

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended		3 Months Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	45,796	42,692	45,796	42,692
Cost of sales	(23,055)	(18,810)	(23,055)	(18,810)
Gross profit	22,741	23,882	22,741	23,882
Investment revenue	3,051	5,171	3,051	5,171
Other income	2,367	2,974	2,367	2,974
Finance costs	(1,268)	(311)	(1,268)	(311)
Administrative expenses	(22,030)	(19,417)	(22,030)	(19,417)
Other expenses	(497)	(548)	(497)	(548)
Profit before taxation	4,364	11,751	4,364	11,751
Taxation	(3,235)	(3,747)	(3,235)	(3,747)
Profit for the period	1,129	8,004	1,129	8,004
Other comprehensive (expense)/ income	(6,042)	4,577	(6,042)	4,577
Total comprehensive (loss)/ income for the period	(4,913)	12,581	(4,913)	12,581
Profit/ (loss) for the period attributable to:				
Owners of the Company	1,414	8,004	1,414	8,004
Non-controlling interests	(285)	-	(285)	-
	1,129	8,004	1,129	8,004
Total comprehensive (loss)/ income for the period attributable to:				
Owners of the Company	(5,020)	12,581	(5,020)	12,581
Non-controlling interests	107	-	107	-
	(4,913)	12,581	(4,913)	12,581
Earnings per share attributable to Owners of the Company (sen)				
- Basic / Diluted	0.4	2.1	0.4	2.1

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2019 (Unaudited) RM'000	As at 30.06.2019 (Audited) RM'000
NON-CURRENT ASSETS		
Goodwill	3,703	3,703
Property, plant and equipment	900,358	891,721
Rights of use assets	707	-
Inventories- Property development projects	339,389	331,456
Investment properties	62,979	62,315
Deferred tax assets	19,811	19,811
	<u>1,326,947</u>	<u>1,309,006</u>
CURRENT ASSETS		
Inventories- Property development projects - current portion	84,008	91,078
Inventories- Completed units	188,853	175,927
Trade receivables	23,524	28,768
Other receivables, deposits and prepaid expenses	17,118	15,605
Contracts assets	3,152	6,167
Tax recoverable	12,767	10,145
Short term investments	101,834	100,343
Fixed deposits with licensed banks	54,842	79,333
Cash and bank balances	76,550	88,525
	<u>562,648</u>	<u>595,891</u>
TOTAL ASSETS	<u>1,889,595</u>	<u>1,904,897</u>
EQUITY AND LIABILITIES		
Capital & Reserves		
Share capital	515,315	515,315
Reserves	1,057,664	1,062,292
Total Equity Attributable to Owners of the Company	<u>1,572,979</u>	<u>1,577,607</u>
Non-controlling interests	40,057	39,950
TOTAL EQUITY	<u>1,613,036</u>	<u>1,617,557</u>
NON-CURRENT LIABILITIES		
Other payable	1,182	826
Lease liabilities	381	-
Bank borrowings	131,066	135,007
Deferred tax liabilities	30,631	30,631
	<u>163,260</u>	<u>166,464</u>
CURRENT LIABILITIES		
Trade payables	35,514	44,368
Retention monies	17,728	17,298
Other payables, accrued expenses and provisions	40,126	41,202
Contract liabilities	14,250	12,488
Lease liabilities	326	-
Bank borrowings	4,711	4,201
Tax liabilities	644	1,319
	<u>113,299</u>	<u>120,876</u>
TOTAL LIABILITIES	<u>276,559</u>	<u>287,340</u>
TOTAL EQUITY & LIABILITIES	<u>1,889,595</u>	<u>1,904,897</u>
Net assets per share attributable to owners of the Company (RM)	4.12	4.13

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable		Distributable		Retained Earnings	Total	Non-controlling interest	Total Equity
	Share Capital	Available For-Sale Reserve	Fair value Reserve of Financial Assets at FVOCI	Foreign Currency Translation Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 30 September 2019								
At 1 July 2019	515,315	-	12,602	147	1,049,543	1,577,607	39,950	1,617,557
Net profit for the period	-	-	-	-	1,414	1,414	(285)	1,129
Fair value changes on equity instruments designated at fair value through other comprehensive income" (FVOCI)	-	-	(8,198)	-	-	(8,198)	-	(8,198)
Foreign currency translation difference for foreign operation	-	-	-	2,156	-	2,156	392	2,548
Total comprehensive (expense)/ income for the financial period	-	-	(8,198)	2,156	1,414	(4,628)	107	(4,521)
At 30 September 2019	515,315	-	4,404	2,303	1,050,957	1,572,979	40,057	1,613,036

	Non-distributable		Distributable		Retained Earnings	Total	Non-controlling interest	Total Equity
	Share Capital	Available For-Sale Reserve	Fair value Reserve of Financial Assets at FVOCI	Foreign Currency Translation Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 30 September 2018								
At 1 July 2018 (as perviously reported)	515,315	15,790	-	53	1,028,162	1,559,320	-	1,559,320
Effect of transition to MFRS 9	-	(15,790)	15,790	-	-	-	-	-
Effect of transition to MFRS 15	-	-	-	-	(3,698)	(3,698)	-	(3,698)
Restated balance at 1 July 2018	515,315	-	15,790	53	1,024,464	1,555,622	-	1,555,622
Net profit for the period	-	-	-	-	8,004	8,004	-	8,004
Fair value changes on available-for-sale financial assets	-	4,281	-	-	-	4,281	-	4,281
Foreign currency translation difference for foreign operation	-	-	-	296	-	296	-	296
Total comprehensive income for the financial period	-	4,281	-	296	8,004	12,581	-	12,581
At 30 September 2018	515,315	4,281	15,790	349	1,032,468	1,568,203	-	1,568,203

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 Months Ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,364	11,751
Adjustments for:-		
Depreciation and amortisation	5,703	4,521
Other non-cash items	(1,034)	(4,814)
Profit Before Working Capital Changes	9,033	11,458
Net change in current assets	(7,859)	(15,879)
Net change in current liabilities	(7,383)	(3,237)
Cash Generated From Operations	(6,209)	(7,658)
Interest income received	267	311
Income tax refunded	841	57
Income tax paid	(7,373)	(4,971)
Net Cash Used in Operating Activities	(12,474)	(12,261)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	731	1,917
Purchase of property, plant & equipment	(14,078)	(22,653)
Purchase of short term investment	(9,690)	(350)
Proceeds from disposal of short term investments	-	36
Dividend income received	1,337	2,354
Net Cash Used In Investing Activities	(21,700)	(18,696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,268)	(311)
Repayment of lease liabilities	(109)	-
Repayment of bank borrowings	(641)	-
Net Cash Used In Financing Activities	(2,018)	(311)
NET DECREASE IN CASH & CASH EQUIVALENTS	(36,192)	(31,268)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	167,858	329,769
Effect of exchange rate changes	(274)	839
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	131,392	299,340

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

	30.09.2019	30.09.2018
	RM'000	RM'000
Fixed deposits with licensed banks	54,842	228,337
Cash and bank balances	76,550	71,003
	131,392	299,340

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

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

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

2. Significant Accounting Policies

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

MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lease accounting model and eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

On the initial adoption of MFRS 16, there was impact on the accounting treatment for leases, which the Group as a lessee, accounts for as operating leases in previous financial years. On the adoption of this standard, the Group capitalise its rented premises and equipment on the statements of financial position by recognizing them as “rights-of-use” assets and its corresponding lease liabilities for the present value of future lease payments.

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

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

3. Comments about Seasonal or Cyclical Factors

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

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

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

5. Changes in Estimates

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

6. Debt and Equity Securities

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

7. Segmental Information

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

Segment information for the three (3) months ended 30 September 2019 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	25,533	20,263	-	-	45,796
Inter-segment sales	-	-	4,142	(4,142)	-
Total revenue	<u>25,533</u>	<u>20,263</u>	<u>4,142</u>	<u>(4,142)</u>	<u>45,796</u>
Segment profit/(loss)	6,528	451	4,929	(3,733)	8,175
Investment revenue					3,051
Depreciation					(5,594)
Finance costs					(1,268)
Profit before taxation					<u>4,364</u>
Taxation					(3,235)
Profit for the period					<u>1,129</u>

7. Segmental Information (continued)

Segment information for the three (3) months ended 30 September 2018 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	24,040	18,652	-	-	42,692
Inter-segment sales	-	-	1,691	(1,691)	-
Total revenue	24,040	18,652	1,691	(1,691)	42,692
Segment profit/(loss)	7,385	2,650	5,377	(4,000)	11,412
Investment revenue					5,171
Depreciation					(4,521)
Finance costs					(311)
Profit before taxation					11,751
Taxation					(3,747)
Profit for the period					8,004

8. Valuation of Property, Plant and Equipment

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

9. Material Subsequent Events

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

10. Changes in the Composition of the Group

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

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

11. Changes in Contingent Liabilities and Contingent Assets

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

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

The Group registered revenue of RM45.8 million and a net profit of RM1.1 million for the current quarter ended 30 September 2019 as compared to revenue of RM42.7 million and a net profit of RM8.0 million for the corresponding quarter of the previous year.

The property development division contributed revenue of RM25.5 million for the current quarter compared to RM24.0 million for the previous year's corresponding quarter. The higher revenue for the current quarter ended 30 September 2019 was mainly attributable to revenue recognition from on-going work progress of Phase 19& 20 – Harp, double storey cluster homes at Taman Desa Tebrau in Johor, Phase 4E – Topaz, 2&3 storey terrace houses at Taman Putra Prima in Selangor, and sales of completed properties.

Hotel operations registered a revenue of RM20.3 million for the current quarter, an increase of RM1.6 million compared to revenue of RM18.7 million for the corresponding quarter of the previous year. The newly-acquired Travelodge Myeongdong Euljiro in Seoul, South Korea contributed RM4.2 million of revenue for the current quarter while revenue from hotel operations in Malaysia registered a drop of RM2.6 million. Hotel revenue in Malaysia were partly impacted by the haze spell from August 2019 to October 2019 and by Novotel Kuala Lumpur's on-going renovation which involves closing floors in phases.

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

	Current quarter ended 30.09.2019	Immediate preceding quarter ended 30.06.2019
	RM'000	RM'000
Revenue	45,796	90,006
Gross profit	22,741	46,528
Profit before taxation	<u>4,364</u>	<u>24,761</u>

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

The Group posted a profit before tax of RM4.4 million for the current quarter ended 30 September 2019 as compared to a profit before tax of RM24.8 million for the immediate preceding quarter. This was attributable to the higher profit in the previous quarter arising mainly from the delivery of vacant possession of Phase 19 & 20 – Clarinet, double storey terrace houses at Taman Desa Tebrau in Johor.

3. Prospects For The Current Financial Year

In view of the current weak sentiment in the property industry, the Group foresees that the remainder of the financial year ending 30 June 2020 will continue to be challenging. The Group will continue to adopt a more cautious approach in new property launches and will continue to intensify its marketing and sales initiatives to promote the Group's existing properties.

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

4. Profit Forecast

Not applicable as no profit forecast was issued.

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

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

	Individual Quarter	Cumulative Quarter
	3 months ended 30.09.2019	3 months ended 30.09.2019
	RM'000	RM'000
Depreciation and amortisation of property, plant and equipment	(5,551)	(5,551)
Depreciation of investment properties	(152)	(152)
Interest expense	(1,268)	(1,268)
Realised loss on foreign exchange	(9)	(9)
Unrealised loss on foreign exchange	(32)	(32)
Dividend income from short term investments	1,337	1,337
Fair value changes in short term investments	(8,198)	(8,198)
Interest income from short term deposits	998	998

Other than the above items, there were no impairment of assets, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for current quarter and financial period ended 30 September 2019.

6. Taxation

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
Taxation	(3,235)	(3,747)	(3,235)	(3,747)

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

7. Status of Corporate Proposals

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

8. Group Borrowings and Debt Securities

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

	<u>30.09.2019</u>	<u>30.09.2018</u>
	RM'000	RM'000
Current		
Term Loan (secured)	4,711	1,693
Non-Current		
Term Loan (secured)	131,066	22,646
Total	<u>135,777</u>	<u>24,339</u>

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

Short Term Term Loan – Secured		
Denominated in Korean Won (KRW'000)	590,000	-
Long Term Term Loan – Secured		
Denominated in Korean Won (KRW'000)	31,860,000	-

9. Material Litigation

There were no material litigation against the Group as at 21 November 2019, being 7 days prior to the date of this report.

10. Dividend

	<u>30.9.2019</u>	<u>30.09.2018</u>
Final dividend for the financial year	30 June 2019	30 June 2018
Approved and declared on	8 November 2019	31 October 2018
Date paid	22 November 2019	15 November 2018
Amount per share (single tier)	4.5 sen	4.5 sen
Net dividend paid (RM'000)	17,169	17,169

The Board does not recommend any dividend for the current financial period ended 30 September 2019.

11. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Profit attributable to owners of the Company (RM'000)	1,414	8,004	1,414	8,004
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	381,534
Basic earnings per ordinary share (sen)	0.4	2.1	0.4	2.1

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

12. Auditors' Report on Preceding Annual Financial Statements

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

13. Authorisation for Issue

The interim financial report was authorised for issuance by the Board of Directors in accordance with a resolution of the Directors dated 28 November 2019.

By Order of the Board
PLENITUDE BERHAD

REBECCA LEE EWE AI (MAICSA 0766742)
WONG YUET CHYN (MAICSA 7047163)

Company Secretaries
Kuala Lumpur

28 November 2019