

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

SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-THIRD ANNUAL GENERAL MEETING (“23RD AGM” OR THE “MEETING”) OF PLENITUDE BERHAD (“PLENITUDE” OR THE “COMPANY”) DULY HELD AND CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING VIA ONLINE MEETING PLATFORM AT WWW.SWSB.COM.MY PROVIDED BY SHAREWORKS SDN. BHD. FROM BROADCAST VENUE AT BOARDROOM, NO. 2ND FLOOR, NO. 2, JALAN SRI HARTAMAS 8, SRI HARTAMAS, 50480 KUALA LUMPUR, WILAYAH PERSEKUTUAN (KL), MALAYSIA ON THURSDAY, 9 NOVEMBER 2023 AT 10.00 A.M.

Madam Chua Elsie, the Non-Independent Non-Executive Chairman (“**Madam Chairman**”), chaired the 23rd AGM of the Company. The Madam Chairman called the meeting to order at 10.00 a.m. and the Company Secretary confirmed the presence of a requisite quorum for the meeting.

The Madam Chairman then proceeded to the Agenda for the Meeting.

Subsequent to the above, the Madam Chairman opened the floor for questions in respect of the Meeting’s Agenda.

The Board and Management dealt with the questions that had been submitted by the shareholders as follow:

(1) Mr. Lim Chen Keong (Shareholder) raised the following questions :-

Question 1:

Plenitude has been busy buying hospitality assets the past few years. There is no news on land purchase for property development, which is the Group’s bread and butter. Does this mean that moving forward Plenitude is focused on acquiring hospitality asset?

Reply by the Board and Management:

The Company's intention is to hold assets for recurring income so that the Company would not be overly dependent on Property development. As such, the Group now have three main areas of business ie Property Development, Hotels, and Property Investments. At present, the Group are holding sufficient hospitality assets and shall now focus on property development. The Company is actively sourcing for well-located and correctly priced land assets.

Question 2:

The Marin, what is the Group’s plan for the completed block B?

Reply by the Board and Management:

The Company is pursuing an en bloc sale.

Question 3:

What is the Group hotel occupancy rate and revenue per room for FY23 vs FV22? Please provide for each hotel.

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Summary of key matters discussed at the 23rd Annual General Meeting held on 9 November 2023

Reply by the Board and Management:

The Group's average occupancy rate is 43% and 63% and average daily rate is RM 176 and RM 263 for FY 2022 and FY 2023 respectively.

		Ascott Gurney Penang	Novotel KL City Centre	Travelodge MyeongDong Euljiro	Travelodge Honmachi Osaka
FY2022	Occupancy Rate	62%	29%	69%	-
	ADR (RM)	452	197	89	-
FY2023	Occupancy Rate	57%	73%	79%	72%
	ADR (RM)	476	269	284	296

Question 4:

Plenitude website shows Travelodge Kyoto Shijo Kawaramachi as the Group Hospitality asset, but this asset was not shown in 2023 annual report. Is this asset owned by Plenitude?

Reply by the Board and Management:

Travelodge Kyoto Shijo Kawaramachi is not owned by Plenitude. As Plenitude already has presence in Osaka as Travelodge Honmachi Osaka (both brands as Travelodge), Plenitude Hotel Management is appointed by the hotel owner to promote Travelodge Kyoto Shijo Kawaramachi under "Plenitudehotels" social media platform.

Question 5:

What is the internal rate of return for Holiday Villa Langkawi and Staz Hotel Seoul?

Reply by the Board and Management:

During stabilised period, the Management anticipate the internal rates of return for Holiday Villa Langkawi to be approximately 6.5% and 6.0% for Staz MyeongDong Seoul.

Question 6:

What are the renovation costs for FY23 and FY24 (estimate) in respect of the hospitality division?

Reply by the Board and Management:

The Management spent RM52 million for FY 2023 and RM30 million for FY 2024.

(2) Ms. Lee Suan Bee (Shareholder)

Question:

How much is the company spending on this virtual AGM?

Reply by the Board and Management:

The Management spent approximately RM13,000.00 for the virtual AGM, including scrutineer fees.

(3) Mr. Teh Peng Tin (Shareholder) raised the following questions:

Question 1:

May I know what is the outlook and prospect of the company?

Reply by the Board and Management:

The Company remains upbeat in both the property and hospitality sectors but are wary and cautious on interest rate hikes.

Property divisions:

- Revival of major infrastructure projects, review of MM2H programme, impending completion of RTS in Johor Bahru.
- New launches in FY2024, with Gross Development Value of more than RM700 million.

Hospitality divisions:

- Boosted by removal of border restrictions, improved flight mobility and mainland China lifting restrictions on outbound group tours for more countries.
- Addition of two new hotel assets – Holiday Villa Langkawi and Staz Hotel MyeongDong 2 in Seoul.

Question 2:

Please advise how can request a printed hard copy of the company annual report.

Reply by the Board and Management:

To request for the Annual Report, shareholder may send a request via email to adm@plenitude.com.my or write to Level 2, No 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur.

Question 3:

When will the Company revert to holding physical Annual General Meetings, so that the shareholders can meet the Management face-to-face.

Reply by the Board and Management:

The Company will consider all the factors before deciding the mode of the next AGM, considering the Malaysian Code of Corporate Governance (MCCG) which encourages listed companies to leverage technology to facilitate greater shareholder participation at general meetings so as to include shareholders who are not able to participate physically.

- (4) **Mr. Tan Hooi Im, Ms. Lee Suan Bee, Ms. Goh Chee Guan (Annie Goh), Mr. Ho Chun Sern and Ms. Chan Lai Yin (Cindy Chan) (Shareholders)**

Question:

- a) Why has there not been any issuance of hotel discount vouchers in this annual report?
- b) Would the BOD kindly give e-voucher as a token of appreciation for attending this RPV?

Reply by the Board and Management:

The shareholders may send a request via email to adm@plenitude.com.my or write to Level 2, No 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

- (5) **Mr. Chua Song Yun (Sean Chua) (Shareholder) raised the following questions:**

Question 1:

Please provide the names of the quoted equity securities amounting to RM58,662 million (page 154). Why quoted shares seems to be continuously recording fair value losses over the past few years.

Reply by the Board and Management:

Investment in Bursa Malaysia Berhad shares, its closing price as at 30 June was RM6.44

Question 2:

Plenitude seems to be focusing more heavily on investments in overseas hotels (Korea and Japan), and much less in Malaysia over the past few years.

- (a) Please explain management strategy and directions?
- (b) Please share what are the achieved returns (or expected ROI if in initial stage) for these overseas investments?

Reply by the Board and Management:

- (a) The Company seeks to diversify its regional presence by expanding into Japan and Korea which are well-known for their tourism industries.

- (b) Travelodge MyeongDong Euljiro is slowly recovering from the impact of COVID-19 and has achieved Average Daily Rate of RM365 and an occupancy rate of 87%.

Travelodge Honmachi Osaka is still in its initial stage and is expected to achieve Return on Investment of more than 5%.

Question 3:

While it is good to see improved results in FY2023. However, the ROE still very low at around 2.7%.

- (a) Which are the low yielding assets in the company that drag on the company's ROE?
- (b) What does Management plan to do to address this issue?

Reply by the Board and Management:

- (a) The low yielding assets are mainly the newly acquired or rebranded hotels. The new hotels need time to penetrate and capture market shares. Currently, the Group is focused on strategic marketing initiatives and collaborating closely with the hotel operators to yield favorable financial results.
- (b) The Company acknowledges that some of the assets are not performing well and will continually review its asset portfolio, divesting those non-performing assets.

In accordance with the Group accounting policies, Plenitude Berhad adopts the cost model for its assets, resulting in significant depreciation of approximately RM40 million annually. Depreciation is also one of the factors contributing to the lower profit after tax in the profit and loss statement.

(6) Mr. Lim Chen Keong and Mr. Chua Song Yun (Sean Chua) (Shareholders)

Question:

- (a) Any plan to reward shareholders with higher dividend next year?
- (b) Good to see that the company has increased the dividend per shares over the past 2 years. However, the payout ratio for FY2023 is still low at 26%. What is the dividend policy? Can management please consider increasing the dividend payout ratio?
- (c) With more money invested overseas, will this mean less money to pay dividends?

Reply by the Board and Management:

The current Group Dividend Policy is to pay out a minimum of 20% of the Group's net profit.

The Board of Directors will decide on the appropriate dividend amount to be proposed to the shareholders based on the Group's performance and after taking into consideration the Group's requirement for expansion and a certain number of reserves for any business opportunities that may arise.

(7) Mr. Ho Chun Sern (Sern Sean) (Shareholder)

Question:

May I ask if the Company has any recent acquisitions or projects?

Reply by the Board and Management:

The Group has on 28 June 2023 executed a SPA to acquire Holiday Villa Beach Resort (targeted date of completion is end of the year) and on 06 Oct 2023 acquired Staz MyeongDong Hotel.

(8) Ms. Lenny Len Nyok Chong (Shareholder)

Question:

Please clarify the reasons/causes of hotel's division loss of 20 over million Profit Before Tax?

Reply by the Board and Management:

According to page 166 of the Annual Report, the loss before tax for hotel operations of RM20 million is mainly due to the RM41 million depreciation (non-cash item at Page 167). Excluding depreciation (non-cash item), the hotel's operating profit is approximately RM20 million.

(9) Ms. Chan Jiang Wei (Shareholder)

Question:

- a) Any refurbishment plan for Holiday Villa after completing the acquisition?
- b) What is the current occupancy rate?

Reply by the Board and Management:

The Company is currently still focusing on closing the deal, which is expected to be completed by the end of the year.

With that, the Madam Chairman concluded the questions and answers session for Agenda of the Meeting. All the resolutions tabled at the 23rd AGM of the Company and voted upon by poll were duly passed by the shareholders.

There being no other business, the Meeting terminated at 11.16 a.m. with a vote of thanks to the Madam Chairman.