

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended		3 Months Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	36,710	45,796	36,710	45,796
Cost of sales	(19,911)	(23,055)	(19,911)	(23,055)
Gross profit	16,799	22,741	16,799	22,741
Investment revenue	2,901	3,051	2,901	3,051
Other income	2,186	2,367	2,186	2,367
Finance costs	(1,240)	(1,268)	(1,240)	(1,268)
Administrative expenses	(17,447)	(22,030)	(17,447)	(22,030)
Other expenses	(150)	(497)	(150)	(497)
Profit before taxation	3,049	4,364	3,049	4,364
Taxation	(3,486)	(3,235)	(3,486)	(3,235)
(Loss)/ profit for the period	(437)	1,129	(437)	1,129
Other comprehensive income/ (expense)	11,145	(5,650)	11,145	(5,650)
Total comprehensive income/ (loss) for the period	10,708	(4,521)	10,708	(4,521)
(Loss)/ profit for the period attributable to:				
Owners of the Company	472	1,414	472	1,414
Non-controlling interests	(909)	(285)	(909)	(285)
	(437)	1,129	(437)	1,129
Total comprehensive income/ (loss) for the period attributable to:				
Owners of the Company	11,288	(4,628)	11,288	(4,628)
Non-controlling interests	(580)	107	(580)	107
	10,708	(4,521)	10,708	(4,521)
Earnings per share attributable to				
Owners of the Company (sen)				
- Basic / Diluted	0.1	0.4	0.1	0.4

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

**PLENITUDE BERHAD**Company No. 200001028479 (531086-T)
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30.09.2020 (Unaudited) RM'000	As at 30.06.2020 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	940,670	941,946
Investment properties	64,116	63,578
Inventories- Property development projects	343,585	342,570
Right-of-use assets	326	381
Goodwill	3,703	3,703
Deferred tax assets	14,460	14,460
	<u>1,366,860</u>	<u>1,366,638</u>
CURRENT ASSETS		
Inventories	266,980	274,968
Trade and other receivables	58,913	53,364
Contract assets	1,525	645
Tax recoverable	10,347	9,747
Short term investments	127,333	93,836
Fixed deposits with licensed banks	26,426	30,480
Cash and bank balances	43,360	65,803
	<u>534,884</u>	<u>528,843</u>
TOTAL ASSETS	<u>1,901,744</u>	<u>1,895,481</u>
EQUITY AND LIABILITIES		
Capital & Reserves		
Share capital	515,315	515,315
Reserves	<u>1,067,915</u>	<u>1,056,627</u>
	1,583,230	1,571,942
Non-controlling interests	<u>36,173</u>	<u>36,753</u>
TOTAL EQUITY	<u>1,619,403</u>	<u>1,608,695</u>
NON-CURRENT LIABILITIES		
Other payables	2,007	1,644
Loans and borrowings	129,619	131,902
Deferred tax liabilities	<u>29,976</u>	<u>29,976</u>
	<u>161,602</u>	<u>163,522</u>
CURRENT LIABILITIES		
Trade and other payables	75,803	84,118
Contract liabilities	37,855	32,158
Lease liabilities	326	381
Derivative financial liabilities	1,564	1,812
Loans and borrowings	4,342	3,875
Tax liabilities	849	920
	<u>120,739</u>	<u>123,264</u>
TOTAL LIABILITIES	<u>282,341</u>	<u>286,786</u>
TOTAL EQUITY & LIABILITIES	<u>1,901,744</u>	<u>1,895,481</u>
Net assets per share attributable to owners of the Company (RM)	4.15	4.12

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



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable			Distributable			
	Share Capital	Fair value Reserve of Financial Assets at FVOCI	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 30 September 2020							
At 1 July 2020	515,315	15,608	474	1,040,545	1,571,942	36,753	1,608,695
Net profit/ (loss) for the financial period	-	-	-	472	472	(909)	(437)
Fair value changes on equity instruments designated at fair value through other comprehensive income (FVOCI)	-	10,509	-	-	10,509	-	10,509
Foreign currency translation differences for foreign operations	-	-	307	-	307	329	636
Total comprehensive income/ (loss) for the financial period	-	10,509	307	472	11,288	(580)	10,708
At 30 September 2020	515,315	26,117	781	1,041,017	1,583,230	36,173	1,619,403
3 Months Ended At 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 differences for foreign operations	-	-	2,156	-	2,156	392	2,548
Total comprehensive income/ (loss) for the financial period	-	(8,198)	2,156	1,414	(4,628)	107	(4,521)
30 September 2019	515,315	4,404	2,303	1,050,957	1,572,979	40,057	1,613,036

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 Months Ended	
	30.09.2020	30.09.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,049	4,364
Adjustments for:-		
Depreciation	7,384	5,703
Other non-cash items	(1,130)	(1,034)
Profit Before Working Capital Changes	9,303	9,033
Net change in current assets	544	(7,859)
Net change in current liabilities	(2,256)	(7,383)
Cash Generated From/ (Used In) Operations	7,591	(6,209)
Interest income received	75	267
Income tax refunded	-	841
Income tax paid	(4,157)	(7,373)
Net Cash Generated From / (Used in) Operating Activities	3,509	(12,474)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	199	731
Proceeds from disposal of property, plant and equipment	1	-
Capital expenditure for investment properties	(693)	-
Purchase of property, plant and equipment	(5,847)	(14,078)
Purchase of short term investments	(22,989)	(9,690)
Dividend income received	1,738	1,337
Net Cash Used In Investing Activities	(27,591)	(21,700)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,240)	(1,268)
Payment to lease liabilities	(109)	(109)
Repayment of bank borrowings	(979)	(641)
Net Cash (Used In) Financing Activities	(2,328)	(2,018)
NET DECREASE IN CASH & CASH EQUIVALENTS	(26,410)	(36,192)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	96,283	167,858
Effect of exchange rate changes	(87)	(274)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	69,786	131,392

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

	30.09.2020	30.09.2019
	RM'000	RM'000
Fixed deposits with licensed banks	26,426	54,842
Cash and bank balances	43,360	76,550
	69,786	131,392

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

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 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 2020. 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 2020.

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 2020 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 2020. The adoption of the new MFRSs, amendments to MFRSs and IC Interpretations did not have any material impact on the financial position and results of the Group.

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 2020 was as follows:

	Property development RM'000	Hotel operations RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	31,679	5,031	-	-	36,710
Inter-segment sales	-	-	2,336	(2,336)	-
Total revenue	31,679	5,031	2,336	(2,336)	36,710
Segment profit/(loss)	9,906	(1,542)	3,589	(3,181)	8,772
Investment revenue					2,901
Depreciation					(7,384)
Finance costs					(1,240)
Profit before taxation					3,049
Taxation					(3,486)
Loss for the period					(437)

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 sales	25,533	20,263	-	-	45,796
Inter-segment sales	-	-	4,142	(4,142)	-
Total revenue	25,533	20,263	4,142	(4,142)	45,796
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					4,364
Taxation					(3,235)
Profit for the period					1,129

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 13 October 2020 incorporated a new indirect wholly-owned subsidiary, Plenitude Osaka Sdn Bhd with an issued and paid up capital of RM1.

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

11. Changes in Contingent Liabilities and Contingent Assets

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

12. Capital Commitments

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

	As at 30.09.2020 RM'000	As at 30.09.2019 RM'000
Property, plant and equipment		
- Approved and contracted	<u>13,850</u>	<u>51,491</u>

**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 RM36.7 million and a net loss of RM0.4 million for the current quarter ended 30 September 2020 as compared to revenue of RM45.8 million and a net profit of RM1.1 million for the corresponding quarter of the previous year.

The property development division contributed revenue of RM31.7 million for the current quarter compared to RM25.5 million for the previous year's corresponding quarter. The higher revenue for the current quarter ended 30 September 2020 was mainly attributable to a higher number of properties that were sold during the quarter as well as higher contribution from on-going development properties as construction activities were resumed as a result of the relaxation of the movement restrictions in June 2020 upon entering the recovery phase called Recovery Movement Control Order ("RMCO") effective from 10 June 2020. The higher revenue for the current quarter ended 30 September 2020 was mainly attributable to higher revenue recognition from Phase 19&20 – Harp, Double Storey Cluster homes (2B) at Taman Desa Tebrau in Johor as well as sales of completed properties Phase 4E – Topaz, 2 & 3 Storey Terrace Houses at Taman Putra Prima in Selangor and Bintang Maya II at Sungai Petani, Kedah.

Hotel operations registered a revenue of RM5.0 million for the current quarter, a decrease of RM15.3 million compared to revenue of RM20.3 million for the corresponding quarter of the previous year. The significant drop in revenue by Hotel operations was mainly due to the travel restrictions imposed by the Government of Malaysia affecting both local and foreigners. The operations of three hotels namely, Mercure Penang Beach, Gurney Resort Hotel & Residences and Travelodge Ipoh were closed since 27 April 2020.

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

	Current quarter ended 30.09.2020	Immediate preceding quarter ended 30.06.2020
	RM'000	RM'000
Revenue	36,710	12,145
Gross profit	16,799	8,640
Profit before taxation	3,049	4,033

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 RM3.0 million for the current quarter ended 30 September 2020 as compared to a profit before tax of RM4.0 million for the immediate preceding quarter. The higher profit in the previous quarter was mainly due to higher other income recognition arising from reversal of provision for cost to completion.

3. Prospects For The Current Year

In view of the COVID-19 pandemic which saw weak sentiment in the property industry and severely impacted global and regional tourism negatively, the Group foresees that the financial year ending 30 June 2021 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.

For hotel division, the Group will tap on tourism incentives offered under the Government's stimulus programmes and continue to adopt measures to respond proactively to the change of market conditions.

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		3 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Depreciation				
- property, plant and equipment	(7,120)	(5,442)	(7,120)	(5,442)
- right-of-use assets	(109)	(109)	(109)	(109)
- investment properties	(155)	(152)	(155)	(152)
Finance costs	(1,240)	(1,268)	(1,240)	(1,268)
Loss on disposal of property, plant and equipment	(1)	-	(1)	-
Realised loss on foreign exchange	(3)	(9)	(3)	(9)
Unrealised gain/ (loss) on foreign exchange	127	(32)	127	(32)
Fair value changes on derivative	233	-	233	-
Dividend income from short term investments	1,738	1,337	1,738	1,337
Fair value changes in short term investments	10,509	(8,198)	10,509	(8,198)
Interest income from short term deposits	274	998	274	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 2020.

6. Taxation

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Taxation	(3,486)	(3,235)	(3,486)	(3,235)

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:-

	30.09.2020	30.09.2019
	RM'000	RM'000
Current		
Term Loan (secured)	4,342	4,711
Non-Current		
Term Loan (secured)	129,619	131,066
Total	125,277	135,777

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

	30.09.2020	30.09.2019
	KRW'000	KRW'000
Short Term Term Loan – Secured Denominated in Korean Won	442,500	590,000
Long Term Term Loan – Secured Denominated in Korean Won	31,712,500	31,860,000

9. Derivative Financial Liability

The Group has entered into interest rate swap contracts to hedge interest rate risk arising from floating rate bank loans and the details as at 30 September 2020 are as follows :

Type of Derivatives	Carrying amount/ Contract/Notional value RM'000	Fair value changes on derivative RM'000
Interest rate swaps	114,182	233

Interest rate swaps are used to reduce exposure to fluctuations in interest rates and are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value being recognised in the profit or loss at each reporting date.

10. Material Litigation

There were no material litigation against the Group as at 10 November 2020, being 7 days prior to the date of this report.

11. Dividend

	<u>30.09.2020</u>	<u>30.09.2019</u>
Final dividend for the financial year	30 June 2020	30 June 2019
Approved and declared on	5 November 2020	8 November 2019
Date payable/ paid	20 November 2020	22 November 2019
Amount per share (single tier)	2.0 sen	4.5 sen
Net dividend paid (RM'000)	7,631	17,169

The Board does not recommend any dividend for the current financial period ended 30 September 2020.

12. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		3 months ended	
	<u>30.09.2020</u>	<u>30.09.2019</u>	<u>30.09.2020</u>	<u>30.09.2019</u>
Profit attributable to owners of the Company (RM'000)	472	1,414	472	1,414
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	381,534
Basic earnings per ordinary share (sen)	0.1	0.4	0.1	0.4

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

13. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2020 were not subject to qualification.

14. 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 17 November 2020.

**By Order of the Board
PLENITUDE BERHAD**

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

17 November 2020