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# ABOUT US

**Plenitude Berhad is a public listed company with core interests in property development, property investment and property management. Incorporated on 6 November 2000 as Plenitude Sdn Bhd, it became a public limited company in the same year and was renamed Plenitude Berhad.**

The Plenitude Group commands a diverse portfolio of business ventures related to property and hospitality and has built a reliable track record in the real estate industry. Recognized for their strategic locations, easy accessibility and comprehensive amenities, notable properties include:

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

Plenitude's investments in hospitality assets are:

- Novotel Kuala Lumpur City Centre, Kuala Lumpur
- Oakwood Hotel & Residence, Kuala Lumpur
- Mercure Penang Beach, Penang
- Travelodge Georgetown, Penang
- The Gurney Resort Hotel & Residences, Penang
- Travelodge Ipoh, Ipoh
- Travelodge Myeongdong Euljiro, Seoul, South Korea

Plenitude also invested in two residences namely:

- The Nomad Residences Bangsar, Kuala Lumpur
- Tanjung Point Residences, Penang



# 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

## REMUNERATION COMMITTEE

**Lok Bah Bah @ Loh Yeow Boo**  
Chairman

**Tee Kim Chan**  
Member

## NOMINATION COMMITTEE

**Tee Kim Chan**  
Chairman

**Lok Bah Bah @ Loh Yeow Boo**  
Member

**Tan Kak Teck**  
Member

## AUDITORS

**Baker Tilly Monteiro Heng PLT**  
**201906000600**  
**(LLP0019411-LCA) (AF0117)**  
Baker Tilly Tower,  
Level 10, Tower 1, Avenue 5,  
Bangsar South City,  
59200 Kuala Lumpur  
Wilayah Persekutuan (KL)

## PRINCIPAL BANKERS

**Alliance Bank Malaysia Berhad**  
**RHB Bank Berhad**  
**United Overseas Bank Limited,**  
**Seoul Branch**

## AUDIT COMMITTEE

**Tan Kak Teck**  
Chairman

**Ir. Teo Boon Keng**  
Member

**Lok Bah Bah @ Loh Yeow Boo**  
Member

## 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

## STOCK EXCHANGE LISTING

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

## COMPANY SECRETARY

**Rebecca Lee Ewe Ai**  
MAICSA 0766742  
SSM PC 202008002636

**Wong Yuet Chyn**  
MAICSA 7047163  
SSM PC 202008002451

## 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

## WEBSITE ADDRESS

[plenitude.com.my](http://plenitude.com.my)

# CORPORATE CALENDAR

## ANNUAL GENERAL MEETING

**NOTICE OF ANNUAL  
GENERAL MEETING** 7 OCTOBER 2020

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**20TH ANNUAL  
GENERAL MEETING** 5 NOVEMBER 2020

## PROPOSED DIVIDEND

**FINAL SINGLE TIER OF  
2.0 SEN PER SHARE**

**FINANCIAL YEAR END** : 30 JUNE 2020  
**ANNOUNCEMENT** : 21 SEPTEMBER 2020  
**APPROVAL** : 5 NOVEMBER 2020  
**PAYMENT** : 20 NOVEMBER 2020

## ANNOUNCEMENTS OF FY2020 CONSOLIDATED RESULTS

**1ST QUARTER** 28 NOVEMBER 2019

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**2ND QUARTER** 25 FEBRUARY 2020

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**3RD QUARTER** 29 JUNE 2020

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**4TH QUARTER** 27 AUGUST 2020

# 20 YEARS OF SUCCESS STORIES



Plenitude Berhad was incorporated as an investment holding company.

## EARLY 2000s the beginning...



### AWARDS & RECOGNITIONS

- ★ The 3rd Asia Pacific/ Malaysia e-Entrepreneur Excellence Award 2004
- ★ Bronze Award in the 9th Penang International Salon Gastronomique Competition.
- ★ Top Malaysia Small Cap Companies – 100 Hidden Jewels



Topaz, Taman Putra Prima



Bintang Maya 2, Sungai Petani



### PROJECT HIGHLIGHTS



Clarinet, Taman Desa Tebrau



**FREEHOLD**

**452 ACRE TOWNSHIP**

Taman Putra Prima, Puchong



**FREEHOLD**

**600 ACRE TOWNSHIP**

Bukit Bintang, Sungai Petani



**FREEHOLD**

**965 ACRE TOWNSHIP**

Taman Desa Tebrau, Johor Bahru



2003 Listed on the Main Board of Bursa Malaysia Securities Berhad



2012 Penang Bridge International Marathon



## TRAINING & DEVELOPMENT



2019 Management & Directors think tank



The Marin at Ferringhi, Penang



Bayu Ferringhi, Penang



Changkat View Condominium, Kuala Lumpur



2014 Team building and company annual dinner



## HOSPITALITY ASSETS

9 assets | 1,832 keys | 2,096 rooms



2017 Annual Dinner, Oscar Nite

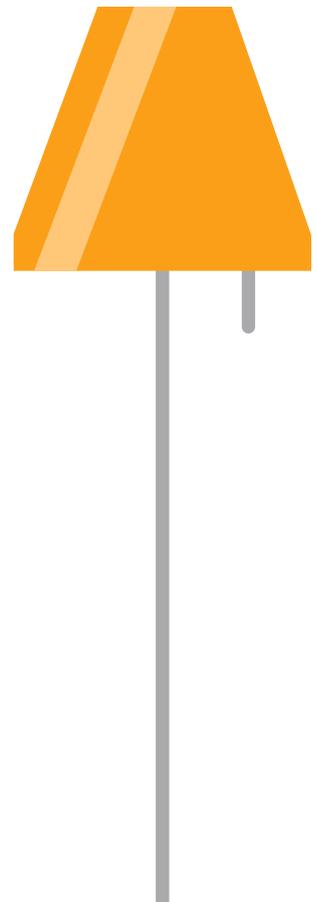
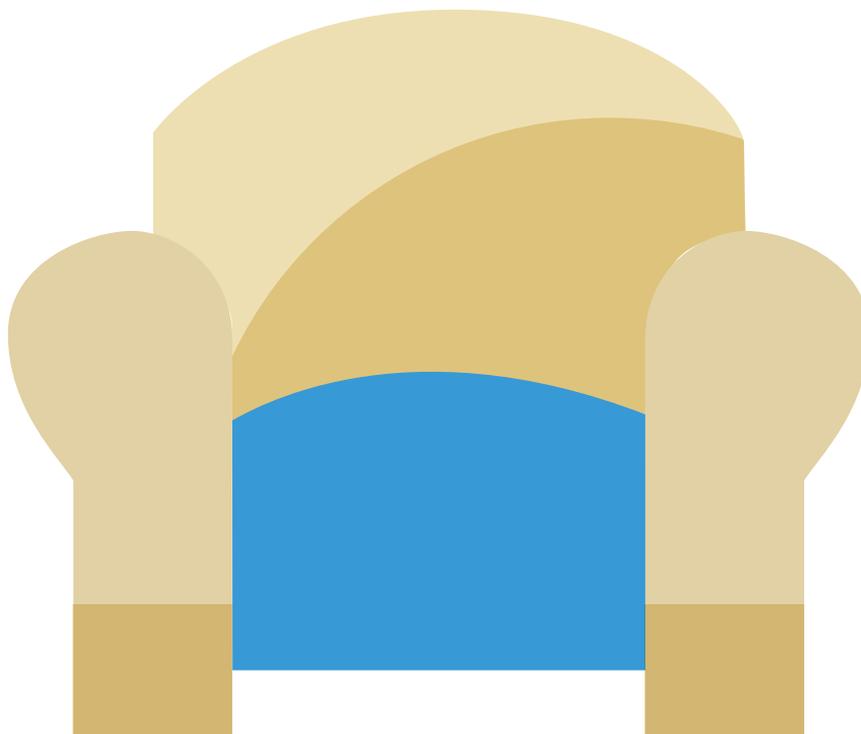


## THE JOURNEY TO BE CONTINUED...

# 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 2020 (“FY2020”).**



The outbreak of Covid-19 has affected the business and economic environment on a global scale. To curb the spread of the virus, the Malaysian government imposed the Movement Control Order (“MCO”) commencing 18 March 2020 which has since been extended under the Recovery Movement Control Order to 31 December 2020. These measures have impacted the economy as many business activities are restricted and have slowed down. Against this backdrop, Plenitude is experiencing growing business pressures towards the second half of the financial year.

For the FY2020, the Group recorded revenue of RM188.8 million and a net profit of RM4.9 million compared to revenue of RM226.6 million and net profit of RM41.1 million for the previous financial year ended 30 June 2019.

Plenitude's property development segment remains the Group's key contributor at 71% while the hotel segment contributed 29% 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 0.08, achieved despite the cash outflow of RM17.17 million paid out as dividend in November 2019 during the financial year. The Group's cash and cash equivalents at the close of the financial year remained strong at RM123.3 million.

## DIVIDEND

Despite the challenging business environment, the Board is indeed very pleased to recommend a first and final Single Tier Dividend of 2.0% (2.0 sen per share) on 381,533,758 ordinary shares amounting to RM7,630,675 in respect of the FY2020 ('Proposed Dividend') representing a Net Dividend Yield of 2.1% (2.0sen/RM0.95) subject to shareholders' approval at the forthcoming Annual General Meeting.

It is noteworthy that Plenitude has been consistent with dividend payments for every financial year since its listing in 2003. The Proposed Dividend will be tabled for shareholders' approval at the forthcoming Twentieth (20th) Annual General Meeting (“AGM”) of the Company.

## FUTURE PROSPECTS

For the financial year ending 30 June 2021, the Group will continue to adopt a more cautious approach in new property launches and to intensify its marketing and sales initiatives to promote the Group's existing properties.

The tourism industry has been badly hit by the Covid-19 pandemic with the continuing closure of international borders. The Short-term Economic Recovery Package in Malaysia has shown some positive impact on the hotel industry and our hotels have shown encouraging improvement in occupancy and banqueting activities. However, domestic tourism, albeit gradually increasing, is insufficient to kick start the sluggish tourism industry. As such, Plenitude expects the occupancy rates and revenue from the hotel division to remain soft, at least until the international borders are open.

The Group foresees a challenging financial year ending 30 June 2021. It is therefore vital for Plenitude to remain vigilant and proactive in management while operating and moving forward in a significantly challenging business environment. 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 continues to look out for prime and strategic development lands for future development.

## ACKNOWLEDGEMENT

My thanks to the management and 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, my thanks to all my fellow Directors for their commitment and invaluable advice and guidance.

*Chua Elsie*

Chairman



**PLENITUDE  
PROPERTY**

*is live!*

We are pleased to announce that our Plenitude Property FB page is live. Please like and follow our page to be in the loop and updated on our latest project developments and happenings.

**PLENITUDE**

SINCE 2000

# BOARD OF DIRECTORS

## TAN KAK TECK

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 61 | 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.

## LOK BAH BAH @ LOH YEOW BOO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 71 | Male | Malaysian

Mr Loh Bah Bah @ Loh Yeow Boo was appointed to the Board on 9 September 2015. He is the 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.

## CHUA ELSIE

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Age 62 | Female | Malaysian

Madam Chua Elsie was appointed to the Board on 2 September 2002. Madam Chua Elsie was the Executive Chairman of Plenitude Berhad as well as Chairman of the Management Committee. She actively oversaw the entire operations of the 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 Ikatambina Sdn Bhd, the substantial shareholder of Plenitude Berhad.

## IR. TEO BOON KENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 66 | 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) in Civil Engineering from University of Newcastle Upon Tyne, United Kingdom. Ir. Teo is a Registered Professional Engineer with the Board of Engineers Malaysia and a Member of the Institution of Engineers Malaysia. Ir. Teo began his professional career with the Ministry of Works (JKR) Malaysia. He has been a Development Consultant and Consulting Civil & Structural Engineer for over 30 years.

## TEE KIM CHAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 66 | Male | Malaysian

Mr Tee Kim Chan was appointed to the Board on 9 September 2015. He is the 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.

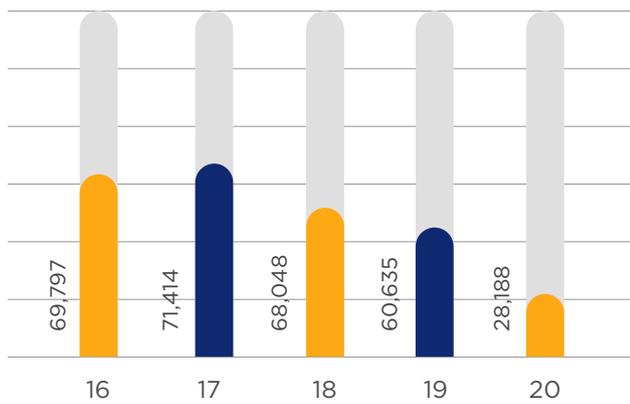
**CONVICTION FOR OFFENCES** - None of the directors have been convicted for any offences within the past 5 years and have not been imposed with any public sanction or penalty by the relevant bodies during the financial year other than traffic offences, if any.

**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.

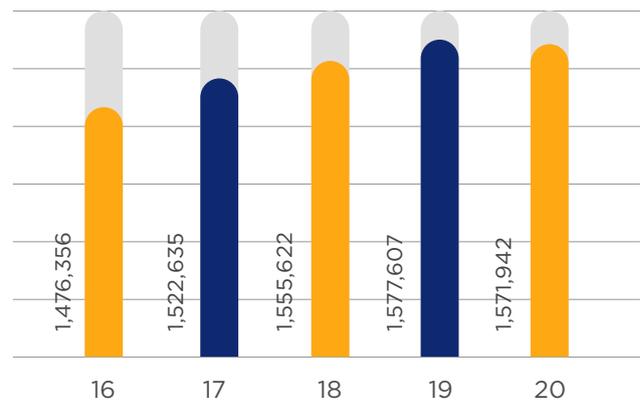
**ATTENDANCE FOR BOARD MEETINGS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020** - The directors' attendance at the Board Meetings for the financial year ended 30 June 2020 is presented on page 46 of the Annual Report.

# FINANCIAL HIGHLIGHTS

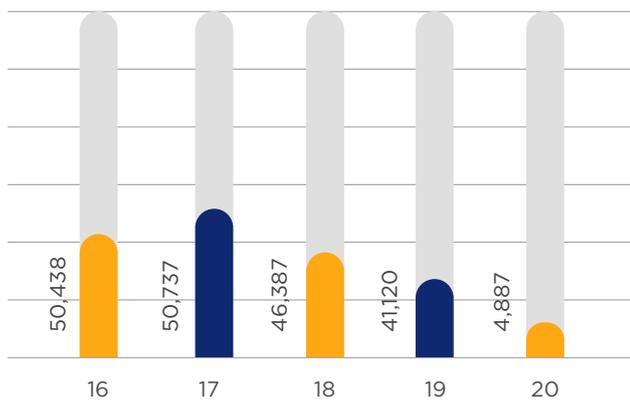
**PROFIT BEFORE TAX**  
(RM'000)



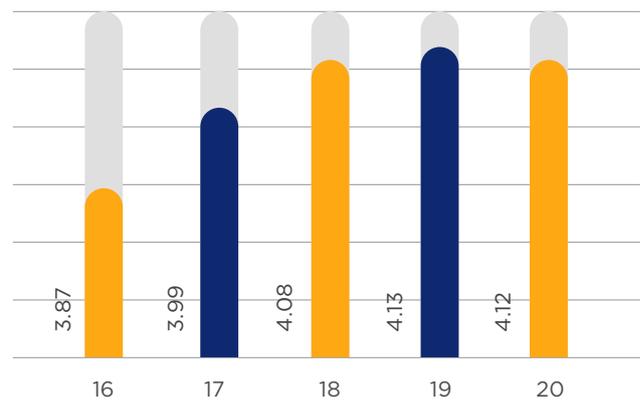
**SHAREHOLDERS' EQUITY**  
(RM'000)



**NET PROFIT FOR THE FINANCIAL YEAR**  
(RM'000)



**NET ASSETS PER SHARE**  
(RM)



# FINANCIAL YEAR ENDED 30 JUNE

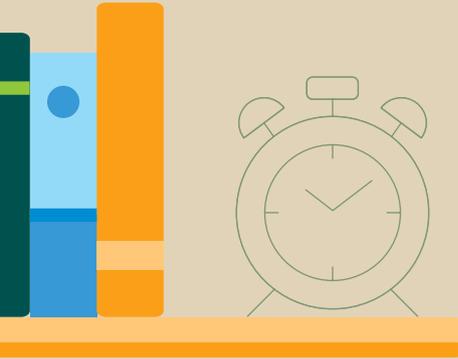
(RM'000)	2016 <sup>^</sup>	2017 <sup>^</sup>	2018*	2019*	2020*
Revenue	220,154	226,204	234,919	226,570	188,835
Profit Before Tax	69,797	71,414	68,048	60,635	28,188
Net Profit for the Financial Year Attributable to Owners of the Company	50,438	50,737	46,387	42,248	8,171
Total Assets	1,688,758	1,714,295	1,724,005	1,904,897	1,895,481
Cash & Cash Equivalents	356,128	343,484	329,768	167,858	96,283
Total Borrowings	39,550	31,138	24,338	139,208	136,158
Shareholders' Equity Attributable to Owners of the Company	1,476,356	1,522,635	1,555,622	1,577,607	1,571,942
Issued and Paid Up Capital (Unit '000)	381,534	381,534	381,534	381,534	381,534
Basic Earnings per Share (sen)	13.2	13.3	12.2	11.1	2.1
Proposed Final Single Tier Dividend per Share (sen)	4.5	4.5	4.5	4.5	2.0
Net Assets per Share (RM)	3.87	3.99	4.08	4.13	4.12

<sup>^</sup> Figures reported based on FRS Framework

\* Figures reported based on MFRS Framework

# HARP

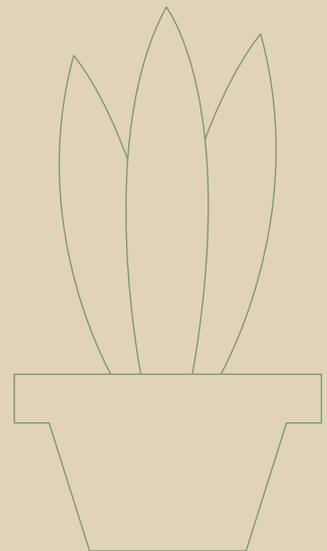
TAMAN DESA TEBRAU  
JOHOR BAHRU



Type C1 : living & dining (actual show unit)



Type C4 : master bedroom (actual show unit)





Type C4 : living & dining (actual show unit)

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

This sustainability reporting journey has come to its third disclosure as the Plenitude Group of Companies (“Plenitude” or “the Group”) strives to maintain and enhance the sustainability practices to simultaneously

achieve business profitability and contribute to the society and environment with the strong support from Board of Directors and Management teams.

Our commitment to sustainable business is based on the three main pillars (“EES”) that outline Plenitude’s aspirations in achieving its sustainability goals:



In this sustainability statement, it covers all of the entities under Plenitude Group which consist of two key divisions - Property Division and Hotel Division for the financial period from 1 July 2019 to 30 June 2020 (“FY2020”). The report includes information and data from specific projects and our value chain activities.

This sustainability report is also prepared in accordance to the Bursa Malaysia Main Market Listing Requirements with references to Sustainability Guide 2nd. Edition which incorporates the United Nation’s Sustainable Financial Disclosures and recommendations from the Task Force on Climate-related Financial Closures. We have not sought any external assurance for our report. Nevertheless, we

will consider seeking assurance for our key sustainability indicator as our reporting matures.

We value your comments and feedbacks in relation to our performance and practices which can be addressed to:

Chief Executive Officer  
Plenitude Berhad  
2nd Floor, No.2 Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Wilayah Persekutuan (KL)  
Tel: 03-62010051  
Email: [ir@plenitude.com.my](mailto:ir@plenitude.com.my)  
Website: [plenitude.com.my](http://plenitude.com.my)

## SUSTAINABILITY GOVERNANCE

We adhere to the belief that sustainability governance is the key driver for all sustainability matters for the Group. We are committed in ensuring the successful implementation and execution of all sustainability strategies to safeguard shareholders' interests.

Our governance structure comprises the Board of Directors, which is supported by the Chief Executive Officer, Sustainability Management Committee and Working Committee.

Governance Structure	
Board of Directors	<ul style="list-style-type: none"> <li>Fully accountable for sustainability matters in the Group</li> <li>Issues the final approval of Sustainability Statement and its contents</li> </ul>
Chief Executive Officer and Sustainability Management Committee	<ul style="list-style-type: none"> <li>Lead the overall implementation of sustainability agenda</li> <li>Develop sustainability strategies and report to Board</li> <li>Sustainability Management Committee comprises corporate functional heads</li> </ul>
Sustainability Working Committee	<ul style="list-style-type: none"> <li>Comprises respective heads of operating subsidiaries and other representatives from different departments</li> <li>Executes and implements sustainability strategies</li> <li>Identifies potential issues concerning stakeholders, determine the priority of each material matter and propose necessary action plans to mitigate the issues of concern</li> </ul>

## GOVERNANCE POLICIES

We believe high level corporate governance is essential in ensuring the implementation of sustainability strategies and as such the Group has formulated the following policies and best practices.

### 1. Board Charter

- To promote together with Senior Management, good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.
- To oversee the conduct of the Group's business including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management.
- Identify principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.

### 2. Code of Conduct

- To establish standards of ethical behaviour based on trustworthiness and acceptable values.
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines.

### 3. Corporate Disclosure Policy

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

### 4. Whistle Blowing Policy

- 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 prohibit legal sanctions for retaliatory actions taken against the whistle blower.
- To establish a mechanism for responding to any report from employees and others regarding such potential violations and concerns.

## 5. Anti-Corruption Policy

- To provide the necessary measures to prevent any corrupt practices and the right channels to report any suspected instances of corruption or attempted corruption
- 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.

The policies above can be downloaded from our Investor Relations portal at [plenitude.com.my](http://plenitude.com.my). They are assessed annually to ensure its continued effectiveness.

## STAKEHOLDER ENGAGEMENT

We define key stakeholders as those who are significantly influenced by, or have the ability to influence our business and operation and also play an important part to ensure the longevity of our business.

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

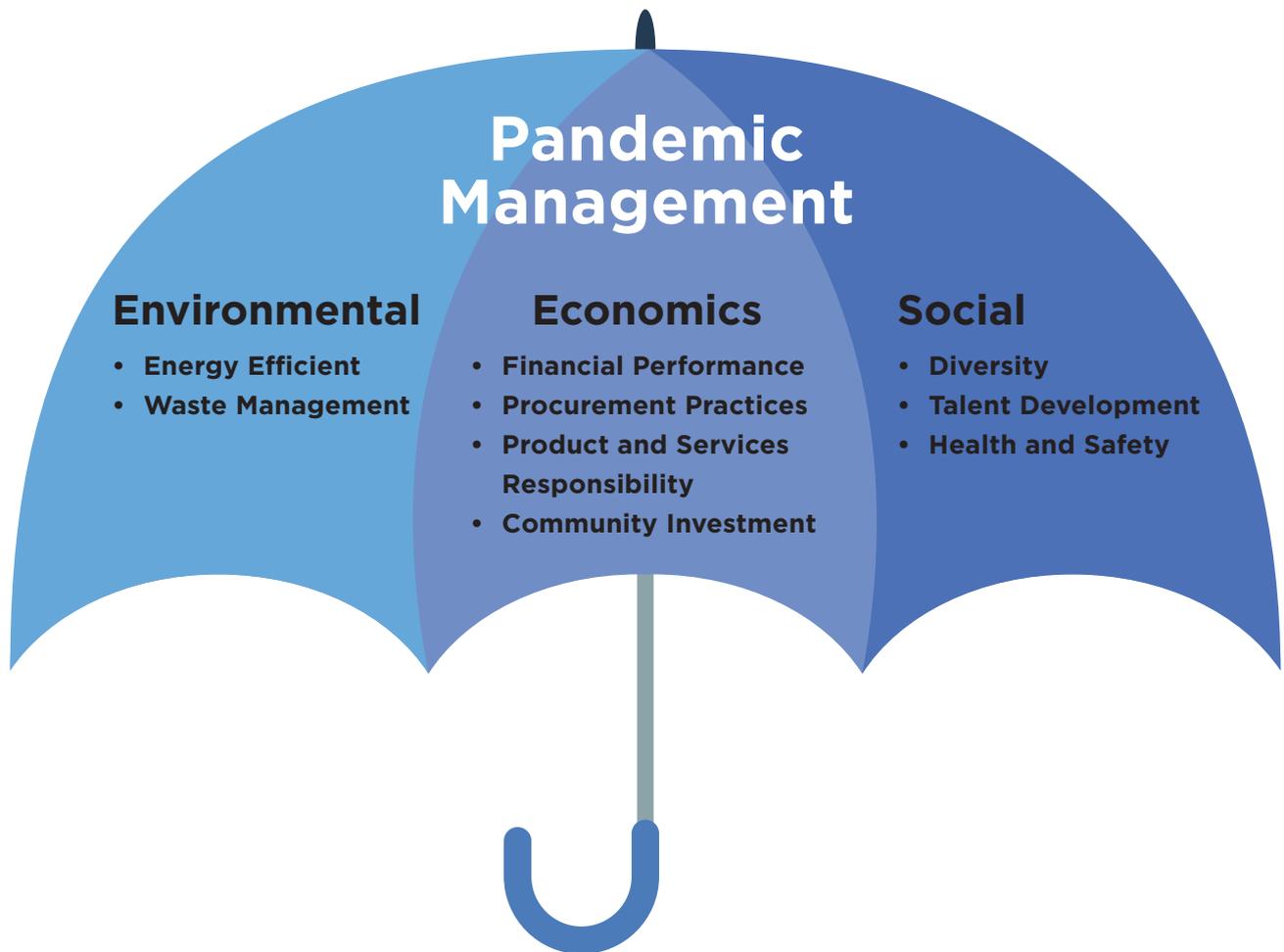
Key Stakeholders	Key concerns	Engagement channels
Customers (existing and potential)	<ul style="list-style-type: none"> <li>• Customers Satisfaction</li> <li>• Product Quality</li> <li>• Complaints Resolution</li> <li>• Company and Developments updates</li> <li>• Market Outlook</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Customer Service Channels</li> <li>• Social Media</li> <li>• Customer Satisfaction Surveys</li> <li>• Marketing Events</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Sustainable Development</li> <li>• Community Engagement</li> <li>• Corporate Social Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Community Events</li> <li>• Social Gathering</li> <li>• Residents' Association</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Career Progression</li> <li>• Learning and Development</li> <li>• Work-Life Integration</li> <li>• Employee Engagement</li> <li>• Conducive Workplaces</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Emails</li> <li>• Departmental briefing</li> <li>• Performance Evaluation</li> <li>• Training Programmes</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Environment Friendly Development</li> <li>• Affordable Housing Compliance</li> <li>• Crime Prevention and Community Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with Legislated Framework</li> <li>• Regular Dialogue with Government Agencies</li> <li>• Real Estate and Housing Developers' Association ("REHDA") membership</li> </ul>
Supply Chain - Contractors and Suppliers	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Anti-corruption and Business Integrity</li> <li>• Timely and Quality Delivery</li> <li>• Environmental Friendly Materials &amp; Construction Processes</li> <li>• Payments</li> <li>• Fair Procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor Evaluation and Selection</li> <li>• Safety, Health and Environmental Policy</li> <li>• Tender Meetings</li> <li>• Project Management Meetings</li> <li>• Client-consultant meeting</li> </ul>
Financiers, Investors, Shareholders	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Financial Performance</li> <li>• Business Risks</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Corporate Announcements</li> <li>• Annual Report</li> <li>• Company Website</li> <li>• Media Releases</li> </ul>

## MATERIALITY

We regularly review our sustainability matters which are material to the stakeholders and analyse their impacts to the Group as a whole. Therefore, we have identified

and updated all the relevant sustainability matters in the materiality matrix and presented to the Board of Directors for endorsement.

## MATERIALITY MATRIX



## OUR MATERIALITY SUSTAINABILITY MATTERS

Sustainability matters that form the umbrella as illustrated above depict their importance to the Group. These core matters act as a shelter to the Group and are monitored and executed nearly perfectly to ensure the sustainability of the Group.

During the year under review, Pandemic Management is added into the list of Sustainability Matters as the

whole world was hit by the Covid-19 outbreak in early January 2020 which had disrupted the global operating environment and restricted global travelling. The Group believes that Pandemic Management is of paramount importance to overcome the unprecedented measures such as the Movement Control Order (“MCO”) undertaken by the country to curb the spread of the virus. In this report, Pandemic Management is a standalone sustainability matter as its impacts spread across all three pillars of Sustainability Matters.

Sustainability Matters	Material Matters	Importance to Stakeholders
	Pandemic Management	To preserve the health and safety of our employees and to reduce and mitigate disruptions to businesses due to unprecedented measures such as Movement Control Order (“MCO”)
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 and 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 lead to reduction of energy consumption
	Waste Management	To manage and reduce wastage in plastic and 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, contractors and service providers to carry out their duties

## PANDEMIC MANAGEMENT

The outbreak of Covid-19 has affected the business and economic environments of the whole world. Since the first outbreak in January 2020, the virus has spread exponentially to almost every country in the world. Eventually, the World Health Organisation (“WHO”) has declared Covid-19 outbreak as a pandemic on 11 March 2020.

The Malaysia Government had imposed the Movement Control Order (“MCO”) commencing 18 March 2020 and has since further extended to 9 June 2020. Unprecedented measures taken such as international and domestic travel restrictions, control of non-essential services, reduced operating hours and workforce, are necessary to curb the spread of the virus. However, such measures came at the expense of the economy as business activities were restricted and non-essential services were only allowed to work-from-home.

The Group’s first priority has been to protect the wellbeing of our employees and their families. Plenitude has implemented

a set of Standard Operating Procedures (“SOPs”) to address this pandemic and are strictly enforcing them. Some of the measures listed in our SOPs include the following:

- Temperature scanning - facial recognition and temperature screening system that support door access control protocol been installed at entry point of the office to reduce human contacts and any employee or visitor who has a temperature above a specific threshold are not allowed to enter the premises.
- Availability of hand sanitizers - sensor hand-sanitizer dispensers are made available at various locations around our office, hotels, sales gallery and sites, especially at the main entrances.
- Social Distancing - this is encouraged in all daily work activities. The number of people in a room for physical meetings is restricted, markers are placed on floors and tables to guide employees.
- Use of Face Masks - all staff are provided with face masks; it was mandatory for all employees who were working in the office to wear a face mask.

- Disinfection and Cleaning –the entire office premises, hotels, and sales offices been sanitized and been increased the frequency of cleaning for high touch surfaces like doors and door handles.
- Encouraging the practice of good personal hygiene, such as the practice of washing hands frequently with soap and water.



Implementation of AI attendance system & auto sanitizer dispenser.

During MCO and Conditional MCO, the Group has activated its business continuity plan by allowing staff to work from home and to communicate over the internet. Virtual meetings were held in various platforms such as Zoom, Google Hangout and Webex to stay connected and ensure the business continued as usual. The Group has gradually upgraded its infrastructure and IT system such as centralization of Data Storage, Server Facilities (Software and Hardware), provision of new laptops for staff, to name a few. Such investments proved to be crucial during the MCO period as the same reduced disruptions in our staff daily interactions.

## ECONOMIC

### FINANCIAL PERFORMANCE

Malaysia's economy was adversely affected by the pandemic especially in the tourism, travel and hospitality industries and business recovery is expected to take a longer period in view of the challenges and uncertainties that lie ahead. This has resulted the 2Q Gross Domestic Product ("GDP") to contract by 17.1% and projected a -3.5% to -5.5% growth in GDP for 2020. As such, Bank Negara Malaysia has cut 125 basis points of its Overnight Policy Rate ("OPR") since January 2020 to spur the economy in anticipation of weak global demand, disruption in the supply chain and global Covid-19 containment measures. In view of the challenging outlook and landscape, the Group has carried out various cost optimisation measures to control the Group's expenditure while enduring the period with perseverance.

The Group's stable of 4 property developments and 9 hospitality assets constantly evolve and expand to be better in respect of cost efficiency and quality and to improve

the financial performance of the Group. As the result, our business contribute to the nation's economy via corporate tax, indirect tax, employees' tax and statutory contribution.

The Group remains committed to create long-term value for shareholders. During the current challenging environment and outlook, many industries unavoidably took their tolls on their bottom line. Similarly, our group was not spared from the effects as we are in the property and hospitality industries. It is worthwhile noting that the Group has shown tireless efforts to navigate the current challenging economic landscape. The property development division remains the main contributor to the Group revenue at 71% while hotel division contributes the balance of 29%. Earnings per share recorded a drop of 9.0 sen as compared to FY2019 mainly due to the slowdown in general property and hospitality market arises from the Covid-19.

In line with the Group's prudent stance of conserving cash to ensure the Group disciplined commitment to expansion and progress in light of the unprecedented global uncertainties, the Group has proposed a reduced dividend at 2.0 sen per ordinary share in respect of FY2020. Key financial indicators are as follows:

RM'000	FY2020	FY2019
Revenue	188,835	226,570
Gross Profit	91,727	120,521
Profit Before Tax	28,188	60,635
Net Profit	4,887	41,120
Earnings per share (sen)	2.1	11.1
Dividend per share paid (sen)	2.0	4.5

### PROCUREMENT PRACTICE

In line with the Group's vision to build and enhance sustainable communities of the future, we have listed out the value chain across the life cycle of the project.

- **Source Funding**
  - Shareholders
  - Financial Institutions
  - Funds Generated Internally
- **Project Initiation**
  - Land Purchase
  - Land/Space Creation
- **Development**
  - Planning and Design

- Approvals and Licensing
  - Procurement
  - Construction
  - Assessment/Audit
- **Deals**
    - Marketing and Sales
    - Sales and Purchases (S&P)
    - Handover
  - **Hospitality**
    - Branding
    - Hotel Management
  - **Property Investment**
    - Leasing
    - Property Management

### THE PROCUREMENT 3ES MODEL – ENGAGE, EVALUATE, EXAMINE

We have standard operating procedure (3Es) on the procurement for our suppliers. The steps are:-



“Made in Malaysia” has been and always will be our motto as the Group strives to procure from local suppliers on all projects. In FY2020, more than 90 percent of our procurement was expended on local supplies for our projects which could lead to the economy growth within Malaysia. Through supporting the local suppliers we build strong relationships with them and directly or indirectly contribute to upskill the talents and improve their products quality, sustainable building method and materials and, project completion and timely delivery. This will subsequently translate into better revenue and portfolio to

all related parties in the supply chain and simultaneously stimulate growth within the Malaysia economy.

The standard operating procedure for suppliers selection include screening process on financial capability, past performance and products quality while holding them to the highest standard of ethical conduct, social and environmental responsibility prior to the award of contract. The Group also has the 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 Myeongdong Euljiro), Oakwood Asia Pacific Ltd (Oakwood Hotel & Residence, Kuala Lumpur) and Qlik Tanjung Point Sdn Bhd (Tanjung Point Residences) have respectively carried out sustainability efforts which include energy efficient technologies, water saving devices and Children Abuse Sexual Program (“WATCH”). The Group upholds all the initiatives and provides necessary supports to the operator whenever needed.

## PRODUCT AND SERVICES RESPONSIBILITY

### PROPERTY DEVELOPMENT

The Group creates sustainable communities through its mixed-use developments which consist of landed houses, high-rises, retails, community parks and shopping malls 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 BAHRU



*Cello 2 storey terrace house (artist impression)*

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 FY2020, we timely delivered Phase 19 & 20 - Harp, 100 units of double storey cluster homes and successfully launched Phase 19 & 20 - Cello, 117 units of double storey terrace houses.

#### TAMAN PUTRA PRIMA, PUCHONG



*Aquamarine (actual show unit)*

A freehold 451.6 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.

A total of 136 units of 2 & 3 storey terrace houses Phase 4E - Topaz, were delivered in FY2020.

#### BUKIT BINTANG, SUNGAI PETANI



*Bintang Maya II (actual aerial view)*

Strategically located along the Eastern Bypass of Sungai Petani, Kedah, the 417.1 acres township houses residential properties such as double storey terraced, double storey Semi-D, low cost apartments and townhouses.

Plenitude Heights Sdn Bhd has delivered Bintang Maya II, 98 units of double storey terrace houses on time in FY2020.

## QUALITY ASSESSMENTS

Our developments are constantly assessed and recognised under Quality Assessment System in Construction (“QLASSIC”) as advocated by Malaysia’s Construction Industry Development Board (“CIDB”). QLASSIC ensures consistent quality in our product via its system which benchmarks the Group’s workmanship against other developments. Stringent assessments processes and criteria are needed to be fulfilled in order to obtain good scoring.

QLASSIC Score in FY2020:

### Harp, Taman Desa Tebrau, Johor Bahru



### Bintang Maya II, Sungai Petani

## HOTEL

The Group’s Hotel Division always strives to provide quality services to all guests. Our hospitality philosophy is to provide our guests an experience of a life-time. Therefore, all employees in the hotels are providing training to serve the quality and services to guests.

In recognition of our efforts, Oakwood Hotel & Residence Kuala Lumpur has been awarded by Traveloka’s in Best Travelers’ Experience with a score of 8.3 and a score of 8.6 for Customer Review awards from Agoda respectively. Besides, Travelodge Georgetown is awarded with a score of 8.1 for Best Travelers’ Experience from Traveloka.



Travelodge Ipoh, Premier Room.

★★★★★ Acknowledge awards.



## 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 Group maintains the three core values - employees and community welfare, environmental protection and preservation and shareholders value creation. The Group has always remained steadfast to our corporate social responsibility philosophy of giving aids to those underprivileged and unfortunate members of our society according to their needs. By giving back to the community and create a stable and united environment, it creates ripple effects and strengthens the Group as an organisation.

By integrating ourselves in the community, the Group has contributed to local communities as follows:

- I. On 24 February 2020, the Group contributed daily necessities such as cooking oil, rice, biscuits and so on to an orphanage (Rumah Hope).
- II. On 9 June 2020, Covid-19 relief responses have been carried out such as donating rice bag to a nominated charity partner with each direct booking received on the website from 8 June - 7 August 2020.

## AFFORDABLE HOUSING

A National Affordable Housing Council was established in early 2019 to oversee the implementation of affordable houses nationwide. The council introduced the National Housing Policy 2018 - 2025. 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.



**ENERGY EFFICIENT**

Effective energy management has a central role in mitigating climate change. It is a powerful greenhouse gas (“GHG”) emissions reduction tool, but also helps to reduce operational cost. The Group’s core activities – both property development and operations of property and hotels require extensive use of energy.

Buildings represent the biggest opportunities for carbon reduction in mitigating climate change, as they are responsible for about 80-90% of the carbon emissions during their operations. Our hotels are working towards “Low-Carbon Building” to achieve energy conservation and emission reduction. For example, our Mercure Penang Beach Hotel has incorporated timer control for electricity in public areas. Internally, all staff practise to switch off lights whenever it is not used. This effort effectively reduce electrical energy consumption and consequently save energy and cost.

In addition, low energy consumption and energy saving features were introduced into our business operations in order to efficiently manage the Group’s assets and to reduce carbon footprint. We have adopted energy efficient technologies such as high-yield boilers and LED lightings which emit similar amount of lumens with less amount of energy consumed in all compound areas and common areas. In FY2020, all our hotels’ lightings in the carparks fire escape areas were replaced with LED lightings to reduce CO2 emission and reduce energy consumption by 70%.

We continue to be committed to do our part to support Malaysia’s 2015 Paris Agreement to reduce GHG emissions by 45% by 2030 in relation to Malaysia’s 2005 GDP.

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 the northern and southern regions. This is to support the respective state’s plan such as Perumahan Komuniti (Johor), Rumah Mampu Milik (Johor), Rumah Kasih Rakyat (Kedah), Rumah Aman (Kedah), and Rumah Makmur (Kedah).

**ENVIRONMENT**

The Group consistently integrate in all its property development projects environmental-friendly elements to protect and preserve Mother Earth. With the effort to reduce our environmental footprint and make a positive impact, we continue to monitor and improve our resource efficiency in both our property development and hospitality segments.

## WASTE MANAGEMENT

### Plastic

Malaysia has recently been ranked as the biggest individual consumer of plastic in an analysis of Asia's worst ocean polluters. In order to limit single-use plastics, our hotels have phased out plastic stirrers and straws in all food and beverage outlets and replaced with biodegradable materials since January 2020.

### Food

According to the Solid Waste Management and Public Cleansing Corporation ("SWCorp"), Malaysia threw 16,688 tonnes of food daily and this is enough to feed 12 million people, three times a day. Since 2019, our Novotel Kuala Lumpur City Centre has implemented live stations for our buffet section where dishes are cooked based on guest request. This year, our hotel built-in more live stations in our Mercure Penang Beach Hotel. We will continue working on to reduce food wastage as much as possible.

In the current pandemic of Covid-19, all the basic conditions and activities necessary to maintain a hygienic food processing environment are in place. Hence, our hotels are re-looking into reducing buffets based on Hazard Analysis and Critical Control Point Standard ("HACCP") and pandemic safety impact. This initiative will protect customers' safety as well as reduce food wastage.

Our hotels have also removed any endangered marine species from our menus such as Bluefin Tuna, Swordfish, Shark and Ray.

### Paper



Recycle & reuse.

In office buildings, paper waste is typically the most common type of waste. Paper waste minimization habits are practised as follows:

- Use of network file sharing ports to access internal documents
- Double-sided printing and photocopying

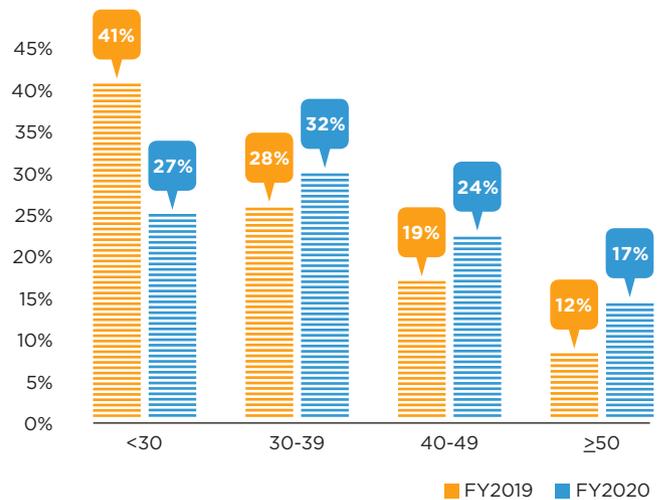
- Print and photocopy only exact copies required
- Reuse used envelopes and one-sided printed papers

## SOCIAL

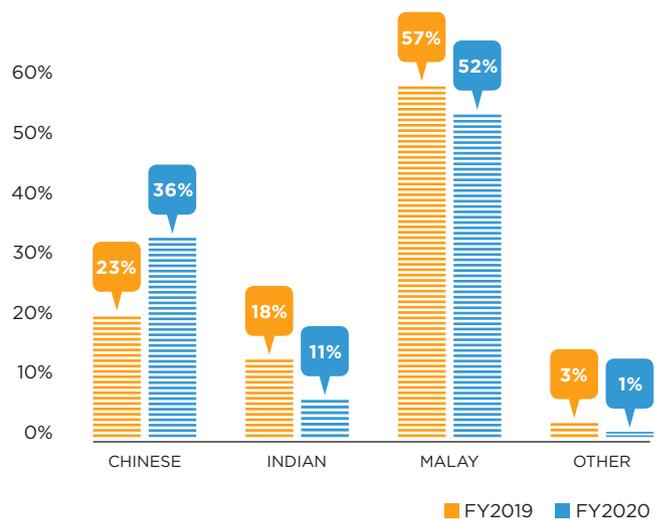
### Workplace Diversity

The Group embraces diversity within its workforce and strive to maintain the best recruitment practice in selecting the right candidate at Plenitude. We as an equal opportunities employer who believes that Malaysians are equally capable in performance and strives to promote local employment.

### WORKFORCE BY AGE

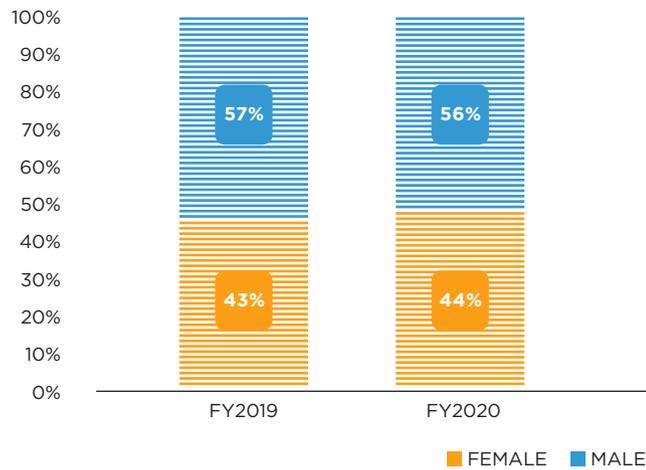


### WORKFORCE BY RACE

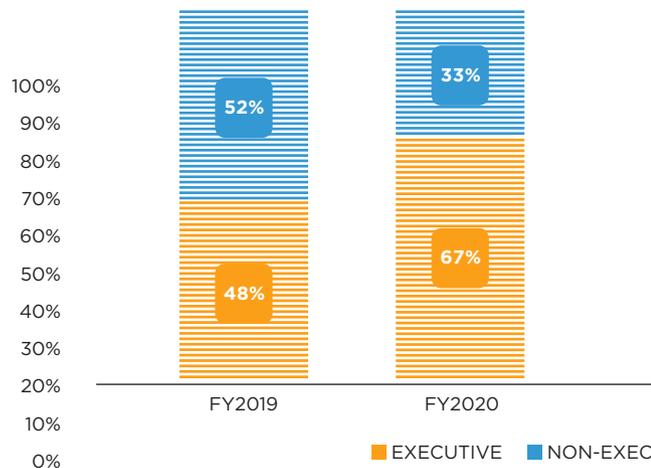


The Group adopts zero tolerance policy on any form of discrimination against any employee due to race, age and ethnicity. Our employees are employed for the position based on academic achievement, skill and experience in the industry. The Group's employee's diversity is fairly distributed by the age, ethnicity and gender. We believe a diversified workforce would contribute towards better ideas and perspectives in carrying out our duties.

### WORKFORCE BY GENDER



### WORKFORCE BY EMPLOYMENT TYPE



### TALENT DEVELOPMENT

The Group emphasises on talent development and continuously provides a powerful and knowledgeable platform for the employees to continue building their capabilities and learning experience. The Group values the employees as the core and most valuable asset of the Group for the reason that the combination of talents,



Revenue optimization program.

experience and cultures yields different perspectives and ideas for expansion and greater productivity. We have provided different customisable learning and development programmes for our employees to keep growing sustainably.

### AVERAGE TRAINING HOURS



The average training hours for the year has been reduced due to the imposition of MCO as well as being a part of the cost containment measures taken to safeguard the Group's profitability which has been severely tested.

### EMPLOYEE BENEFIT

The Group offers a competitive package and comprehensive benefits as stipulated under the Employment Act 1955 to

attract and retain employees. The benefits include maternity leaves, health benefits and coverage under the Group’s insurance plans. By doing so, all employees are able to commit and perform better for the Group.



Lou Sang gathering.

The Group adopts meritocracy policy where all employees are rewarded based on an annual performance review. Such performance-based reward system provides motivation to the employees to strive for excellence and put the Group’s interest as top priority.

The Group has an unbiased performance management system known as Valuing Performance (VP) to set goal and examine job performance and behavioural performance. This system provides a platform allowing all employees to receive periodical performance feedbacks and career development reviews while having a consistent engagement between employees and line managers. Loyalty rewards are given to those long service employees who have been loyal and remain with the Group through thick and thin at our Annual Dinner.

## HEALTH AND SAFETY

The Ministry of Health of Malaysia (“MOH”) in its continuing effort to contain the spread of the Covid-19 pandemic had enforced various Standard Operating Procedures (“SOPs”). The Group has complied strictly with all required SOPs aimed at mitigating the risk of spreading the contagious disease at all office premises and hotels and instead containing its spread.

### The Standard Operating Procedures (“SOPs”) are listed at below:

1. Register names and mobile number through MySejahtera before entering premises or hotel check in lobby
2. Making sure all people wearing a mask all the time before entering
3. Measure body temperature
4. Social distancing enforced in public area

The SOPs listed above are executed in all our workplaces and hotels. Furthermore, hand sanitizers are provided in key public areas to ensure the personal hygiene and mitigating the risk of all people from getting infected by Covid-19.

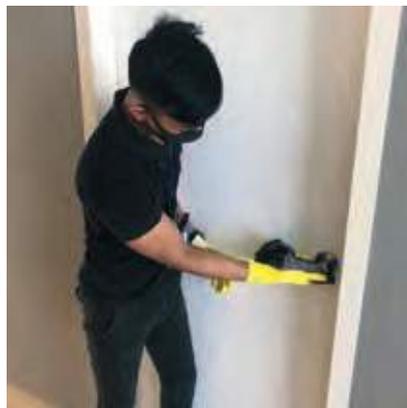
Besides, some of the Group’s hotels have implemented safe label standards as below:

## Accor #ALLSAFE Label Standards



It is compulsory for all the employees and customers to have their names and mobile number registered to the MySejahtera Mobile Application to keep track of their whereabouts. Also, all business centres carry out body temperature screening before entering the working premises or hotels.

### New Normal SOPs Compliance





everyone in the hotel to take a variety of measures to fight against the sexual exploitation of children. For example, employees are trained to be alert at all time and report immediately to the police if there is any suspicious or dubious situations. Our guests are also informed upon their checking in to alert any of the employees should any suspicions arise. Such life-changing efforts will remain until child sexual exploitation is eradicated entirely.

At all project sites, safety and health are also crucial to the Group. It is vigilant in safeguarding the safety and health of all stakeholders and therefore established a standard Safety, Health and Environment Policy to ensure all employees, contractors and the public at large are in a safe and healthy environment. The policy will be reviewed and regularly updated to ensure its practicality and the policy is strictly adhered to. Various safety initiatives are carried out on a regular basis to create a safety culture and inculcate a sense of awareness amongst employees to accept responsibility in occupational safety, health and environmental matters.

Regular safety initiatives practised by the Group include:

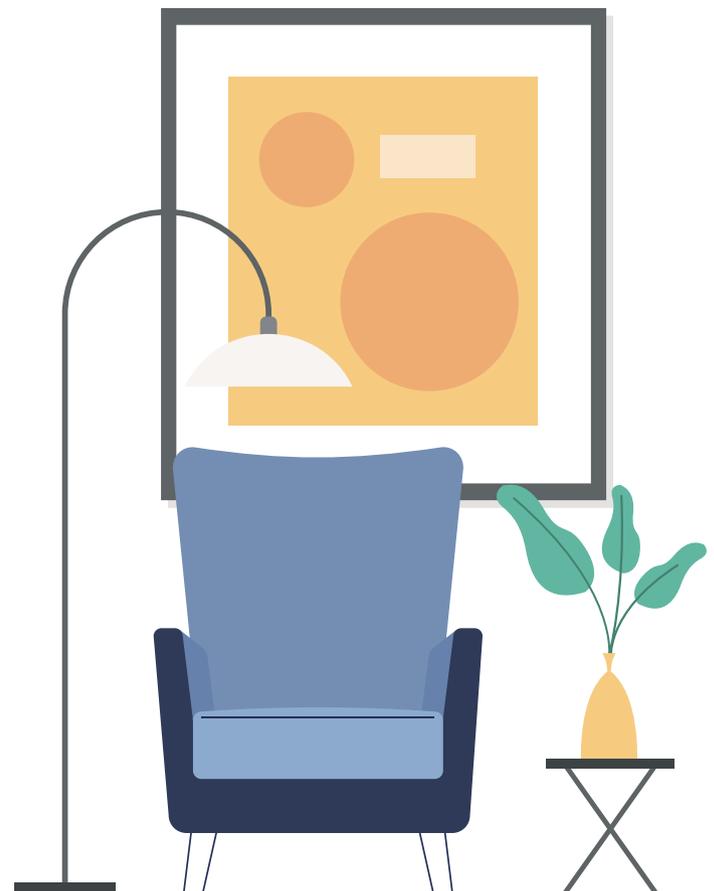
1. Weekly toolbox talk
2. Fire Drill and Training at least once a year
3. Monthly safety committee meeting
4. Quarterly site safety audit by Safety Department
5. Safety training for site staff and contractors

Other safety measures in place include 24-hour security guards services within the office premises, surveillance equipment at suitable locations and proper lightings installed at frequented areas such as car parks and staircases. In FY2020, there are no findings that accidents or injuries happen at construction sites.

### 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 therefore everyone in the community should make an effort to combat child exploitation, even more in the hospitality industry as it may happen on the Group's hotel premises.

Novotel Kuala Lumpur City Centre is a pioneer in our fight against sexual exploitation of children under the "We Act Together for Children ("WATCH")" program. Under this program, a Code of Conduct is established which requires



# CORPORATE CALENDAR



**NOV 2019**  
**HMA WITH ASCOTT**  
Signing Ceremony between Plenitude Berhad and The Ascott Limited.

**JAN 2020**  
**GURNEY'S CSR ACTIVITY**  
The Gurney Resort Hotel & Residences visited The Cerebral Palsy (Spastic) Children's Association of Penang and celebrated together with 80 children, teachers and caretakers.



**JAN 2020**  
**TRAVELODGE IPOH OPEN HOUSE**  
Travelodge debuted in Ipoh with 268 newly refurbished guestrooms in a fantastic location.



**FEB 2020**  
**OAKWOOD'S DONATION ACTIVITY**  
Oakwood Hotel & Residence Kuala Lumpur served the community by offering a helping hand to Rumah Hope - Home for abused & neglected children.

**MAR 2020**  
**OAKWOOD HAPPY EARTH DAY**  
Oakwood Hotel & Residence Kuala Lumpur lighted candles and shared message of hope as part of this global initiative.



**JUN 2020**  
**OAKWOOD "ON-THE-GO"**  
Oakwood Hotel & Residence Kuala Lumpur introduced ON-THE-GO, a drive-thru concept stall providing grab and go meals service.



**JUN 2020**  
**"GIVE WITH OAKWOOD"**  
Oakwood Hotel & Residence Kuala Lumpur contribute rice donations for every direct booking made to their charity partner, Pit Stop Community Café.



**Travelodge**  
IPOH



Night view of Travelodge Ipoh



Family deluxe room



Grand ballroom



# Travelodge

GEORGETOWN  
檳城喬治市彩鴻酒店



Day time of Travelodge Georgetown, Penang



Reception



Buffet Breakfast

# MANAGEMENT DISCUSSION & ANALYSIS

Plenitude Berhad was incorporated in 2000 and listed on the Main Board of Bursa Malaysia in 2003. This year the Group celebrates its 20th Anniversary.

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

## BUSINESS ENVIRONMENT

The outbreak of Covid-19 has affected the business and economic environment globally. Since the first outbreak in January 2020, the virus has spread exponentially to almost every country in the world. Eventually, the World Health Organisation has declared Covid-19 outbreak as a pandemic on 11 March 2020.

Unavoidably, Malaysia Government imposed the Movement Control Order (“MCO”) commencing 18 March 2020 which has since been further extended under the Recovery Movement Control Order to 31 December 2020. Unprecedented measures taken such as international and domestic travel restrictions, control of non-essential services, reduced operating hours and workforce, are necessary to contain the spread of the virus. However, such measures came at the expense of the economy as business activities were restricted and non-essential services were only allowed to work-from-home.

Against this backdrop, Plenitude is experiencing growing business pressures towards the second half of the financial year, followed by the spill over effects of the Covid-19 pandemic into the start of financial year ended 30 June 2021, requiring the Group’s continuous attentions and mitigation actions.

## REVIEW OF FINANCIAL RESULTS

### FY2020

#### Revenue

**RM188.8 million**

#### PBT

**RM28.2 million**



### FY2019

#### Revenue

**RM226.6 million**

#### PBT

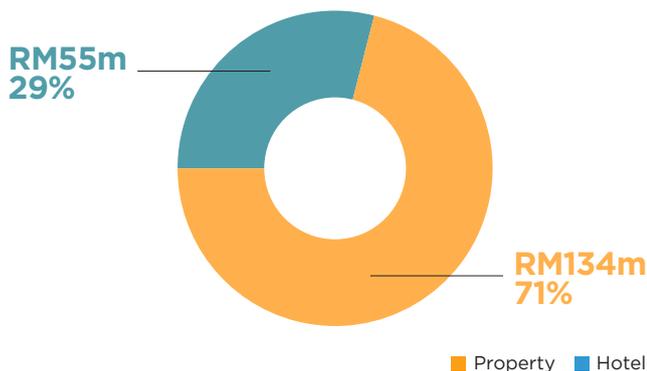
**RM60.6 million**

RM'000	Property	Hotel	Total
FY2020			
Revenue	133,694	55,141	<b>188,835</b>
PBT	60,887	(32,699)	<b>28,188</b>
FY2019			
Revenue	164,078	62,492	<b>226,570</b>
PBT	77,533	(16,897)	<b>60,636</b>

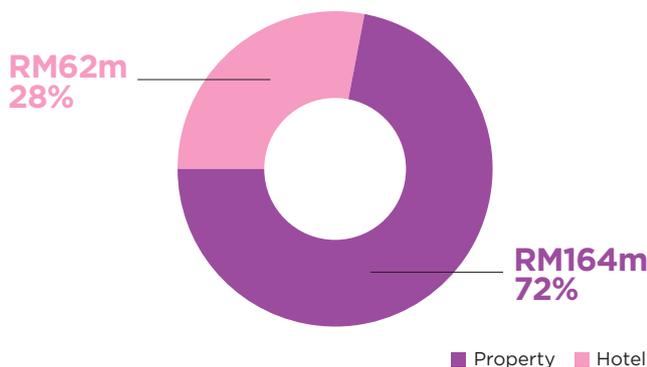
### Financial Performance FY2020 & FY2019

The Group recorded a revenue of RM188.8 million and Profit before Tax (“PBT”) of RM28.2 million for financial year ended 30 June 2020 (“FY2020”) as compared to RM226.6 million and PBT of RM60.6 million respectively in the preceding financial year ended 30 June 2019 (“FY2019”). This was driven predominantly by the property development division with a revenue of RM133.7 million which accounted for 71% of the Group’ total revenue, followed by the revenue from hospitality division of RM55.1 million which accounted for the remaining 29%.

### FY2020 Revenue by Division



### FY2019 Revenue by Division



The Covid-19 pandemic has adversely impacted the Group revenue in FY2020 to RM188.8 million from RM226.6 million achieved in FY2019, a drop of 17%. In tandem with this, PBT reduced by 53% to RM28.2 million from RM60.6 million in FY2019, despite the reversal of provision for cost to completion of RM11.2 million in FY2020.

### PROPERTY DEVELOPMENT

#### FY2020

Revenue

**RM133.7 million**

PBT

**RM60.9 million**



#### FY2019

Revenue

**RM164.1 million**

PBT

**RM77.5 million**

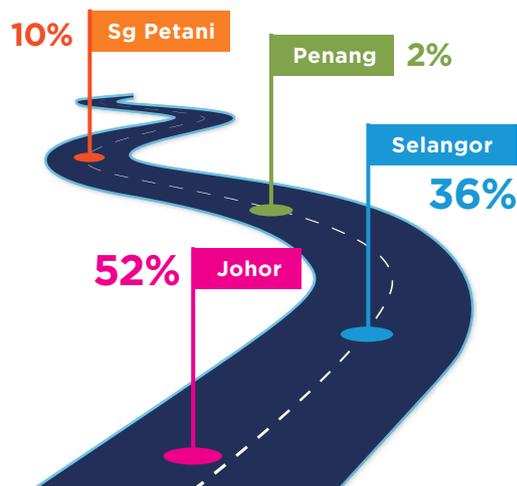
The Group's property development division posted a revenue of RM133.7 million and PBT of RM60.9 million in FY2020 as compared to RM164.1 million and RM77.5 million respectively in the preceding financial year.

The positive contribution in revenue for FY2020 was mainly from Phase 19&20 - Clarinet, double storey terrace houses and Phase 19&20 - Harp, double storey cluster homes at Taman Desa Tebrau in Johor Bahru, Johor; Phase 4E - Topaz, 2 & 3 storey terrace houses at Taman Putra Prima in Puchong, Selangor and Bintang Maya Phase 8B - double storey terrace houses in Sungai Petani, Kedah.

During the financial year, the Group delivered vacant possession to its purchasers of Phase 19&20 - Harp at Taman Desa Tebrau, Phase 4E - Topaz at Taman Putra Prima and Bintang Maya Phase 8B2 & 8B3.

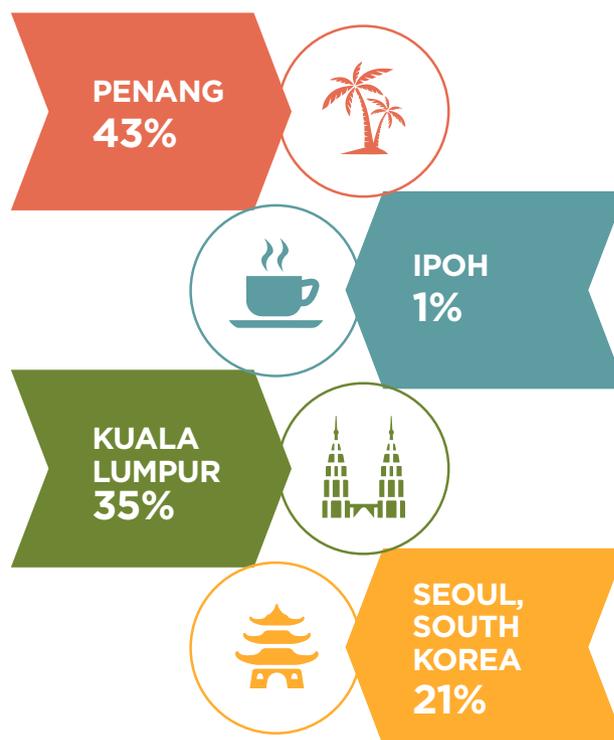
The lower revenue for FY2020 was mainly attributable to lower number of properties sold as well as lower contribution from on-going properties under construction due to suspension of such activities during the MCO period imposed by the Government of Malaysia from 18 March 2020 and later extended with Conditional Movement Control Order effective from 4 May 2020 to 9 June 2020.

### Property Development's Revenue by Region



To reduce single region concentration in the Group's development activities, Plenitude has lined up a strong suite of products offered at different regions where real property demand is still resilient. In FY2020, the southern region contributed 52% while projects in central and northern region accounted for 36% and 12% respectively of the property development division revenue.

### Hotel's Revenue Contribution by Region



The Group hotels are located strategically at tourism spots in Penang, Ipoh, Kuala Lumpur and Seoul, South Korea. By region, Penang, Kuala Lumpur and Seoul, South Korea contributed 43%, 35% and 21% of FY2020 revenue respectively.

The significant decline in revenue and PBT by Hotel division was mainly due to the Covid-19 outbreak in early January and subsequent travel restrictions under MCO imposed by the Government of Malaysia from 18 March 2020 affecting both locals and foreigners. As a result, The Group closed the operations of three hotels namely, Mercure Penang Beach, The Gurney Resort Hotel & Residences and Travelodge Ipoh, and downsized operations in the other hotels owned by the Group in fourth quarter of FY2020.

The newly-acquired Travelodge Myeongdong Euljiro in Seoul, South Korea contributed revenue of RM11.6 million and Tanjung Point Residences, Penang with revenue contribution of RM4.3 million division by having its full year in operation in FY2020 had indeed mitigated the significant drop in revenue by other hotels.

The Group's hospitality assets registered a fall in average occupancy rates from 54% in FY2019 to 39% in FY2020.

### HOTEL OPERATIONS

#### FY2020

##### Revenue

**RM55.1 million**

##### Loss Before Tax

**RM32.7 million**



#### FY2019

##### Revenue

**RM62.5 million**

##### Loss Before Tax

**RM16.9 million**

The hotel division registered a revenue of RM55.1 million and loss before tax of RM32.7 million in FY2020 as compared to revenue of RM62.5 million and loss before tax of RM16.9 million respectively in the preceding financial year.

## PROPERTY INVESTMENT

Lease rental income was reported as part of investment revenue in the Statement of Comprehensive Income. The Group recognised rental income of RM3.7 million and operating profit of RM2.7 million in FY2020 as compared to RM3.6 million and RM2.6 million respectively in FY2019.

## COSTS AND EXPENSES

Total costs and expenses before finance costs rose to RM88.0 million from RM85.4 million in FY2019 mainly due to full year operation cost incurred by the newly-acquired Travelodge Myeongdong Euljiro in Seoul, South Korea, Travelodge Ipoh, Ipoh and Tanjung Point Residences, Penang. Nevertheless, the increased in costs and expenses had been mitigated by austerity measures implemented by the Group from April 2020 onwards which include freezing recruitment, reduction of casual workers, leave clearance and reduction of remuneration for Plenitude employees.

## FINANCIAL POSITION

### FY2020

Total assets

**RM1.90 billion**

Equity attributed to owners

**RM1.57 billion**

Net assets per share

**RM4.12**



### FY2019

Total assets

**RM1.90 billion**

Equity attributed to owners

**RM1.58 million**

Net assets per share

**RM4.13**

The Group's financial position remains healthy. Total assets as of end of FY2020 stood at RM1.90 billion while total equity attributable to owners of the Company stood at RM1.57 billion, translating to Net Assets per Share of RM4.12. In comparison, the total assets in FY2019 was RM1.90 billion while total equity attributable to owners of the Company stood at RM1.58 billion with Net Assets per Share of RM4.13.

Cash and bank balances, fixed deposits and short-term placements decreased by RM81.1 million from last financial year's RM204.4 million to RM123.3 million as at 30 June 2020 mainly due to utilisation for the Group's current and future development projects, capital expenditure incurred for refurbishment of Novotel Kuala Lumpur City Centre and Travelodge Ipoh, purchase of a parcel of land in Bangsar, Kuala Lumpur and repayment of bank borrowings. The group borrowings have decreased to RM135.8 million from RM139.2 million in FY2020. With borrowings reduced, net gearing ratio stood at 0.08x shareholders' funds as of 30 June 2020 indicating that the Group has sufficient capacity to undertake additional borrowings for future expansion when necessary.

Our financial position remains robust. Having taken into account the underlying business fundamentals and various challenges faced by the domestic economy, capital resources will be deployed strategically towards key projects at a measured pace and acquisition of land bank and hotel assets.

## DIVIDENDS

### FY2020

Dividend

**2.0 sen per share**

### FY2019

Dividend

**4.5 sen per share**



For the FY2020, the Company has proposed a single tier dividend of 2.0 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 FY2019, a single tier dividend of 4.5 sen per share was paid on 22 November 2019.

This proposed dividend reflects our financial position for the year and to reward our loyal shareholders for their continued support and confidence in Plenitude, despite prevailing circumstances and challenging operation conditions outlook in light of the economic impact of the Covid-19 pandemic.

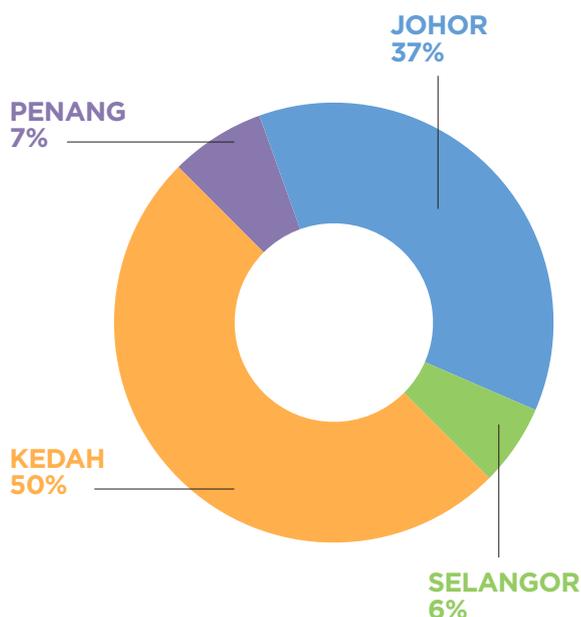
## REVIEW OF OPERATING ACTIVITIES

### PROPERTY DEVELOPMENT

Property development remains the mainstay of the Group which contributed 71% of revenue for FY2020 and 72% for FY2019. Total sales secured in FY2020 was RM145.4 million, RM35.8 million lower than RM181.2 million achieved in FY2019. Sales recorded in FY2020 were led by Phase 19/20 - Harp at Taman Desa Tebrau and Phase 4E - Topaz at Taman Putra Prima.

The Group's current landbank stands at approximately 1,278 acres.

### Group Land Bank by Location



### Group Land Bank

Location	Land Area (acres)
Kedah	635
Johor	472
Penang	88
Selangor	83
<b>Total</b>	<b>1,278</b>

## Southern Region

### TAMAN DESA TEBRAU, JOHOR BAHRU



Phase 19/20 : Cello, 2 storey Terrace House (artist impression)



Phase 19/20 : Harp, 2 Storey Cluster Home (actual show unit)

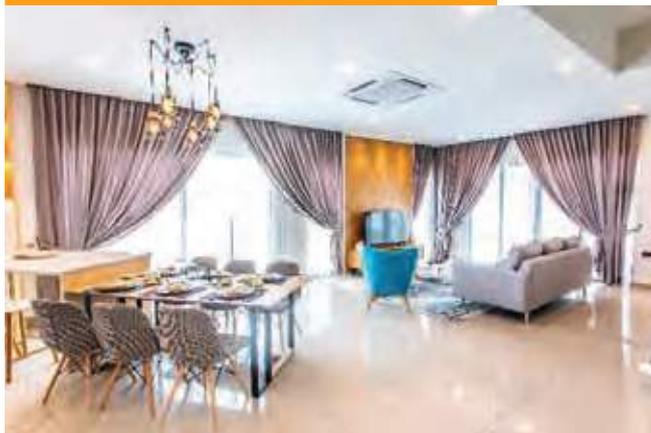
Taman Desa Tebrau is situated within the Iskandar Development Region of Johor. Spanning 965 acres, this township features niched contemporary homes in a mixed development. It is one of the major developments in Tebrau, Johor and is setting trends as well as dictating market conditions and pricing in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

First 100 units of Phase 19/20 - Harp, cluster homes were completed and handed over to its purchasers in March 2020 and the balance 112 units are expected to be completed by June 2021. Phase 19&20 - Cello, 117 units of double storey terrace houses was launched in March 2020; as of August 2020, 13% or 15 Sales and Purchase Agreements have been signed.

For financial year ending 30 June 2021, the Group intends to launch another 93 units of double storey terrace houses, instead of launching the initial planned higher-priced cluster homes.

## Central Region

### TAMAN PUTRA PRIMA, PUCHONG



Phase 4E : Topaz, 2 & 3 Storey Terrace House (actual show unit)

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-acre 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 were completed with Certificate of Completion and Compliance in the 3rd quarter of FY2020 and it is 52% sold as of August 2020.

Upcoming final phase in Taman Putra Prima, Phase 5 – Diamond consists of 170 units of 2 & 3 storey terrace houses will be launched in November 2020.

## Northern Region

### BINTANG MAYA, SUNGAI PETANI



Bintang Maya 2

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 with total gross development value (“GDV”) of approximately RM145.9 million. The first phase of the project commenced in 2015 and since then 164 units had been fully sold and completed. Bintang Maya 2 development was completed in FY2020 and it is 42% sold as of August 2020.

### THE MARIN @ FERRINGHI



The Marin @ Ferringhi

The Marin sits on 4 acres of prime freehold land strategically located in Batu Ferringhi, Penang filled with lush greenery amidst stretches of beach and enjoys spectacular and unobstructed views of the Andaman Sea. As at August 2020, 53% 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.

Plenitude has adopted a more cautious approach on new launches and deferred certain new launches meant to be rolled out in the second half of FY2020. New launches were strategically undertaken at a more measured pace, taking into account projected market demand and property development cash flow requirements.

## HOTEL OPERATIONS

As of 30 June 2020, the Group owns the following 7 hospitality assets:

1. Novotel Kuala Lumpur City Centre, Kuala Lumpur
2. Oakwood Hotel & Residence Kuala Lumpur, Kuala Lumpur
3. Hotel Mercure Penang Beach, Penang
4. The Gurney Resort Hotel and Residences, Penang
5. Travelodge Georgetown, Penang
6. Travelodge Ipoh, Ipoh (formerly known as Heritage Hotel Ipoh) and
7. Travelodge Myeongdong Euljiro, Seoul, South Korea

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

During the FY2020, the Group completed refurbishment of Travelodge Ipoh, whilst the renovation by closing floors in phases for Novotel Kuala Lumpur City Centre, which started in November 2018 is expected to be completed by end of year 2020.



*Travelodge Ipoh's Lobby*



*The Gurney Resort Hotel and Residences, Penang*

On 28 November 2019, Plenitude entered into an agreement with Singapore-listed CapitaLand Ltd's wholly owned lodging business unit, The Ascott Limited ("Ascott") appointing Ascott to manage the hotel asset on Persiaran Gurney, Penang. The Gurney Resort Hotel and Residences, Penang is now closed for renovation and the first Ascott-branded hotel and residences in Penang – Ascott Gurney Penang is targeted for a 4Q 2021 opening.

Subsequent to FY2020, the Group has also signed a management contract with Ascentia Dijon Pte. Ltd., a joint venture company of Ascott and the Domitys SAS Group to offer Malaysians, its first international branded and standards of a Independent Senior Living by rebranding The Nomad Residences Bangsar to Domitys-Ascott Bangsar. The Domitys brand is a market leader in providing lodging and hospitality to senior citizens and a key player in the Silver Economy in France.

#### FORWARD-LOOKING STATEMENT

With Covid-19 pandemic impacting both global and local economy, Bank Negara Malaysia has in its 2nd Quarterly Bulletin 2020 revised its official gross domestic product growth forecast for 2020 to between -3.5% and -5.5%. This was mainly due to changes in world growth forecasts and the unprecedented length of the MCO to contain the spread of Covid-19. Malaysia economy growth outlook remains subject to significant uncertainty as developments surrounding the spread of the virus continue to evolve.

The Group will continue to adopt a more cautious approach in new property launches and to intensify its marketing and sales initiatives through digital channels to drive awareness and to promote the Group's existing properties. The stimulus packages under the National Economic Recovery Plan such as 6-months loan moratorium, Home Ownership Campaign couple with reduction of overnight policy rate by 125 basis points since January 2020 and the uplifting of existing financing margin limit on housing loan for the third residential property are helping the property market staying afloat.

New launches have been reviewed and re-planned to ensure that the type of products are catered to the demands of the target buyers. The schedule of launches are carefully planned so that supply is not excessive to demand thereby adding to inventory. For the coming financial year, barring any unforeseen circumstances, the Group plans to launch Phase 5 - Diamond, 2 & 3 storey terrace houses at Taman Putra Permai, Phase 19 & 20 - Cello (3D), double storey

terrace houses at Taman Desa Tebrau and Bintang Maya 3, double storey terrace houses at Sungai Petani, Kedah with an estimated total gross development value of RM278 million.

The tourism industry had been badly hit by Covid-19 pandemic with the continuing closure of international borders. The Short-term Economic Recovery Package in Malaysia has shown some positive impact on the hotel industry and our hotels have shown encouraging improvement in occupancy and banqueting activities. However, domestic tourism, albeit gradually improving, is insufficient to kick start the sluggish tourism industry. As such, Plenitude expects the occupancy rates and revenue from the hotel division to remain soft until the international borders are open.

The Group foresees a challenging financial year ending 30 June 2021. It is therefore vital for Plenitude to remain vigilant and proactive in management while operating and moving forward in a significantly challenging business environment. 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 continues to lookout for prime and strategic development lands for future development thereby ensuring continuous and sustainable business growth.





Day view of Travelodge Myeongdong Euljiro



**Travelodge**  
MYEONGDONG EULJIRO



Standard Twin Room



Discover Seoul



Gym



# 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 (“SC”).

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 2020. It is to be read in conjunction with the Corporate Governance Report (“CG Report”), which is made available online at [plenitude.com.my](http://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 2020.

## 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 committee 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. The Management Committee is duly authorised by the Board to approve business, operational and administrative decisions beyond the approved limits granted to Group 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 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 ("CA 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 CG 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 [plenitude.com.my](http://plenitude.com.my).

The Board Charter will be periodically reviewed and updated from time to time to reflect relevant changes to the policies, procedures and processes as well as amendments to rules and regulations to ensure it remains relevant and consistent with the applicable rules and recommended best practices.

The Board has reviewed and approved the amendments to the Board Charter, the Code of

Conduct and Ethics for Directors and term of reference to be in line with the practices of the MCGG and the CA 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.

- 1.6 The Group is committed to conducting its business with integrity and has adopted an Anti-Corruption Policy to ensure that the business operations are carried out professionally in accordance with business ethics and conduct, and recognise that all business partners, employees and directors of Plenitude have to adhere to with the terms of this policy.

## 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 ("NEDs"). 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 (2) Directors or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors; and conformed to the MCGG 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 10 of this Annual Report.

- 2.2 The Board takes cognisance of Practice 4.2 of the MCGG's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) 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 seventeen (17) years cumulative term as Independent Non-Executive Director. Ir. Teo Boon Keng was appointed as Independent Non-Executive Director of the Company on 2 July 2012 and will be serving a cumulative term of nine (9) years on 2 July 2021. The Board is satisfied that Mr. Tan Kak Teck and Ir. Teo Boon Keng have satisfactorily demonstrated their independence from management and are free from any business or other relationship which may interfere with the exercise of their independent judgement. The Board recognises the professional skills and contributions by Mr. Tan Kak Teck and Ir. Teo Boon Keng and considers that their continuing position as Independent Non-Executive Director will enable them to be objective and clear in reviewing the Group's business strategies and direction. Therefore, the Board recommends and supports Mr. Tan Kak Teck's retention as Independent Non-Executive Director of the Company which is tabled for shareholders' approval at the forthcoming 20th AGM through a two-tier voting process and

Ir. Teo Boon Keng will seek shareholders' approval to remain as Independent Non-Executive Director at the forthcoming 20th AGM.

- 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 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. The Board has always considered gender and workplace diversity as set out under Recommendation 4.5 of the MCGG 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 20th AGM, the two Directors who will be retiring by rotation are Ir. Teo Boon Keng and Mr. Lok Bah Bah @ Loh Yeow Boo. Both Ir. Teo Boon Keng and Mr. Lok Bah Bah @ Loh Yeow Boo are being eligible, offer themselves for re-election.

- 2.5 The NC comprises three (3) Independent Non-Executive Directors. It complies with the MCGG 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 [plenitude.com.my](http://plenitude.com.my).

During the financial year ended 30 June 2020, the NC 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 and Ir. Teo Boon Keng in respect of their nine (9) years tenure limit and reported the outcome to the Board for decision,

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 2020. 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 of Directors	Attendance
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	5/5

- 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 2020, RM1,500 training fees were incurred.

The external training programmes, seminars and conferences attended by Directors during the financial year ended 30 June 2020 included the following:-

No.	Director	Programme
1.	Chua Elsie	<ul style="list-style-type: none"> <li>Directors' Think-Tank: An Overview of the Hospitality Market and Malaysia Residential Market Updates 2019/2020</li> </ul>
2.	Lok Bah Bah @ Loh Yeow Boo	<ul style="list-style-type: none"> <li>Tax Treatment on Interest Income, Interest Expenses and Rental Income: Latest Developments</li> <li>Directors' Think-Tank: An Overview of the Hospitality Market and Malaysia Residential Market Updates 2019/2020</li> </ul>
3.	Tan Kak Teck	<ul style="list-style-type: none"> <li>Audit Oversight Board - Conversation with Audit Committee</li> <li>Directors' Dialogue with Jonathan Labrey on Integrated Report &lt;IR&gt;</li> <li>Directors' Think-Tank: An Overview of the Hospitality Market and Malaysia Residential Market Updates 2019/2020</li> </ul>
4.	Ir. Teo Boon Keng	<ul style="list-style-type: none"> <li>Directors' Think-Tank: An Overview of the Hospitality Market and Malaysia Residential Market Updates 2019/2020</li> </ul>
5.	Tee Kim Chan	<ul style="list-style-type: none"> <li>Directors' Think-Tank: An Overview of the Hospitality Market and Malaysia Residential Market Updates 2019/2020</li> </ul>

The Board also kept themselves abreast with corporate and regulatory updates through dissemination of updates and notices from Bursa Malaysia and SC and by reading corporate affairs material and professional journals.

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

The Board, in support of the austerity measures implemented by the Group to mitigate the impacts of Covid-19 pandemic have voluntarily undertake a 40% cut in directors' fees from April 2020 to December 2020. The proposed Directors' fees for the Non-Executive Directors ("NEDs") of RM240,000 for the financial year ending 2021, which represents RM3,000 per month for period from July 2020 to December 2020 and RM5,000 per month for period from January 2021 to June 2021 payable on a monthly basis for each of the NEDs of Plenitude Berhad will be recommended to the shareholders for approval at the forthcoming 20th 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 CA 2016, the Board approved the RC's recommendation for Plenitude Berhad to seek shareholders' approval at the forthcoming 20th AGM on the Directors' remuneration through the two following resolutions:

- To approve the payment of Directors' fees amounting to RM240,000 in respect of financial year ending 30 June 2021.
- 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 (D&O) Insurance 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		Total (RM)
	Director's Fees (RM)	Meeting Allowance (RM)	
Non-Executive Directors			
Chua Elsie	24,000	2,500	26,500
Tan Kak Teck	54,000	6,500	60,500
Ir. Teo Boon Keng	54,000	5,500	59,500
Loh Bah Bah @ Loh Yeow Boo	54,000	7,000	61,000
Tee Kim Chan	54,000	4,500	58,500
<b>Total</b>	<b>240,000</b>	<b>26,000</b>	<b>266,000</b>

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

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Audit Committee

The 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 AC 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 AC Report of the Annual Report.

The AC 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 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 AC. Additionally, an in-house internal auditor overseeing

Projects and Hotel Properties also report to the AC. Internal Auditors report on the weaknesses of internal controls and risks and recommend corrective measures to the AC for its onward submission to the Board. The AC, 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 AC Report of this Annual Report.

## PRINCIPLE C: INTERGRITY 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, corporate governance and financial status: [plenitude.com.my](http://plenitude.com.my).

All announcements and quarterly reports on the Group's results can also 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 between shareholders, the Board and the Management.

Any queries or concerns relating to the Group may be conveyed to our Investor Relations email: [ir@plenitude.com.my](mailto: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](mailto:rebecca@shareworks.com.my)  
[yuetchyn@shareworks.com.my](mailto: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 the Company's Annual

Report is published at the Company's website and Bursa Malaysia's website at least twenty-eight (28) days before the meeting. The notice of the AGM provided details of the resolutions proposed along with relevant information to enable the shareholders to evaluate and vote accordingly.

- 2.2 The printed version of the Annual Report is provided to shareholders upon request. The request for printed copies is provided in the mailer. Our Share Registrar will ensure that printed copies reach shareholders within four (4) market days from receipt of written/verbal request. At the AGM, shareholders are encouraged to ask questions or seek clarifications on the agenda of the meeting. All Directors are available to respond to questions from shareholders during the meeting. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.
- 2.3 At the previous AGM, the resolutions put forth for shareholders' approval were voted by poll as recommended by the Chairman and the results were announced to Bursa Malaysia on the same day.

## 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 2020.

## ADDITIONAL COMPLIANCE INFORMATION

### Audit and Non-Audit Fees

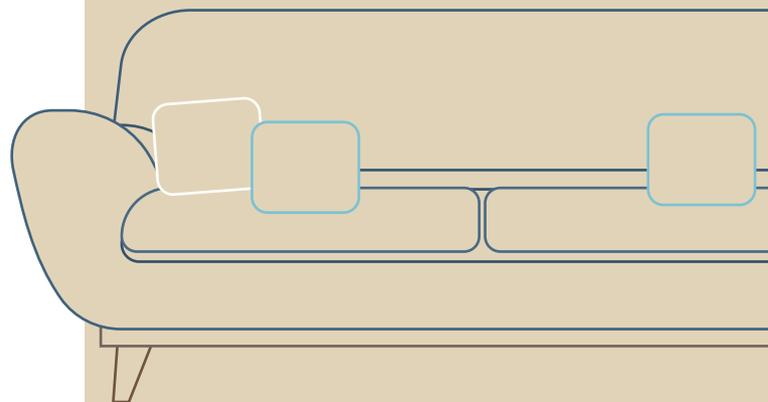
Audit fees paid and payable to the External Auditors by the Group and the Company for the financial year ended 30 June 2020 amount to RM411,000 and RM45,000 respectively.

Non-audit fees of RM9,000 paid or payable to the External Auditors 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 2020.

This Statement is made in accordance with the resolution of the Board dated 21 September 2020.





Garden view of Cello-2 storey terrace house (artist impression)

# CELLO

TAMAN DESA TEBRAU  
JOHOR BAHRU



Living & dining (artist impression)



Master bedroom (artist impression)

# 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 effectiveness of the systems. Comprising solely of Independent Non-Executive Directors, the Audit Committee (“AC”) has been entrusted to assist the Board in evaluating the adequacy and effectiveness of the Group’s system of risk management and internal controls.

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.

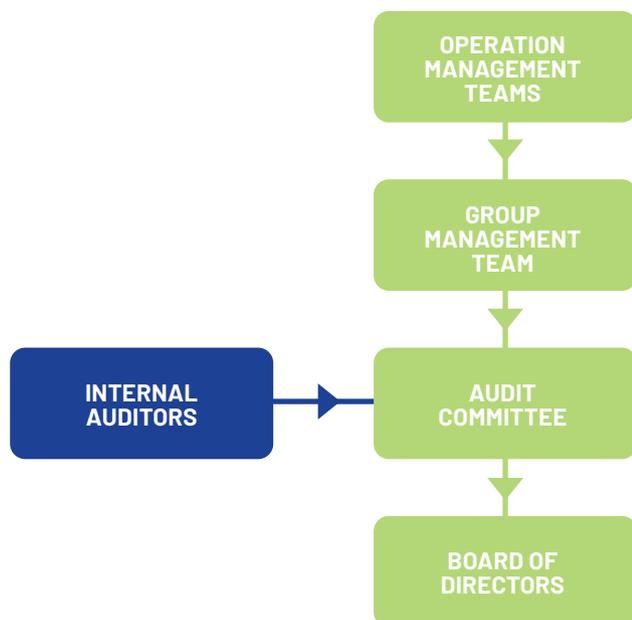


## RISK MANAGEMENT STRUCTURE

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 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.

#### *Audit Committee*

The Audit Committee ("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 include 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 responsibility 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.

#### *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.

#### *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 basis.

#### *Tender and selection process*

The Group has a stringent tender and selection process in awarding contracts to contractors and suppliers. There is a set number of tenderers 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.

#### *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 whistle-blower. 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 whistle-blower in investigation. The letter will be treated with utmost confidentiality to protect the whistle-blower against any victimization or reprisal.

#### *Anti-Corruption Policy*

The Group is committed to conducting its business with integrity and has adopted an Anti-Corruption Policy to ensure that the business operations are carried out professionally in accordance with business ethics and conduct, and recognise that all business partners, employees and directors of Plenitude have to adhere to with the terms of this policy.

The policy, amongst others, covers areas pertaining to gifts, donations and sponsorships, conflict of interest and sanctions for non-compliance. This policy applies to all employees of Plenitude. It also applies to external parties providing services to Plenitude such as the suppliers/contractors, advisors, consultants, internal and external auditors, and Board members.

#### *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. There were twelve (12) meetings held at Group level. 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 Internal Audit Function focused on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the Audit Committee. The Internal Audit Function is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The outsourced Internal Auditor reports on the operational and financial auditing on quarterly basis. The employed Internal Auditor-Project reports specifically on development project workmanship, site management and work progress 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 58 to 60 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 2020 in accordance to paragraph 15.23 of the MMLR of Bursa Malaysia, 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 21 September 2020.

# THE MARIN

AT FERRINGHI



The Marin at Ferringhi



Living area (actual show unit)



Bedroom 1 (actual show unit)



Dining area (actual show unit)

# AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) of Plenitude Berhad is pleased to present the AC Report for the financial year ended 30 June 2020.

## COMPOSITION AND MEETINGS

### Composition

During the financial year under review, there were no changes in the composition of the AC. The AC consists solely of three (3) Independent Non-Executive Directors. The profiles of all the AC members are disclosed on page 10.

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

Name	Directorship	Attendance	
Tan Kak Teck (Chairman)	Independent Non-Executive Director	5/5	100%
Ir. Teo Boon Keng	Independent Non-Executive Director	5/5	100%
Lok Bah Bah @ Loh Yeow Boo	Independent Non-Executive Director	5/5	100%

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 thirty-five years of audit experience and is currently a partner of an audit firm in Kuala Lumpur. Mr. Tan Kak Teck has been the AC Chairman since 19 September 2013.

Ir Teo Boon Keng became a member of AC since 27 August 2013, he is experienced in project management and project development and is involved in his own business ventures.

Mr. Lok Bah Bah @ Loh Yeow Boo was appointed as AC member on 11 November 2016, he is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow member of CPA, Australia.

All AC members are financially literate. The Company is also in compliance with the requirement of Paragraph 15.09 (1)(c)(i) under the Main Market Listing Requirements (“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 without the presence of executive board members and management.

## SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year ended 30 June 2020, the AC discharged its functions and carried out its duties as set out in the Terms of Reference (TOR), made available at the Company’s website [plenitude.com.my](http://plenitude.com.my). Key activities undertaken by the AC include the following:-

### Risks and Controls

- a) Reviewed the audit reports which highlighted audit issues, recommendations and Management’s response and discussed with Management on the appropriate remedial actions taken to improve the system of internal controls identified by the Internal Auditors.

- b) Considered and reviewed the legal matters reported by Corporate & Legal Affairs Officer in relation to challenges, ongoing claims and litigations faced by the business units. There are no material litigations to be disclosed in the 2020 Financial Statements.
- c) Reviewed and recommended the AC's TOR to the Board for approval and for publication on the corporate website.

### Financial Reporting

- a) Reviewed the unaudited quarterly financial results announcements for recommendation to the Board for approval before release to Bursa Malaysia. Chief Executive Officer and Chief Financial Officer 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 2020 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 2020 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 AC 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 Auditors' role is to assist the Board and AC in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's Internal Control System.

During the financial year ended 30 June 2020, 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 Auditors (employed Internal Auditors). 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 AC. 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 AC on a quarterly basis.

The internal audits are carried out in accordance with the internal audit plan approved by the Management Committee

and AC. 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 AC meeting and the summary of key findings is circulated to the AC 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 AC 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 Novotel Kuala Lumpur City Centre, Travelodge Georgetown and Tanjung Point Residences. Internal Auditor-Projects had audited ongoing projects: Taman Desa Tebrau Phase 19&20 Parcel 2B 112 units cluster homes and Parcel 3A 117 units 2 storey terrace house at Johor Bahru; Taman Putra Prima, Puchong Phase 4E 136 units 2&3 storey terrace house; the renovation and refurbishment work at Travelodge Ipoh and Novotel Kuala Lumpur City Centre. He also updated the defects rectification status of recently completed projects: Taman Desa Tebrau Phase 19&20 Parcel 2A at Johor Bahru and Bintang Maya II Phase 8B at Sungai Petani as well as projects completed in previous years. In addition, Internal Auditor-Projects also carried out on-site inspection for all hotel buildings and investment properties of Plenitude Berhad Group.

Key auditable activities that were completed in 2019/2020 include:-

- Sales marketing management
- Customer service management
- Credit control management
- Financial management
- Housekeeping and procurement 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 RM243,000.





# ASCOTT

GURNEY  
PENANG



Ascott Gurney Penang (Artist impression)



Room mockup



Room mockup

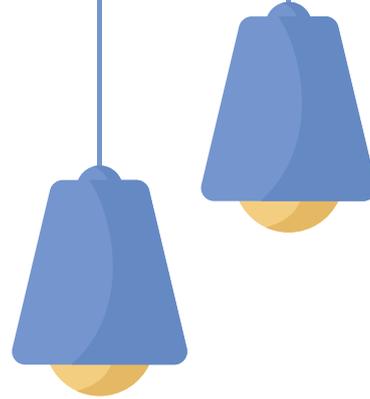


# GurneyWalk



# 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:-

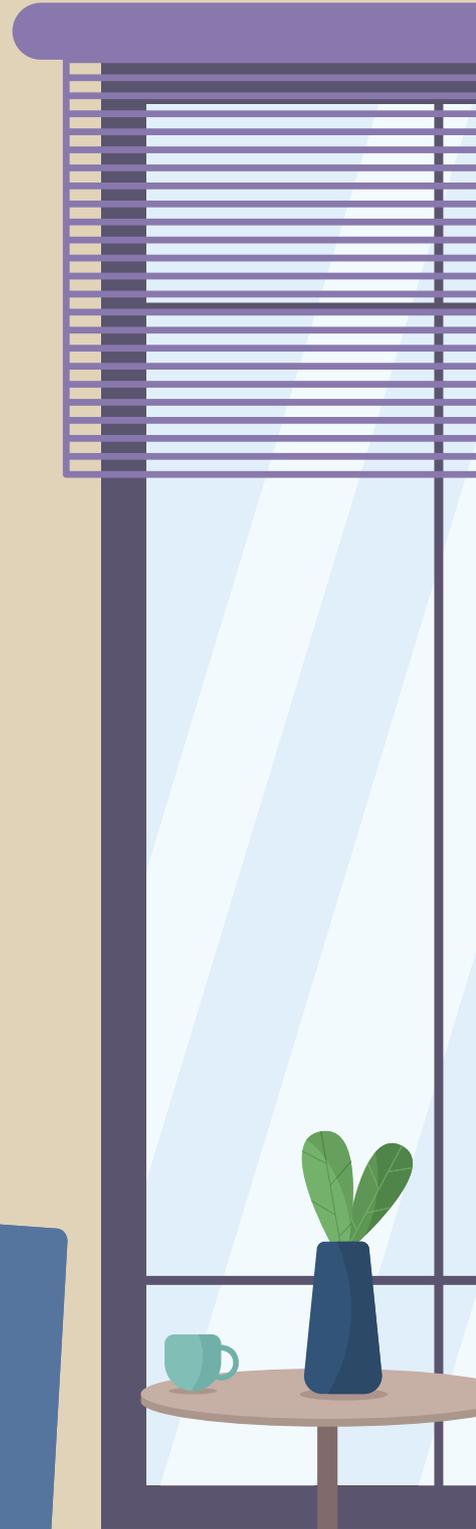
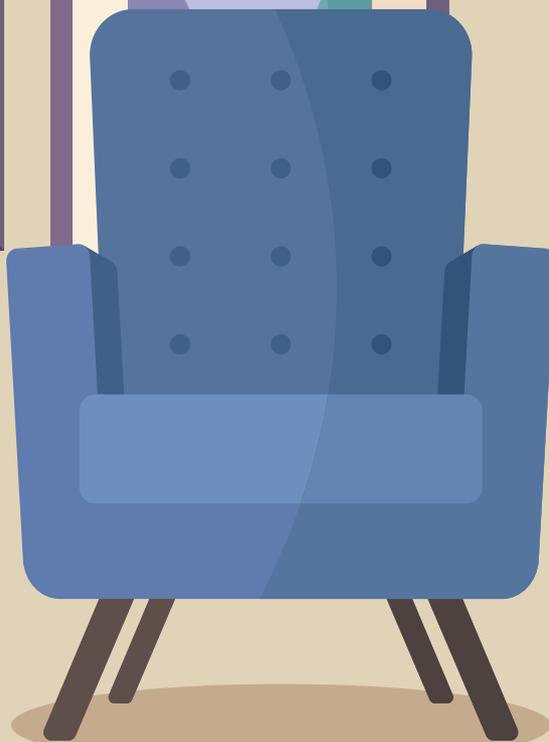
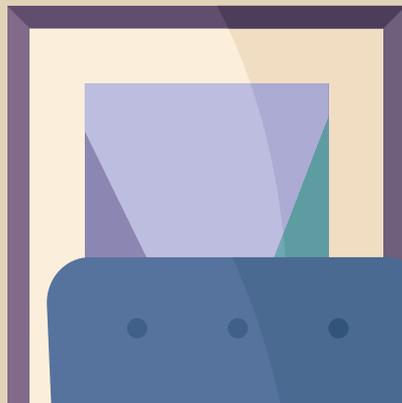
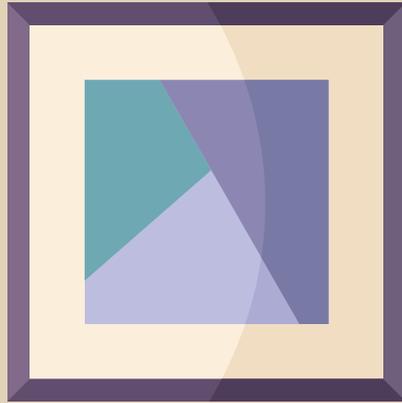
**Adopted  
appropriate  
accounting  
policies and  
applied them  
consistently.**

**Made  
Judgements and  
estimates that  
are reasonable  
and prudent.**

**Prepared  
the financial  
statements on a  
going concern  
basis.**

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA and the applicable approved accounting standards in Malaysia.

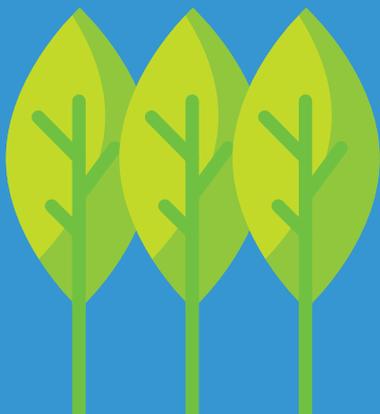
The Directors have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.







# REPORTS AND FINANCIAL STATEMENTS



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# DIRECTORS' REPORT

The directors of Plenitude Berhad have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

## PRINCIPAL ACTIVITIES

The Company's principal activity is investment holding.

The principal activities of its subsidiary companies are stated in Note 17 to the financial statements.

## RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Net profit for the financial year	4,887	68,554
Attributable to:		
Owners of the Company	8,171	68,554
Non-controlling interests	(3,284)	-
	<b>4,887</b>	<b>68,554</b>

## 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 2.0 sen on 381,533,758 ordinary shares, amounting to RM7,630,675 in respect of the 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 2021.

## 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

Other than as disclosed in Note 32 to the financial statements, 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.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year.

## 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\*  
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:

Aklif bin Amir  
Alberto V. Igruby  
Alvin Christian  
Ani Dinasan Dinasan  
Benny Yap Yuwen  
Cherryl Ami F. Macutay  
Hashimah binti Ismail  
Josephine Premla Sivaretnam  
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:

The Company	Number of ordinary shares			At 30.06.2020
	At 01.07.2019	Bought	Sold	
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 had any interest in shares in the Company and its related corporations 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 a related corporation with the director or with a firm of which the director is a member, or with a company in which the director 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 RM26,280.

## **SUBSIDIARIES**

The details of the Company's subsidiaries are disclosed in Note 17 to the financial statements.

The available auditors' reports 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 32 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 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: 21 September 2020

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	5	188,835	226,570	62,600	32,802
Cost of sales	6	(97,108)	(106,049)	-	-
Gross profit		91,727	120,521	62,600	32,802
Other income					
- investment income	7	9,176	14,599	2,214	5,741
- other income		20,244	12,158	17,998	17,481
Finance costs	8	(4,924)	(1,206)	-	-
Administrative expenses		(75,905)	(83,487)	(730)	(4,480)
Net impairment losses					
on financial assets		(827)	-	-	-
Other expenses		(11,303)	(1,950)	(9,519)	(26)
Profit before taxation	9	28,188	60,635	72,563	51,518
Taxation	10	(23,301)	(19,515)	(4,009)	(4,956)
Net profit for the financial year		4,887	41,120	68,554	46,562
<b>Other comprehensive income/ (expense), net of tax Item that will not be reclassified subsequently to profit or loss:</b>					
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income	22(a)	3,006	(3,188)	-	-
		3,006	(3,188)	-	-
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operations		414	330	-	-
		414	330	-	-

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONT'D)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other comprehensive income/(loss) for the financial year		3,420	(2,858)	-	-
<b>Total comprehensive income for the financial year</b>		<b>8,307</b>	<b>38,262</b>	<b>68,554</b>	<b>46,562</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		8,171	42,248	68,554	46,562
Non-controlling interests		(3,284)	(1,128)	-	-
		<b>4,887</b>	<b>41,120</b>	<b>68,554</b>	<b>46,562</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		11,504	39,154	68,554	46,562
Non-controlling interests		(3,197)	(892)	-	-
		<b>8,307</b>	<b>38,262</b>	<b>68,554</b>	<b>46,562</b>
<b>Earnings per ordinary share attributable to</b>					
Owners of the Company (sen)					
- Basic	11	2.1	11.1		
- Diluted	11	2.1	11.1		

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

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	941,946	891,721	53	78
Right-of-use assets	13	381	-	-	-
Investment properties	14	63,578	62,315	-	-
Inventories	15	342,570	331,456	-	-
Goodwill	16	3,703	3,703	-	-
Investment in subsidiary companies	17	-	-	1,063,358	1,010,576
Deferred tax assets	18	14,460	19,811	-	-
Amount owing by subsidiary companies	19	-	-	130,388	91,924
<b>Total non-current assets</b>		<b>1,366,638</b>	<b>1,309,006</b>	<b>1,193,799</b>	<b>1,102,578</b>
<b>Current assets</b>					
Inventories	15	274,968	267,005	-	-
Trade and other receivables	20	53,364	44,373	20	118
Amount owing by subsidiary companies	19	-	-	3,470	13,408
Contract assets	21	645	6,167	-	-
Tax recoverable		9,747	10,145	-	-
Short term investments	22	93,836	100,343	27,066	36,579
Fixed deposits with licensed banks	23	30,480	79,333	8,532	52,228
Cash and bank balances	23	65,803	88,525	1,490	2,724
<b>Total current assets</b>		<b>528,843</b>	<b>595,891</b>	<b>40,578</b>	<b>105,057</b>
<b>TOTAL ASSETS</b>		<b>1,895,481</b>	<b>1,904,897</b>	<b>1,234,377</b>	<b>1,207,635</b>

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2020 (CONT'D)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	24	515,315	515,315	515,315	515,315
Reserves	25	1,056,627	1,062,292	599,825	548,440
		1,571,942	1,577,607	1,115,140	1,063,755
Non-controlling interests	17(c)	36,753	39,950	-	-
<b>TOTAL EQUITY</b>		<b>1,608,695</b>	<b>1,617,557</b>	<b>1,115,140</b>	<b>1,063,755</b>
<b>Non-current liabilities</b>					
Loans and borrowings	26	131,902	135,007	-	-
Trade and other payables	27	1,644	826	-	-
Deferred tax liabilities	18	29,976	30,631	-	-
<b>Total non-current liabilities</b>		<b>163,522</b>	<b>166,464</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Loans and borrowings	26	4,256	4,201	-	-
Trade and other payables	27	84,118	102,868	62	120
Contract liabilities	21	32,158	12,488	-	-
Derivative financial liabilities	28	1,812	-	-	-
Amount owing to subsidiary companies	19	-	-	118,580	143,615
Tax liabilities		920	1,319	595	145
<b>Total current liabilities</b>		<b>123,264</b>	<b>120,876</b>	<b>119,237</b>	<b>143,880</b>
<b>TOTAL LIABILITIES</b>		<b>286,786</b>	<b>287,340</b>	<b>119,237</b>	<b>143,880</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,895,481</b>	<b>1,904,897</b>	<b>1,234,377</b>	<b>1,207,635</b>

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	← Attributable to owners of the Company →							
	Note	Share capital 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
<b>Group</b>								
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	22(a)	-	(3,188)	-	-	(3,188)	-	(3,188)
Foreign currency translation differences for foreign operations		-	-	94	-	94	236	330
Total comprehensive income/(loss) for the financial year		-	(3,188)	94	42,248	39,154	(892)	38,262
<b>Transactions with owners:</b>								
Dividends for the financial year ended 30 June 2018 - final dividend	29	-	-	-	(17,169)	(17,169)	-	(17,169)
Non-controlling interests arising from acquisition of a new subsidiary		-	-	-	-	-	40,842	40,842
<b>Total transactions with owners</b>		-	-	-	(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 2020 (CONT'D)

	Attributable to owners of the Company						
	Share capital 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
Note							
<b>Group (continued)</b>							
At 1 July 2019	515,315	12,602	147	1,049,543	1,577,607	39,950	1,617,557
Net profit/(loss) for the financial year	-	-	-	8,171	8,171	(3,284)	4,887
Fair value changes on equity instruments designated at fair value through other comprehensive income	-	3,006	-	-	3,006	-	3,006
Foreign currency translation differences for foreign operations	-	-	327	-	327	87	414
Total comprehensive income/(loss) for the financial year	-	3,006	327	8,171	11,504	(3,197)	8,307
<b>Transactions with owners:</b>							
Dividends for the financial year ended 30 June 2019 - final dividend	-	-	-	(17,169)	(17,169)	-	(17,169)
<b>Total transactions with owners</b>	-	-	-	(17,169)	(17,169)	-	(17,169)
At 30 June 2020	515,315	15,608	474	1,040,545	1,571,942	36,753	1,608,695

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONT'D)

	Note	Attributable to owners of the Company		
		Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>Company</b>				
At 1 July 2018		515,315	519,047	1,034,362
Net profit for the financial year		-	46,562	46,562
<b>Transactions with owners:</b>				
Dividends for the financial year ended 30 June 2018 - final dividend	29	-	(17,169)	(17,169)
<b>Total transactions with owners</b>		-	(17,169)	(17,169)
At 30 June 2019		515,315	548,440	1,063,755
Net profit for the financial year		-	68,554	68,554
<b>Transactions with owners:</b>				
Dividends for the financial year ended 30 June 2019 - final dividend	29	-	(17,169)	(17,169)
<b>Total transactions with owners</b>		-	(17,169)	(17,169)
At 30 June 2020		515,315	599,825	1,115,140

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Cash flows from</b>					
<b>operating activities</b>					
Profit before taxation		28,188	60,635	72,563	51,518
Adjustments for:					
Depreciation of:					
- property, plant and equipment		25,980	20,026	25	220
- right-of-use assets		434	-	-	-
- investment properties		619	601	-	-
Net fair value loss on derivatives					
financial liabilities		1,782	-	-	-
Bad debts written off		23	-	-	-
Impairment loss on trade and					
other receivables		827	-	-	-
Impairment on investment in					
subsidiary companies		-	-	9,500	-
Finance costs		4,924	1,206	-	-
Inventories written down					
- freehold land		-	1,358	-	-
Property, plant and					
equipment written off		709	405	-	1
Interest income		(2,714)	(6,416)	(19,194)	(21,139)
Gain on disposal of					
property, plant and equipment		(99)	-	(44)	-
Gain on disposal of investment					
properties		(630)	(663)	-	-
Dividend income		(2,865)	(5,144)	(63,570)	(32,083)
Unrealised loss/(gain) on foreign					
exchange		244	987	-	(108)
Profit/(Loss) before working					
capital changes		57,422	72,995	(720)	(1,591)

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONT'D)

	Group		Company		
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(Increase)/Decrease in:					
Inventories					
- land held for future development		(132)	(1,061)	-	-
- property development projects		10,451	(50,861)	-	-
- completed properties		(30,095)	11,606	-	-
- general supplies of hotel operations		(117)	160	-	-
Trade and other receivables		(9,841)	(10,542)	98	967
Contract assets		5,522	(3,063)	-	-
Amount owing by subsidiary companies		-	-	11,687	(62,991)
		33,210	19,234	11,065	(63,615)
(Decrease)/Increase in:					
Trade and other payables		(17,932)	(7,282)	(58)	(1,020)
Contract liabilities		19,670	(5,490)	-	-
Amount owing to subsidiary companies		-	-	(25,035)	23,724
Net cash flows from/(used in) operations		34,948	6,462	(14,028)	(40,911)
Interest income received		761	1,240	17,950	17,481
Income tax refunded		4,244	204	441	-
Income tax paid		(22,850)	(23,684)	(4,000)	(5,136)
Net cash flows from/(used in) operating activities		17,103	(15,778)	363	(28,566)

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONT'D)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Cash flows from</b>					
<b>investing activities</b>					
Acquisition of a subsidiary, net of cash acquired		-	(72,704)	-	-
Interest income received		1,953	5,176	1,244	3,658
Proceeds from disposal of property, plant and equipment		120	1	44	187
Proceed from disposal of investment properties		838	959	-	-
Purchase of property, plant and equipment		(76,935)	(86,989)	-	(7)
Capital expenditure for investment properties		(1,274)	(51)	-	-
Proceed from disposal of short term investments		89,200	-	89,200	-
Purchase of short term investments		(79,687)	(4,260)	(79,687)	(4,260)
Dividend income received		2,865	5,144	63,570	32,083
Subscription of additional shares issued by a subsidiary companies		-	-	(102,495)	(97,053)
Net cash flows used in investing activities		(62,920)	(152,724)	(28,124)	(65,392)

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONT'D)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Cash flows from financing activities</b>					
Dividends paid		(17,169)	(17,169)	(17,169)	(17,169)
Interest paid		(4,924)	(1,206)	-	-
Subscription of additional equity interest by non-controlling interests		-	27,082	-	-
Repayment of bank borrowings	(a)	(3,353)	(1,268)	-	-
Payment to lease liabilities	(a)	(434)	-	-	-
Net cash flows (used in)/from financing activities		(25,880)	7,439	(17,169)	(17,169)
<b>Net decrease in cash and cash equivalents</b>					
Effect of exchange rate changes		122	(847)	-	108
<b>Cash and cash equivalents at beginning of the financial year</b>					
		167,858	329,768	54,952	165,971
<b>Cash and cash equivalents at end of the financial year</b>					
		96,283	167,858	10,022	54,952
<b>Analysis of cash and cash equivalents:</b>					
Fixed deposits with licensed banks	23	30,480	79,333	8,532	52,228
Cash and bank balances	23	65,803	88,525	1,490	2,724
		96,283	167,858	10,022	54,952

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONT'D)

(a) Reconciliation of liabilities arising from financing activities

	At 1 July (as previously reported) RM'000	Effect of adoption of MFRS 16 RM'000	At 1 July (as adjusted balance) RM'000	Cash flows RM'000	Acquisition RM'000	Exchange differences RM'000	At 30 June RM'000
<b>Group</b>							
<b>2020</b>							
Term loans (Note 26)	139,208	-	139,208	(3,353)	-	(78)	135,777
Lease liabilities (Note 26)	-	815	815	(434)	-	-	381
	<u>139,208</u>	<u>815</u>	<u>140,023</u>	<u>(3,787)</u>	<u>-</u>	<u>(78)</u>	<u>136,158</u>
<b>2019</b>							
Term loans (Note 26)	-	-	24,338	(1,268)	115,863	275	139,208

(b) Total cash outflows for leases and lessee

During the financial year, the Group had total cash outflows for leases of RM545,000 including expenses relating to short term leases as disclosed in Note 9 to the 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 activity is investment holding. The principal activities of its subsidiary companies are stated in Note 17 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 21 September 2020.

## 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 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

#### New MFRSs

MFRS 16	Leases
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#### Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

#### New IC Int

IC Int 23	Uncertainty over Income Tax Treatments
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## 2. BASIS OF PREPARATION (CONT'D)

### 2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (Cont'd)

The adoption of the above new MFRS, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below.

#### *MFRS 16 Leases*

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 Leases and IC Int 4 Determining whether an Arrangement contains a Lease.

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statements of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the statements of financial position except for short-term and low value asset leases.

The Group has applied MFRS 16 using the modified retrospective approach with any cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at the date of initial application (i.e. 1 July 2019). As such, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

#### **Definition of a lease**

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group has elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 July 2019. 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)

### 2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (Cont'd)

#### *MFRS 16 Leases (Cont'd)*

##### **Impact of the adoption of MFRS 16**

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Group has complied with in the current financial year, the application of this standard does not have any significant effect on the financial statements of the Group, except for those as discussed below.

##### **(i) Classification and measurement**

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group.

On adoption of MFRS 16, for all its leases other than short-term and low value asset leases, the Group:

- recognised the right-of-use assets and lease liabilities in the statements of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the statements of cash flows for the current financial year.

##### *For leases that were classified as operating lease under MFRS 117*

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application.

The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all leases.

The Group also applied the following practical expedients wherein they:

- (i) applied a single discount rate to a portfolio of leases with similar characteristics;
- (ii) applied the exemption not to recognise right-to-use assets and liabilities for leases which the lease term ends within 12 months of the date of initial application;
- (iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- (iv) used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

**2. BASIS OF PREPARATION (CONT'D)****2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (Cont'd)*****MFRS 16 Leases (Cont'd)*****Impact of the adoption of MFRS 16 (Cont'd)****(ii) Short-term lease and low value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of rented premises, hostels and equipment that have a lease term of 12 months or less and leases of low value assets based on the value of the underlying asset when new. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The effects of adoption of MFRS 16 as at 1 July 2019 (increase/(decrease)) are as follows:

	<b>Adjustments</b>	<b>Group Increase/ (Decrease) RM'000</b>
<b>ASSETS</b>		
<b>Non-current asset</b>		
Right-of-use asset	(i)	815
<b>Total non-current asset</b>		815
<b>TOTAL ASSETS</b>		815
<b>LIABILITIES</b>		
<b>Non-current liability</b>		
Lease liabilities	(i)	381
<b>Total non-current liability</b>		381
<b>Current liability</b>		
Lease liabilities	(i)	434
<b>Total current liability</b>		434
<b>TOTAL LIABILITIES</b>		815

Other than as disclosed above, the adoption of MFRS 16 did not have a material impact on the Group's statement of comprehensive income, statement of changes in equity or the Group's operating, investing and financing cash flows.

## 2. BASIS OF PREPARATION (CONT'D)

### 2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective

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

<u>New MFRS</u>	<u>Effective for financial periods beginning on or after</u>
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 3 Business Combinations	1 January 2020/ 1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7 Financial Instruments: Disclosures	1 January 2020/ 1 January 2023 <sup>#</sup>
MFRS 9 Financial Instruments	1 January 2020/ 1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16 Leases	1 June 2020 <sup>*</sup> / 1 January 2022 <sup>^</sup>
MFRS 101 Presentation of Financial Statements	1 January 2020/ 1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107 Statement of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 116 Property, Plant and Equipment	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 119 Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128 Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132 Financial Instruments: Presentation	1 January 2023 <sup>#</sup>

## 2. BASIS OF PREPARATION (CONT'D)

### 2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

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

		<b>Effective for financial periods beginning on or after</b>
<u>Amendments/Improvements to MFRSs (Cont'd)</u>		
MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 138	Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023 <sup>#</sup>
MFRS 141	Agriculture	1 January 2022 <sup>^</sup>

<sup>^</sup> *The Annual Improvements to MFRS Standards 2018-2020*

<sup>\*</sup> *Earlier application is permitted, including in financial statements not authorised for issue on 28 May 2020*

<sup>#</sup> *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

#### **Annual Improvements to MFRS Standards 2018 - 2020**

Annual Improvements to MFRS Standards 2018 - 2020 covers amendments to:

- MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 Financial Instruments - clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 Leases - deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 Agriculture - removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

## 2. BASIS OF PREPARATION (CONT'D)

### 2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

#### ***Amendments to MFRS 3 Business Combinations***

The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments also update by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by MASB in April 2018.

#### ***Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures***

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

#### ***Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, and MFRS 7 Financial Instruments: Disclosures***

The Malaysian Accounting Standards Board has issued Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7).

The Interest Rate Benchmark Reform amends some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the interbank offered rates reform. In applying the amendments, companies would continue to apply those hedge accounting requirements assuming that the interest rate benchmark associated with the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Applying the amendments, entities are not required to apply the MFRS 139 retrospective assessment but continue to apply hedge accounting to a hedging relationship for which effectiveness is outside of the 80-125% range during the period of uncertainty arising from the reform.

## 2. BASIS OF PREPARATION (CONT'D)

### 2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

#### ***Amendment to MFRS 16 Leases***

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

#### ***Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error***

The amendments refine the definition by including 'obscuring information' in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company's financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

#### ***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

#### ***Amendments to MFRS 116 Property, Plant and Equipment***

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

#### ***Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets***

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise stated.

### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

### 2.6 Use of estimates and judgement

The preparation of financial statements in conformity with 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 goods and services 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 ("GST")/value-added tax ("VAT"), 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 stand-alone 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 does 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 collects 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 borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (a) Revenue and other income (Cont'd)

##### (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.

##### (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 and the Company.

##### (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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) Borrowing costs

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

#### (d) Taxation

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

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

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

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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (e) Foreign currencies

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances

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

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

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

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

##### (iii) Foreign operations

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (f) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies mentioned in Note 17 to the financial statements made up to 30 June 2020.

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group treats all changes in its ownership interest in a subsidiary company that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted against Group reserves.

Intra-group transactions and balances, and resulting unrealised gains are eliminated on consolidation. Unrealised losses resulting from intra-group transactions are also eliminated on consolidation to the extent of the cost of the asset that can be recovered. The extent of the costs that cannot be recovered is treated as write down or impairment losses as appropriate. Where necessary, adjustments are made to the financial statements of the subsidiary companies to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary company not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the other comprehensive income for the year between non-controlling interests and owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (f) Basis of consolidation (Cont'd)

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(I) 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.

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(I) to the financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

Freehold land is 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	10% - 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.

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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (h) Investment in subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company:

- 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 Company 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.

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 land size of the property sold.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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% (2019: 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 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.

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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Financial instruments (Cont'd)

##### (i) Subsequent measurement

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

##### (a) 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 their financial assets when and only when their business models for managing those assets change.

##### 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 classify 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Financial instruments (Cont'd)

##### (i) Subsequent measurement (Cont'd)

##### (a) Financial assets (Cont'd)

###### Debt instruments (Cont'd)

- **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.

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 investment 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Financial instruments (Cont'd)

##### (i) Subsequent measurement (Cont'd)

##### (b) 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.

##### 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.

##### (ii) 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Financial instruments (Cont'd)

##### (iii) 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.

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.

##### (iv) 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.

##### (v) Derivatives

The Group uses interest swap contracts to hedge the exposure of floating interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (l) Impairment of financial assets

##### (i) Impairment of financial assets and contract assets

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. 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.

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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (I) Impairment of financial assets (Cont'd)

##### (i) Impairment of financial assets and contract assets (Cont'd)

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;
- 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.

##### (ii) 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (l) Impairment of financial assets (Cont'd)

##### (ii) Impairment of non-financial assets (Cont'd)

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, if any.

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.

#### (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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (o) Leases

At inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

#### (i) Lessee accounting

##### Accounting policies applied from 1 July 2019

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

##### Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l) to the financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (o) Leases (Cont'd)

##### (i) Lessee accounting (Cont'd)

###### Accounting policies applied from 1 July 2019 (Cont'd)

###### Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (o) Leases (Cont'd)

##### (i) Lessee accounting (Cont'd)

###### Accounting policies applied from 1 July 2019 (Cont'd)

###### Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

###### Accounting policies applied until 30 June 2019

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

##### (ii) Lessor accounting

###### Accounting policies applied from 1 July 2019

When the Group is intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3(o)(i) to the financial statements, then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

###### Accounting policies applied until 30 June 2019

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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

#### (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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

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.

### 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 15)

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) Impairment of property, plant and equipment (Note 12)

The Group assesses impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

The Group has significant balances of property, plant and equipment relating to its hotel operations. In view of the COVID-19 outbreak, there are significant changes in the market and economic environment in which the Group operates, that indicates the property, plant and equipment may be impaired. As such, there is a risk the future performance of the assets may not lead to their carrying values being recoverable in full.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group exercises its judgement to apply the discount rates in determining the recoverable amount and assumptions supporting the underlying cash flow projections, including near-term impact from COVID-19, forecast growth rates, occupancy rates and gross profit margin. The economic uncertainties from COVID-19 pandemic may result in higher level of estimation uncertainty to the inputs and assumptions used in the value-in-use calculation. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial positions and results if the actual cash flows are less than the expected.

##### (c) Deferred tax assets (Note 18)

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax credits can be utilised. Significant 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, after taking into consideration the possible near-term impact of COVID-19 pandemic.

**5. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue from</b>				
<b>contract customers:</b>				
Property development	133,694	164,078	-	-
Hotel operations	55,141	62,492	-	-
	188,835	226,570	-	-
<b>Revenue from other source:</b>				
Dividend income from subsidiaries (Note 34)	-	-	62,600	30,000
Management fees (Note 34)	-	-	-	2,802
	188,835	226,570	62,600	32,802

**(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)**

	<b>Property development RM'000</b>	<b>Hotel operations RM'000</b>	<b>Total RM'000</b>
<b>Group</b>			
<b>2020</b>			
<i>Major goods or services</i>			
Residential units	133,694	-	133,694
Room revenue and related services	-	55,141	55,141
	133,694	55,141	188,835
<i>Timing of revenue recognition:</i>			
At a point in time	46,295	55,141	101,436
Over time	87,399	-	87,399
	133,694	55,141	188,835
<b>2019</b>			
<i>Major goods or services</i>			
Residential units	164,078	-	164,078
Room revenue and related services	-	62,492	62,492
	164,078	62,492	226,570
<i>Timing of revenue recognition:</i>			
At a point in time	12,846	62,492	75,338
Over time	151,232	-	151,232
	164,078	62,492	226,570

**5. REVENUE (CONT'D)****(a) Disaggregation of revenue (Cont'd)**

	<b>Investment holding RM'000</b>	<b>Total RM'000</b>
<b>Company</b>		
<b>2020</b>		
<i>Major goods or services</i>		
Dividend income from subsidiaries	62,600	62,600
<i>Timing of revenue recognition:</i>		
At a point in time	62,600	62,600
<b>2019</b>		
<i>Major goods or services</i>		
Dividend income from subsidiaries	30,000	30,000
Management fees	2,802	2,802
	32,802	32,802
<i>Timing of revenue recognition:</i>		
At a point in time	32,802	32,802

**(b) Transaction price allocated to the remaining performance obligations**

As of 30 June 2020, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM29,756,000 (2019: RM56,159,000) and the entity will recognise this revenue as the building is completed, which is expected to occur over the next 9 to 21 months (2019: 12 to 18 months).

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

**6. COST OF SALES**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Property development costs		
- property development	47,518	73,510
- completed properties	25,811	7,090
Hotel operation costs	23,779	25,449
	<b>97,108</b>	<b>106,049</b>

**7. OTHER INCOME - INVESTMENT INCOME**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Lease rental income (Note 14)	3,728	3,616	-	-
Gain on disposal of investment properties	630	663	-	-
Interest income from fixed deposits	1,953	5,176	1,244	3,658
Dividend income from short term investments	2,865	5,144	970	2,083
	<b>9,176</b>	<b>14,599</b>	<b>2,214</b>	<b>5,741</b>

**8. FINANCE COSTS**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank charges	2	50
Term loans	4,922	1,156
	<b>4,924</b>	<b>1,206</b>

**9. PROFIT BEFORE TAXATION**

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

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income from Housing				
Development Accounts	736	1,199	-	-
Late interest income from customers	25	41	-	-
Rental income	6,831	6,614	-	-
Gain on disposal of				
property, plant and equipment	99	-	44	-
Interest on unsecured advances to subsidiary companies (Note 34)	-	-	17,950	17,481
Auditors' remuneration:				
- current year	(378)	(295)	(45)	(45)
- prior year	(33)	-	-	-
Non audit fees	(9)	(59)	(9)	(9)
Employee benefits expenses	(31,881)	(31,808)	-	(2,432)
Directors' remuneration:				
Fees	(240)	(130)	(240)	(130)
Contribution to EPF	-	(10)	-	(10)
Other emoluments	(28)	(987)	(28)	(987)
Depreciation of:				
- property, plant and equipment (Note 12)	(25,980)	(20,026)	(25)	(220)
- right-of-use assets (Note 13)	(434)	-	-	-
- investment properties (Note 14)	(619)	(601)	-	-
Net fair value loss on derivative financial liabilities	(1,782)	-	-	-
Realised loss on foreign exchange	(115)	(243)	-	(122)
Unrealised (loss)/gain on foreign exchange	(244)	(987)	-	108
Impairment on investment in subsidiary companies (Note 17)	-	-	(9,500)	-
Impairment loss on trade and other receivables (Note 20)	(827)	-	-	-
Bad debts written off	(23)	-	-	-
Inventories written down				
- freehold land	-	(1,358)	-	-
Property, plant and equipment written off (Note 12)	(709)	(405)	-	(1)
Rental of:				
Premises	-	(443)	-	(217)
Equipment	-	(42)	-	(5)
Expenses relating to short term leases:				
Equipment	(111)	-	-	-

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 RM3,006,000 and Nil (2019: RM2,872,000 and RM157,000) respectively.

**10. TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Estimated tax payable:				
Current	18,336	23,681	4,595	5,283
Prior years	269	(179)	(586)	(327)
	18,605	23,502	4,009	4,956
Deferred tax (Note 18):				
Current	622	(2,773)	-	-
Prior years	4,074	(1,214)	-	-
	4,696	(3,987)	-	-
	23,301	19,515	4,009	4,956

The income tax is calculated at the statutory rate of 24% (2019: 24%) of the estimated assessable profit for the year.

**10. TAXATION (CONT'D)**

A numerical reconciliation of current tax expense applicable to profit before taxation at the applicable statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before taxation	28,188	60,635	72,563	51,518
Tax at the applicable tax rate of 24% (2019: 24%)	6,765	14,552	17,415	12,364
Effect of tax rates in foreign jurisdictions	27	195	-	-
Tax effects of:				
Expenses that are not deductible in determining taxable profit	7,281	4,956	2,438	755
Income not subject to tax	(939)	(1,027)	(15,258)	(7,669)
Origination/(Utilisation) of deferred tax assets not recognised	5,767	2,135	-	(167)
Derecognition of previously recognised tax credit of investment properties	57	97	-	-
Under/(Over) provision in:				
- current tax	269	(179)	(586)	(327)
- deferred tax	4,074	(1,214)	-	-
	23,301	19,515	4,009	4,956

**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	
	2020	2019
Net profit attributable to Owners of the Company (RM'000)	8,171	42,248
Weighted average number of ordinary shares in issue (Unit'000)	381,534	381,534
Basic earnings per share (sen)	2.1	11.1

The basic and diluted earnings per ordinary share are equal as the Company has no dilutive potential ordinary share(s).

**12. PROPERTY, PLANT AND EQUIPMENT**

	Freehold land and buildings RM'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
<b>Group</b>								
<b>2020</b>								
<b>Cost</b>								
At 1 July 2019	886,921	7,367	28,767	22,392	25,301	478	6,945	978,171
Additions	19,085	1,600	4,901	25,941	3,338	-	22,070	76,935
Reclassification	(267)	216	(328)	(5,217)	6,111	2	(517)	-
Disposals	-	-	(213)	-	(320)	(213)	-	(746)
Written off	(4)	(175)	(485)	(96)	(570)	-	-	(1,330)
At 30 June 2020	905,735	9,008	32,642	43,020	33,860	267	28,498	1,053,030
<b>Accumulated depreciation</b>								
At 1 July 2019	42,782	6,839	15,375	11,118	9,915	421	-	86,450
Charge for the financial year	14,581	874	3,438	3,898	3,164	25	-	25,980
Reclassification	37	(481)	260	(37)	219	2	-	-
Disposals	-	-	(299)	-	(213)	(213)	-	(725)
Written off	-	(172)	(344)	(96)	(9)	-	-	(621)
At 30 June 2020	57,400	7,060	18,430	14,883	13,076	235	-	111,084
<b>Carrying amount</b>								
At 30 June 2020	848,335	1,948	14,212	28,137	20,784	32	28,498	941,946

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

	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
<b>Group (Cont'd)</b>								
<b>2019</b>								
<b>Cost</b>								
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
<b>Accumulated depreciation</b>								
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
<b>Carrying amount</b>								
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)****Group (Cont'd)**

Certain property, plant and equipment amounting to RM302,359,000 (2019: RM306,852,000) are pledged as security for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.

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

**Company**

	<b>Office equipment and computers RM'000</b>	<b>Furniture and fittings RM'000</b>	<b>Renovations RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>2020</b>					
<b>Cost</b>					
At 1 July 2019	251	27	274	345	897
Disposals	-	-	-	(213)	(213)
Written off	(42)	-	-	-	(42)
At 30 June 2020	209	27	274	132	642
<b>Accumulated depreciation</b>					
At 1 July 2019	231	15	228	345	819
Charge for the financial year	8	2	15	-	25
Disposals	-	-	-	(213)	(213)
Written off	(42)	-	-	-	(42)
At 30 June 2020	197	17	243	132	589
<b>Carrying amount</b>					
At 30 June 2020	12	10	31	-	53

**12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****Company (Cont'd)**

	<b>Office equipment and computers RM'000</b>	<b>Furniture and fittings RM'000</b>	<b>Renovations RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>2019</b>					
<b>Cost</b>					
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
<b>Accumulated depreciation</b>					
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
<b>Carrying amount</b>					
At 30 June 2019	20	12	46	-	78

**13. RIGHT-OF-USE ASSETS**

The Group leases several assets and the information about leases of the Group as lessee are presented below:

<b>Group</b>	<b>Office Buildings RM'000</b>
<b>Carrying amount</b>	
At 1 July 2019	815
Depreciation	(434)
At 30 June 2020	381

The Group leases office buildings for their office space and operation site. The leases for office space and operation site generally have lease term of 3 years.

**14. INVESTMENT PROPERTIES**

	<b>Freehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<b>Group</b>			
<b>2020</b>			
<b>Cost</b>			
At 1 July 2019	36,953	30,044	66,997
Additions	-	1,274	1,274
Transfer from inventories	-	816	816
Disposals	-	(313)	(313)
At 30 June 2020	36,953	31,821	68,774
<b>Accumulated depreciation</b>			
At 1 July 2019	-	4,682	4,682
Charge for the financial year	-	619	619
Disposals	-	(105)	(105)
At 30 June 2020	-	5,196	5,196
<b>Carrying amount</b>			
At 30 June 2020	36,953	26,625	63,578
<b>2019</b>			
<b>Cost</b>			
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
<b>Accumulated depreciation</b>			
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
<b>Carrying amount</b>			
At 30 June 2019	36,953	25,362	62,315

**14. INVESTMENT PROPERTIES (CONT'D)**

	<b>Freehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<b>Fair value</b>			
At 30 June 2020	163,728	44,138	207,866
At 30 June 2019	163,728	42,775	206,503

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

The rental income earned by the Group from its investment properties amounted to RM3,728,000 (2019: RM3,616,000). Direct operating expenses pertaining to the income generating investment properties during the financial year amounted to RM1,029,000 (2019: RM968,000).

***Fair value information***

Fair value of investment properties is categorised as follows:

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<b>2020</b>				
Freehold land	-	163,728	-	163,728
Buildings	-	44,138	-	44,138
	-	207,866	-	207,866
<b>2019</b>				
Freehold land	-	163,728	-	163,728
Buildings	-	42,775	-	42,775
	-	206,503	-	206,503

**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.

**15. INVENTORIES**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current:</b>		
<b>At lower of cost and net realisable value:</b>		
Property held for development		
- Freehold land at cost	130,169	130,205
- Leasehold land at cost	23,824	23,824
- Development costs	188,577	177,427
	342,570	331,456
<b>Current:</b>		
<b>At lower of cost and net realisable value:</b>		
Property held for development		
- Development costs	14,989	91,077
Completed properties	259,617	175,449
General supplies of hotel operations	362	479
	274,968	267,005
	617,538	598,461

- (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 RM73,329,000 (2019: RM80,600,000).
- (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 Nil (2019: RM1,358,000).

## 16. 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 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 amount of goodwill allocated to the CGU of the Group is as follow:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Hotel	3,703	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.

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 five-year period including near-term impact from COVID-19. The economic uncertainties from COVID-19 pandemic may result in higher level of estimation uncertainty to the inputs and assumptions used in the value-in-use calculation. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than expected.

The key assumptions used for value-in-use calculation are:

- (i) The weighted average growth rate using an estimated growth rate of 4.5%; and
- (ii) The discount rate of 7.25% applied to the cash flows projection is pre-tax and reflects 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.

## 17. INVESTMENT IN SUBSIDIARY COMPANIES

	<b>Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At Cost</b>		
Unquoted shares	749,615	647,120
Less: impairment losses	(9,500)	-
	740,115	647,120
Loans that are part of the net investments	323,243	363,456
	1,063,358	1,010,576

**17. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

Loans that are part of net investments represent amount owing by subsidiaries which is non-trade in nature, unsecured and interest bearing ranging from 2.75% to 3.75% (2019: 3.75% to 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
		2020 %	2019 %	
<b>Subsidiary companies</b>				
Plenitude Tebrau Sdn Bhd	Malaysia	100	100	Property development and investment holding
Plenitude Permai Sdn Bhd	Malaysia	100	100	Property development
Plenitude Heights Sdn Bhd	Malaysia	100	100	Property development, hotelier and investment holding
Plenitude Bayu Sdn Bhd	Malaysia	100	100	Property development and investment
Plenitude Estates Sdn Bhd	Malaysia	100	100	Property development and property investment
Plenitude Hills Sdn Bhd	Malaysia	100	100	Investment holding
Plenitude Damansara Sdn Bhd	Malaysia	100	100	Property development, yet to commence operations
Plenitude International Sdn Bhd	Malaysia	100	100	Property development, hoteling and property investment
Plenitude Homes Sdn Bhd	Malaysia	100	100	Property development and property investment, yet to commence operations
Plenitude Gateway Sdn Bhd	Malaysia	100	100	General trading, land and property investment and investment holding, yet to commence operations
Cipriani Sdn Bhd	Malaysia	100	100	Investment holding, inactive
The Nomad Group Bhd	Malaysia	100	100	Investment holding
Plenitude Management Services Sdn Bhd	Malaysia	100	100	Provision of management and consultancy services

**17. 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		Principal activities
		2020 %	2019 %	
<b>Indirect subsidiary companies</b>				
<b>Held through Plenitude</b>				
<b>Tebrau Sdn Bhd</b>				
PNT Guards Sdn Bhd	Malaysia	100	100	Property development and property investment
PNT Property Management Services Sdn Bhd	Malaysia	100	100	Provision of management services
<b>Held through Plenitude</b>				
<b>Heights Sdn Bhd</b>				
Plenitude Builders Sdn Bhd	Malaysia	100	100	Property development and project management
TBBH Management & Venture Holidays Sdn Bhd	Malaysia	100	100	Provision of management services for hotel industry
<b>Held through Plenitude</b>				
<b>Permai Sdn Bhd</b>				
Intisari Sanjung (M) Sdn Bhd	Malaysia	100	100	Property development, yet to commence operations
<b>Held through The Nomad Group Bhd</b>				
Bizcentre Capital Pte Ltd **	Singapore	71	71	Investment holding
Nomad Properties Sdn Bhd	Malaysia	100	100	Investment holding
Plenitude Ipoh Sdn Bhd	Malaysia	100	100	Hotelier and hotel related services and investment holding
The Nomad Offices Sdn Bhd	Malaysia	100	100	Investment holding
The Nomad Residences Sdn Bhd	Malaysia	100	100	Investment holding
Plenitude Ferringhi Sdn Bhd	Malaysia	100	-	Hotelier and hotel related services, yet to commence operations

**17. 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		Principal activities
		2020 %	2019 %	
<b>Indirect subsidiary companies (Cont'd)</b>				
<b>Held through The Nomad Residences Sdn Bhd</b>				
Plenitude City Hotel Sdn Bhd	Malaysia	100	100	Hotelier and hotel related services
Plenitude Bangsar Residence Sdn Bhd	Malaysia	100	100	Operator of serviced residences
The Nomad Penang Sdn Bhd	Malaysia	100	100	Provision of hotel management and consultancy services, inactive
Plenitude Suites Sdn Bhd	Malaysia	100	100	Hotelier and operator of All Suite-Hotel
<b>Held through Nomad Properties Sdn Bhd</b>				
Plenitude Georgetown Sdn Bhd	Malaysia	100	100	Hotelier and hotel related services
<b>Held through The Nomad Offices Sdn Bhd</b>				
Nomad Space Sdn Bhd	Malaysia	100	100	Operator of serviced offices and investment holding, inactive
The Nomad Offices Pte Ltd**	Singapore	100	100	Operator of serviced offices and investment holding, inactive
<b>Held through The Nomad Offices Pte Ltd</b>				
Instant Office Holdings Pte Ltd**	Singapore	100	100	Investment holding, inactive
PT Concept Kreatif**	Indonesia	100	100	Operator of serviced offices, in liquidation
The Nomad Offices (Philippines) Inc**	Philippines	100	100	Operator of serviced offices, inactive
<b>Held through Bizcentre Capital Pte Ltd</b>				
Korea Investment Private Placement Business Hotel Real Estate Investment Trust**	South Korea	60	60	Investment holding
Pinetree Hotel LLC**	South Korea	60	60	Hotelier and hotel related services

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

**17. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

(b) During the financial year, the Company increased its equity interest in Plenitude International Sdn Bhd, Plenitude Estates Sdn Bhd and Plenitude Bayu Sdn Bhd from RM85,486,000, RM16,867,000 and RM36,151,000 respectively to RM96,436,000, RM17,867,000 and RM87,287,000 respectively by issuance of 10,950,000, 1,000,000 and 51,136,000 preference shares of RM1 each respectively.

In addition, the Company also subscribed new interest in Plenitude Suites Sdn Bhd, Plenitude Bangsar Residences Sdn Bhd and Plenitude Ipoh Sdn Bhd of RM13,038,000, RM4,821,000 and RM21,550,000 respectively by issuance of 13,038,000, 4,821,000 and 21,550,000 preference shares of RM1 each respectively.

**(c) 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	
		2020 %	2019 %
Bizcentre Capital Pte Ltd	Singapore	29	29
Korea Investment Private Placement Business Hotel Real Estate Investment Trust	South Korea	40	40
Pinetree Hotel LLC	South Korea	40	40

Carrying amount of material non-controlling interests:

Name of company	2020 RM'000	2019 RM'000
Bizcentre Capital Pte Ltd	26,078	26,093
Korea Investment Private Placement Business Hotel Real Estate Investment Trust	13,002	13,791
Pinetree Hotel LLC	(2,327)	66
	<u>36,753</u>	<u>39,950</u>

Profit/(Loss) allocated to material non-controlling interests:

Name of company	2020 RM'000	2019 RM'000
Bizcentre Capital Pte Ltd	(20)	(1,140)
Korea Investment Private Placement Business Hotel Real Estate Investment Trust	(795)	-
Pinetree Hotel LLC	(2,469)	12
	<u>(3,284)</u>	<u>(1,128)</u>

**17. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)****(c) 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:

	<b>Bizcentre Capital Pte Ltd RM'000</b>	<b>Korea Investment Private Placement Business Hotel Real Estate Investment Trust RM'000</b>	<b>Pinetree Hotel LLC RM'000</b>
<b>Summarised statements of financial position</b>			
<b>As at 30 June 2020</b>			
Current assets	9,590	7,530	5,713
Non-current assets	82,980	195,559	944
Current liabilities	(3,903)	(7,585)	(10,557)
Non-current liabilities	-	(113,963)	(1,643)
Net assets/(liabilities)	88,667	81,541	(5,543)
<b>Summarised statements of comprehensive income</b>			
<b>Financial year ended 30 June 2020</b>			
Revenue	-	-	11,563
Loss for the financial year	(69)	(1,988)	(6,172)
<b>Summarised cash flow information</b>			
<b>Financial year ended 30 June 2020</b>			
Cash flows (used in)/from operating activities	(3,527)	3,044	(4,396)
Cash flows from/(used in) investing activities	293	40	(768)
Cash flows (used in)/from financing activities	(4,745)	(4,939)	4,294
Net decrease in cash and cash equivalents	(7,979)	(1,855)	(870)

**17. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)****(c) 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: (Cont'd)

	<b>Bizcentre Capital Pte Ltd RM'000</b>	<b>Korea Investment Private Placement Business Hotel Real Estate Investment Trust RM'000</b>	<b>Pinetree Hotel LLC RM'000</b>
<b>Summarised statements of financial position</b>			
<b>As at 30 June 2019</b>			
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
<b>Summarised statements of comprehensive income</b>			
<b>Financial year/period ended 30 June 2019</b>			
Revenue	-	-	433
(Loss)/Profit for the financial year/period	(3,562)	-	82
<b>Summarised cash flow information</b>			
<b>Financial year/period ended 30 June 2019</b>			
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

**18. 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:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Deferred tax assets</b>		
At 1 July	19,811	16,350
Recognised in profit or loss (Note 10)	(5,351)	3,461
At 30 June	<u>14,460</u>	<u>19,811</u>
<b>Deferred tax liabilities</b>		
At 1 July	(30,631)	(31,156)
Recognised in profit or loss (Note 10)	655	526
Exchange differences	-	(1)
At 30 June	<u>(29,976)</u>	<u>(30,631)</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	14,460	19,811
Deferred tax liabilities	<u>(29,976)</u>	<u>(30,631)</u>
At 30 June	<u>(15,516)</u>	<u>(10,820)</u>

- (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**

	<b>Property development projects RM'000</b>	<b>Investment property RM'000</b>	<b>Property plant and equipment RM'000</b>	<b>Investment tax allowance RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>2020</b>						
At 1 July 2019	7,357	3,492	(731)	6,327	3,366	19,811
Recognised in profit or loss	(1,946)	(72)	3,428	(6,327)	(434)	(5,351)
At 30 June 2020	<u>5,411</u>	<u>3,420</u>	<u>2,697</u>	<u>-</u>	<u>2,932</u>	<u>14,460</u>
<b>2019</b>						
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	<u>7,357</u>	<u>3,492</u>	<u>(731)</u>	<u>6,327</u>	<u>3,366</u>	<u>19,811</u>

**18. 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: (Cont'd)

**Deferred tax liabilities**

	<b>Property, plant and equipment RM'000</b>	<b>Land held for future development RM'000</b>	<b>Total RM'000</b>
<b>2020</b>			
At 1 July 2019	(25,117)	(5,514)	(30,631)
Recognised in profit or loss	655	-	655
At 30 June 2020	(24,462)	(5,514)	(29,976)
<b>2019</b>			
At 1 July 2018	(25,642)	(5,514)	(31,156)
Recognised in profit or loss	526	-	526
Exchange differences	(1)	-	(1)
At 30 June 2019	(25,117)	(5,514)	(30,631)

(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) to the financial statements. As of 30 June 2020, 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:

	<b>Group</b>		<b>Company</b>	
	<b>2020 RM'000</b>	<b>2019 RM'000</b>	<b>2020 RM'000</b>	<b>2019 RM'000</b>
Temporary differences arising from property, plant and equipment	8,627	8,703	-	-
Tax effects of unused tax losses	10,030	5,757	-	-
Tax effects of unabsorbed capital allowance	3,316	1,669	-	-
Tax effects of unabsorbed investment tax allowance	23,110	23,110	-	-
Tax effects of other deductible differences	609	686	-	-
	45,692	39,925	-	-

**18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

(d) The availability of unused tax losses for offsetting against future taxable profit of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act 1967 and guidelines issued by the authority.

The unused tax losses are available for offset against future profits of the Group which will expire in the following financial years:

<b>Year of assessments</b>	<b>Group 2020 RM'000</b>
2026	5,757
2027	4,273
	<u>10,030</u>

**19. AMOUNT OWING BY/(TO) SUBSIDIARIES**

Amount owing by subsidiary companies, which arose mainly from advances and interest charges, are unsecured, interest bearing ranging from 2.75% to 3.75% (2019: 3.75% to 4%) per annum, repayable on demand except for amounts of RM130,388,000 (2019: RM91,924,000) are to be repaid within 5 years period from the date of advancement and are expected to be settled in cash.

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.

**20. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2020 RM'000</b>	<b>2019 RM'000</b>	<b>2020 RM'000</b>	<b>2019 RM'000</b>
<b>Trade</b>				
Trade receivables	40,023	28,910	-	-
Less: Allowance for impairment	(46)	(142)	-	-
	<u>39,977</u>	<u>28,768</u>	-	-
<b>Non-trade</b>				
Other receivables	1,416	3,068	-	-
Less: Allowance for impairment	(781)	-	-	-
	635	3,068	-	-
Refundable deposits	5,276	5,156	20	116
Prepaid expenses	4,415	4,329	-	-
GST/VAT refundable	3,061	3,052	-	2
	<u>13,387</u>	<u>15,605</u>	<u>20</u>	<u>118</u>
<b>Total trade and other receivables</b>	<u>53,364</u>	<u>44,373</u>	<u>20</u>	<u>118</u>

**20. 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 (2019: 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 RM9,109,000 (2019: RM12,118,000).

The information about the credit risk exposure of the Group's trade receivables is as follows:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	16,110	20,892
Past due but not impaired		
Past due 1 to 30 days	12,750	5,527
Past due 31 to 60 days	1,165	397
Past due 61 to 90 days	1,411	1,233
Past due 91 to 120 days	3,215	160
Past due over 120 days	5,372	701
	23,913	8,018
Less: Allowance for impairment	(46)	(142)
	<b>39,977</b>	<b>28,768</b>

**Receivables that are impaired**

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

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>		
At 1 July	142	142
Charge for the financial year		
- individually assessed (Note 9)	46	-
Written off	(142)	-
At 30 June	<b>46</b>	<b>142</b>

**20. TRADE AND OTHER RECEIVABLES (CONT'D)****Receivables that are impaired (Cont'd)**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Other receivables</b>		
At 1 July	-	-
Charge for the financial year		
- individually assessed (Note 9)	781	-
At 30 June	781	-

Trade and other 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 35(b) to the financial statements.

**21. 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:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Contract assets relating to property development contracts	645	6,167
Contract liabilities relating to property development contracts	(32,158)	(12,488)
Total	(31,513)	(6,321)

**21. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

Changes in contract balances are as follows:

	2020		2019	
	Contract assets Increase/(Decrease) RM'000	Contract liabilities (Increase)/Decrease RM'000	Contract assets Increase/(Decrease) RM'000	Contract liabilities (Increase)/Decrease RM'000
<b>Group</b>				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	12,488	-	17,978
Increases due to consideration received from customers, but revenue not recognised	-	(32,158)	-	(12,488)
Increases as a result of changes in the measure of progress	645	-	6,167	-
Transfer from contract assets recognised at the beginning of the period to receivables	(6,167)	-	(3,104)	-

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

**22. SHORT TERM INVESTMENTS**

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial assets designated as fair value through other comprehensive income	(a)	66,770	63,764	-	-
Financial assets at fair value through profit or loss	(b)	27,066	36,579	27,066	36,579
Total short term investments		93,836	100,343	27,066	36,579

**22. SHORT TERM INVESTMENTS (CONT'D)**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>(a) Financial assets designated as fair value through other comprehensive income</b>				
- Shares quoted in Malaysia at fair value:				
At 1 July	63,764	66,952	-	-
Fair value changes	3,006	(3,188)	-	-
At 30 June	66,770	63,764	-	-

The Group holds 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 investments and the volatility of market prices of these investments would not affect profit or loss.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>(b) Financial assets at fair value through profit or loss:</b>				
- Investment in money market fund				
At 1 July	36,579	32,319	36,579	32,319
Additions	78,800	2,368	78,800	2,368
Disposal	(89,200)	-	(89,200)	-
Dividend received	887	1,892	887	1,892
At 30 June	27,066	36,579	27,066	36,579

**23. SHORT TERM DEPOSITS, CASH AND BANK BALANCES**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed deposits with licensed banks	30,480	79,333	8,532	52,228
Cash and bank balances	65,803	88,525	1,490	2,724
	96,283	167,858	10,022	54,952

Included in cash and bank balances of the Group is an amount of RM35,963,000 (2019: RM53,932,000) 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 fulfillment 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.

**23. SHORT TERM DEPOSITS, CASH AND BANK BALANCES (CONT'D)**

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

	Group		Company	
	2020	2019	2020	2019
Fixed deposits with licensed banks	2.65% - 3.49%	2.60% - 3.95%	2.65% - 3.49%	2.60% - 3.65%

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

	Group		Company	
	2020	2019	2020	2019
Fixed deposits with licensed banks	30 days	30 days	30 days	30 days

**24. SHARE CAPITAL**

	Group and Company			
	Number of shares		Amount	
	2020	2019	2020	2019
	Units'000	Units'000	RM'000	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.

**25. RESERVES**

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fair value reserve of financial assets at fair value through other comprehensive income	(i)	15,608	12,602	-	-
Foreign currency translation reserve	(ii)	474	147	-	-
Retained earnings	(iii)	1,040,545	1,049,543	599,825	548,440
		<u>1,056,627</u>	<u>1,062,292</u>	<u>599,825</u>	<u>548,440</u>

**(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 22 to the financial statements. These changes are accumulated within the fair value reserve of financial assets at FVOCI. The Group transfer amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**(ii) 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.

**(iii) Retained earnings**

As at 30 June 2020, the Company is able to distribute its retained earnings under the single tier system.

**26. LOANS AND BORROWINGS**

	Note	Group	
		2020 RM'000	2019 RM'000
<b>Non-current</b>			
Term loans (secured)	(a)	131,902	135,007
<b>Current</b>			
Term loans (secured)	(a)	3,875	4,201
Lease liabilities	(b)	381	-
		4,256	4,201
Total loans and borrowings		136,158	139,208
Represented by:			
<b>Current</b>			
Portion due within one year		4,256	4,201
<b>Non-current</b>			
- later than one year and not later than five years		126,321	126,382
- later than five years		5,581	8,625
		131,902	135,007
		136,158	139,208

**(a) Term loans**

The loans and 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.

The term loans bear interest rates ranging at 3.45% - 4.80% (2019: 3.45% - 4.80%) per annum.

Interest rate swap with total notional amount of RM115,018,000 (2019: RM116,138,000) is used to manage the Group's exposure to interest rate risk arising from the Group's floating rate term loan.

**26. LOANS AND BORROWINGS (CONT'D)****(b) Lease liabilities**

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2020 RM'000	2019 RM'000
Future minimum lease payments:		
Not later than 1 year, representing		
present value of minimum lease payments	381	-

Banking facilities

The subsidiary companies have bank guarantee facilities of RM10.5 million (2019: RM10.7 million) obtained from the financial institutions. These facilities are secured by corporate guarantees issued by the Company and a subsidiary company and a negative pledge on assets of the respective subsidiary companies.

**27. TRADE AND OTHER PAYABLES**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-current</b>				
<b>Non-trade</b>				
Other payable	1,644	826	-	-
<b>Current</b>				
<b>Trade</b>				
Trade payables	5,588	15,985	-	-
Retention monies	22,284	17,298	-	-
Accrued expenses	11,851	21,903	-	-
	39,723	55,186	-	-

**27. TRADE AND OTHER PAYABLES (CONT'D)**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Current (cont'd)</b>				
<b>Non-trade</b>				
Other payables	11,285	11,157	-	14
Accrued expenses	10,890	12,579	62	106
Deferred income	1,723	2,737	-	-
GST/VAT payable	23	121	-	-
Provision for cost to completion	20,474	18,430	-	-
Provision for affordable housing obligations	-	2,658	-	-
	44,395	47,682	62	120
<b>Total trade and other payables (current)</b>	84,118	102,868	62	120
<b>Total trade and other payables (current and non-current)</b>	85,762	103,694	62	120

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 (2019: 30 days to 60 days).

Included in other payables is an amount of RM1,644,000 (2019: RM826,000) which represents advances from a non-controlling interest, is unsecured, subject to interest rate of 3.85% (2019: 3.85%) 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	
	2020 RM'000	2019 RM'000
At 1 July	18,430	7,715
Additions	13,672	10,726
Utilised/reversal to profit or loss	(11,628)	(11)
At 30 June	20,474	18,430

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 Master Layout Planning Approval (Kebenaan Merancang).

**27. TRADE AND OTHER PAYABLES (CONT'D)**

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

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 July	2,658	5,079
Utilised to profit or loss	-	(2,421)
Reversal	(2,658)	-
At 30 June	-	2,658

**28. DERIVATIVE FINANCIAL LIABILITY**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Derivative held at fair value through profit or loss:		
Interest rate swap contracts	1,782	-
Exchanges differences	30	-
	1,812	-

The Group entered into interest rate swap contracts to hedge interest rate risk arising from floating rate bank loans. Interest rate swaps are used to achieve an appropriate floating interest rate exposure within the Group's policy. The notional principal amount of the Group's outstanding interest swap as at 30 June 2020 were RM115,018,000.

**29. DIVIDENDS**

Dividends recognised by the Company are as follows:

	<b>Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Recognised during the financial year:		
Dividends on ordinary shares:		
Final single-tier dividend (2020: 4.5 sen; 2019: 4.5 sen)	17,169	17,169

The directors have proposed a final single-tier dividend of 2.0 sen on 381,533,758 ordinary shares, amounting to RM7,630,675 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 2021.

**30. CORPORATE GUARANTEE**

	<b>Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to banks for credit facilities granted to subsidiary companies	107,543	108,496

**31. CAPITAL COMMITMENT**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment - approved and contracted	18,549	69,977

**32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

On 11 March 2020, the World Health Organisation declared the Coronavirus (“COVID-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order (“MCO”) starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The COVID-19 pandemic has severely impacted the Group’s hospitality businesses, on 27 April 2020, the Company announced that the Company will be closing operations of three hotels namely, Mercure Penang Beach, Penang, The Gurney Resort Hotel and Residences, Penang and Travelodge Ipoh, and downsizing operations in the other hotels owned by the Group.

The Group has considered and estimated the impact of the COVID-19 pandemic in the Group’s financial position and performance for the financial year ended 30 June 2020 by carrying out impairment assessment of its assets relating to its hotel operations.

In developing the assumptions relating to the possible future uncertainties in the economic conditions, the Group has, as at the reporting date, used internal and external sources, of economic impact and outlook. The Group is unable to reasonably estimate the complete financial impacts of COVID-19 for the financial year ending 30 June 2021 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process and the Group will continue to monitor any material changes to future economic conditions that will affect the Group.

The Group continues to actively pursue new opportunities in property investment and its projects developments. The Group and Company will continue to focus on cost optimization efforts to ensure the Group and the Company remain competitive in a challenging post -MCO business environment and endeavor to deliver sustainable growth in the long term.

### 33. 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.

**33. SEGMENT INFORMATION (CONT'D)**

<b>Group</b>	<b>Property development RM'000</b>	<b>Hotel operations RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Eliminations RM'000</b>	<b>Note</b>	<b>Total RM'000</b>
<b>2020</b>						
<b>Revenue</b>						
External customers	133,694	55,141	-	-		188,835
Inter-segment sales	1,430	-	9,976	(11,406)	(a)	-
Dividend income	-	-	62,600	(62,600)	(a)	-
<b>Total revenue</b>	<b>135,124</b>	<b>55,141</b>	<b>72,576</b>	<b>(74,006)</b>		<b>188,835</b>
<b>Results</b>						
Segment profit/(loss)	56,677	(15,374)	88,196	(78,530)	(b)	50,969
Investment revenue						9,176
Depreciation						(27,033)
Finance costs						(4,924)
Profit before taxation						28,188
Taxation						(23,301)
<b>Net profit for the financial year</b>						<b>4,887</b>

**33. SEGMENT INFORMATION (CONT'D)**

<b>Group</b>	<b>Property development RM'000</b>	<b>Hotel operations RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Eliminations RM'000</b>	<b>Note</b>	<b>Total RM'000</b>
<b>2020</b>						
<b>Consolidated statement of financial position</b>						
Segment assets	955,901	975,168	1,793,715	(1,853,510)	(c)	1,871,274
Unallocated assets						24,207
Total assets						<u>1,895,481</u>
Segment liabilities	324,617	464,956	144,335	(678,018)	(c)	255,890
Unallocated liabilities						30,896
Total liabilities						<u>286,786</u>
<b>Other information</b>						
Additions to non-current assets other than financial instruments and deferred tax assets	21,039	75,789	139	(614)		96,353
Depreciation						
- Property, plant and equipment	136	25,649	195	-		25,980
- Right-of-use assets	-	-	434	-		434
- Investment properties	568	-	51	-		619
Interest income from fixed deposits	430	121	1,402	-		<u>1,953</u>

**33. SEGMENT INFORMATION (CONT'D)**

<b>Group</b>	<b>Property development RM'000</b>	<b>Hotel operations RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Eliminations RM'000</b>	<b>Note</b>	<b>Total RM'000</b>
<b>2019</b>						
<b>Revenue</b>						
External customers	164,078	62,492	-	-		226,570
Inter-segment sales	-	-	8,560	(8,560)	(a)	-
Dividend income	-	-	30,000	(30,000)	(a)	-
<b>Total revenue</b>	<b>164,078</b>	<b>62,492</b>	<b>38,560</b>	<b>(38,560)</b>		<b>226,570</b>
<b>Results</b>						
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						<b>41,120</b>

**33. SEGMENT INFORMATION (CONT'D)**

<b>Group</b>	<b>Property development RM'000</b>	<b>Hotel operations RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Eliminations RM'000</b>	<b>Note</b>	<b>Total RM'000</b>
<b>2019</b>						
<b>Consolidated statement of financial position</b>						
Segment assets	962,990	940,922	1,765,003	(1,793,974)	(c)	1,874,941
Unallocated assets						29,956
Total assets						<u>1,904,897</u>
Segment liabilities	363,946	427,930	172,883	(709,369)	(c)	255,390
Unallocated liabilities						31,950
Total liabilities						<u>287,340</u>
<b>Other information</b>						
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	-		<u>5,176</u>

**33. 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.

**34. 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:

	<b>Company</b>	
	<b>2020</b> <b>RM'000</b>	<b>2019</b> <b>RM'000</b>
Dividend income received (Note 5)	62,600	30,000
Interest on unsecured advances to subsidiary companies (Note 9)	17,950	17,481
Management fees received (Note 5)	-	2,802

- (b) The compensation of key management personnel during the financial year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b> <b>RM'000</b>	<b>2019</b> <b>RM'000</b>	<b>2020</b> <b>RM'000</b>	<b>2019</b> <b>RM'000</b>
Short-term employee benefits	5,003	4,665	-	1,462
Contributions to EPF	600	532	-	174
	<b>5,603</b>	<b>5,197</b>	<b>-</b>	<b>1,636</b>

**34. 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 RM54,000 and Nil (2019: RM5,000 and RM1,000) respectively.

Included in the above compensation of key management personnel are directors' remuneration as disclosed in Note 9 to the financial statements.

**35. 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:

- (i) Fair value through profit or loss ("FVPL");
- (ii) Amortised cost; and
- (iii) Designated fair value through other comprehensive income ("DFVOCI").

	Note	Amortised cost RM'000	FVPL RM'000	DFVOCI RM'000	Total RM'000
<b>Group</b>					
<b>2020</b>					
<b>Financial assets</b>					
Trade and other receivables*	20	45,888	-	-	45,888
Short term investments	22	-	27,066	66,770	93,836
Fixed deposits with licensed banks	23	30,480	-	-	30,480
Cash and bank balances	23	65,803	-	-	65,803
<b>Total financial assets</b>		<b>142,171</b>	<b>27,066</b>	<b>66,770</b>	<b>236,007</b>
<b>Financial liabilities</b>					
Loans and borrowings	26	136,158	-	-	136,158
Trade and other payables ^	27	63,542	-	-	63,542
Derivative financial liabilities	28	-	1,812	-	1,812
<b>Total financial liabilities</b>		<b>199,700</b>	<b>1,812</b>	<b>-</b>	<b>201,512</b>

\* Exclude prepaid expenses and GST/VAT refundable

^ Exclude provision, deferred income and GST/VAT payable

**35. FINANCIAL INSTRUMENTS (CONT'D)****(a) Classification of financial instruments (Cont'd)**

	Note	Amortised cost RM'000	FVPL RM'000	DFVOCI RM'000	Total RM'000
<b>Group</b>					
<b>2019</b>					
<b>Financial assets</b>					
Trade and other receivables*	20	36,992	-	-	36,992
Short term investments	22	-	36,579	63,764	100,343
Fixed deposits with licensed banks	23	79,333	-	-	79,333
Cash and bank balances	23	88,525	-	-	88,525
<b>Total financial assets</b>		<b>204,850</b>	<b>36,579</b>	<b>63,764</b>	<b>305,193</b>
<b>Financial liabilities</b>					
Loans and borrowings	26	139,208	-	-	139,208
Trade and other payables ^	27	79,748	-	-	79,748
<b>Total financial liabilities</b>		<b>218,956</b>	<b>-</b>	<b>-</b>	<b>218,956</b>

\* Exclude prepaid expenses and GST/VAT refundable

^ Exclude provision, deferred income and GST/VAT payable

**35. FINANCIAL INSTRUMENTS (CONT'D)****(a) Classification of financial instruments (Cont'd)**

	Note	Amortised cost RM'000	FVPL RM'000	Total RM'000
<b>Company</b>				
<b>2020</b>				
<b>Financial assets</b>				
Trade and other receivables	20	20	-	20
Amount owing by subsidiary companies	19	133,858	-	133,858
Short term investments	22	-	27,066	27,066
Fixed deposits with licensed banks	23	8,532	-	8,532
Cash and bank balances	23	1,490	-	1,490
<b>Total financial assets</b>		<b>143,900</b>	<b>27,066</b>	<b>170,966</b>
<b>Financial liabilities</b>				
Trade and other payables	27	62	-	62
Amount owing to subsidiary companies	19	118,580	-	118,580
<b>Total financial liabilities</b>		<b>118,642</b>	<b>-</b>	<b>118,642</b>
<b>2019</b>				
<b>Financial assets</b>				
Trade and other receivables*	20	116	-	116
Amount owing by subsidiary companies	19	105,332	-	105,332
Short term investments	22	-	36,579	36,579
Fixed deposits with licensed banks	23	52,228	-	52,228
Cash and bank balances	23	2,724	-	2,724
<b>Total financial assets</b>		<b>160,400</b>	<b>36,579</b>	<b>196,979</b>
<b>Financial liabilities</b>				
Trade and other payables	27	120	-	120
Amount owing to subsidiary companies	19	143,615	-	143,615
<b>Total financial liabilities</b>		<b>143,735</b>	<b>-</b>	<b>143,735</b>

\* Exclude GST/VAT refundable

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### (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.

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.

**35. FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management objectives and policies (Cont'd)****(i) Credit risk (Cont'd)*****Concentration of credit risk***

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

	<b>Group</b>			
	<b>2020</b>		<b>2019</b>	
	<b>RM'000</b>	<b>% of total</b>	<b>RM'000</b>	<b>% of total</b>
<b>By country:</b>				
Malaysia	39,973	100%	28,488	99%
Korea	4	0%	280	1%
	<b>39,977</b>	<b>100%</b>	<b>28,768</b>	<b>100%</b>
<b>By industry sectors:</b>				
Property development	39,679	99%	27,067	94%
Hotel operations	298	1%	1,701	6%
	<b>39,977</b>	<b>100%</b>	<b>28,768</b>	<b>100%</b>

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.

## 35. 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.

### 35. 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 as disclosed in Note 30 to the financial statements representing the maximum amount the Company could pay if the guarantee is called. 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.

**35. 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.

	Carrying amounts RM'000	Contractual cash flows			Total RM'000
		Within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	
<b>Group</b>					
<b>2020</b>					
Loans and borrowings	136,158	9,070	140,045	5,806	154,921
Trade and other payables ^	63,542	61,898	-	1,644	63,542
Derivative financial liabilities	1,812	913	899	-	1,812
Total undiscounted financial liabilities	201,512	71,881	140,944	7,450	220,275
<b>2019</b>					
Loans and borrowings	139,208	9,267	137,033	9,476	155,776
Trade and other payables ^	79,748	79,748	-	-	79,748
Total undiscounted financial liabilities	218,956	89,015	137,033	9,476	235,524
<b>Company</b>					
<b>2020</b>					
Trade and other payables	62	62	-	-	62
Amount owing to subsidiary companies	118,580	118,580	-	-	118,580
Total undiscounted financial liabilities	118,642	118,642	-	-	118,642
<b>2019</b>					
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

^ Exclude provision, deferred income and GST/VAT payable

**35. FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management objectives and policies (Cont'd)****(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"), Singapore dollar ("SGD"), British Pound ("GBP"), EURO ("EUR") and Korean Won ("KRW").

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 entities) 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
<b>Group</b>					
<b>2020</b>					
Cash and bank balances	-	194	-	-	4,814
Trade payables	(343)	(7)	-	(83)	(243)
Other payables	(922)	(4)	-	-	(539)
Exposure in the statements of financial position	<u>(1,265)</u>	<u>183</u>	<u>-</u>	<u>(83)</u>	<u>4,032</u>
<b>2019</b>					
Cash and bank balances	-	6,261	10	-	7,171
Trade payables	(555)	(249)	-	(30)	-
Other payables	(27)	-	-	-	-
Exposure in the statements of financial position	<u>(582)</u>	<u>6,012</u>	<u>10</u>	<u>(30)</u>	<u>7,171</u>

**35. 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 and KRW, with all other variables held constant on the Group's total equity and profit for the financial year.

	<b>Change in rate</b>	<b>Effect on profit or loss for the financial year RM'000</b>
<b>Group</b>		
<b>2020</b>		
SGD	+ 10%	18
	- 10%	(18)
KRW	+ 10%	403
	- 10%	(403)
<b>2019</b>		
SGD	+ 10%	601
	- 10%	(601)
KRW	+ 10%	717
	- 10%	(717)

The exposure of the Group on USD, GBP 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.

### 35. 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 RM7,078,000. A 10 percent weakening in FBMKLCI would have had equal but opposite effect on equity.

**35. 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:

	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>Financial assets</b>		
Trade and other receivables *	45,888	36,992
Fixed deposits with licensed banks	30,480	79,333
Cash and bank balances	65,803	88,525
	<u>142,171</u>	<u>204,850</u>
<b>Financial liabilities</b>		
Trade and other payables ^	63,542	79,748
Loans and borrowings	136,158	139,208
	<u>199,700</u>	<u>218,956</u>
<b>Company</b>		
<b>Financial assets</b>		
Trade and other receivables *	20	116
Amount owing by subsidiary companies	133,858	105,332
Fixed deposits with licensed banks	8,532	52,228
Cash and bank balances	1,490	2,724
	<u>143,900</u>	<u>160,400</u>
<b>Financial liabilities</b>		
Trade and other payables ^	62	120
Amount owing to subsidiary companies	118,580	143,615
	<u>118,642</u>	<u>143,735</u>

\* Exclude prepayments and GST/VAT refundable

^ Exclude provision, deferred income and GST/VAT payable

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.

**35. FINANCIAL INSTRUMENTS (CONT'D)****(d) Fair value hierarchy**

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

	<b>Note</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Group</b>					
<b>2020</b>					
<b>Financial asset</b>					
Short term investments	22	93,836	-	-	93,836
<b>Financial liabilities</b>					
Derivative financial liabilities	28	-	1,812	-	1,812
<b>2019</b>					
<b>Financial asset</b>					
Short term investments	22	100,343	-	-	100,343
<b>Company</b>					
<b>2020</b>					
<b>Financial asset</b>					
Short term investments	22	27,066	-	-	27,066
<b>2019</b>					
<b>Financial asset</b>					
Short term investments	22	36,579	-	-	36,579

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.

### 36. 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.

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and borrowings (excluding lease liabilities) (Note 26)	135,777	139,208
Less: Short term deposits, cash and bank balances (Note 23)	(96,283)	(167,858)
Sub-total	39,494	(28,650)
Net debt	39,494	-
Equity attributable to the owners of the Company, representing total capital	1,571,942	1,577,607
Total capital and net debt	1,611,436	1,577,607
Gearing ratio, net	2.5%	-

# 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 2020 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: 21 September 2020

# 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 21 September 2020.

Before me,

**TAN SEOK KETT (W530)**  
Commissioner for Oaths

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLENTUDE BERHAD**

**(Incorporated in Malaysia)**

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Plenitude Berhad, which comprise the statements of financial position as at 30 June 2020 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 72 to 169.

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 2020, 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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 for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters below to be the key audit matters to be communicated in our report.

**Key Audit Matters (Cont'd)****Group****Property development activities (Note 4(a), 5, 6 and 15 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.

**Property, plant and equipment (Note 4(b) and 12 to the financial statements)****Risk**

The Group has significant balances of property, plant and equipment relating to its hotel operations. In view of the COVID-19 outbreak, there are significant changes in the market and economic environment in which the Group operates, that indicates the property, plant and equipment may be impaired. As such, there is a risk the future performance of the assets may not lead to their carrying values being recoverable in full.

We focused on this area because significant directors' judgement is required in performing an impairment assessment to estimate the recoverable amount of these assets.

**Our response:**

Our audit procedures included, among others,

- discussing the valuation method in determining the recoverable amount adopted by the Group;
- comparing the actual results with previous projections to understand the performance of the business and reliability of forecasting process;
- comparing the Group's assumptions to externally derived data, if any, as well as discussing with the Group on key inputs such as discount rates, forecast growth rates, occupancy rates and gross profit margin;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

**Key Audit Matters (Cont'd)****Group (Cont'd)****Deferred tax assets (Note 4(c) and 18 to the financial statements)****Risk**

As at 30 June 2020, the Group has recognised deferred tax assets. We focused on this area because significant directors' judgement is required in 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 reliability of forecasting process;
- reading the profit projections and the key inputs in the profit projections such as growth 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.
- 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.

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

- 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, actions taken to eliminate threats or safeguards applied.

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 17 to the financial statements.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

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

Kuala Lumpur  
Date: 21 September 2020

## LIST OF TOP 20 PROPERTIES AND DEVELOPMENT PROPERTIES HELD AS AT 30 JUNE 2020

No.	Land Title / Location	Existing use / Description	Land Area/ Lettable Area* (acres)	Tenure	Approx. age of buildings (Years)	Net book value as of 30/06/2020 (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)	-	24,855	05/06/2009
3	PTD193720-193761, HSD570021-570062; PTD193762-193851, HSD570071-570160 PTD196525 - 196617, HSD580647 - 580739; PTD196618 - 196665, HSD580341 - 580388; PTD196384 - 196524, HSD580506 - 580646 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 194091, H.S.(D) 570378 PTD 194092, H.S.(D) 570379 PTD 194093, H.S.(D) 570380 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for mixed development	178.94	Freehold	-	23,347	25/10/2000

## LIST OF TOP 20 PROPERTIES AND DEVELOPMENT PROPERTIES HELD AS AT 30 JUNE 2020 (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 30/06/2020 (RM'000)	Date of Acquisition/ Revaluation
4	PTD 93547-93548, H.S.(D) 329862-329863 PTD 147338, H.S.(D) 453149 PTD 158181, H.S.(D) 489361 PTD 158193, H.S.(D) 489372 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for commercial development	19.42	Freehold	-	2,843	25/10/2000
5	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	6	17,060	25/10/2000
6	Geran 96630 Lot 15 Geran 102260 Lot 1585 PTD 31036 H.S.(D) 19885 PTD 31038 H.S.(D) 19887 PTD 31039 H.S.(D) 19888 Mukim and District of Kota Tinggi Johor Darul Takzim	Land held for mixed development	258.48	Freehold	-	34,859	25/02/2004
7	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 Ferringhi, Daerah Timor Laut, Pulau Pinang, and Bandar Batu Ferringhi Pulau Pinang	Land held for mixed development	32.83	Freehold	-	38,932	10/05/2010

## LIST OF TOP 20 PROPERTIES AND DEVELOPMENT PROPERTIES HELD AS AT 30 JUNE 2020 (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 30/06/2020 (RM'000)	Date of Acquisition/ Revaluation
8	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	-	42,005	27/09/2010
9	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

## LIST OF TOP 20 PROPERTIES AND DEVELOPMENT PROPERTIES HELD AS AT 30 JUNE 2020 (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 30/06/2020 (RM'000)	Date of Acquisition/ Revaluation
10	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 - 7328 PT 15192-15195 HS (D) 69091 - 69094 PT 15198-15200 HS (D) 115747 - 115749 PT 15233-15234 HS (D) 115782 - 115783 PT 15677-15680 HS (D) 116194 - 116197 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 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	Land held for mixed development	620.29	Freehold	-	34,815	10/11/2000

## LIST OF TOP 20 PROPERTIES AND DEVELOPMENT PROPERTIES HELD AS AT 30 JUNE 2020 (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 30/06/2020 (RM'000)	Date of Acquisition/ Revaluation
11	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 Petani Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land held for commercial development	8.08	Freehold	-	6,226	19/02/2009
12	The Gurney Resort Hotel & Residences Penang Lot 2255, Bandar Georgetown, Seksyen 4, Daerah Timur Laut Negeri Pulau Pinang	Hotel building	12.38*	Freehold	20	147,515	18/03/2015
13	Tanjung Point Residences Penang Lot 3407 Seksyen 1 Bandar Tanjung Tokong Daerah Timor Laut, Pulau Pinang	Land together with residences building	1.13	Freehold	2	92,313	10/07/2006
14	Mercure Penang Beach Bandar Tanjong Bungah Daerah Timur Laut, Pulau Pinang	Land together with hotel building	1.64	Freehold	38	16,622	24/08/2001
15	Oakwood Hotel & Residence Kuala Lumpur No. 222, Jalan Ampang 50450 Kuala Lumpur	Hotel Building	2.92*	Freehold	26	99,077	22/05/2015
16	The Nomad Residences Bangsar No. 136, Jalan Ara Bangsar 59100 Kuala Lumpur	Land together with serviced residences building	1.90	Freehold	27	57,461	22/05/2015
17	Novotel Kuala Lumpur City Centre No. 2, Jalan Kia Peng 50450 Kuala Lumpur	Land together with hotel building	0.63	Freehold	16	158,402	22/05/2015

## LIST OF TOP 20 PROPERTIES AND DEVELOPMENT PROPERTIES HELD AS AT 30 JUNE 2020 (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 30/06/2020 (RM'000)	Date of Acquisition/ Revaluation
18	Travelodge Georgetown No, 101, Jalan Macalister 10400 Penang	Land together with hotel building	0.30	Freehold	not available	28,288	22/05/2015
19	Travelodge Ipoh Jalan Raja Dihilir 30350 Ipoh Perak	Land together with hotel building	1.55	Freehold	23	47,155	31/12/2018
20	Travelodge Myeongdong Euljiro 61 Supyo-Ro Myeongdong Jung-gu Seoul 04542 South Korea	Land together with hotel building	0.27	Freehold	6	201,304	21/6/2019

# ANALYSIS OF SHAREHOLDINGS

## AS AT 7 SEPTEMBER 2020

### SHARE CAPITAL

Total Issued Capital	: 381,533,758
Class of Shares	: Ordinary shares
Voting Rights	: One vote per ordinary share held

### 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	2,074	0.00*
2,254	100 to 1,000	1,687,275	0.44
2,965	1,001 to 10,000	11,504,929	3.02
666	10,001 to 100,000	20,188,625	5.29
104	100,001 to less than 5% of issued shares	123,050,973	32.25
3	5% and above of the issued shares	225,099,882	59.00
<b>6,156</b>	<b>TOTAL</b>	<b>381,533,758</b>	<b>100.00</b>

\* Less than 0.01%

# ANALYSIS OF SHAREHOLDINGS

## AS AT 7 SEPTEMBER 2020

### LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

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.	17,723,204	4.65
8. Brainstorms Sdn. Bhd.	9,439,100	2.47
9. Yayasan Haji Zainuddin	4,000,000	1.05
10. Alliancegroup Nominees (Tempatan) Sdn. Bhd. - <i>Yayasan Pok Rafeah, Berdaftar</i>	4,000,000	1.05
11. Amsec Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account - Ambank (M) Berhad for Ang Beng Poh</i>	3,000,000	0.79
12. CIMB Group Nominees (Asing) Sdn. Bhd. - <i>Exempt An for DBS Bank Ltd. (SFS)</i>	2,385,000	0.63
13. Public Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Lee Yock Chem @ Lee York Soo (E-PKG)</i>	1,983,100	0.52
14. Public Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Ang Beng Poh (E-BMM)</i>	1,423,400	0.37
15. Goh Thong Beng	992,000	0.26
16. Yeo Khee Huat	904,200	0.24
17. Ng Swee Sim	882,300	0.23
18. DB (Malaysia) Nominee (Asing) Sdn. Bhd. - <i>Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)</i>	750,000	0.20
19. Lim Khuan Eng	695,000	0.18
20. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Lim Chen Yik (Penang-CL)</i>	578,000	0.15
21. Nam Shoon Hong Sdn. Bhd.	538,000	0.14
22. Lee Ooi Kim	536,378	0.14

# ANALYSIS OF SHAREHOLDINGS

## AS AT 7 SEPTEMBER 2020

### LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON) (CONT'D)

Name of Shareholders	No. of Shares Held	Percentage (%)
23. CGS-CIMB Nominees (Asing) Sdn. Bhd. <i>- Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd.(Retail Clients)</i>	489,700	0.13
24. Ng Kim Neo	431,000	0.11
25. HSBC Nominees (Asing) Sdn. Bhd. <i>- Exempt An for Credit Suisse (SG BR-TST-Asing)</i>	430,000	0.11
26. Maybank Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Natco Capital Sdn. Bhd.</i>	417,800	0.11
27. HLB Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Chuah Seng Boon</i>	404,100	0.11
28. Toh Ying Choo	400,000	0.10
29. Hwang Yung Aun & Sons Sdn. Bhd.	397,000	0.10
30. Lim Boo Thiam	370,000	0.10
<b>TOTAL</b>	<b>333,163,805</b>	<b>87.32</b>

# ANALYSIS OF SHAREHOLDINGS

## AS AT 7 SEPTEMBER 2020

### SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTRAR OF SUBSTANTIAL SHAREHOLDERS)

No. of Shareholders	No. of Shares Held			
	Direct Interest	%	Indirect Interest	%
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	-	-

### DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTRAR OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	No. of Shares Held			
	Direct Interest	%	Indirect Interest	%
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 Twentieth (“20th”) Annual General Meeting (“AGM”) of **PLENITUDE BERHAD** will be held at Oak 1 & 2 Meeting Room, Oakwood Hotel & Residence, Kuala Lumpur, 222, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan (KL) on **Thursday, 5 November 2020 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 2020 (“FY2020”) and the Reports of the Directors and Auditors thereon. **(See Explanatory Note 10)**
2. To declare a Final Single Tier Dividend of 2.0 sen per share for the FY2020 as recommended by the Directors. **(Ordinary Resolution 1)  
(See Explanatory Note 11)**
3. To approve the sum of RM240,000.00 (FY2020: RM270,000.00) for payment as Directors’ fees in respect of the financial year ending 30 June 2021. **(Ordinary Resolution 2)**
4. To re-elect the following Directors retiring pursuant to Clause 101 of the Company’s Constitution:-
  - (i) Ir. Teo Boon Keng **(Ordinary Resolution 3)**
  - (ii) Lok Bah Bah @ Loh Yeow Boo **(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)  
(See Explanatory Note 12)**

“**THAT** the meeting allowance payable to Non-Executive Directors of the Company up to an estimated total sum of RM26,500.00 for the period commencing after the date of this AGM to the date of the next AGM of the Company be approved.”

7. **Ordinary Resolution**  
**Proposed Retention of Independent Non-Executive Director**

“**THAT** 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.”

**(Ordinary Resolution 7)**  
**(See Explanatory Note 13)**

8. **Ordinary Resolution**  
**Proposed Retention of Independent Non-Executive Director**

“**THAT** subject to the passing of Ordinary Resolution 3, Ir. Teo Boon Keng, who will be serving as an Independent Non-Executive Director for a cumulative term of nine (9) years on 2 July 2021 be retained and remain as an Independent Non-Executive Director of the Company.”

**(Ordinary Resolution 8)**  
**(See Explanatory Note 14)**

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 (“CA2016”).

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the forthcoming 20th AGM, a Final Single Tier Dividend of 2.0 sen per share will be paid on 20 November 2020 to the shareholders whose names appear in the Record of Depositors at the close of business on 13 November 2020.

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 13 November 2020 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Malaysia") on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board

**PLENITUDE BERHAD**

**WONG YUET CHYN**

**(MAICSA 7047163) (SSM PC 202008002451)**

**REBECCA LEE EWE AI**

**(MAICSA 0766742) (SSM PC 202008002636)**

Company Secretaries

Kuala Lumpur

7 October 2020

Notes:-

1. Pursuant to Section 334 of the CA2016, 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) or email to proxy@shareworks.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 28 October 2020, 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 (“MMLR”) of Bursa Malaysia, 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 FY2020

The audited financial statements are laid in accordance with Section 340(1)(a) of the CA2016 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 CA2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 21 September 2020, 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 20 November 2020 in accordance with the requirements under Sections 132(2) and (3) of the CA2016.

#### **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. 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 MMLR of Bursa Malaysia;
- (b) He has been with the Group for seventeen (17) 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.

14. Ordinary Resolution 8 - Proposed Retention of Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance

Ir. Teo Boon Keng was appointed as Independent Non-Executive Director of the Company on 2 July 2012 and will be serving a cumulative term of nine (9) years on 2 July 2021. 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 MMLR of Bursa Malaysia;
- (b) He has been with the Group for eight (8) 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.

# PLENITUDE BERHAD

Registration No. 200001028479 (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

<b>Name of Proxy</b> <i>(Full Name)</i>	<b>NRIC No./Passport No.</b>	<b>% of Shareholdings to be Represented</b> <i>(Refer to Note 5)</i>
<b>Address</b>		
<b>Email Address</b>		

and/or failing him

<b>Name of Proxy</b> <i>(Full Name)</i>	<b>NRIC No./Passport No.</b>	<b>% of Shareholdings to be Represented</b> <i>(Refer to Note 5)</i>
<b>Address</b>		
<b>Email Address</b>		

or failing him, the **CHAIRMAN OF THE MEETING** as, my/our proxy to vote for me/us on my/our behalf at the Twentieth ("20th") Annual General Meeting of the Company to be held at Oak 1 & 2 Meeting Room, Oakwood Hotel & Residence, Kuala Lumpur, 222, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan (KL) on **Thursday, 5 November 2020** 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 2021		
Ordinary Resolution 3	Re-election of Ir. Teo Boon Keng as Director		
Ordinary Resolution 4	Re-election of Lok Bah Bah @ Loh Yeow Boo as Director		
Ordinary Resolution 5	Re-appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 6	Payment of Meeting Allowance for Non-Executive Directors		
Ordinary Resolution 7	Retention of Tan Kak Teck as Independent Non-Executive Director		
Ordinary Resolution 8	Retention of Ir. Teo Boon Keng 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 \_\_\_\_\_ 2020

Signature(s) of member(s) \_\_\_\_\_

### Notes:-

- 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.
- 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.
- 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.
- 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.
- 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.
- If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.
- 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) or email to proxy@shareworks.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 28 October 2020, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- 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

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**AFFIX  
STAMP**

**THE COMPANY SECRETARIES  
PLENITUDE BERHAD**

Registration No. 200001028479 (531086-T)

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

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[plenitude.com.my](http://plenitude.com.my)