



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 2021



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021**

	Quarter and Year-To-Date	
	31.05.2021	31.05.2020
	RM'000	RM'000
		Restated
Revenue	53,903	30,408
Cost of sales	(38,863)	(21,779)
Gross profit	15,040	8,629
Other operating income	944	478
Marketing and distribution expenses	(1,382)	(643)
Administrative expenses	(3,611)	(3,236)
Other operating expenses	(810)	(871)
Finance costs	(605)	(868)
Profit before tax	9,576	3,489
Tax expense	(2,636)	(1,685)
Profit for the period	6,940	1,804
Other comprehensive income		
Foreign currency translation differences for foreign operation	-	113
Total comprehensive income for the period	6,940	1,917
Profit attributable to:		
Equity holders of the Company	5,191	327
Non-controlling interests	1,749	1,477
	6,940	1,804
Total comprehensive income attributable to:		
Equity holders of the Company	5,191	437
Non-controlling interest	1,749	1,480
	6,940	1,917
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	4.06	0.26

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2021 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 2021

	AS AT 31.05.2021 RM'000	AS AT 28.02.2021 RM'000 RESTATED	AS AT 01.03.2020 RM'000 RESTATED
ASSETS			
Non-current assets			
Property, plant and equipment	60,503	61,179	64,924
Right-of-use assets	143	238	617
Inventories	212,503	204,002	188,193
Investment properties	46,328	46,328	45,751
Deferred tax assets	4,753	5,204	3,363
	<u>324,230</u>	<u>316,951</u>	<u>302,848</u>
Current assets			
Inventories	92,265	96,215	113,524
Contract costs	899	1,557	6,085
Contract assets	94,127	72,002	167,424
Trade and other receivables	52,441	54,639	78,173
Sinking funds	839	837	802
Tax recoverable	27	303	2,271
Cash and cash equivalents	56,141	77,368	36,668
	<u>296,739</u>	<u>302,921</u>	<u>404,947</u>
TOTAL ASSETS	<u>620,969</u>	<u>619,872</u>	<u>707,795</u>



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021 (cont'd)**

	AS AT 31.05.2021 RM'000	AS AT 28.02.2021 RM'000 RESTATED	AS AT 01.03.2020 RM'000 RESTATED
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	133,982	133,982	133,982
Reserves	264,722	259,534	216,085
	<u>398,704</u>	<u>393,516</u>	<u>350,067</u>
Non-controlling interest	44,198	42,446	72,467
TOTAL EQUITY	<u>442,902</u>	<u>435,962</u>	<u>422,534</u>
Non-current liabilities			
Borrowings	71,876	57,546	95,243
Lease liabilities	-	-	252
Deferred tax liabilities	12,005	12,464	13,867
	<u>83,881</u>	<u>70,010</u>	<u>109,362</u>
Current liabilities			
Contract liabilities	7,211	5,257	12,880
Trade and other payables	59,956	67,469	67,334
Provisions	9,448	9,599	11,613
Borrowings	13,298	23,955	80,094
Lease liabilities	153	252	383
Current tax payables	4,120	7,368	3,595
	<u>94,186</u>	<u>113,900</u>	<u>175,899</u>
TOTAL LIABILITIES	<u>178,067</u>	<u>183,910</u>	<u>285,261</u>
TOTAL EQUITY AND LIABILITIES	<u>620,969</u>	<u>619,872</u>	<u>707,795</u>
<i>Number of ordinary shares ('000)</i>	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>3.11</u>	<u>3.07</u>	<u>2.73</u>

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2021 and the accompanying explanatory notes attached to these Condensed Reports.



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2021**

	← 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 2021	133,982	(208)	260,741	394,515	42,875	437,390
Effects on adoption of IFRIC Agenda Decision	-	-	(999)	(999)	(429)	(1,428)
At 1 March 2021 (restated)	133,982	(208)	259,742	393,516	42,446	435,962
Profit for the financial period	-	-	5,191	5,191	1,749	6,940
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	5,191	5,191	1,749	6,940
Change in interest in a subsidiary	-	-	(3)	(3)	3	-
At 31 May 2021	133,982	(208)	264,930	398,704	44,198	442,902
At 1 March 2020	133,982	(209)	218,552	352,325	73,435	425,760
Effects on adoption of IFRIC Agenda Decision	-	-	(2,258)	(2,258)	(968)	(3,226)
At 1 March 2020 (restated)	133,982	(209)	216,294	350,067	72,467	422,534
Profit for the financial period	-	-	327	327	1,477	1,804
Other comprehensive income	-	110	-	110	3	113
Total comprehensive income	-	110	327	437	1,480	1,917
At 31 May 2020	133,982	(99)	216,621	350,504	73,947	424,451

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2021 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 2021**

	Year-To-Date Ended	
	31.05.2021 RM'000	31.05.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	39,113	54,699
Cash payments to suppliers and creditors	(45,339)	(21,161)
Cash payments to employees and for expenses	(12,310)	(11,399)
Cash (used in)/generated from operations	(18,536)	22,139
Bank overdraft interest paid	(41)	(50)
Rental income received	199	120
Tax refund	275	-
Tax paid	(5,892)	(1,681)
Net cash (used in)/generated from operating activities	(23,995)	20,528
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	233	161
Purchase of property, plant and equipment	(39)	(308)
Fixed deposits pledged to licensed bank	(4,421)	(795)
Net cash used in investing activities	(4,227)	(942)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2021 (cont'd)**

	Year-To-Date Ended	
	31.05.2021 RM'000	31.05.2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	12,810	25,296
Repayment of term loans	(2,878)	(54,106)
Drawdown of revolving credits	850	6,184
Repayment of revolving credits	(2,215)	(159)
Net repayment of bankers' acceptance	(1,613)	(181)
Net repayment of invoice financing	(3,232)	(944)
Net repayment of hire purchase liabilities	(60)	(49)
Net repayment of lease liabilities	(99)	(82)
Term loans interest paid	(939)	(949)
Revolving credit interest paid	(36)	(137)
Bankers' acceptance interest paid	-	(10)
Invoice financing interest paid	(11)	(5)
Hire purchase interest paid	(11)	(8)
Lease liabilities interest paid	(3)	(8)
Net cash generated from/(used in) financing activities	2,563	(25,158)
Net decrease in cash and cash equivalents	(25,659)	(5,572)
Effect of exchange rate changes	-	113
Cash and cash equivalents at beginning of financial period	59,902	28,191
Cash and cash equivalents at end of financial period	34,243	22,732
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	36,360	25,908
Fixed deposits with licensed banks	19,781	6,949
	56,141	32,857
Less: Bank overdraft	(2,451)	(3,371)
Deposits pledged as collateral	(19,447)	(6,754)
	34,243	22,732

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2021 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 2021**

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 28 February 2021. 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 28 February 2021.

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 28 February 2021, 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 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

The Group and the Company have early adopted the Amendment to MFRS 16 *Leases – Covid-19-Related Rent Concessions* in financial year ended 28 February 2021.

The adoption of the above-mentioned accounting standards, amendments and interpretations have no significant impact on the financial statements of the Group and of the Company.

New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the MASB but have not yet effective in current financial reporting period of the Group and of the Company ended 31 May 2021, thus have not been adopted in these financial statements.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A2 Accounting Policies (cont'd)

New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted (cont'd)

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosure*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases – Interest Rate Benchmark Reform Phase 2*

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16 *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts–Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018–2020

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

MFRSs, Amendments to MFRSs and Interpretations 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*



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A2 Accounting Policies (cont'd)

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 Malaysian Accounting Standards Board 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 has adopted the IFRIC Agenda Decision retrospectively in its financial position as at 1 March 2020 and throughout all comparative interim periods presented, as if these policies had always been in effect. Comparative information in these condensed consolidated financial statements have been restated to give effect to the above changes. As a result, the following comparatives in the interim financial reports have been restated.

i) Impact on Condensed Consolidated Statement of Financial Position as at 1 March 2020 (date of transition):

	As previously reported 01.03.2020 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 01.03.2020 RM'000
ASSETS			
Non-current assets			
Deferred tax assets	2,344	1,019	3,363
Current assets			
Inventories	117,769	(4,245)	113,524
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Reserves	218,343	(2,258)	216,085
Non-controlling interest	73,435	(968)	72,467
Net assets per share attributable to equity holders of the Company (RM)	2.75	(0.02)	2.73



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A2 Accounting Policies (cont'd)

IFRIC Agenda Decision (cont'd)

ii) Impact on Condensed Consolidated Statement of Financial Position as at 1 March 2021:

	As previously reported 01.03.2021 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 01.03.2021 RM'000
ASSETS			
Non-current assets			
Deferred tax assets	4,753	451	5,204
Current assets			
Inventories	98,094	(1,879)	96,215
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Reserves	260,533	(999)	259,534
Non-controlling interest	42,875	(429)	42,446
Net assets per share attributable to equity holders of the Company (RM)	3.08	(0.01)	3.07



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021
 Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)**

A2 Accounting Policies (cont'd)

IFRIC Agenda Decision (cont'd)

iii) Impact on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 3 months period 31 May 2020:

	As previously reported 31.05.2020 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 31.05.2020 RM'000
Cost of sales	(22,227)	448	(21,779)
Finance costs	(315)	(553)	(868)
Tax expense	(1,710)	25	(1,685)
Profit attributable to:			
Equity holders of the Company	383	(56)	327
Non-controlling interest	1,501	(24)	1,477
Total comprehensive income attributable to:			
Equity holders of the Company	493	(56)	437
Non-controlling interest	1,504	(24)	1,480
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	0.30	(0.04)	0.26

A3 Auditors' Report on Preceding Financial Year Financial Statements

The auditors' report on the financial statements for the financial year ended 28 February 2021 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 2021.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

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 2021.

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 2021.

A8 Dividend Paid

No dividends were paid during the financial quarter and year-to-date ended 31 May 2021.

A9 Segmental Reporting

Financial Year-To-Date Ended 31 May 2021

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	49,179	16,541	1,429	819	67,968
Elimination of inter- segment revenue	-	(13,799)	(105)	(161)	(14,065)
	<u>49,179</u>	<u>2,742</u>	<u>1,324</u>	<u>658</u>	<u>53,903</u>
Segment Results	10,738	(157)	(600)	(33)	9,948
Interest income	186	11	36	-	233
Finance costs	(474)	(21)	(109)	(1)	(605)
Profit/(loss) before tax	<u>10,450</u>	<u>(167)</u>	<u>(673)</u>	<u>(34)</u>	<u>9,576</u>
Tax expense	(2,551)	-	-	(85)	(2,636)
Profit/(loss) for the period	<u>7,899</u>	<u>(167)</u>	<u>(673)</u>	<u>(119)</u>	<u>6,940</u>

As At 31 May 2021

Assets

Segment assets	<u>501,067</u>	<u>18,154</u>	<u>50,364</u>	<u>51,384</u>	<u>620,969</u>
----------------	----------------	---------------	---------------	---------------	----------------

Liabilities

Segment liabilities	71,445	11,160	6,763	3,525	92,893
Borrowings	<u>76,152</u>	<u>1,064</u>	<u>7,958</u>	<u>-</u>	<u>85,174</u>
	<u>147,597</u>	<u>12,224</u>	<u>14,721</u>	<u>3,525</u>	<u>178,067</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A9 Segmental Reporting (cont'd)

Financial Year-To-Date Ended 31 May 2020

	Property Development RM'000 Restated	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000 Restated
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	4,831	(134)	(1,106)	52	3,643
Interest income	160	1	-	-	161
Finance costs	(63)	(96)	(112)	(44)	(315)
Profit/(loss) before tax	4,928	(229)	(1,218)	8	3,489
Tax expense	(1,598)	-	-	(87)	(1,685)
Profit/(loss) for the period	<u>3,330</u>	<u>(229)</u>	<u>(1,218)</u>	<u>(79)</u>	<u>1,804</u>

As At 31 May 2020

Assets

Segment assets	557,984	19,032	55,808	45,955	678,779
----------------	---------	--------	--------	--------	---------

Liabilities

Segment liabilities	82,450	8,179	7,883	3,585	102,097
Borrowings	114,618	29,547	7,889	177	152,231
	<u>197,068</u>	<u>37,726</u>	<u>15,772</u>	<u>3,762</u>	<u>254,328</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 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 28 February 2021.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A12 Significant Event Subsequent to the Reporting Period

There was no significant event subsequent to the financial year-to-date ended 31 May 2021.

A13 Changes in Composition of the Group

On 1 March 2021, the Company had undertaken internal restructuring whereby Eupe Kemajuan Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed of 3,000 ordinary shares, representing 30% of the equity interest in Titian Kayangan Sdn. Bhd. (formerly known as Tadika Pro-Dedikasi Sdn. Bhd.), a dormant Company for a total cash consideration of RM2.00.

A14 Contingent Liabilities and Assets

There were no contingent assets and no material changes in contingent liabilities since the 28 February 2021 except for the followings:

	31.05.2021	28.02.2021
	RM'000	RM'000
<u>Group</u>		
Liquidated Ascertained Damages ("LAD") in respect of the late delivery of properties	-	-
<u>Company</u>		
Guarantees given issued by the Company for banking facilities granted to subsidiaries	104,072	107,101
Guarantees given to suppliers of a subsidiary	207	263
	<u>104,279</u>	<u>107,364</u>

A15 Capital commitments

There were no capital commitments for the financial year-to-date ended 31 May 2021.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021

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

B1 Review of Performance

Segment	Revenue			Pre-tax Profit/(Loss)		
	31.05.2021 RM'000	31.05.2020 RM'000	Changes RM'000	31.05.2021 RM'000	31.05.2020 RM'000 Restated	Changes RM'000
Property Development	49,179	28,363	20,816	10,450	4,928	5,522
Property Construction	2,742	842	1,900	(167)	(229)	62
Chalet & Golf Management	1,324	631	693	(673)	(1,218)	545
Others	658	572	86	(34)	8	(42)
Total	53,903	30,408	23,495	9,576	3,489	6,087

Overview: Q1FY2022 vs Q1FY2021

The Group recorded revenue of RM53.9 million for the first quarter ended 31 May 2021 (“Q1FY2022”), compared to RM30.4 million, recorded in the preceding year’s corresponding quarter (“Q1FY2021”). The Group’s pre-tax profit has also increased by RM6.1 million, or 174.3%, from RM3.5 million in Q1FY2021 to RM9.6 million in Q1FY2022. The overall uplift in the Group’s financial performance is mainly due to property and construction sectors continuing to operate in Q1FY2022, with reduced capacity of the workforce in accordance to the applicable SOPs and precautionary measures prescribed by the Government, compared to the strict movement restrictions otherwise known as Movement Control Order 1.0 (“MCO 1.0”) which applied to the sectors in Q1FY2021.

The contribution from each of the Group’s business division for Q1FY2022 is as follows:

Property Development Division (“PDD”)

PDD recorded revenue of RM49.2 million in Q1FY2022, an increase of RM20.8 million, or 73.2%, from RM28.4 million in Q1FY2021, primarily due to Northern region’s higher contribution in the current quarter. Of the RM20.8 million increase, the Northern region contributed a RM16.1 million, underpinned by strong sales take-up rates of its various newly launched landed residential projects namely Astana Parkhome B PTD2 and PTD12, Puncak Surya 5 and 6, and Padang Serai Ria Heights. On top of that, Northern region construction progresses were all advancing steadily upon lifting of the various MCOs, generating consistent revenue.

PDD’s Central region’s revenue increased by RM4.7 million, or 20.3%, mainly due to Parc3@KL South’s (“Parc3”) higher progress billings, arising from its solid construction pace, with revenue increasing from the project by RM8.0 million. The increase in Parc3’s revenue managed to offset a decrease in Novum@South Bangsar (“Novum”) revenue. Novum’s revenue decreased by RM3.3 million to nil contribution in Q1FY2022 as the Group’s maiden project in Klang Valley was completed and handed over to purchasers in June 2020 (“Q2FY2021”).



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021**

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B1 Review of Performance (cont'd)

Property Development Division (“PDD”) (cont'd)

PDD achieved higher pre-tax profit of RM10.5 million in Q1FY2022, an increase of RM5.5 million or 112.2% due to the abovementioned reasons.

Property Construction Division (“PCD”)

Revenue from PCD is mainly derived from supply of building materials to subcontractors. PCD’s revenue for Q1FY2022 increased by RM1.9 million, from RM0.8 million in Q1FY2021 to RM2.7 million in Q1FY2022. This was due to the construction sector being allowed to carry on construction activities in Q1FY2022, which in turn had created the demand for building materials. This compared to Q1FY2021, where movement restrictions hindered construction activity, resulting in lower demand for building materials. At the same time, PCD recorded marginally lower pre-tax loss compared to Q1FY2021 due to lower direct costs and overheads arising in Q1FY2021 due to movement restrictions.

Chalet & Golf Management Division (“CGMD”)

CGMD recorded revenue of RM1.3 million in Q1FY2022, an increase of RM0.7 million, or 116.7%, compared to Q1FY2021 revenue of RM0.6 million. This increase in CGMD’s revenue reduced its pre-tax loss from RM1.2 million in Q1FY2021 to RM0.7 million in Q1FY2022.

The improved results in Q1FY2022 were mainly attributed to the re-opening of its golf course, improved resort room bookings as well as food and beverage sales, compared to Q1FY2021, where movement restrictions significantly limited CGMD’s operations.

Others

The Others Division revenue represents rental from investment properties as well as fruit cultivation. Both the revenue and pre-tax profit/loss for the Division for Q1FY2022 was comparable to Q1FY2021.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B2 Material Changes in the Quarterly Results

	Quarter Ended		
	31.05.2021 RM'000	28.02.2021 RM'000 Restated	Changes RM'000
Revenue	53,903	71,407	(17,504)
Pre-tax profit	9,576	17,886	(8,310)

The Group's Q1FY2022 revenue decreased by RM17.5 million, compared to the immediate preceding quarter ("Q4FY2021"). The decrease was mainly due to a lower contribution from PDD as various Northern region projects namely, Astana Parkhome A and Cinta Sayang Resort Villas were completed in Q4FY2021. Furthermore, Parc3's revenue recorded a slight decrease as its construction progress nears completion.

As a result of the reasons outlined above, the Group reported a lower pre-tax profit in Q1FY2022, by RM8.3 million.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B3 Prospects

COVID-19 continues to have a major impact on the economy and property market sentiment, with the increasing number in daily COVID-19 cases and tightened movement restrictions heightening uncertainties for businesses which had also impacted property market. The recent move by Government to implement stricter movement restrictions such as Full Movement Control Order and Enhanced Movement Control Order in COVID-19 hotspots highlights the critical importance of the success of Malaysia's rollout of the COVID-19 vaccine programme. As statistics have shown, the most effective pathway to economic re-opening and recovery is to expedite the delivery and rollout of COVID-19 vaccines to the community. It is heartening to see Malaysia's vaccine rollout, and the public response to taking up the vaccine, gather pace.

As highlighted previously, the Group's performance will still be largely driven by factors within its control, with the disruptions caused by the pandemic likely to accelerate existing trends in the economy that suit Eupe's core approach to property development. These will potentially include more product innovation in home design, focusing on health and safety aspects, that are strongly value-oriented. The Group's continuing ability to consistently sell its property products during the pandemic underscores the importance of this competitive advantage.



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021**

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

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	
	31.05.2021	31.05.2020
		Restated
	RM'000	RM'000
Current year taxation	1,479	1,847
Deferred taxation	1,157	(162)
	<u>2,636</u>	<u>1,685</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 Tax

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

	Quarter and Year-To-Date Ended	
	31.05.2021	31.05.2020
	RM'000	RM'000
		Restated
Interest income	233	161
Other income	711	317
Interest expense	(605)	(868)
Depreciation and amortisation	(825)	(876)
Impairment of assets	-	*
Write off of receivables	-	*
Loss on disposal of property, plant and equipment	(15)	-
Bad debts written off	-	*
Fixed assets written off	-	*
Foreign exchange loss	-	*
	<u>-</u>	<u>-</u>

* 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 2021**

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B8 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 31 May 2021 were as follows:

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Term loans	71,113	9,814	80,927
Revolving credits	-	850	850
Bank overdrafts	-	2,451	2,451
Hire purchase liabilities	763	183	946
	<u>71,876</u>	<u>13,298</u>	<u>85,174</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 2021.

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	
	31.05.2021	31.05.2020 Restated
Basic EPS		
Net profit attributable to equity holders of the Company (RM'000)	<u>5,191</u>	<u>327</u>
Weighted average number of ordinary shares ('000)	<u>128,000</u>	<u>128,000</u>
Basic earnings per share (sen)	<u>4.06</u>	<u>0.26</u>

B12 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 30 July 2021.