higher revenue for the current quarter ended 31 March 2020 was mainly attributable to higher revenue recognition from Phase 19&20 – Harp, Double Storey Cluster homes at Taman Desa Tebrau in Johor, Phase 4E – Topaz, 2 & 3 Storey Terrace Houses at Taman Putra Prima in Selangor and sales of completed properties. Phase 19&20 – Harp, Double Storey Cluster homes (2A) at Taman Desa Tebrau in Johor and Phase 4E – Topaz, 2 & 3 Storey Terrace Houses at Taman Putra Prima in Selangor have delivered vacant possession during the current quarter.

Hotel operations registered a revenue of RM11.8 million for the current quarter, a decrease of RM1.5 million compared to revenue of RM13.3 million for the corresponding quarter of the previous year. The newly-acquired Travelodge Myeongdong Euljiro in Seoul, South Korea contributed RM1.7 million of revenue for the current quarter while revenue from hotel operations in Malaysia registered a decrease of RM3.3 million. The significant drop in revenue by Hotel operation was mainly due to the COVID-19 pandemic and the Movement Control Order ("MCO") imposed by the Government of Malaysia during the quarter.

For the 9-month financial period ended 31 March 2020, the Group recorded a revenue of RM176.7 million and net profit of RM8.4 million compared to a revenue of RM136.6 million and net profit of RM23.0 million for the previous financial period ended 31 March 2019.

2. Material Changes In The Profit Before Taxation For The Current Quarter As Compared With The Immediate Preceding Quarter

	Current quarter ended 31.03.2020	Immediate preceding quarter ended 31.12.2019
	RM'000	RM'000
Revenue	76,729	54,165
Gross profit	32,190	28,156
Profit before taxation	11,579	8,212

2. Material Changes In The Profit Before Taxation For The Current Quarter As Compared With The Immediate Preceding Quarter (continued)

The Group posted a profit before tax of RM11.6 million for the current quarter ended 31 March 2020 as compared to a profit before tax of RM8.2 million for the immediate preceding quarter. The higher profit in the current quarter was mainly due to higher revenue recognition by Phase 19 & 20 - Harp, double storey cluster homes (2A) at Taman Desa Tebrau in Johor and Phase 4E – Topaz, 2 & 3 Storey Terrace Houses at Taman Putra Prima in Selangor which have delivered vacant possession during the current quarter. The higher revenue achieved by Property Division has mitigated the lower revenue driven by Hotel Division.

3. Prospects For The Current Financial Year

In view of the COVID-19 pandemic which infected weak sentiment in the property industry, the Group foresees that the remainder of the financial year ending 30 June 2020 will continue to be challenging. 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 outbreak of the COVID-19 pandemic has severely impacted the global and regional tourism. With domestic and worldwide travel restrictions, the Group have no alternative but to downsize its hotel business and operations. The Group has closed the operations of three hotels namely, Mercure Penang Beach, Penang, The Gurney Resort Hotel and Residences, Penang and Travelodge Ipoh in April 2020.

4. Profit Forecast

Not applicable as no profit forecast was issued.

5. Notes to the Statement of Profit and Loss and Other Comprehensive Income

Notes to the Statement of Profit and Loss and other Comprehensive Income comprises of the following :

	Individual Quarter	Cumulative Quarters
	3 months ended 31.03.2020	9 months ended 31.03.2020
	RM'000	RM'000
Depreciation and amortisation of property, plant and equipment	(6,978)	(18,907)
Depreciation of investment properties	(155)	(463)
Property, plant and equipment written off	(11)	(99)
Interest expense	(1,265)	(3,905)
Loss on disposal of property, plant and equipment	(88)	(48)
Gain on disposal of investment property	425	630
Provision for doubtful debts	(772)	(772)
Realised loss on foreign exchange	(92)	(110)
Unrealised gain on foreign exchange	(48)	(18)
Dividend income from short term investments	75	1,671
Fair value changes in short term investments	(9,474)	(17,763)
Interest income from short term deposits	570	2,270

Other than the above items, there were no impairment of assets, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for current quarter and financial period ended 31 March 2020.

6. Taxation

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current year	6,614	4,227	14,182	13,122
- Prior year	1,525	(256)	1,525	(256)
	8,139	3,971	15,707	12,866

The Group's effective tax rate for the financial period was higher than the statutory rate as certain expenses were disallowed as deductions for tax purposes and deferred tax assets not recognised.

7. Status of Corporate Proposals

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

8. Group Borrowings and Debt Securities

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

	31.03.2020	31.03.2019
	RM'000	RM'000
Current		
Term Loan (secured)	4,795	2,575
Non-Current		
Term Loan (secured)	129,576	21,131
Total	134,371	23,706

b) All the borrowings above are denominated in Ringgit Malaysia, except for the followings :-

Short Term Term Loan – Secured		
Denominated in Korean Won (KRW'000)	590,000	-
Long Term Term Loan – Secured		
Denominated in Korean Won (KRW'000)	31,565,000	-

9. Material Litigation

There were no material litigation against the Group as at 22 June 2020, being 7 days prior to the date of this report.

10. Dividend

	31.03.2020	31.03.2019
Final dividend for the financial year	30 June 2019	30 June 2018
Approved and declared on	8 November 2019	31 October 2018
Date paid	22 November 2019	15 November 2018
Amount per share (single tier)	4.5 sen	4.5 sen
Net dividend paid (RM'000)	17,169	17,169

The Board does not recommend any dividend for the current financial period ended 31 March 2020.

11. Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit attributable to owners of the Company (RM'000)	4,427	6,431	10,031	23,009
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	381,534
Basic earnings per ordinary share (sen)	1.2	1.7	2.6	6.0

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

12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2019 were not subject to qualification.

13. Authorisation for Issue

The interim financial report was authorised for issuance by the Board of Directors in accordance with a resolution of the Directors dated 29 June 2020.

By Order of the Board
PLENITUDE BERHAD

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

29 June 2020