

LETTER TO SHAREHOLDERS

Annual Report 2021

A YEAR OF
UNCERTAINTY



Eupe's award-winning, maiden KL project – Novum @ South Bangsar – was successfully completed and handed over to buyers over the past year.

OVERVIEW

Uncertainty has been the defining feature for the Malaysian economy and community over the past financial year. The Eupe Group has not been immune from the high levels of economic and social disruption created by the COVID-19 pandemic.

However, despite unprecedented uncertainties and challenges over the year, I am pleased to report that the Group's performance has been solid. This financial year saw the Group successfully completed the construction and handover of Novum @ South Bangsar - our maiden high-rise project in KL - to buyers.

Our Northern property division has also rebounded and our innovative approach to property development has gained further accolades. It is particularly pleasing that our second KL project - Parc3 @ KL South has been awarded the highly sought-after Best Sustainable High-Rise Development as part of the iProperty Development Excellence Awards 2021.

Dato' Beh Huck Lee
Group Managing Director
Eupe Corporation Berhad

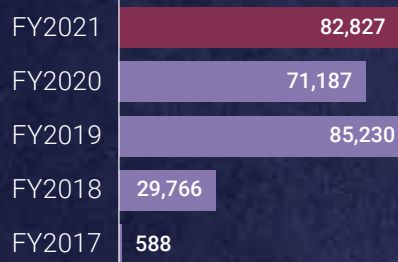


FINANCIAL RESULTS

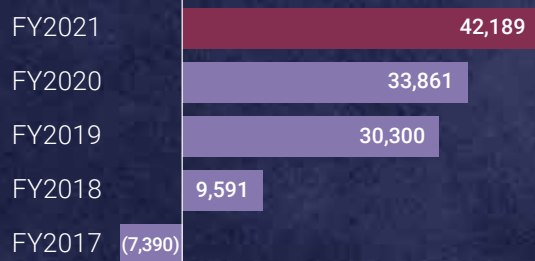
Both revenue and profit for the Group for FY2021 continued the upward trend of the past three years. Group revenue for the year was RM304.0 million, a 1.9 per cent increase – or RM5.7 million - compared to the previous financial year. Profit-before-tax for FY2021 was RM82.8 million, a 16 per cent increase on the Group's profit-before-tax outcome of RM71.2 million for the previous financial year.

During FY2021, the Group's earnings per share increased from 26.45 sen in FY2020 to 32.96 sen in FY2021. Shareholders' funds of the Group increased from RM352.3 million in FY2020 to RM394.5 million in FY2021.

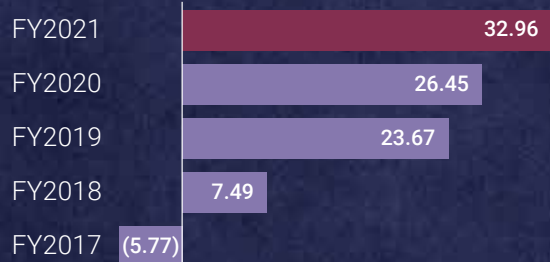
Profit Before Tax ("PBT") (RM'000)



Profit attributable to equity holders of the Company (RM'000)



Earnings per share ("EPS") (sen)



Shareholders' funds (RM'000)



PROPERTY DEVELOPMENT

Our Property Development Division – which continues to be the major contributor to Eupet's financial and operational performance - performed strongly in FY2021, despite very strong headwinds resulting from the pandemic.

For FY2021, the Property Development Division reported a total revenue of RM289.3 million, an increase of RM13.2 million - or 4.8%, - compared to revenue of RM276.1 million for FY2020. The Division's pre-tax profit increased by RM13.6 million or 18.3% from RM74.5 million in FY2020 to RM88.1 million in FY2021.

Together with the completion and handover of Novum to buyers, construction of Parc3 continues to advance. Sales take-up of Parc3 now exceeds 90 per cent and, as stated above, its innovative sustainability design has been recognised with a prestigious eco-design award.

Our third project in Malaysia's capital - Est8 @ Seputeh - will be launched shortly. The project - adjacent to the Mid Valley shopping and entertainment precinct - has been masterplanned around the concept of a secure and stylish enclave in one of KL's most iconic locations. This project has already attracted strong interest from potential buyers. Planning for our fourth Klang Valley project in Petaling Jaya is also advancing steadily.

Following a period of restructuring, the Group's Northern region recorded very pleasing results over the financial year, on the back of strong sales and focus on affordable property products targeting a growing segment of aspirational home buyers in the region.



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CHALET AND GOLF DIVISION

With movement restrictions significantly impacting the hotel sector in Malaysia for much of calendar year 2020, the Division experienced significant challenges over the course of the year. The Division recorded revenue of RM4.1 million in FY2021, compared to RM10.2 million in FY2020. This resulted in a pre-tax loss of RM5.3 million in FY2021, up by RM3.0 million from the previous year.

PROPERTY CONSTRUCTION

The Division's results for the year were also impacted by movement restrictions. During FY2021, the Division recorded total revenue of RM8.2 million, compared to FY2020 revenue of RM9.5 million, a decrease of 13.7%. This resulted in a pre-tax loss of RM0.5 million, compared RM0.4 million for the previous year.



MARKET OUTLOOK

The market outlook for the current financial year carries significant uncertainties. First and foremost, economic recovery will depend on the effectiveness of the rollout of the COVID-19 vaccine as well as ongoing government support to help rebuild consumer and business demand.

Despite these uncertainties impacting on Malaysian economy, the Group's performance will remain largely driven by factors within its control, namely pricing, design and marketing strategies, as well as the strategic selection of land for future projects. With all these factors, the Group remains committed to ensuring that product differentiation, combined with affordability, are a clear and defining focus.

CONCLUSION

In summary, as our pipeline of projects in Klang Valley continues to expand, we are well-positioned to take advantage of any upswing in property demand as the country's economy moves into recovery mode from the COVID-19 disruption. Yet, as there remains a significant level of uncertainty as the economy move to recover from the pandemic, the Group cannot rest on our laurels.

To all our shareholders, I would particularly like to thank you for your support and ongoing commitment to the Group. We sincerely wish that you all remain safe and well as we move into a period which we all hope ushers in less disruption, more confidence and importantly, more certainty.

Dear Shareholders of Eupe Corporation Berhad,

We are pleased to invite you to the 25th Annual General Meeting (AGM) of the Company, which will be conducted entirely through live streaming from the Broadcast Venue, as below:

Data & Time :

7 September 2021 (Tuesday)
11:00 a.m.

Broadcast Venue :

5th Floor, Wisma Ria, Taman Ria,
08000 Sungai Petani, Kedah Darul Aman.

Shareholders will not be allowed to attend the 25th AGM in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate in the 25th AGM will have to do so remotely, and register via:

<https://vps.megacorp.com.my/f06ZMM>.

Kindly refer to the Administrative Notes for more information.

Please scan the QR code for the Company's documents below.
They are also accessible via

<https://www.eupe.com.my/annual-report-2021>



1. Annual Report 2021 (also available at www.bursamalaysia.com)
2. Corporate Governance Report 2021
3. Notice of 25th AGM
4. Form of Proxy
5. Circular to Shareholders
6. Administrative Notes

Should you require a printed copy of the Annual Report 2021 or Circular to Shareholders, please contact us via telephone or e-mail below:

Contact Person : Ms. Felycia Ooi

Tel. : +604-441 4888

Email : felyciaooi@eupe.com.my

If you require any assistance or clarification on the above, kindly contact our Share Registrar:

Mega Corporate Services Sdn. Bhd.

Tel. : +603-2692 4271

+6012-9122 734 Alfred

+6012-2529 136 Hisham

Email : AGM-support.EUPE@megacorp.com.my

Thank you for your continued support to Eupe Corporation Berhad.

Yours faithfully,

Dato' Beh Huck Lee

Group Managing Director

30 July 2021



Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD Registration No. 199601005416 (377762-V)

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Park
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SUNGAI PETANI

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