



Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD
(Company No.: 199601005416 (377762-V))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

	Quarter and Year-To-Date Ended	
	31.05.2020 RM'000	31.05.2019 RM'000
Revenue	30,408	84,700
Cost of sales	(22,227)	(58,350)
Gross profit	8,181	26,350
Other operating income	478	774
Marketing and distribution expenses	(643)	(1,115)
Administrative expenses	(3,236)	(4,505)
Other operating expenses	(871)	(942)
Finance costs	(315)	(351)
Profit before tax	3,594	20,211
Tax expense	(1,710)	(5,311)
Profit for the period	1,884	14,900
Other comprehensive expenses		
Foreign currency translation differences for foreign operation	113	6
Total comprehensive income for the period	1,997	14,906
Profit attributable to:		
Equity holders of the Company	383	7,410
Non-controlling interest	1,501	7,490
	1,884	14,900
Total comprehensive income attributable to:		
Equity holders of the Company	493	7,411
Non-controlling interest	1,504	7,495
	1,997	14,906
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	0.30	5.79

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to these Condensed Reports.



EUPE CORPORATION BERHAD
(Company No.: 199601005416 (377762-V))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

	AS AT 31.05.2020 RM'000	AS AT 29.02.2020 RM'000 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	64,467	64,924
Right-of-use assets	498	617
Inventories	190,024	188,193
Investment properties	45,751	45,751
Deferred tax assets	2,344	2,344
	<u>303,084</u>	<u>301,829</u>
Current assets		
Inventories	115,845	117,769
Contract costs	5,660	6,085
Contract assets	173,446	167,424
Trade and other receivables	47,509	78,173
Sinking funds	822	802
Tax recoverable	2,862	2,271
Cash and bank balances	32,857	36,668
	<u>379,001</u>	<u>409,192</u>
TOTAL ASSETS	<u>682,085</u>	<u>711,021</u>



EUPE CORPORATION BERHAD
(Company No.: 199601005416 (377762-V))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020 (Contd.)

	AS AT 31.05.2020 RM'000	AS AT 29.02.2020 RM'000 (AUDITED)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	133,982	133,982
Reserves	218,836	218,343
	<u>352,818</u>	<u>352,325</u>
Non-controlling interest	74,939	73,435
TOTAL EQUITY	<u>427,757</u>	<u>425,760</u>
Non-current liabilities		
Borrowings	59,029	95,243
Lease liabilities	44	252
Deferred tax liabilities	13,831	13,867
	<u>72,904</u>	<u>109,362</u>
Current liabilities		
Contract liabilities	12,593	12,880
Trade and other payables	59,445	67,334
Provisions	11,432	11,613
Borrowings	93,202	80,094
Lease liabilities	500	383
Current tax payables	4,252	3,595
	<u>181,424</u>	<u>175,899</u>
TOTAL LIABILITIES	<u>254,328</u>	<u>285,261</u>
TOTAL EQUITY AND LIABILITIES	<u>682,085</u>	<u>711,021</u>
<i>Number of ordinary shares ('000)</i>	<u>128,000</u>	<u>128,000</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>2.76</u>	<u>2.75</u>

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to these Condensed Reports.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2020**

	← Attributable to equity holders of the Company →					Total equity RM'000
	Share capital RM'000	Non-distributable Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non - controlling interests RM'000	
At 1 March 2020	133,982	(209)	218,552	352,325	73,435	425,760
Profit for the period	-	-	383	383	1,501	1,884
Other comprehensive income	-	110	-	110	3	113
Total comprehensive income	-	110	383	493	1,504	1,997
At 31 May 2020	<u>133,982</u>	<u>(99)</u>	<u>218,935</u>	<u>352,818</u>	<u>74,939</u>	<u>427,757</u>
At 1 March 2019	133,982	(40)	186,611	320,553	54,008	374,561
Profit for the period	-	-	7,410	7,410	7,490	14,900
Other comprehensive income	-	1	-	1	5	6
Total comprehensive income	-	1	7,410	7,411	7,495	14,906
At 31 May 2019	<u>133,982</u>	<u>(39)</u>	<u>194,021</u>	<u>327,964</u>	<u>61,503</u>	<u>389,467</u>

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to these Condensed Reports.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2020**

	Year-To-Date Ended	
	31.05.2020 RM'000	31.05.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	54,699	77,953
Cash payments to suppliers and creditors	(21,161)	(53,523)
Cash payments to employees and for expenses	(11,399)	(18,470)
Cash generated from operations	<u>22,139</u>	<u>5,960</u>
Bank overdraft interest paid	(50)	(23)
Rental income received	120	133
Tax refund	-	94
Tax paid	(1,681)	(5,739)
Net cash generated from operating activities	<u>20,528</u>	<u>425</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	161	329
Proceed from disposal of property, plant and equipment	-	140
Proceed from disposal of investment properties	-	399
Purchase of property, plant and equipment	(308)	(151)
Purchase of right-of-use assets	-	-
Fixed deposits (pledged to)/released from licensed bank	(795)	88
Purchase of leasehold land	-	(32,763)
Net cash used in investing activities	(942)	(31,958)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2020 (Contd.)**

	Year-To-Date Ended	
	31.05.2020 RM'000	31.05.2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	25,296	31,697
Repayment of term loans	(54,106)	(5,460)
Drawdown of revolving credits	6,184	4,160
Repayment of revolving credits	(159)	(5,890)
Net (repayment)/creation of bankers' acceptance	(181)	133
Net repayment of invoice financing	(944)	-
Net (repayment)/creation of hire purchase liabilities	(49)	283
Net repayment of lease liabilities	(82)	(88)
Term loans interest paid	(949)	(2,858)
Revolving credit interest paid	(137)	(123)
Bankers' acceptance interest paid	(10)	(34)
Invoice financing interest paid	(5)	-
Hire purchase interest paid	(8)	(8)
Lease liabilities interest paid	(8)	(14)
Net cash (used in)/generated from financing activities	(25,158)	21,798
Net decrease in cash and cash equivalents	(5,572)	(9,735)
Effect of exchange rate changes	113	7
Cash and cash equivalents at beginning of financial period	28,191	63,269
Cash and cash equivalents at end of financial period	22,732	53,541
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	25,908	49,934
Fixed deposits with licensed banks	6,949	11,032
	32,857	60,966
Less: Bank overdraft	(3,371)	(2,489)
Deposits pledged as collateral	(6,754)	(4,936)
	22,732	53,541

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2020 and the accompanying explanatory notes attached to these Condensed Reports.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020
Part A: Explanatory Notes Pursuant to MFRS 134

A1 Basis of Preparation

These Condensed Consolidated Interim Financial Statements (“Condensed Report”) have been prepared in accordance with *Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and requirements of the Companies Act 2016, where applicable.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 29 February 2020. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 29 February 2020.

A2 Accounting Policies

The accounting policies adopted in preparing this Condensed Report are consistent with those used in the audited financial statements for the financial year ended 29 February 2020, except for the adoption of new standards and amendments to standards and interpretation as follows:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2020

- *Amendments to References to the Conceptual Framework in MFRS Standards*
- *Amendments to MFRS 3 Business Combination – Definition of a Business*
- *Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures – Interest Rate Benchmark Reform*
- *Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

The adoption of the abovementioned amendments to accounting standards have no significant impact on the financial statements of the Group.

The following Standards and amendments to standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group.

Effective date yet to be confirmed

- *Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*



A2 Accounting Policies (Contd.)

Amendments to MFRS 4 *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts* and MFRS 17 *Insurance Contracts* have not been taken into consideration because they are not applicable to the Group and the Company.

IFRIC Agenda Decision

In March 2019, IFRIC published an agenda decision on borrowings costs confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualification assets. On 20 March 2019, the MASB decided an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is currently in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 28 February 2022.

A3 Auditors' Report on Preceding Financial Year Financial Statements

The auditors' report on the financial statements for the financial year ended 29 February 2020 was unmodified.

A4 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors, except for the Chalet and Golf Management Division which normally peaks during major festive seasons and holidays.

A5 Unusual Items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, net income or cash flow of the Group during the current quarter and year-to-date ended 31 May 2020.

A6 Material Changes in Estimates

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 31 May 2020.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter and year-to-date ended 31 May 2020.

A8 Dividend Paid

No dividends were paid during the financial quarter and year-to-date ended 31 May 2020.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020
Part A: Explanatory Notes Pursuant to FRS 134 (Contd.)

A9 Segmental Reporting

Financial Year-To-Date Ended 31 May 2020

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	28,363	4,660	631	691	34,345
Elimination of inter- segment revenue	-	(3,818)	-	(119)	(3,937)
	<u>28,363</u>	<u>842</u>	<u>631</u>	<u>572</u>	<u>30,408</u>
Segment Results	4,936	(134)	(1,106)	52	3,748
Interest income	160	1	-	-	161
Finance costs	(63)	(96)	(112)	(44)	(315)
Profit/(loss) before tax	<u>5,033</u>	<u>(229)</u>	<u>(1,218)</u>	<u>8</u>	<u>3,594</u>
Tax expense	(1,623)	-	-	(87)	(1,710)
Profit/(loss) for the period	<u>3,410</u>	<u>(229)</u>	<u>(1,218)</u>	<u>(79)</u>	<u>1,884</u>

As At 31 May 2020

Assets

Segment assets	<u>561,290</u>	<u>19,032</u>	<u>55,808</u>	<u>45,955</u>	<u>682,085</u>
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Liabilities

Segment liabilities	82,450	8,179	7,883	3,585	102,097
Borrowings	<u>114,618</u>	<u>29,547</u>	<u>7,889</u>	<u>177</u>	<u>152,231</u>
	<u>197,068</u>	<u>37,726</u>	<u>15,772</u>	<u>3,762</u>	<u>254,328</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020
Part A: Explanatory Notes Pursuant to MFRS 134 (Contd.)

A9 Segmental Reporting (Contd.)

Financial Year-To-Date Ended 31 May 2019

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	79,579	10,506	2,201	1,132	93,418
Elimination of inter- segment revenue	-	(8,231)	-	(487)	(8,718)
	<u>79,579</u>	<u>2,275</u>	<u>2,201</u>	<u>645</u>	<u>84,700</u>
Segment Results	21,286	(73)	(975)	(4)	20,234
Interest income	320	6	1	1	328
Finance costs	(74)	(164)	(98)	(15)	(351)
Profit/(loss) before tax	<u>21,532</u>	<u>(231)</u>	<u>(1,072)</u>	<u>(18)</u>	<u>20,211</u>
Tax expense	(5,405)	-	157	(63)	(5,311)
Profit/(loss) for the period	<u>16,127</u>	<u>(231)</u>	<u>(915)</u>	<u>(81)</u>	<u>14,900</u>

As At 31 May 2019

Assets

Segment assets	<u>565,603</u>	<u>25,598</u>	<u>58,331</u>	<u>45,494</u>	<u>695,026</u>
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Liabilities

Segment liabilities	85,700	10,001	9,978	3,473	109,152
Borrowings	170,249	17,918	7,109	1,131	196,407
	<u>255,949</u>	<u>27,919</u>	<u>17,087</u>	<u>4,604</u>	<u>305,559</u>

A10 Related Party Disclosures

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

A11 Valuation of Property, Plant & Equipment and Investment Properties

The Group has adopted the fair value model for its investment properties, but there is no significant or indicative in change in the fair value of the investment properties since the financial year ended 29 February 2020.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020
Part A: Explanatory Notes Pursuant to MFRS 134 (Contd.)

A12 Significant Event Subsequent to the Reporting Period

There was no significant event subsequent to the financial year-to-date ended 31 May 2020.

A13 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year-to-date ended 31 May 2020.

A14 Contingent Liabilities and Assets

There were no contingent assets and no material changes in contingent liabilities since the 29 February 2020 except for the followings:

	31.05.2020	29.02.2020
	RM'000	RM'000
<u>Group</u>		
Liquidated Ascertained Damages ("LAD") in respect of the late delivery of properties	<u>5,692</u>	<u>4,876</u>
<u>Company</u>		
Guarantees given issued by the Company for banking facilities granted to subsidiaries	168,358	191,208
Guarantees given to suppliers of a subsidiary	<u>12</u>	<u>135</u>
	<u>168,370</u>	<u>191,343</u>

Contingent liabilities arising from LAD is in respect of the late delivery of vacant possession of properties in one of the property development projects undertaken by the Group had been affected due to Movement Control Order ("MCO"), Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") imposed by the Government.

Property developers in the country including the Group have jointly lobbied the Extension of Time ("EOT") for the period of MCO, CMCO and RMCO from the Government through Real Estate & Housing Developers' Association ("REHDA") Malaysia. As of the date of this report, the EOT has yet to be granted by the Government, pending tabling of its papers to the Parliament.

In view of the uncertain outcome on the grant of EOT, the possible LAD arising from the late delivery of properties during the period of MCO, CMCO and RMCO are disclosed as contingent liabilities.

A15 Capital commitments

There were no capital commitments for the financial year-to-date ended 31 May 2020.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

Revenue	Quarter and Year-To-Date Ended		
	31.05.2020	31.05.2019	Changes
	RM'000	RM'000	RM'000
Property Development	28,363	79,579	(51,216)
Property Construction	842	2,275	(1,433)
Chalet & Golf Management	631	2,201	(1,570)
Others	572	645	(73)
Total	30,408	84,700	(54,292)

Pre-tax Profit/(Loss)	Quarter and Year-To-Date Ended		
	31.05.2020	31.05.2019	Changes
	RM'000	RM'000	RM'000
Property Development	5,033	21,532	(16,499)
Property Construction	(229)	(231)	2
Chalet & Golf Management	(1,218)	(1,072)	(146)
Others	8	(18)	26
Total	3,594	20,211	(16,617)

Overview: Q1FY2021 vs Q1FY2020

The Group recorded revenue of RM30.4 million and pre-tax profit of RM3.6 million for the current quarter (“Q1FY2021”). Both the revenue and pre-tax profit were significantly lower than the preceding year’s corresponding quarter (“Q1FY2020”) by RM54.3 million or 64.1% and RM16.6 million or 82.2% respectively. These decreases were mainly due to the temporary shutdown of the Group’s business activities as a result of implementation of the MCO from 18 March 2020 to 3 May 2020 and CMCO from 4 May 2020 to 9 June 2020 in response to the COVID-19 pandemic. The nationwide restrictions on movement have impacted the financial results of the Group for the quarter, particularly the Hospitality Division. They also have resulted in disruptions in construction work progress of the Group’s development projects. However, steps have been put in place to catch up on delays and minimise the overall disruption to the project’s construction schedule.

Likewise, delays caused by MCO and CMCO have delayed the handover of our maiden project in KL, Novum@South Bangsar (“Novum”). The project was completed in June 2020 and as a result, its contribution to the Group’s revenue was lower in Q1FY2021.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Contd.)

B1 Review of Performance (Contd.)

The contribution from each of the Group's business division is as follows:

Property Development Division ("PDD")

The PDD's revenue for Q1FY2021 of RM28.4 million was 64.3% lower than Q1FY2020 revenue of RM79.6 million, representing a decrease of RM51.2 million. This was mainly due to the aforementioned MCO and CMCO during which construction works for the Group's property development projects were halted or slowed over the quarter. In addition, revenue and pre-tax to the Group contributed by Novum for Q1FY2021, significantly decreased, as a result of the project has completed with notices of vacant possession issued to purchasers on 26 June 2020.

Eupe's two KL projects, Novum and Parc3@KL South, contributed a combined revenue and pre-tax profit of RM23.1 million or 81.3%, and RM6.6 million or 132.0% to the PDD's revenue and pre-tax profit respectively, in Q1FY2021.

Property Construction Division ("PCD")

PCD's revenue for Q1FY2021 of RM0.8 million, compared to Q1FY2020 revenue of RM2.3 million, a decrease of 63.00%. This weaker performance was mainly due to the implementation of the MCO and CMCO, resulting in temporary major disruption to construction site activities.

Chalet & Golf Management Division ("CGMD")

The CGMD's revenue decreased from RM2.2 million in Q1FY2020, to RM0.6 million in Q1FY2021. This result was due to the temporary closure of Cinta Sayang Resort and golf course operations during MCO and CMCO.

Others

The Others Division revenue represents rental from investment properties as well as fruit cultivation. Both the revenue and pre-tax loss for the current quarter was comparable to the to Q1FY2020 results.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Contd.)

B2 Material Changes in the Quarterly Results

	Quarter Ended		
	31.05.2020	28.02.2020	Changes
	RM'000	RM'000	RM'000
Revenue	30,408	77,794	(47,386)
Pre-tax profit	3,594	16,231	(12,637)

The Group's revenue and pre-tax profit for Q1FY2021 decreased by RM47.4 million and RM12.6 million respectively, compared to the immediate preceding quarter ("Q4FY2020").

PDD revenue, accounting for 93.4% of the Group's total revenue, fell by RM43.5 million from RM71.9 million in Q4FY2020 to RM28.4 million in Q1FY2021. The weaker Q1FY2021 financial performance resulted from the temporary shutdown of non-essential service industries during the MCO and CMCO period.

B3 Prospects

As the national economy enters into recovery mode, stringent MCO and CMCO were lifted and businesses were allowed to resume operations in stages, however consumer sentiment remains fragile despite a number of welcome initiatives by the Government to stimulate both public and private consumption and assist businesses through targeted assistance and other stimulus packages.

As a result, it remains difficult – particularly as the global pandemic continues to evolve – to predict with any certainty the overall pace and direction of recovery, particularly as the rates of spread and impacts of COVID-19 remain differentiated between and within countries and regions.

Property market activity remains very subdued and as noted in the previous quarterly update, the disruption created by the pandemic are likely to accelerate existing trends in the property market, notably the shift to greater consumer demands for housing affordability as well as more product innovation and differentiation.

Eupe remains firmly focused on both strategies, particularly as it continues to develop its projects in the pipeline within Klang Valley and this is reflected in our product planning and design, as well as marketing and brand activities.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Contd.)

B4 Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial period under review.

B5 Taxation

	Quarter and Year-To-Date Ended	
	31.05.2020	31.05.2019
	RM'000	RM'000
Current year taxation	1,847	5,353
Deferred taxation	(137)	(42)
	<u>1,710</u>	<u>5,311</u>

The Group's effective tax rate was slightly higher than the statutory tax rate in Malaysia mainly due to certain expenses which were not deductible for tax purposes.

B6 Profit Before Taxation

The following amounts have been included in arriving at profit before taxation:

	Quarter and Year-To-Date Ended	
	31.05.2020	31.05.2019
	RM'000	RM'000
Interest income	161	328
Other income	317	446
Interest expense	(315)	(351)
Depreciation	(876)	(922)
Impairment of assets	*	-
Write off of receivables	*	-
Foreign exchange loss	*	-
Gain/(loss) on disposal of investment property	-	(20)

* Denotes less than thousand

B7 Status of Corporate Proposal

There was no corporate proposal announced as at the date of this announcement.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Contd.)

B8 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 31 May 2020 were as follows:

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Term loans	58,542	34,218	92,760
Revolving credits	-	54,535	54,535
Bank overdrafts	-	3,371	3,371
Bankers' acceptances	-	960	960
Hire purchase liabilities	487	118	605
	<u>59,029</u>	<u>93,202</u>	<u>152,231</u>

B9 Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

B10 Dividend Proposed

No dividends were paid during the financial quarter and year-to-date ended 31 May 2020.

B11 Earnings per share

The earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial quarter and year-to-date by the weighted average number of ordinary shares in issue during the financial period.

	Quarter and Year-To-Date Ended	
	31.05.2020	31.05.2019
Basic EPS		
Net profit attributable to equity holders of the Company (RM'000)	<u>383</u>	<u>7,410</u>
Weighted average number of ordinary shares ('000)	<u>128,000</u>	<u>128,000</u>
Basic earnings per share (sen)	<u>0.30</u>	<u>5.79</u>

B12 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 23 July 2020.