



**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 ENDED 28 FEBRUARY 2021**



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021**

|   | Quarter Ended        |                      | Year-To-Date Ended   |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 28.02.2021<br>RM'000 | 29.02.2020<br>RM'000 | 28.02.2021<br>RM'000 | 29.02.2020<br>RM'000 |
| Revenue   | 71,407               | 77,794               | 304,025              | 298,320              |
| Cost of sales   | (46,420)             | (54,667)             | (197,365)            | (201,399)            |
| Gross profit  | 24,987               | 23,127               | 106,660              | 96,921               |
| Other operating income  | 1,193                | 681                  | 3,337                | 2,723                |
| Marketing and distribution expenses   | (1,085)              | (1,289)              | (3,703)              | (5,031)              |
| Administrative expenses   | (4,492)              | (5,266)              | (16,647)             | (18,843)             |
| Other operating expenses  | (2,971)              | (704)                | (5,538)              | (3,270)              |
| Finance costs   | (307)                | (318)                | (1,282)              | (1,313)              |
| <b>Profit before tax</b>  | <b>17,325</b>        | <b>16,231</b>        | <b>82,827</b>        | <b>71,187</b>        |
| Tax expense   | (4,097)              | (3,913)              | (21,450)             | (17,900)             |
| <b>Profit for the period/year</b>   | <b>13,228</b>        | <b>12,318</b>        | <b>61,377</b>        | <b>53,287</b>        |
| <b>Other comprehensive (expenses)/income</b>  |                      |                      |                      |                      |
| Foreign currency translation differences<br>for foreign operation                                   | (1)                  | (86)                 | 2                    | (168)                |
| <b>Total comprehensive income<br/>for the period/year</b>   | <b>13,227</b>        | <b>12,232</b>        | <b>61,379</b>        | <b>53,119</b>        |
| <b>Profit attributable to:</b>  |                      |                      |                      |                      |
| Equity holders of the Company   | 10,933               | 9,521                | 42,189               | 33,861               |
| Non-controlling interest  | 2,295                | 2,797                | 19,188               | 19,426               |
|   | <b>13,228</b>        | <b>12,318</b>        | <b>61,377</b>        | <b>53,287</b>        |
| <b>Total comprehensive income<br/>attributable to:</b>  |                      |                      |                      |                      |
| Equity holders of the Company   | 10,932               | 9,437                | 42,190               | 33,692               |
| Non-controlling interest  | 2,295                | 2,795                | 19,189               | 19,427               |
|   | <b>13,227</b>        | <b>12,232</b>        | <b>61,379</b>        | <b>53,119</b>        |
| <b>Basic Earnings Per Share ("EPS")<br/>attributable to equity holders<br/>of the Company (sen)</b> |                      |                      |                      |                      |
|   | <b>8.54</b>          | <b>7.44</b>          | <b>32.96</b>         | <b>26.45</b>         |

*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 28 FEBRUARY 2021**

|                               | <b>AS AT<br/>28.02.2021<br/>RM'000</b> | <b>AS AT<br/>29.02.2020<br/>RM'000<br/>(AUDITED)</b> |
|-------------------------------|--|--|
| <b>ASSETS</b>                 |  |  |
| <b>Non-current assets</b>     |  |  |
| Property, plant and equipment | 61,179                                 | 64,924   |
| Right-of-use assets           | 238                                    | 617  |
| Inventories                   | 204,002                                | 188,193  |
| Investment properties         | 46,328                                 | 45,751   |
| Deferred tax assets           | 4,753                                  | 2,344  |
|                               | <u>316,500</u>                         | <u>301,829</u>                                       |
| <b>Current assets</b>         |  |  |
| Inventories                   | 98,094                                 | 117,769  |
| Contract costs                | 1,557                                  | 6,085  |
| Contract assets               | 72,002                                 | 167,424  |
| Trade and other receivables   | 54,639                                 | 78,173   |
| Sinking funds                 | 837                                    | 802  |
| Tax recoverable               | 303                                    | 2,271  |
| Cash and cash equivalents     | 77,368                                 | 36,668   |
|                               | <u>304,800</u>                         | <u>409,192</u>                                       |
| <b>TOTAL ASSETS</b>           | <u>621,300</u>                         | <u>711,021</u>                                       |



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2021 (Contd.)**

|  | <b>AS AT<br/>28.02.2021<br/>RM'000</b> | <b>AS AT<br/>29.02.2020<br/>RM'000<br/>(AUDITED)</b> |
|--|--|--|
| <b>EQUITY AND LIABILITIES</b>  |  |  |
| <b>Equity attributable to equity holders<br/>of the Company</b>            |  |  |
| Share capital  | 133,982                                | 133,982  |
| Reserves   | 260,533                                | 218,343  |
|  | <u>394,515</u>                         | <u>352,325</u>                                       |
| Non-controlling interest   | 42,875                                 | 73,435   |
| <b>TOTAL EQUITY</b>  | <u>437,390</u>                         | <u>425,760</u>                                       |
| <b>Non-current liabilities</b>   |  |  |
| Borrowings   | 57,546                                 | 95,243   |
| Lease liabilities  | -                                      | 252  |
| Deferred tax liabilities   | 12,464                                 | 13,867   |
|  | <u>70,010</u>                          | <u>109,362</u>                                       |
| <b>Current liabilities</b>   |  |  |
| Contract liabilities   | 5,257                                  | 12,880   |
| Trade and other payables   | 67,469                                 | 67,334   |
| Provisions   | 9,599                                  | 11,613   |
| Borrowings   | 23,955                                 | 80,094   |
| Lease liabilities  | 252                                    | 383  |
| Current tax payables   | 7,368                                  | 3,595  |
|  | <u>113,900</u>                         | <u>175,899</u>                                       |
| <b>TOTAL LIABILITIES</b>   | <u>183,910</u>                         | <u>285,261</u>                                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <u>621,300</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<br>of the Company (RM) | <u>3.08</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 ENDED 28 FEBRUARY 2021**

|                                       | ← Attributable to equity holders of the Company → |   |   |                 |   | Total equity<br>RM'000 |
|---------------------------------------|---|---|---|-----------------|---|------------------------|
|                                       | Share capital<br>RM'000                           | Non-distributable<br>Foreign currency<br>translation<br>reserve<br>RM'000 | Distributable<br>Retained<br>earnings<br>RM'000 | Total<br>RM'000 | Non -<br>controlling<br>interests<br>RM'000 |                        |
| <b>At 1 March 2020</b>                | 133,982   | (209)   | 218,552   | 352,325         | 73,435                                      | 425,760                |
| Profit for the year                   | -   | -   | 42,189  | 42,189          | 19,188                                      | 61,377                 |
| Other comprehensive income            | -   | 1   | -   | 1               | 1   | 2                      |
| Total comprehensive income            | -   | 1   | 42,189  | 42,190          | 19,189                                      | 61,379                 |
| Dividend paid                         | -   | -   | -   | -               | (49,749)                                    | (49,749)               |
| <b>At 28 February 2021</b>            | <b>133,982</b>                                    | <b>(208)</b>  | <b>260,741</b>                                  | <b>394,515</b>  | <b>42,875</b>                               | <b>437,390</b>         |
| <b>At 1 March 2019</b>                | 133,982   | (40)  | 186,611   | 320,553         | 54,008                                      | 374,561                |
| Profit for the year                   | -   | -   | 33,861  | 33,861          | 19,426                                      | 53,287                 |
| Other comprehensive (expenses)/income | -   | (169)   | -   | (169)           | 1   | (168)                  |
| Total comprehensive (expenses)/income | -   | (169)   | 33,861  | 33,692          | 19,427                                      | 53,119                 |
| Dividend paid                         | -   | -   | (1,920)   | (1,920)         | -   | (1,920)                |
| <b>At 29 February 2020</b>            | <b>133,982</b>                                    | <b>(209)</b>  | <b>218,552</b>                                  | <b>352,325</b>  | <b>73,435</b>                               | <b>425,760</b>         |

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 ENDED 28 FEBRUARY 2021**

|  | Year-To-Date Ended |            |
|--|--------------------|------------|
|  | 28.02.2021         | 29.02.2020 |
|  | RM'000             | RM'000     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |                    |            |
| Cash receipts from customers                           | 398,293            | 208,485    |
| Cash payments to suppliers and creditors               | (182,215)          | (188,076)  |
| Cash payments to employees and for expenses            | (9,901)            | (28,426)   |
| Cash generated from/(used in) operations               | 206,177            | (8,017)    |
| Bank overdraft interest paid                           | (181)              | (219)      |
| Rental income received                                 | 473                | 512        |
| Tax refund   | 1,985              | 1,561      |
| Tax paid   | (21,507)           | (22,588)   |
| Net cash generated from/(used in) operating activities | 186,947            | (28,751)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |                    |            |
| Interest income received                               | 1,693              | 1,114      |
| Proceed from disposal of property, plant and equipment | -                  | 258        |
| Proceed from disposal of investment properties         | -                  | 2,468      |
| Proceed from disposal of other investment              | -                  | 7          |
| Purchase of property, plant and equipment              | (1,097)            | (2,403)    |
| Purchase of right-of-use assets                        | -                  | (996)      |
| Fixed deposits pledged to licensed bank                | (9,067)            | (935)      |
| Net cash used in investing activities                  | (8,471)            | (487)      |



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021 (Contd.)**

|   | Year-To-Date Ended   |                      |
|---|----------------------|----------------------|
|   | 28.02.2021<br>RM'000 | 29.02.2020<br>RM'000 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                 |                      |                      |
| Dividend paid to shareholders   | -                    | (1,920)              |
| Dividend paid to non-controlling interest                                   | (49,749)             | -                    |
| Drawdown of term loans  | 25,993               | 70,247               |
| Repayment of term loans   | (76,568)             | (74,795)             |
| Drawdown of revolving credits   | 9,980                | 22,835               |
| Repayment of revolving credits  | (56,275)             | (14,835)             |
| Net creation of bankers' acceptance   | 472                  | 213                  |
| Net creation/(repayment) of invoice financing                               | 2,288                | (198)                |
| Net creation of hire purchase liabilities                                   | 351                  | 357                  |
| Net (repayment)/creation of lease liabilities                               | (383)                | 635                  |
| Term loans interest paid  | (2,134)              | (7,655)              |
| Revolving credit interest paid  | (510)                | (378)                |
| Bankers' acceptance interest paid   | (41)                 | (38)                 |
| Invoice financing interest paid   | (122)                | (59)                 |
| Hire purchase interest paid   | (42)                 | (31)                 |
| Lease liabilities interest paid   | (27)                 | (50)                 |
| Net cash used in financing activities                                       | (146,767)            | (5,672)              |
| Net increase/(decrease) in cash and cash equivalents                        | 31,709               | (34,910)             |
| Effect of exchange rate changes   | 2                    | (168)                |
| Cash and cash equivalents at beginning of financial year                    | 28,191               | 63,269               |
| Cash and cash equivalents at end of financial year                          | 59,902               | 28,191               |
| Cash and cash equivalents at end of financial year comprise the following : |                      |                      |
| Cash and bank balances  | 62,011               | 30,470               |
| Fixed deposits with licensed banks  | 15,357               | 6,198                |
|   | 77,368               | 36,668               |
| Less: Bank overdraft  | (2,440)              | (2,518)              |
| Deposits pledged as collateral  | (15,026)             | (5,959)              |
|   | 59,902               | 28,191               |

*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 ENDED 28 FEBRUARY 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 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*
- *MFRS 16 Leases – COVID-19 – Related Rent Concessions*
- *MFRS 17 Insurance Contracts*
- *Amendments to MFRS 3 Business Combination – Definition of a Business and Reference to the Conceptual Framework*
- *Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use*
- *Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract*
- *Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases – 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.





**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021  
Part A: Explanatory Notes Pursuant to MFRS 134 (Contd.)**

**A2 Accounting Policies (Contd.)**

**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*

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 ended 28 February 2021.

**A6 Material Changes in Estimates**

There were no changes in estimates that have had any material effect during the current quarter and year ended 28 February 2021.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021**  
**Part A: Explanatory Notes Pursuant to MFRS 134 (Contd.)**

**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 ended 28 February 2021.

**A8 Dividend Paid**

No dividends were paid during the financial quarter and year ended 28 February 2021.

**A9 Segmental Reporting**

**Financial Year Ended 28 February 2021**

|  | <b>Property<br/>Development<br/>RM'000</b> | <b>Property<br/>Construction<br/>RM'000</b> | <b>Chalet &amp; Golf<br/>Management<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|--|---|--|--------------------------|-------------------------|
| Revenue                                  | 295,694                                    | 47,905                                      | 4,130  | 3,245                    | 350,974                 |
| Elimination of inter-<br>segment revenue | (6,425)                                    | (39,695)                                    | -  | (829)                    | (46,949)                |
|  | <u>289,269</u>                             | <u>8,210</u>                                | <u>4,130</u>                                       | <u>2,416</u>             | <u>304,025</u>          |
| Segment Results                          | 87,821                                     | (144)                                       | (4,872)  | (390)                    | 82,415                  |
| Interest income                          | 630  | 22  | 33   | 1,009                    | 1,694                   |
| Finance costs                            | (305)                                      | (434)                                       | (436)  | (107)                    | (1,282)                 |
| Profit/(loss) before tax                 | 88,146                                     | (556)                                       | (5,275)  | 512                      | 82,827                  |
| Tax expense                              | (21,127)                                   | -   | 67   | (390)                    | (21,450)                |
| Profit/(loss) for the year               | <u>67,019</u>                              | <u>(556)</u>                                | <u>(5,208)</u>                                     | <u>122</u>               | <u>61,377</u>           |

**As At 28 February 2021**

**Assets**

|                |         |        |        |        |         |
|----------------|---------|--------|--------|--------|---------|
| Segment assets | 497,168 | 21,320 | 51,547 | 51,265 | 621,300 |
|----------------|---------|--------|--------|--------|---------|

**Liabilities**

|                     |                |               |               |              |                |
|---------------------|----------------|---------------|---------------|--------------|----------------|
| Segment liabilities | 80,371         | 10,534        | 7,681         | 3,823        | 102,409        |
| Borrowings          | 66,104         | 7,291         | 8,106         | -            | 81,501         |
|                     | <u>146,475</u> | <u>17,825</u> | <u>15,787</u> | <u>3,823</u> | <u>183,910</u> |



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021**  
**Part A: Explanatory Notes Pursuant to MFRS 134 (Contd.)**

**A9 Segmental Reporting (Contd.)**

**Financial Year Ended 29 February 2020**

|  | <b>Property<br/>Development<br/>RM'000</b> | <b>Property<br/>Construction<br/>RM'000</b> | <b>Chalet &amp; Golf<br/>Management<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|--|---|--|--------------------------|-------------------------|
| Revenue                                  | 276,118                                    | 42,881                                      | 10,197   | 4,351                    | 333,547                 |
| Elimination of inter-<br>segment revenue | -  | (33,360)                                    | -  | (1,867)                  | (35,227)                |
|  | <u>276,118</u>                             | <u>9,521</u>                                | <u>10,197</u>                                      | <u>2,484</u>             | <u>298,320</u>          |
| Segment Results                          | 73,785                                     | 19  | (1,826)  | (592)                    | 71,386                  |
| Interest income                          | 1,008                                      | 30  | 68   | 8                        | 1,114                   |
| Finance costs                            | (254)                                      | (437)                                       | (510)  | (112)                    | (1,313)                 |
| Profit/(loss) before tax                 | <u>74,539</u>                              | <u>(388)</u>                                | <u>(2,268)</u>                                     | <u>(696)</u>             | <u>71,187</u>           |
| Tax expense                              | (17,990)                                   | -   | 282  | (192)                    | (17,900)                |
| Profit/(loss) for the year               | <u>56,549</u>                              | <u>(388)</u>                                | <u>(1,986)</u>                                     | <u>(888)</u>             | <u>53,287</u>           |

**As At 29 February 2020**

**Assets**

|                |                |               |               |               |                |
|----------------|----------------|---------------|---------------|---------------|----------------|
| Segment assets | <u>588,269</u> | <u>20,142</u> | <u>56,693</u> | <u>45,917</u> | <u>711,021</u> |
|----------------|----------------|---------------|---------------|---------------|----------------|

**Liabilities**

|                     |                |               |               |              |                |
|---------------------|----------------|---------------|---------------|--------------|----------------|
| Segment liabilities | 87,405         | 10,089        | 8,602         | 3,828        | 109,924        |
| Borrowings          | <u>140,468</u> | <u>27,431</u> | <u>7,046</u>  | <u>392</u>   | <u>175,337</u> |
|                     | <u>227,873</u> | <u>37,520</u> | <u>15,648</u> | <u>4,220</u> | <u>285,261</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 29 February 2020.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021**  
**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 ended 28 February 2021.

**A13 Changes in Composition of the Group**

There were no changes in the composition of the Group during the financial year ended 28 February 2021.

**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:

|   | <b>28.02.2021</b> | <b>29.02.2020</b> |
|---|-------------------|-------------------|
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| <b><u>Group</u></b>   |                   |                   |
| Liquidated Ascertained Damages ("LAD") in respect of the late delivery of properties  | -                 | 4,876             |
| <b><u>Company</u></b>   |                   |                   |
| Guarantees given issued by the Company for banking facilities granted to subsidiaries | 107,101           | 191,208           |
| Guarantees given to suppliers of a subsidiary   | 263               | 135               |
|   | <u>107,364</u>    | <u>191,343</u>    |

On 23 October 2020, the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (Covid-19) Act 2020 ("Covid-19 Act") has been gazetted and came into effect on 23 October 2020. The Covid-19 Act provides that the period from 18 March 2020 to 31 August 2020 shall be excluded from the calculation of the time for delivery of vacant possession of a housing accommodation and the LAD for the failure of the developer to deliver vacant possession of a housing accommodation.

Therefore, the contingent liability as at 29 February 2020 arising from LAD in respect of the late delivery of vacant possession for one of the property development projects undertaken by the Group amounting to RM4.9 million was disregarded.

**A15 Capital commitments**

There were no capital commitments for the financial year ended 28 February 2021.



**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021**

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

**B1 Review of Performance**

| Revenue                  | Quarter Ended |               |                | Year-To-Date Ended |                |              |
|--------------------------|---------------|---------------|----------------|--------------------|----------------|--------------|
|                          | 28.02.2021    | 29.02.2020    | Changes        | 28.02.2021         | 29.02.2020     | Changes      |
|                          | RM'000        | RM'000        | RM'000         | RM'000             | RM'000         | RM'000       |
| Property Development     | 67,377        | 71,922        | (4,545)        | 289,269            | 276,118        | 13,151       |
| Property Construction    | 2,140         | 2,390         | (250)          | 8,210              | 9,521          | (1,311)      |
| Chalet & Golf Management | 1,281         | 2,884         | (1,603)        | 4,130              | 10,197         | (6,067)      |
| Others                   | 609           | 598           | 11             | 2,416              | 2,484          | (68)         |
| <b>Total</b>             | <b>71,407</b> | <b>77,794</b> | <b>(6,387)</b> | <b>304,025</b>     | <b>298,320</b> | <b>5,705</b> |

| Pre-tax Profit/(Loss)    | Quarter Ended |               |              | Year-To-Date Ended |               |               |
|--------------------------|---------------|---------------|--------------|--------------------|---------------|---------------|
|                          | 28.02.2021    | 29.02.2020    | Changes      | 28.02.2021         | 29.02.2020    | Changes       |
|                          | RM'000        | RM'000        | RM'000       | RM'000             | RM'000        | RM'000        |
| Property Development     | 20,560        | 16,706        | 3,854        | 88,146             | 74,539        | 13,607        |
| Property Construction    | (207)         | (143)         | (64)         | (556)              | (388)         | (168)         |
| Chalet & Golf Management | (2,987)       | (131)         | (2,856)      | (5,275)            | (2,268)       | (3,007)       |
| Others                   | (41)          | (201)         | 160          | 512                | (696)         | 1,208         |
| <b>Total</b>             | <b>17,325</b> | <b>16,231</b> | <b>1,094</b> | <b>82,827</b>      | <b>71,187</b> | <b>11,640</b> |

**Overview: Q4FY2021 vs Q4FY2020**

The Group recorded marginally lower revenue at RM71.4 million for the current quarter ("Q4FY2021") compared to RM77.8 million for the preceding year's corresponding quarter ("Q4FY2020"). This decrease was due to the completion and handing over of Novum@South Bangsar project in June 2020, with no contribution from the project to the Q4FY2021's results. Improved revenue from the Group's Northern property operations, has helped to largely offset the decrease in revenue from Novum. Despite lower overall revenue for the quarter, the Group achieved a better pre-tax profit of RM17.3 million in Q4FY2021, higher by RM1.1 million or 6.8% for the corresponding quarter last year. This improved profit result was mainly attributable to higher profit margins from the Northern region's projects.

**Overview: FY2021 vs FY2020**

Despite the unprecedented challenges posed by the pandemic for most of the 2020 calendar year, the Group achieved higher revenue by RM5.7 million (or 1.9%) at RM304.0 million for the financial year under review, compared to previous financial year ("FY2020"). This reflected higher progress billings for Parc3@KL South project, coupled with the Group's strategic shift to focus more on affordable township products in the Northern Region. Consequently, the Group's pre-tax profit for the financial year ended 28 February 2021 ("FY2021") increased by 16.3%, to RM82.8 million, compared to RM71.2 million recorded in FY2020. This improvement is due to the higher profit contribution from the property development segment. The contribution from each of the Group's business division is as follows:



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

**B1 Review of Performance (Contd.)**

**Property Development Division (“PDD”)**

The PDD’s revenue for Q4FY2021 of RM67.4 million decreased by RM4.5 million or 6.3%, compared to Q4FY2020’s revenue of RM71.9 million. Again, this was due to the completion and handover of Novum@South Bangsar to purchasers in June 2020, with no contribution from the project to Q4FY2021.

Despite recording lower revenue in the current quarter, PDD’s pre-tax profit increased by RM3.9 million, or 23.4%, from RM16.7 million in Q4FY2020 to RM20.6 million in Q4FY2021, primarily due to higher profit margins recognised from Northern region projects as various phases in the Northern region township developments were completed and handed over to purchasers in February 2021.

For the financial year ended 28 February 2021, the PDD reported higher revenue of RM289.3 million, representing an increase of RM13.2 million or 4.8%, compared to revenue of RM276.1 million for FY2020. The improvement in revenue in FY2021 was due largely to strong proceeds from the Padang Serai Ria Heights project in the Northern region, underpinned by the consistent construction work progress and billings from Parc3.

From FY2021, PDD’s pre-tax profit increased by RM13.6 million or 18.3% from RM74.5 million in FY2020.

**Property Construction Division (“PCD”)**

Revenue from PCD is mainly derived from construction of residential properties and supply of building materials.

PCD’s revenue and pre-tax profit for Q4FY2021 was comparable with Q4FY2020.

PCD’s revenue for FY2021 totalled RM8.2 million, compared to FY2020 revenue of RM9.5 million, a decrease of 13.7%. This decrease was primarily due to construction activities being halted temporarily and the demand for building materials being curtailed due to various movement restriction implemented by the Malaysian Government in response to COVID-19.



**NOTES TO THE FINANCIAL STATEMENTS  
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**Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Contd.)**

**B1 Review of Performance (Contd.)**

**Property Construction Division (“PCD”) (Contd.)**

Despite reporting lower revenue for FY2021, the Division’s pre-tax loss was comparable with FY2020, as a result of lower overhead costs incurred during the various movement restrictions.

**Chalet & Golf Management Division (“CGMD”)**

CGMD recorded revenue of RM1.3 million in Q4FY2021, a decrease of RM1.6 million or 55.2%, compared to Q4FY2020 revenue of RM2.9 million. The decrease was mainly due to the COVID-19 related closure of international borders and interstate travelling bans, aggravating already challenging conditions for the national and regional tourism industry.

CGMD recorded a RM3.0 million pre-tax loss in the current quarter mainly due to recognition of a one-off impairment amounting to RM2.1 million on its The Carnivall water park. The water park was temporarily closed due to continuous social distancing and lockdown measures imposed by the Government.

In view of the challenges presented by the COVID-19 pandemic, the CGMD reported a RM6.1 million decrease in the financial year under review, from RM10.2 million in FY2020, to RM4.1 million in FY2021.

Consequently, CGMD recorded a pre-tax loss of RM5.3 million in FY2021, up by RM3.0 million or 130.4% from RM2.3 million a year ago. This included RM2.1 million in impairment charges for its water park.

**Others**

The Others Division revenue represents rental from investment properties as well as fruit cultivation. Both Q4FY2021 and FY2021 revenue were comparable to the previous financial year.

The pre-tax loss for Q4FY2021 is comparable to Q4FY2020. However, the division returned to profitability in FY2021 with a pre-tax profit of RM0.5 million, an increase of RM1.2 million from losses in FY2020 of RM0.7 million, due to higher interest income and lower administrative costs.



**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021**

**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 |            |          |
|----------------|---------------|------------|----------|
|                | 28.02.2021    | 30.11.2020 | Changes  |
|                | RM'000        | RM'000     | RM'000   |
| Revenue        | 71,407        | 80,750     | (9,343)  |
| Pre-tax profit | 17,325        | 30,197     | (12,872) |

The Group's Q4FY2021 revenue decreased by RM9.3 million compared to the immediate preceding quarter ("Q3FY2021"). The decrease was mainly due to lower contribution from PDD, specifically Parc3@KL South as the construction progress is nearing completion, resulting in lower revenue contribution to Q4FY2021. Further, there is also no revenue contribution from Novum@South Bangsar in Q4FY2021, compared to RM12.2 million received from the project in Q3FY2021.

The Group reported lower pre-tax profit in Q4FY2021, by RM12.9 million, due to both the reason outlined above as well as the above stated recognition of a one-off impairment to the CGMD's water park.





**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2021**

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

**B3 Prospects**

The impacts of COVID-19 and resulting effects on economic growth and consumer confidence continue to carry with its significant uncertainties that are largely outside the control of the property sector. A rebuilding of demand and confidence, both in the property sector and the broader economy will depend to a large extent on the effectiveness of government's rollout of the COVID-19 vaccine and response plans, as well as ongoing government support to assist in reflating consumer and business demand.

Despite these macro uncertainties impacting on Malaysian economy as well as the property sector for the current year, 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.



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**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 Ended |              | Year-To-Date Ended |               |
|-----------------------|---------------|--------------|--------------------|---------------|
|                       | 28.02.2021    | 29.02.2020   | 28.02.2021         | 29.02.2020    |
|                       | RM'000        | RM'000       | RM'000             | RM'000        |
| Current year taxation | 2,940         | 4,469        | 25,262             | 18,645        |
| Deferred taxation     | 1,157         | (556)        | (3,812)            | (745)         |
|                       | <u>4,097</u>  | <u>3,913</u> | <u>21,450</u>      | <u>17,900</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 Ended |            | Year-To-Date Ended |            |
|--|---------------|------------|--------------------|------------|
|  | 28.02.2021    | 29.02.2020 | 28.02.2021         | 29.02.2020 |
|  | RM'000        | RM'000     | RM'000             | RM'000     |
| Interest income                                      | 645           | 255        | 1,694              | 1,114      |
| Other income   | 548           | 426        | 1,643              | 1,609      |
| Interest expense                                     | (307)         | (318)      | (1,282)            | (1,313)    |
| Depreciation and amortisation                        | (830)         | (872)      | (3,397)            | (339)      |
| Impairment of assets                                 | (2,105)       | -          | (2,105)            | -          |
| Write off of receivables                             | -             | -          | -                  | -          |
| Loss on disposal of<br>property, plant and equipment | -             | (2)        | -                  | 56         |
| Loss on disposal of<br>investment property           | -             | -          | -                  | (18)       |
| Bad debts written off                                | (24)          | (42)       | (26)               | (51)       |
| Bad debts recovered                                  | -             | 5          | -                  | 5          |
| Provision for doubtful debts                         | (12)          | (148)      | (12)               | (148)      |
| Reversal of provision for<br>doubtful debts          | -             | 366        | -                  | 366        |
| Fixed assets written off                             | -             | (8)        | -                  | (14)       |
| Foreign exchange loss                                | -             | -          | -                  | (2)        |
|  | <u>-</u>      | <u>-</u>   | <u>-</u>           | <u>(2)</u> |

**B7 Status of Corporate Proposal**

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



**NOTES TO THE FINANCIAL STATEMENTS  
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**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 28 February 2021 were as follows:

|                           | <b>Non-current<br/>RM'000</b> | <b>Current<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---------------------------|-------------------------------|---------------------------|-------------------------|
| <b>Secured</b>            |                               |                           |                         |
| Term loans                | 56,783                        | 14,212                    | 70,995                  |
| Revolving credits         | -                             | 2,215                     | 2,215                   |
| Bank overdrafts           | -                             | 2,440                     | 2,440                   |
| Bankers' acceptances      | -                             | 1,613                     | 1,613                   |
| Invoice financing         | -                             | 3,232                     | 3,232                   |
| Hire purchase liabilities | 763                           | 243                       | 1,006                   |
|                           | <u>57,546</u>                 | <u>23,955</u>             | <u>81,501</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 ended 28 February 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 by the weighted average number of ordinary shares in issue during the financial period.

|   | <b>Quarter Ended</b> |                   | <b>Year-To-Date Ended</b> |                   |
|---|----------------------|-------------------|---------------------------|-------------------|
|   | <b>28.02.2021</b>    | <b>29.02.2020</b> | <b>28.02.2021</b>         | <b>29.02.2020</b> |
| <b>Basic EPS</b>  |                      |                   |                           |                   |
| Net profit attributable to equity holders of the Company (RM'000) | <u>10,933</u>        | <u>9,521</u>      | <u>42,189</u>             | <u>33,861</u>     |
| Weighted average number of ordinary shares ('000)                 | <u>128,000</u>       | <u>128,000</u>    | <u>128,000</u>            | <u>128,000</u>    |
| Basic earnings per share (sen)                                    | <u>8.54</u>          | <u>7.44</u>       | <u>32.96</u>              | <u>26.45</u>      |

**B12 Authorised for Issue**

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 22 April 2021.