

INTERIM FINANCIAL REPORT

FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		6 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	48,636	54,165	85,346	99,961
Cost of sales	<u>(28,348)</u>	<u>(26,009)</u>	<u>(48,259)</u>	<u>(49,064)</u>
Gross profit	20,288	28,156	37,087	50,897
Investment revenue	1,646	1,995	4,547	5,046
Other income	2,058	2,269	4,244	4,636
Finance costs	(1,285)	(1,372)	(2,525)	(2,640)
Administrative expenses	(18,980)	(22,247)	(36,427)	(44,277)
Other expenses	<u>(953)</u>	<u>(589)</u>	<u>(1,103)</u>	<u>(1,086)</u>
Profit before taxation	2,774	8,212	5,823	12,576
Taxation	<u>(4,257)</u>	<u>(4,333)</u>	<u>(7,743)</u>	<u>(7,568)</u>
(Loss)/ profit for the period	(1,483)	3,879	(1,920)	5,008
Other comprehensive (expense)/ income	<u>(5,992)</u>	<u>(1,156)</u>	<u>5,153</u>	<u>(7,198)</u>
Total comprehensive (loss)/ income for the period	<u><u>(7,475)</u></u>	<u><u>2,723</u></u>	<u><u>3,233</u></u>	<u><u>(2,190)</u></u>
(Loss)/ profit for the period attributable to:				
Owners of the Company	(531)	4,190	(59)	5,604
Non-controlling interests	<u>(952)</u>	<u>(311)</u>	<u>(1,861)</u>	<u>(596)</u>
	<u>(1,483)</u>	<u>3,879</u>	<u>(1,920)</u>	<u>5,008</u>
Total comprehensive (loss)/ income for the period attributable to:				
Owners of the Company	(4,533)	2,663	6,755	(2,072)
Non-controlling interests	<u>(2,942)</u>	<u>60</u>	<u>(3,522)</u>	<u>(118)</u>
	<u>(7,475)</u>	<u>2,723</u>	<u>3,233</u>	<u>(2,190)</u>
(Loss)/ earnings per share attributable to				
Owners of the Company (sen)				
- Basic / Diluted	<u>(0.1)</u>	<u>1.1</u>	<u>(0.0)</u>	<u>1.5</u>

(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 31 December 2020)


PLENITUDE BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2020 (Unaudited)	As at 30.06.2020 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	937,865	941,946
Investment properties	64,064	63,578
Inventories- Property development projects	344,687	342,570
Right-of-use assets	217	381
Goodwill	3,703	3,703
Deferred tax assets	14,460	14,460
	<u>1,364,996</u>	<u>1,366,638</u>
CURRENT ASSETS		
Inventories	250,561	274,968
Trade and other receivables	112,724	53,364
Contract assets	5,302	645
Tax recoverable	8,017	9,747
Short term investments	123,292	93,836
Fixed deposits with licensed banks	122,452	30,480
Cash and bank balances	76,854	65,803
	<u>699,202</u>	<u>528,843</u>
TOTAL ASSETS	<u>2,064,198</u>	<u>1,895,481</u>
EQUITY AND LIABILITIES		
Capital & Reserves		
Share capital	515,315	515,315
Reserves	1,055,751	1,056,627
	<u>1,571,066</u>	<u>1,571,942</u>
Non-controlling interests	33,231	36,753
TOTAL EQUITY	<u>1,604,297</u>	<u>1,608,695</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	182,947	131,902
Other payables	2,236	1,644
Deferred tax liabilities	29,976	29,976
	<u>215,159</u>	<u>163,522</u>
CURRENT LIABILITIES		
Trade and other payables	186,950	84,118
Contract liabilities	50,204	32,158
Lease liabilities	217	381
Derivative financial liabilities	1,324	1,812
Loans and borrowings	4,995	3,875
Tax liabilities	1,052	920
	<u>244,742</u>	<u>123,264</u>
TOTAL LIABILITIES	<u>459,901</u>	<u>286,786</u>
TOTAL EQUITY & LIABILITIES	<u>2,064,198</u>	<u>1,895,481</u>
Net assets per share attributable to owners of the Company (RM)	4.12	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 31 December 2020)



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable			Distributable		Non-controlling interest	Total Equity
	Share Capital	Fair value Reserve of Financial Assets at FVOCI	Foreign Currency Translation Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 Months Ended 31 December 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	-	-	-	(59)	(59)	(1,861)	(1,920)
Fair value changes on equity instruments designated at fair value through other comprehensive income (FVOCI)	-	9,470	-	-	9,470	-	9,470
Foreign currency translation differences for foreign operations	-	-	(2,656)	-	(2,656)	(1,661)	(4,317)
Total comprehensive income/ (loss) for the financial period	-	9,470	(2,656)	(59)	6,755	(3,522)	3,233
Dividend for the financial year ended 30 June 2020 - final dividend	-	-	-	(7,631)	(7,631)	-	(7,631)
At 31 December 2020	515,315	25,078	(2,182)	1,032,855	1,571,066	33,231	1,604,297
6 Months Ended At 31 December 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	-	-	-	5,604	5,604	(596)	5,008
Fair value changes on equity instruments designated at fair value through other comprehensive income (FVOCI)	-	(8,289)	-	-	(8,289)	-	(8,289)
Foreign currency translation differences for foreign operations	-	-	613	-	613	478	1,091
Total comprehensive income/ (loss) for the financial period	-	(8,289)	613	5,604	(2,072)	(118)	(2,190)
Dividend for the financial year ended 30 June 2019 - final dividend	-	-	-	(17,169)	(17,169)	-	(17,169)
31 December 2019	515,315	4,313	760	1,037,978	1,558,366	39,832	1,598,198

(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 31 December 2020)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	6 Months Ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,823	12,576
Adjustments for:-		
Depreciation	15,133	12,237
Other non-cash items	199	(838)
Profit Before Working Capital Changes	21,155	23,975
Net change in current assets	(41,744)	(26,793)
Net change in current liabilities	121,468	4,594
Cash Generated From Operations	100,879	1,776
Interest income received	115	420
Income tax refunded	2,330	987
Income tax paid	(8,212)	(12,716)
Net Cash Generated From / (Used in) Operating Activities	95,112	(9,533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	465	1,280
Proceeds from disposal of property, plant and equipment	52	40
Proceeds from disposal of investment property	276	271
Capital expenditure for investment properties	(882)	-
Purchase of property, plant and equipment	(10,507)	(40,991)
Purchase of short term investments	(23,185)	(648)
Proceeds from disposal of short term investments	3,200	22,500
Dividend income received	1,939	1,596
Net Cash Used In Investing Activities	(28,642)	(15,952)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(7,630)	(17,169)
Interest paid	(2,525)	(2,640)
Proceeds from issuance of non-convertible redeemable preference shares by a subsidiary company	50,000	-
Payment to lease liabilities	(217)	(217)
Repayment of bank borrowings	(1,661)	(1,812)
Net Cash Generated From/ (Used In) Financing Activities	37,967	(21,838)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	104,437	(47,323)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	96,283	167,858
Effect of exchange rate changes	(1,414)	(145)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	199,306	120,390

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

	31.12.2020	31.12.2019
	RM'000	RM'000
Fixed deposits with licensed banks	122,452	56,027
Cash and bank balances	76,854	64,363
	<u>199,306</u>	<u>120,390</u>

(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 31 December 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 six (6) months ended 31 December 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	75,380	9,966	-	-	85,346
Inter-segment sales	-	-	4,822	(4,822)	-
Total revenue	75,380	9,966	4,822	(4,822)	85,346
Segment profit/(loss)	23,882	(4,770)	6,190	(6,368)	18,934
Investment revenue					4,547
Depreciation					(15,133)
Finance costs					(2,525)
Profit before taxation					5,823
Taxation					(7,743)
Loss for the period					(1,920)

Segment information for the six (6) months ended 31 December 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	57,660	42,301	-	-	99,961
Inter-segment sales	-	-	6,897	(6,897)	-
Total revenue	57,660	42,301	6,897	(6,897)	99,961
Segment profit/(loss)	17,581	5,052	8,902	(9,345)	22,190
Investment revenue					5,046
Depreciation					(12,020)
Finance costs					(2,640)
Profit before taxation					12,576
Taxation					(7,568)
Profit for the period					5,008

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 an indirect wholly-owned subsidiary, Plenitude Osaka Sdn Bhd (“POSB”) with an initial paid up capital of RM1. On 26 November 2020, POSB has increased its paid up capital by new allotment of 999 shares of RM1 per share, of which the Company subscribed for 899 shares of POSB and consequently, POSB becomes an indirect 90% owned subsidiary of the Company.

The Company has on 26 November 2020 acquired an indirect 85.5% owned subsidiary MHI SG1 Pte Ltd, a company incorporated in Singapore with paid up capital of JPY100,000.

The Company has on 7 December 2020 and 16 December 2020 incorporated indirect 85.5% owned subsidiaries in Singapore, namely Plenitude Osaka Pte Ltd and Plenitude Osaka Hotel Pte Ltd respectively with issued and paid up capital of JPY100,000 each.

The Nomad Penang Sdn Bhd (“TNP”), an indirect wholly-owned subsidiary of the Company, was struck off from the register and TNP shall be dissolved with effect from 4 December 2020.

Cipriani Sdn Bhd (“CSB”), a wholly-owned inactive subsidiary incorporated in Malaysia, had commenced members’ voluntary winding up pursuant to Section 439(1) of the Companies Act 2016 on 28 October 2020. The winding up of CSB will not have any significant financial and operational impact on the Group’s performance for financial year ending 30 June 2021.

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 31.12.2020	As at 31.12.2019
	RM'000	RM'000
Property, plant and equipment - Approved and contracted	26,771	42,884

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 RM48.6 million and a net loss of RM1.5 million for the current quarter ended 31 December 2020 as compared to revenue of RM54.2 million and a net profit of RM3.9 million for the corresponding quarter of the previous year.

The property development division contributed revenue of RM43.7 million for the current quarter compared to RM32.1 million for the previous year's corresponding quarter. The higher revenue for the current quarter ended 31 December 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. The higher revenue for the current quarter ended 31 December 2020 was mainly attributable to higher revenue recognition from Phase 19&20 – Cello, Double Storey Terrace House and Phase 19&20- Harp, Double Storey Cluster homes 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 RM4.9 million for the current quarter, a decrease of RM17.1 million compared to revenue of RM22.0 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. Travelodge Ipoh and Mercure Penang Beach Hotel re-opened their business on 9 October 2020 and 20 October 2020 respectively. Gurney Resort Hotel & Residences is closed and undergoing renovation.

For the 6 months financial period ended 31 December 2020, the Group recorded a revenue of RM85.3 million and a net loss of RM1.9 million compared to a revenue of RM100.0 million and net profit of RM5.0 million for the previous financial period ended 31 December 2019. The lower revenue registered for the 6 months financial period was mainly attributable to a significant drop in revenue by Hotel operations.

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

	Current quarter ended 31.12.2020	Immediate preceding quarter ended 30.09.2020
	RM'000	RM'000
Revenue	48,636	36,710
Gross profit	20,288	16,799
Profit before taxation	<u>2,774</u>	<u>3,049</u>

The Group posted a profit before tax of RM2.8 million for the current quarter ended 31 December 2020 as compared to a profit before tax of RM3.0 million for the immediate preceding quarter. The higher revenue in the current quarter was mainly due to higher sales contribution recognised from completed projects Phase 4E – Topaz, 2 & 3 Storey Terrace Houses at Taman Putra Prima in Selangor, Bintang Maya II at Sungai Petani, Kedah and on-going project Phase 19&20 – Harp, Double Storey Cluster homes and Phase 19&20 – Cello, Double Storey Terrace House at Taman Desa Tebrau in Johor. However, the lower profit in the current quarter was mainly attributable to the unrealised exchange loss recorded during the quarter.

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 Quarters	
	3 months ended		6 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Depreciation				
- property, plant and equipment	(7,464)	(6,270)	(14,584)	(11,712)
- right-of-use assets	(108)	(108)	(217)	(217)
- investment properties	(177)	(156)	(332)	(308)
Finance costs	(1,285)	(1,372)	(2,525)	(2,640)
Bad debts written off	(19)	-	(19)	-
Gain on disposal of investment properties	212	205	212	205
Property, plant and equipment written off	(1)	(88)	(1)	(88)
(Loss)/ gain on disposal of property, plant and equipment	(47)	40	(48)	40
Realised loss on foreign exchange	(49)	(9)	(52)	(18)
Unrealised gain/ (loss) on foreign exchange	(1,096)	62	(969)	30
Fair value changes on derivative	301	-	534	-
Dividend income from short term investments	201	259	1,939	1,596
Fair value changes in short term investments	(1,039)	(91)	9,470	(8,289)
Interest income from short term deposits	306	702	580	1,700

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

6. Taxation

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		6 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Taxation	(4,257)	(4,333)	(7,743)	(7,568)

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>31.12.2020</u>	<u>31.12.2019</u>
	RM'000	RM'000
Current		
Term Loan (secured)	<u>4,995</u>	<u>4,772</u>
Non-Current		
Term Loan (secured)	132,947	131,360
Non-convertible redeemable preference shares	50,000	-
Total	<u>182,947</u>	<u>136,132</u>

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

	<u>31.12.2020</u>	<u>31.12.2019</u>
	KRW'000	KRW'000
Short Term Term Loan – Secured Denominated in Korean Won	590,000	590,000
Long Term Term Loan – Secured Denominated in Korean Won	31,565,000	31,712,500

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 31 December 2020 are as follows :

"Type of Derivatives	Carrying amount/ Contract/Notional value RM'000	Fair value changes on derivative RM'000
Interest rate swaps	<u>118,845</u>	<u>534</u>

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 15 February 2021, being 7 days prior to the date of this report.

11. Dividend

	<u>31.12.2020</u>	<u>31.12.2019</u>
Final dividend for the financial year	30 June 2020	30 June 2019
Approved and declared on	5 November 2020	8 November 2019
Date 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 31 December 2020.

12. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended		6 months ended	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
(Loss)/ Profit attributable to owners of the Company (RM'000)	(531)	4,190	(59)	5,604
Weighted average number of ordinary shares in issue ('000)	381,534	381,534	381,534	381,534
Basic (loss)/ earnings per ordinary share (sen)	(0.1)	1.1	(0.0)	1.5

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 22 February 2021.

**By Order of the Board
PLENITUDE BERHAD**

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

22 February 2021